



Dave Yost • Auditor of State



**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position – Cash Basis .....	9
Statement of Activities – Cash Basis .....	10
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances – Governmental Funds.....	12
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds .....	14
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund .....	16
Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual – Job and Family Services Fund.....	17
Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual – Motor Vehicle License Gas Tax Fund.....	18
Statement of Receipts, Disbursements, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – Lawnview 169 Board Fund.....	19
Statement of Receipts, Disbursements, and Changes in Fund Balance - Budget (Non-GAAP Basis) – Children's Services Fund .....	20
Statement of Cash Basis Fiduciary Net Position – Agency Funds .....	21
Notes to the Basic Financial Statements .....	23
Federal Awards Expenditures Schedule - For the Year Ended December 31, 2014 .....	43
Notes to the Federal Awards Expenditures Schedule .....	45
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	47
Independent Auditor's Report on Compliance with Requirements Applicable To Each Major Federal Program and on Internal Control Over Compliance In Accordance With OMB Circular A-133 .....	49
Schedule of Findings.....	51
Schedule of Prior Audit Findings.....	53

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners  
Honorable County Auditor  
Honorable County Treasurer  
Champaign County  
1512 South U.S. Highway 68, Suite B300  
Urbana, Ohio 43078

To the Board of County Commissioners, County Auditor, and County Treasurer:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Champaign County, Ohio (the County), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the County's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Champaign County, Ohio, as of December 31, 2014, and the respective changes in cash financial position and the respective budgetary comparison for the General, Job and Family Services, Motor Vehicle License Gas Tax, Lawnview 169 Board, and Children's Services Funds thereof for the year then ended in accordance with the accounting basis described in Note 2.

**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 applied to these statements. The financial statements are prepared on the cash basis of accounting, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

**Other Matters**

*Supplemental and Other Information*

We audited to opine on the County's financial statements that collectively comprise its basic financial statements. The Federal Awards Expenditures Schedule presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We applied no procedures to the Management's Discussion & Analysis presented on pages 3-7 of the report, and accordingly, we express no opinion or any other assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2015, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

November 5, 2015

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
UNAUDITED**

The discussion and analysis of Champaign County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2014, within the limitations of cash basis accounting. The intent of this discussion and analysis is to look at the County's financial performance as a whole.

**Using this Annual Report**

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

The County has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing receipts, disbursements, and the related assets and liabilities. Under the County's cash basis of accounting, receipts and disbursements and the related assets and liabilities are recorded when they result in cash transactions.

As a result of using the cash basis of accounting, certain assets and their related receipts (such as accounts receivable) and certain liabilities and their related disbursements (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.

The statement of net position and the statement of activities provide information about the cash activities of the whole County.

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. The County's major funds are the General, Job and Family Services, Motor Vehicle License Gas Tax, Lawnview 169 Board, and Children's Services funds.

**Reporting the County as a Whole**

The statement of net position and the statement of activities reflect how the County did financially during 2014, within the limitations of cash basis accounting. The statement of net position presents the cash balance of the governmental activities of the County at year end. The statement of activities compares cash disbursements with program receipts for each function or program of the County's governmental activities. Program receipts include charges paid by the recipient of the program's goods or services and grants, contributions, and interest restricted to meeting the operational or capital requirements of a particular program. General 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 statements report the County's cash position and the changes in cash position. Factors which contribute to these changes may also include the County's property tax base and other factors.

In the statement of net position and the statement of activities, all of the County activities are presented as governmental activities. All of the County's programs and services are reported here including general government, public safety, public works, health, human services, conservation and recreation, economic development and assistance, capital outlay, and debt service. These services are funded primarily by taxes and intergovernmental receipts, including federal and state grants and other shared receipts.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
UNAUDITED  
(Continued)**

**Reporting the County's Most Significant Funds**

Fund financial statements provide detailed information about the County's major funds, the General, Job and Family Services, Motor Vehicle License Gas Tax, Lawnview 169 Board, and Children's Services funds. While the County uses many funds to account for its financial transactions, these are the most significant.

Governmental Funds - All of the County's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at year end for spending in future periods. These funds are reported using the cash basis of accounting. The governmental fund financial statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance the County's programs.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the County's programs.

**Government-Wide Financial Analysis**

Table 1 provides a summary of the County's net position for 2014 and 2013.

<b>Table 1 Governmental Activities Net Position</b>			
	<b>2014</b>	<b>2013</b>	<b>Change</b>
<b>Assets ;</b>			
Current and Other Assets	\$14,127,544	\$14,115,415	\$12,129
<b>Net Position:</b>			
Restricted	10,325,875	10,025,892	299,983
Unrestricted	3,801,669	4,089,523	(287,854)
Total Net Position	\$14,127,544	\$14,115,415	\$12,129

The increase in net position was less than 1 percent indicating very little change from the prior year overall.

Table 2 reflects the change in net position for 2014 and 2013.

<b>Table 2 Governmental Activities Change in Net Position</b>			
	<b>2014</b>	<b>2013</b>	<b>Change</b>
<b>Receipts:</b>			
<b>Program Receipts:</b>			
Charges for Services	\$3,158,451	\$3,609,389	(\$450,938)
Operating Grants, Contributions, and Interest	10,241,549	10,870,680	(629,131)
Capital Grants	131,433		131,433
Total Program Receipts	13,531,433	14,480,069	(948,636)

(Continued)



**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
UNAUDITED  
(Continued)**

**Table 2  
Governmental Activities  
Change in Net Position  
(Continued)**

	2014	2013	Change
<b>General Receipts:</b>			
Property Taxes Levied for General Operating	1,878,672	1,661,853	216,819
Property Taxes Levied for Lawnview 169 Board	2,442,417	2,404,132	38,285
Property Taxes Levied for Children's Services	518,657	510,428	8,229
Sales Taxes	5,315,220	5,312,020	3,200
Grants and Entitlements	1,273,247	1,087,655	185,592
Interest	387,244	404,705	(17,461)
Other	2,591,664	2,221,264	370,400
Total General Receipts	14,407,121	13,602,057	805,064
Total Receipts	27,938,554	28,082,126	(143,572)
<b>Program Disbursements:</b>			
<b>General Government:</b>			
Legislative and Executive	4,130,253	3,920,017	(210,236)
Judicial	2,317,363	2,338,841	21,478
Public Safety	4,079,562	4,050,913	(28,649)
Public Works	5,689,142	4,937,669	(751,473)
Health	4,598,057	5,026,790	428,733
Human Services	4,505,577	4,939,302	433,725
Conservation and Recreation	265,839	274,920	9,081
Economic Development and Assistance	458,481	702,590	244,109
Capital Outlay	1,508,432	149,557	(1,358,875)
<b>Debt Service:</b>			
Principal Retirement	328,119	289,060	(39,059)
Interest and Fiscal Charges	45,600	54,700	9,100
Total Disbursements	27,926,425	26,684,359	(1,242,066)
Increase in Net Position	12,129	1,397,767	(1,385,638)
Net Position at Beginning of Year	14,115,415	12,717,648	1,397,767
Net Position at End of Year	\$14,127,544	\$14,115,415	\$12,129

Program revenues decreased approximately 7 percent from the prior year. The decrease in charges for services is primarily related to lower fee collections in 2014 (such as real estate collection fees, court fees, etc.). The decrease in operating grants is related to a reduction in community development block grant resources as well as lower grant receipts related to Job and Family Services. The decrease in program revenues was largely offset by a 6 percent increase in general revenues with modest increases in most revenue sources.

Disbursements increased almost 5 percent from the prior year with the most significant changes in the public works (engineer) and capital outlay programs. Disbursements in the public works program fluctuates from year to year based on County road and bridge repair/replacement needs as well as on the number of projects the Engineer does for various townships within the County. In 2014, the County has a number of projects reported as capital outlay disbursements including parking lot paving, HVAC replacement, major roof repair, and constructing a prisoner loading/unloading area.

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

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
UNAUDITED  
(Continued)**

**Table 3  
Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2014	2013	2014	2013
<b>General Government:</b>				
Legislative and Executive	\$4,130,253	\$3,920,017	\$2,824,171	\$2,201,792
Judicial	2,317,363	2,338,841	1,129,342	1,011,869
Public Safety	4,079,562	4,050,913	3,674,372	3,643,203
Public Works	5,689,142	4,937,669	921,830	490,284
Health	4,598,057	5,026,790	2,413,196	2,617,510
Human Services	4,505,577	4,939,302	1,346,863	1,518,293
Conservation and Recreation	265,839	274,920	265,839	274,920
Economic Development and Assistance	458,481	702,590	(62,772)	(46,898)
Capital Outlay	1,508,432	149,557	1,508,432	149,557
<b>Debt Service:</b>				
Principal Retirement	328,119	289,060	328,119	289,060
Interest and Fiscal Charges	45,600	54,700	45,600	54,700
<b>Total Disbursements</b>	<b>\$27,926,425</b>	<b>\$26,684,359</b>	<b>\$14,394,992</b>	<b>\$12,204,290</b>

For 2014, 52 percent of the services provided by the County were paid for through general receipts, compared to 46 percent in 2013. A review of the above table demonstrates that program receipts contributed significantly to several programs. Court fees and costs as well grants contributed significantly to the judicial program. Charges for services for the public works program primarily consist of work performed by the County Engineer for townships and villages within the County. The public works program also receives a significant amount of operating grants and contributions from state levied shared gas taxes and motor vehicle licenses. Grants and contributions provide for a significant portion of the costs of the health and human services programs. Various grants generally provide for the economic development program costs.

**Governmental Funds Financial Analysis**

The County's major governmental funds are the General Fund, and the Job and Family Services, Motor Vehicle License Gas Tax, Lawnview 169 Board, and Children's Services special revenue funds.

For 2014, the General Fund had a 7 percent decrease in fund balance. There was a modest 4 percent increase in receipts due to slight increases in property tax receipts, additional State provided resources, and miscellaneous receipts. Disbursements increased approximately 14 percent primarily due to increased capital outlay disbursements for improvements to the Courthouse, the Champaign County Community Center, and at Miami Square.

The approximately \$64,000 decrease in fund balance for the Job and Family Services Fund was not a significant decrease in dollar value; however, was a significant percentage change in fund balance. Receipts and disbursements were fairly similar to the prior year.

The change in fund balance for the Motor Vehicle License Gas Tax Fund was not significant.

Fund balance increased in the Lawnview 169 Board Fund as a result of an almost 9 percent decrease in disbursements. Annual disbursements are based on service needs.

Fund balance increased in the Children's Services Fund. Receipts decreased 10 percent, largely due to a reduction in State and grant funding. Disbursements decreased 28 percent. Annual disbursements are based on service needs and limited to available funding.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
UNAUDITED  
(Continued)**

**Budgetary Highlights**

The County prepares an annual budget of receipts and disbursements for all funds of the County for use by County officials and department heads and such other budgetary documents as are required by State statute, including the annual appropriations ordinance which is effective the first day of January.

The County's most significant budgeted fund is the General Fund. For receipts, there was an increase of over 7 percent from the original budget to the final budget largely due to conservative budgeting and an increase in refunds reflected in other receipts. The change from the final budget to actual receipts was not significant. For disbursements, changes from the original budget to the final budget were not significant. Changes from the final budget to actual disbursements were generally the result of conservative budgeting as all programs spent less than budgeted amounts.

**Current Issues**

The County continues to monitor the budget closely. While casino monies created additional revenues, the local government funding has continued to diminish. The County saw sales taxes remain static with only a slight increase of less than 1 percent in 2014 and current year collections remain constant.

Economic development in the County is a gradual process. The City of Urbana saw a slight increase in retail store construction. And, because of community reinvestment agreements in St. Paris, one of the County's largest manufacturing facilities, KTH, has been able to move forward with plant expansion. A portion of the vacant Fox River Paper Plant was purchased by the City of Urbana who secured grant money to clean up the property. It has been successfully rehabbed and is functioning once again as a paper processor.

The former Champaign County Jail was demolished in 2014. It was over one hundred fifty years old and it had been uninhabitable for nearly fifteen years. The newly cleared space allowed the construction of a secured garage attached to the Champaign County Courthouse. Sally port security doors were installed to provide a secure enclosed area to ensure safe transportation of prisoners.

**Request for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County's financial status. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to Karen Bailey, County Auditor, 1512 South U.S. Highway 68, Suite B300 Urbana, Ohio 43078.

**This page intentionally left blank.**

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2014**

	<u><b>Governmental Activities</b></u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$14,127,544</u></u>
<b>Net Position:</b>	
<b>Restricted for:</b>	
Debt Service	\$31,559
Capital Projects	283,449
Public Works	3,197,860
Health	2,301,125
Children's Services	1,650,399
Other Purposes	2,861,483
Unrestricted	<u>3,801,669</u>
Total Net Position	<u><u>\$14,127,544</u></u>

*See Accompanying Notes to the Basic Financial Statements.*

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Program Receipts</u>			<u>Net (Disbursements) Receipts and Change in Net Position</u>	
	<u>Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants, Contributions, and Interest</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities:</b>					
<b>General Government:</b>					
Legislative and Executive	\$4,130,253	\$1,303,585	\$2,497		(\$2,824,171)
Judicial	2,317,363	902,314	285,707		(1,129,342)
Public Safety	4,079,562	261,778	143,412		(3,674,372)
Public Works	5,689,142	385,502	4,250,377	\$131,433	(921,830)
Health	4,598,057	129,438	2,055,423		(2,413,196)
Human Services	4,505,577	114,588	3,044,126		(1,346,863)
Conservation and Recreation	265,839				(265,839)
Economic Development and Assistance	458,481	61,246	460,007		62,772
Capital Outlay	1,508,432				(1,508,432)
<b>Debt Service:</b>					
Principal Retirement	328,119				(328,119)
Interest and Fiscal Charges	45,600				(45,600)
<b>Total Governmental Activities</b>	<b><u>\$27,926,425</u></b>	<b><u>\$3,158,451</u></b>	<b><u>\$10,241,549</u></b>	<b><u>\$131,433</u></b>	<b><u>(14,394,992)</u></b>
<b>General Receipts:</b>					
<b>Property Taxes Levied for:</b>					
General Operating					1,878,672
Lawnview 169 Board					2,442,417
Children's Services					518,657
Sales Taxes					5,315,220
Grants and Entitlements not Restricted to Other Programs					1,273,247
Interest					387,244
Other					2,591,664
<b>Total General Receipts</b>					<b><u>14,407,121</u></b>
Change in Net Position					12,129
Net Position at Beginning of Year					<u>14,115,415</u>
Net Position at End of Year					<b><u>\$14,127,544</u></b>

See Accompanying Notes to the Basic Financial Statements.

**This page intentionally left blank.**

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2014**

	<u>General</u>	<u>Job and Family Services</u>	<u>Motor Vehicle License Gas Tax</u>
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$3,956,627	\$82,456	\$3,197,860
<b>Restricted Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	<u>57,288</u>		
Total Assets	<u>4,013,915</u>	<u>82,456</u>	<u>3,197,860</u>
<b>Fund Balances:</b>			
Non-spendable	57,288		
Restricted	154,958	82,456	3,197,860
Committed	342,595		
Assigned	2,205,984		
Unassigned	<u>1,253,090</u>		
Total Fund Balances	<u>\$4,013,915</u>	<u>\$82,456</u>	<u>\$3,197,860</u>

*See Accompanying Notes to the Basic Financial Statements.*



<b>Lawnview 169 Board</b>	<b>Children's Services</b>	<b>Other Governmental</b>	<b>Total</b>
\$2,241,125	\$1,650,399	\$2,881,789	\$14,010,256
60,000			117,288
<u>2,301,125</u>	<u>1,650,399</u>	<u>2,881,789</u>	<u>14,127,544</u>
60,000			117,288
2,241,125	1,650,399	2,881,789	10,208,587
			342,595
			2,205,984
			1,253,090
<u>\$2,301,125</u>	<u>\$1,650,399</u>	<u>\$2,881,789</u>	<u>\$14,127,544</u>

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND  
CHANGES IN CASH BASIS FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>General</u>	<u>Job and Family Services</u>	<u>Motor Vehicle License Gas Tax</u>
<b>Receipts:</b>			
Property Taxes	\$1,878,672		
Sales Taxes	5,315,220		
Other Local Taxes			\$151,642
Special Assessments			
Charges for Services	1,854,316		371
Licenses and Permits	172,162		
Fines and Forfeitures	79,720		
Intergovernmental	1,728,125	\$1,769,015	3,669,687
Interest	386,027		29,612
Other	771,974	795,828	875,881
Total Receipts	<u>12,186,216</u>	<u>2,564,843</u>	<u>4,727,193</u>
<b>Disbursements:</b>			
<b>Current:</b>			
<b>General Government:</b>			
Legislative and Executive	3,487,165		
Judicial	1,992,910		
Public Safety	3,904,211		
Public Works	775,416		4,828,637
Health	73,204		
Human Services	304,738	2,628,776	
Conservation and Recreation	265,839		
Economic Development and Assistance	24,900		
Capital Outlay	1,027,893		
<b>Debt Service:</b>			
Principal Retirement			
Interest and Fiscal Charges			
Total Disbursements	<u>11,856,276</u>	<u>2,628,776</u>	<u>4,828,637</u>
Excess of Receipts Over (Under) Disbursements	<u>329,940</u>	<u>(63,933)</u>	<u>(101,444)</u>
<b>Other Financing Sources (Uses):</b>			
Advances In	93,858		
Advances Out	(93,858)		
Transfers In			
Transfers Out	(620,472)		
Total Other Financing Sources (Uses)	<u>(620,472)</u>		
Changes in Fund Balances	(290,532)	(63,933)	(101,444)
Fund Balances at Beginning of Year	<u>4,304,447</u>	<u>146,389</u>	<u>3,299,304</u>
Fund Balances at End of Year	<u>\$4,013,915</u>	<u>\$82,456</u>	<u>\$3,197,860</u>

See Accompanying Notes to the Basic Financial Statements.

<b>Lawnview 169 Board</b>	<b>Children's Services</b>	<b>Other Governmental</b>	<b>Total</b>
\$2,442,417	\$518,657		\$4,839,746
			5,315,220
			151,642
		\$25,454	25,454
30		736,324	2,591,041
		30,366	202,528
		108,066	187,786
2,053,207	628,741	1,767,552	11,616,327
216		1,217	417,072
112,154	8,689	27,212	2,591,738
<u>4,608,024</u>	<u>1,156,087</u>	<u>2,696,191</u>	<u>27,938,554</u>
		643,088	4,130,253
		324,453	2,317,363
		175,351	4,079,562
		85,089	5,689,142
4,422,239		102,614	4,598,057
	915,926	656,137	4,505,577
			265,839
		433,581	458,481
		480,539	1,508,432
		328,119	328,119
		45,600	45,600
<u>4,422,239</u>	<u>915,926</u>	<u>3,274,571</u>	<u>27,926,425</u>
<u>185,785</u>	<u>240,161</u>	<u>(578,380)</u>	<u>12,129</u>
		93,858	187,716
		(93,858)	(187,716)
		678,591	678,591
		(58,119)	(678,591)
		<u>620,472</u>	
185,785	240,161	42,092	12,129
<u>2,115,340</u>	<u>1,410,238</u>	<u>2,839,697</u>	<u>14,115,415</u>
<u>\$2,301,125</u>	<u>\$1,650,399</u>	<u>\$2,881,789</u>	<u>\$14,127,544</u>

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property Taxes	\$1,708,000	\$1,854,047	\$1,861,226	\$7,179
Sales Taxes	5,200,000	5,315,220	5,315,220	
Charges for Services	1,856,960	1,950,914	1,854,316	(96,598)
Licenses and Permits	176,000	177,066	172,162	(4,904)
Fines and Forfeitures	72,250	72,250	79,720	7,470
Intergovernmental	1,573,996	1,639,498	1,728,125	88,627
Interest	326,680	387,690	389,640	1,950
Other	396,699	764,059	771,974	7,915
Total Receipts	<u>11,310,585</u>	<u>12,160,744</u>	<u>12,172,383</u>	<u>11,639</u>
<b>Disbursements:</b>				
<b>Current:</b>				
<b>General Government:</b>				
Legislative and Executive	4,072,379	3,914,255	3,563,184	351,071
Judicial	2,173,615	2,155,262	2,012,982	142,280
Public Safety	4,097,826	4,151,284	3,920,848	230,436
Public Works	928,585	990,081	813,898	176,183
Health	73,765	73,225	73,204	21
Human Services	410,311	384,877	309,638	75,239
Conservation and Recreation	265,839	265,839	265,839	
Economic Development and Assistance	56,500	56,500	24,900	31,600
Capital Outlay	1,090,000	1,278,023	1,027,893	250,130
Total Disbursements	<u>13,168,820</u>	<u>13,269,346</u>	<u>12,012,386</u>	<u>1,256,960</u>
Excess of Receipts Over (Under) Disbursements	<u>(1,858,235)</u>	<u>(1,108,602)</u>	<u>159,997</u>	<u>1,268,599</u>
<b>Other Financing Sources (Uses):</b>				
Advances In		93,858	93,858	
Advances Out		(93,858)	(93,858)	
Transfers Out	(620,472)	(620,472)	(620,472)	
Total Other Financing Sources (Uses)	<u>(620,472)</u>	<u>(620,472)</u>	<u>(620,472)</u>	
Changes in Fund Balance	(2,478,707)	(1,729,074)	(460,475)	1,268,599
Fund Balance at Beginning of Year	4,066,527	4,066,527	4,066,527	
Prior Year Encumbrances Appropriated	124,489	124,489	124,489	
Fund Balance at End of Year	<u>\$1,712,309</u>	<u>\$2,461,942</u>	<u>\$3,730,541</u>	<u>\$1,268,599</u>

See Accompanying Notes to the Basic Financial Statements.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
JOB AND FAMILY SERVICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Intergovernmental	\$1,961,665	\$1,765,441	\$1,769,015	\$3,574
Other	1,100,534	799,402	795,828	(3,574)
Total Receipts	<u>3,062,199</u>	<u>2,564,843</u>	<u>2,564,843</u>	
<b>Disbursements:</b>				
<b>Current:</b>				
Human Services	<u>2,987,747</u>	<u>2,696,095</u>	<u>2,628,776</u>	<u>67,319</u>
Changes in Fund Balance	74,452	(131,252)	(63,933)	67,319
Fund Balance at Beginning of Year	136,155	136,155	136,155	
Prior Year Encumbrances Appropriated	<u>10,234</u>	<u>10,234</u>	<u>10,234</u>	
Fund Balance at End of Year	<u>\$220,841</u>	<u>\$15,137</u>	<u>\$82,456</u>	<u>\$67,319</u>

*See Accompanying Notes to the Basic Financial Statements.*

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
MOTOR VEHICLE LICENSE GAS TAX FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Other Local Taxes	\$148,000	\$148,000	\$151,642	\$3,642
Charges for Services	500	500	371	(129)
Intergovernmental	3,640,125	3,684,894	3,669,687	(15,207)
Interest	27,400	27,400	29,612	2,212
Other	513,000	866,399	875,881	9,482
Total Receipts	<u>4,329,025</u>	<u>4,727,193</u>	<u>4,727,193</u>	
<b>Disbursements:</b>				
<b>Current:</b>				
Public Works	<u>5,470,675</u>	<u>6,172,206</u>	<u>4,874,704</u>	<u>1,297,502</u>
Changes in Fund Balance	(1,141,650)	(1,445,013)	(147,511)	1,297,502
Fund Balance at Beginning of Year	<u>3,299,304</u>	<u>3,299,304</u>	<u>3,299,304</u>	
Fund Balance at End of Year	<u><u>\$2,157,654</u></u>	<u><u>\$1,854,291</u></u>	<u><u>\$3,151,793</u></u>	<u><u>\$1,297,502</u></u>

*See Accompanying Notes to the Basic Financial Statements.*

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
LAWNVIEW 169 BOARD FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property Taxes	\$2,230,100	\$2,230,100	\$2,430,694	\$200,594
Charges for Services	37,853	37,853	30	(37,823)
Intergovernmental	2,021,250	2,227,741	2,053,207	(174,534)
Interest		216	216	
Other	97,895	97,895	112,154	14,259
Total Receipts	<u>4,387,098</u>	<u>4,593,805</u>	<u>4,596,301</u>	<u>2,496</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Health	<u>5,220,670</u>	<u>5,287,670</u>	<u>4,664,541</u>	<u>623,129</u>
Changes in Fund Balance	(833,572)	(693,865)	(68,240)	625,625
Fund Balance at Beginning of Year	<u>2,002,877</u>	<u>2,002,877</u>	<u>2,002,877</u>	
Fund Balance at End of Year	<u><u>\$1,169,305</u></u>	<u><u>\$1,309,012</u></u>	<u><u>\$1,934,637</u></u>	<u><u>\$625,625</u></u>

*See Accompanying Notes to the Basic Financial Statements.*

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
CHILDREN'S SERVICES FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property Taxes	\$583,038	\$514,722	\$516,151	\$1,429
Intergovernmental	681,457	605,967	628,741	22,774
Other	193,274	29,893	8,689	(21,204)
Total Receipts	<u>1,457,769</u>	<u>1,150,582</u>	<u>1,153,581</u>	<u>2,999</u>
<b>Disbursements:</b>				
<b>Current:</b>				
Human Services	<u>1,456,500</u>	<u>1,519,500</u>	<u>915,926</u>	<u>603,574</u>
Changes in Fund Balance	1,269	(368,918)	237,655	606,573
Fund Balance at Beginning of Year	<u>1,386,368</u>	<u>1,386,368</u>	<u>1,386,368</u>	
Fund Balance at End of Year	<u><u>\$1,387,637</u></u>	<u><u>\$1,017,450</u></u>	<u><u>\$1,624,023</u></u>	<u><u>\$606,573</u></u>

*See Accompanying Notes to the Basic Financial Statements.*



**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**STATEMENT OF CASH BASIS FIDUCIARY NET POSITION  
AGENCY FUNDS  
DECEMBER 31, 2014**

<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$8,823,851
Cash and Cash Equivalents in Segregated Accounts	<u>475,829</u>
Total Assets	<u><u>9,299,680</u></u>
<b>Net Position</b>	
Due to Other Governments	2,204,910
Undistributed Assets	<u>7,094,770</u>
Total Net Position	<u><u>\$9,299,680</u></u>

*See Accompanying Notes to the Basic Financial Statements.*

**This page intentionally left blank.**

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**1. REPORTING ENTITY**

Champaign County (the County) is a body politic and corporate established in 1805 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Auditor, Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, a Common Pleas Court Judge, and two Family Court Judges.

Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize cash disbursements as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire County.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the County are not misleading.

**A. Primary Government**

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Champaign County, this includes the Champaign County Board of Developmental Disabilities (DD), Children's Services Board, and departments and activities that are directly operated by the elected County officials.

**B. Discretely Presented Component Units**

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the County. There were no component units of Champaign County in 2014.

As custodian of public funds, the County Treasurer invests all public monies held on deposit in the County treasury. In the case of the separate organizations listed below, the County serves as fiscal agent but the organizations are not considered part of Champaign County. Accordingly, the activity of the following organizations is reported as agency funds within the financial statements:

- Champaign County District Board of Health
- Champaign County Family and Children First Council
- Champaign County Local Emergency Planning Commission
- Champaign Countywide Public Safety Communications System Council of Governments
- Mental Health, Drug, and Alcohol Services Board of Logan and Champaign Counties
- Soil and Water Conservation District
- Tri-County Regional Jail

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**1. REPORTING ENTITY (Continued)**

The County participates in certain organizations which are defined as joint ventures, jointly governed organizations, and insurance pools. These organizations are presented in Notes 16, 17, and 18 to the basic financial statements. These organizations are:

Tri-County Regional Jail  
Mental Health, Drug, and Alcohol Services Board of Logan and Champaign Counties  
Central Ohio Youth Center  
Champaign County Family and Children First Council  
Fairways Regional Council of Governments  
Champaign Countywide Public Safety Communications System Council of Governments  
North Central Ohio Solid Waste Management District  
County Risk Sharing Authority, Inc.  
County Commissioners Association of Ohio Service Corporation  
County Employee Benefits Consortium of Ohio, Inc.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

The County's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**1. Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements usually distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities. However, the County has no business-type activities.

The statement of net position presents the cash balance of the governmental activities of the County at year end. The statement of activities compares disbursements and program receipts for each program or function of the County's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the County is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants, contributions, and interest restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the general receipts of the County.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Fund Financial Statements**

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**B. Fund Accounting**

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

**1. Governmental Funds**

The County classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The County's major governmental funds are the General Fund and the Job and Family Services, Motor Vehicle License Gas Tax, Lawnview 169 Board, and Children's Services special revenue funds.

**General Fund** - The General Fund accounts for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Job and Family Services Fund** - This fund accounts for federal, state, and local resources restricted to providing general relief and to pay providers of medical assistance and social services.

**Motor Vehicle License Gas Tax Fund** - This fund accounts for monies derived from gasoline taxes and the sale of motor vehicle licenses. Expenditures are restricted by State law to county road and bridge repair/improvement programs.

**Lawnview 169 Board** - This fund accounts for a County-wide property tax levy and federal and state grants restricted for the operation of a school for the persons who are developmentally disabled.

**Children's Services** - This fund accounts for federal, state, and local resources restricted to promoting and protecting children, stable families, adoption assistance, and supportive communities.

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

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Fiduciary Funds**

The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are not available to support the County's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County did not have any trust funds in 2014. The County's agency funds are used to account for assets held by the County for political subdivisions for which the County acts as fiscal agent and for taxes, state-levied shared revenues, and fines and forfeitures collected and distributed to other political subdivisions.

**C. Basis of Accounting**

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

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 certain 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 the financial statements.

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the certificate of estimated resources and the appropriations resolution, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund and department level for the General Fund and the fund level for all other funds.

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

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

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Cash and Investments**

To improve cash management, cash received by the County is pooled and invested. Individual fund integrity is maintained through County records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Cash and cash equivalents that are held separately within departments of the County and not held by the County Treasurer are recorded as "Cash and Cash Equivalents in Segregated Accounts".

During 2014, the County invested in nonnegotiable certificates of deposit, which are reported at cost, and STAR Ohio. 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 does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share, which is the price the investment could be sold for on December 31, 2014.

Interest earnings are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2014 were \$386,027 which includes \$326,831 assigned from other County funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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.

**F. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unclaimed monies that have a legal restriction on their use and the non-spendable portion of a trust are reported as restricted.

**G. Capital Assets**

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

**H. Compensated Absences**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the County.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Long-Term Obligations**

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 disbursements are made.

**J. Net Position**

Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes primarily includes resources restricted for the upkeep of the County's roads and bridges, child support and welfare services, various law enforcement related activities, and activities of the County's courts. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**K. Fund Balance**

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

**Non-spendable** - The non-spendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

**Restricted** - The restricted classification includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (County resolutions).

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

**Committed** - The committed classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the County Commissioners. The committed amounts cannot be used for any other purpose unless the County Commissioners remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the County Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.



**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assigned** - Amounts in the assigned classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by the County Commissioners. The County Commissioners have authorized each department manager to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

**L. Internal Activity**

Transfers within governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead disbursements from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

**3. COMPLIANCE**

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

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**4. BUDGETARY BASIS OF ACCOUNTING**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash, receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the General Fund, and the Job and Family Services, Motor Vehicle License Gas Tax, Lawnview 169 Board, and Children's Services special revenue funds are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances which are treated as cash disbursements (budgetary basis) rather than as committed or assigned fund balance (cash basis). The encumbrances outstanding at year end (budgetary basis) for the General Fund, Motor Vehicle License Gas Tax Fund, and Lawnview 169 Board Fund were \$156,110, \$46,067, and \$242,302, respectively. There were no encumbrances outstanding at year end (budgetary basis) for the Job and Family Services and Children's Services funds.

**5. DEPOSITS AND INVESTMENTS**

Monies held by the County are classified by State statute into two categories. Active monies are public monies determined to be necessary to meet current demands upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States, or any book entry zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**5. DEPOSITS AND INVESTMENTS (Continued)**

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 exchange similar securities, or cash, equal value for equal value;
9. Up to twenty-five percent of the County's average portfolio in either of the following:
  - a. commercial paper notes in entities incorporated under the laws of Ohio or any other State that have assets exceeding five hundred million dollars rated at the time of purchase, which are rated in the highest qualification established by two nationally recognized standard rating services, which do not exceed 10 percent of the value of the outstanding commercial paper of the issuing corporation, and which mature within two hundred seventy days after purchase;
  - b. bankers acceptances eligible for purchase by the federal reserve system and which mature within one hundred eighty days after purchase;
10. Up to 15 percent of the County's average portfolio in notes issued by United States corporations or by depository institutions that are doing business under authority granted by the United States provided that the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase;
11. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency or instrumentality, and/or highly rated commercial paper; and
12. Up to 1 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.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At December 31, 2014, the County had \$8,971 invested with STAR Ohio. This investment had an average maturity of 50 days and a rating of AAA by Standard and Poor's. The County has no policy for interest rate or credit risk beyond the requirements of State statute. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**6. PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the County. Real property tax revenues received in 2014 represent the collection of 2013 taxes. Real property taxes received in 2014 were levied after October 1, 2013, on the assessed values as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in 2014 represent the collection of 2013 taxes. Public utility real and tangible personal property taxes received in 2014 became a lien on December 31, 2012, were levied after October 1, 2013, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within the applicable funds.

The full tax rate for all County operations for the year ended December 31, 2014, was \$11.20 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2014 property tax receipts were based are as follows:

<b>Real Property:</b>	
Residential/Agriculture	\$708,271,810
Commercial/Industrial/Mineral	87,590,240
<b>Public Utility Property:</b>	
Personal	28,779,760
Real	<u>272,450</u>
Total Assessed Value	<u><u>\$824,914,260</u></u>

**7. PERMISSIVE SALES AND USE TAX**

The County Commissioners, by resolution, imposed a one and one-half percent tax on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption of tangible personal property in the County, including motor vehicles not subject to the sales tax. Sales tax is credited to the General Fund. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. A warrant payable to the County is to be made within five days of the certification.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**8. RISK MANAGEMENT**

**A. Property and Liability**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2014, the County contracted with the County Risk Sharing Authority for insurance coverage.

Coverage provided was as follows:

Property	\$61,042,814
General Liability	1,000,000
Excess Liability	4,000,000
Automobile Liability	1,000,000
Law Enforcement Liability	1,000,000

With the exceptions of medical coverage and workers' compensation, all insurance is held with CORSA. There has been no significant reduction in insurance coverage from 2013 and settled claims have not exceeded this coverage in the past three years.

**B. Workers Compensation**

For 2014, the County participated in the County Commissioners Association of Ohio Service Corporation, a workers' compensation group rating plan (Plan). The Plan is intended to achieve lower workers' compensation rates while establishing safer 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 Plan. Each county pays its workers' compensation premium to the State based on the rate for the Plan rather than the county's individual rate.

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

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

**C. Medical and Life Insurance**

For 2014, the County participated in a risk-sharing pool, the County Employee Benefits Consortium of Ohio, Inc. (CEBCO). CEBCO charges a fixed premium per month per enrolled employee. Premiums charged by CEBCO are based upon the County's claims experience. CEBCO retains liability for claims that exceed the expected losses and charged premiums.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**9. SIGNIFICANT COMMITMENTS**

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2015 are as follows:

General Fund	\$156,110
Lawnview 169 Board Fund	242,302

**10. DEFINED BENEFIT PENSION PLANS**

**Plan Description** - The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

**Funding Policy** - The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for public safety and law enforcement employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the state and local classifications. The Ohio Revised Code authorizes OPERS to calculate employee contribution rates for public safety employees and limits the law enforcement rate to the public safety rate plus an additional percent are not to exceed 2 percent. For the year ended December 31, 2014, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 12 percent and 13 percent, respectively. While members in the state and local classifications may participate in all three plans, public safety and law enforcement classifications exist only within the traditional plan. For 2014, member and employer contribution rates were consistent across all three plans.

The County's 2014 contribution rate was 14 percent, except for those plan members in public safety or law enforcement, for whom the County's contribution was 18.1 percent of covered payroll. The portion of the County's contribution used to fund pension benefits is net of postemployment health care benefits. The portion of the County's contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remains at 2 percent. Employer contribution rates are actuarially determined.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

The County's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2014, 2013, and 2012 was \$1,431,564, \$1,549,571, and \$1,165,909, respectively. For 2014, 87 percent has been contributed. The full amount has been contributed for 2013 and 2012. Contributions to the member-directed plan for 2014 were \$56,688 made by the County and \$40,492 made by the plan members.

**11. POST-EMPLOYMENT BENEFITS**

**Plan Description** - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional 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 postemployment health care plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment health care coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

**Funding Policy** - The postemployment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed 14 percent of covered payroll and public safety and law enforcement employers contributed 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment health care benefits. The portion of the employer contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remains at 2 percent for both plans as recommended by the OPERS actuary.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**11. POST-EMPLOYMENT BENEFITS (Continued)**

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment health care plan.

The County's contribution allocated to fund postemployment health care benefits for the years ended December 31, 2014, 2013, and 2012 was \$240,528, \$120,235, and \$473,421, respectively. For 2014, 87 percent has been contributed. The full amount has been contributed for 2013 and 2012.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

**12. COMPENSATED ABSENCES**

County employees earn vacation and sick leave at varying rates depending on length of service. Currently, employees are not permitted to accrue or carry over more than the equivalent of three year's vacation leave. All accumulated unused vacation time is paid upon separation from the County. County employees hired after March 1, 1983, are paid for thirty days of accumulated unused sick leave upon retirement at the rate of pay in effect at the time of retirement, while those employees hired prior to March 1, 1983, are paid for one hundred twenty days of accumulated unused sick leave.

**13. LONG-TERM OBLIGATIONS**

The County's long-term debt activity for the year ended December 31, 2014, was as follows:

	<b>Interest Rate</b>	<b>Balance 12/31/2013</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12/31/2014</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>						
General Obligation Bonds						
2005 County Building	4.5%	\$1,140,000	\$0	\$270,000	\$870,000	\$280,000
Refunding						
(Original Amount \$2,010,000)						
OPWC Loan						
2002 Ohio Public Works						
Commission		261,536	0	58,119	203,417	58,119
(Original Amount \$871,786)						
<b>Total Governmental Activities</b>		<b>\$1,401,536</b>	<b>\$0</b>	<b>\$328,119</b>	<b>\$1,073,417</b>	<b>\$338,119</b>

**A. General Obligation Bonds**

All general obligation bonds are supported by the full faith and credit of Champaign County and are payable from un-voted property tax receipts to the extent that other resources are not available to meet annual principal and interest payments.



**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**13. LONG-TERM OBLIGATIONS (Continued)**

**2005 County Building Refunding Bonds** - The 2005 County Building Refunding Bonds were issued to refund \$1,865,000 of 1998 Various Purpose Bonds. The bonds will be repaid from the South Point bond retirement fund with transfers from the General Fund.

**B. OPWC Loan**

The OPWC loan consists of monies owed to the Ohio Public Works Commission for capital improvement projects. The OPWC loan matures in 2018. Revenues of the Motor Vehicle License Gas Tax special revenue fund have been pledged to repay this loan.

At December 31, 2014, the County's overall debt margin was \$18,245,583 with an un-voted debt margin of \$7,374,733.

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

<u>Year</u>	<u>General Obligation Bonds</u>		<u>OPWC</u>
	<u>Principal</u>	<u>Interest</u>	<u>Loans</u>
			<u>Principal</u>
2015	\$280,000	\$34,800	\$58,119
2016	290,000	23,600	58,119
2017	300,000	12,000	58,119
2018			29,060
	<u>\$870,000</u>	<u>\$70,400</u>	<u>\$203,417</u>

The County has issued limited obligation bonds and special limited revenue obligation bonds which are summarized in the following table:

	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Balance December 31, 2014</u>
Limited Obligation Bonds			
Urbana University Project	11/26/2002	\$2,659,000	\$1,449,785
Special Limited Revenue Obligation Bonds			
WICOR Americas, Inc.	8/24/2010	12,300,000	7,642,604

The County is not obligated in any way to pay debt and related charges on limited obligation bonds or special limited revenue obligation bonds from any of its funds, and therefore, they have been excluded entirely from the County's financial statements. There has not been and there is not currently any condition of default under the debt or the related financing documents.

**14. FUND BALANCE**

Fund balance is classified as non-spendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**14. FUND BALANCE (Continued)**

<b>Fund Balance</b>	<b>General</b>	<b>Job and Family Services</b>	<b>Motor Vehicle License Gas Tax</b>	<b>Lawnview 169 Board</b>	<b>Children's Services</b>	<b>Other Governmental</b>
<b>Non-spendable for:</b>						
Lawnview Trust				\$60,000		
Unclaimed Monies	\$57,288					
Total Non-spendable	57,288			60,000		
<b>Restricted for:</b>						
Child Support Enforcement						\$798,548
Court Operations						468,741
Crime Victim Assistance						1,995
Debt Retirement						31,559
Delinquent Tax Collections						144,608
Ditch Maintenance						131,480
Dog and Kennel Operations						143,995
Economic Development						106,652
Emergency Management						202,201
Job and Family Svcs Ops.		\$82,456			\$1,650,399	0
Juvenile Corrections						142,867
Law Library Operations						11,857
Developmental Disabilities Operations				2,241,125		
Permanent Improvements						151,969
Recycling						73,634
Real Estate Assessment						284,142
Road and Bridge Repair/ Improvement			\$3,197,860			106,168
Sheriff Operations						71,553
Transit System	154,958					
Voting						9,820
Total Restricted	154,958	82,456	3,197,860	2,241,125	1,650,399	2,881,789
<b>Committed to:</b>						
Economic Development	342,595					
<b>Assigned for:</b>						
Document Recording	60,375					
Projected Budget Shortage	1,370,747					
Sheriff Operations	19,782					
Title Administration	222,152					
Transit System	420,418					
Unpaid Obligations	112,510					
Total Assigned	2,205,984					
Unassigned	1,253,090					
Total Fund Balance	\$4,013,915	\$82,456	\$3,197,860	\$2,301,125	\$1,650,399	\$2,881,789

**15. INTERFUND TRANSFERS**

During 2014, transfers were made from the General Fund to other governmental funds, in the amount of \$620,472 to subsidize operations in those funds. Transfers were made from other governmental funds, in the amount of \$58,119, to other governmental funds to make debt payments as they came due.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**16. JOINT VENTURES**

**A. Tri-County Regional Jail**

Champaign County is a participant in the Tri-County Regional Jail, a minimum, medium, and maximum security prison. The prison was built to house convicted criminals from Champaign, Madison, and Union Counties. The governing board consists of the Sheriff from Champaign County and the Common Pleas Judge from each participating county. The Champaign County Auditor serves as fiscal agent. During 2014, Champaign County contributed \$1,287,409 towards the operation of the jail. The percentage of equity interest for the County is based on the amount that will be distributed to the County if the contract is terminated. The County's equity interest of \$372,087 represents 33.3 percent of the total equity of the Jail. The Jail is not accumulating significant financial resources nor experiencing fiscal stress which would cause additional financial benefit to or burden on the County. Financial information may be obtained by writing the Champaign County Auditor, 1512 South U.S. Highway 68, Urbana, Ohio 43078.

**B. Mental Health, Drug, and Alcohol Services Board of Logan and Champaign Counties**

The Mental Health, Drug, and Alcohol Services Board of Logan and Champaign Counties (MHDAS) is a joint venture between Logan and Champaign Counties. The joint venture was formed to provide mental health education, consultation, training, and referral services to the public. Each county supports the joint venture through a tax levy. The MHDAS is controlled by a board whose membership consists of eighteen Logan and Champaign county residents appointed by the Ohio Department of Mental Health and Addiction Services, and the Logan and Champaign County Commissioners. The continued existence of the MHDAS is dependent on the combined participation of the counties. The MHDAS is not accumulating significant financial resources nor experiencing fiscal stress which would cause additional financial benefit to or burden on the County.

The County cannot significantly influence the operations of the MHDAS Board. The Board has sole budgetary authority and controls surpluses and deficits and the County is not legally obligated for the debt of MHDAS. Financial information may be obtained from the Mental Health, Drug, and Alcohol Services Board of Logan and Champaign Counties, 123 North Detroit Street, West Liberty, Ohio 43357.

**17. JOINTLY GOVERNED ORGANIZATIONS**

**A. Central Ohio Youth Center**

The Central Ohio Youth Center is a jointly governed organization involving Champaign, Delaware, Madison, and Union Counties. The Center provides facilities for the training, treatment, and rehabilitation of delinquent, dependent, abused, or neglected children and was established under Section 2151.34 of the Ohio Revised Code. The operation of the Center is controlled by a joint board of trustees whose membership consists of two appointees of the Union County Commissioners and one appointee from Champaign, Delaware, and Madison Counties. Each county's ability to influence the operations of the Center is limited to its representation on the board of trustees. Appropriations are adopted by the joint board of trustees who exercise control over the operation and maintenance of the Center. Union County serves as the fiscal agent. Each county is charged for its share of the operating costs of the Center based on the number of individuals from their County in attendance. During 2014, Champaign County contributed \$423,838 for operations of the Center. Financial information may be obtained by writing to the Central Ohio Youth Center, 18100 State Route 4, Marysville, Ohio 45040.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**17. JOINTLY GOVERNED ORGANIZATIONS (Continued)**

**B. Champaign County Family and Children First Council**

The Champaign County Family and Children First Council was established under Section 121.37 of the Ohio Revised Code to provide help to families seeking government services. These services are provided through coordination, collaboration, and cooperation of parents and of public and private agencies who foster and develop resources which minimize barriers and enable families to build on their strengths to enhance their quality of life. Council membership is set by State statute and includes the Chairman of the Board of County Commissioners, or their designee. Appropriations are adopted by the Champaign County Budget Commission and the Champaign County Auditor serves as the fiscal agent. During 2014, Champaign County contributed \$24,565 to the Champaign County Family and Children First Council. Financial information may be obtained by writing to the Champaign County Family and Children First Council, 2200 South U.S. Highway 68, P. O. Box 38147, Urbana, Ohio 43078.

**C. Fairways Regional Council of Governments**

The County is a participant in the Fairways Regional Council of Governments, a jointly governed organization between Champaign and Madison Counties. The Council is established under section 167 of the Ohio Revised Code and the purpose is to provide supported living services and family support services for individuals with developmental disabilities and their families. The Council is governed by a three member board of directors consisting of the superintendents of the Board of Developmental Disabilities of each county. During 2014, Champaign County contributed \$316,900 to the Fairways Regional Council of Governments. Financial information may be obtained by writing to the Fairways Regional Council of Governments, 245 Valley Road, Xenia, Ohio 45385.

**D. Champaign Countywide Public Safety Communications System Council of Governments**

Champaign County and the City of Urbana entered into an agreement to create a regional council of governments to operate an enhanced 9-1-1 system. Champaign County serves as fiscal agent. During 2013, Champaign County had no contributions to the Champaign Countywide Public Safety Communications System Council of Governments. Financial information may be obtained by writing to the Champaign Countywide Public Safety Communications System Council of Governments, 1512 South U.S. Highway 68, Suite A100, Urbana, Ohio 43078.

**E. North Central Ohio Solid Waste Management District**

Champaign County participates in a multi-county solid waste district along with Allen, Hardin, Madison, Shelby, and Union Counties. The Board of Directors consists of County Commissioners from each county. Initial funding for the District was contributed by each county based on each county's population as compared to the total of all participating counties' populations. In 1994, the District became self-supporting and does not anticipate having to rely on future support coming from funds given to the District by the six participating counties. Allen County serves as fiscal agent for the District. Financial information may be obtained by writing to the North Central Ohio Solid Waste Management District, 815 Shawnee Road, Suite D, Lima, Ohio 45805.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**18. INSURANCE POOLS**

**A. County Risk Sharing Authority, Inc.**

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

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

**B. County Commissioners Association of Ohio Service Corporation**

The County participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners' Association of Ohio (CCAO) as an insurance 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 eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participants. The group executive committee consists of nine members. Two members are the president and the treasurer of the CCAOSC; the remaining seven members are representatives of the participants. These seven members are elected for the ensuing year by the participants at a meeting held in December of 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.

**C. County Employee Benefits Consortium of Ohio, Inc.**

The County participates with the County Employee Benefits Consortium of Ohio, Inc. (CEBCO), an Ohio not-for-profit corporation with membership open to Ohio political subdivisions to collectively pool resources to purchase employee benefits. The County pays, on a monthly basis, the annual actuarially determined funding rate. Components of the funding rate include the claims fund contribution, incurred but not reported claims, a claims contingency reserve fund, as well as the fixed cost of the consortium. The business and affairs of the consortium are managed by a board of not less than nine or more than fifteen directors that exercise all powers of the consortium. Two thirds of the directors are County Commissioners of the member Counties and one third are employees of member Counties. Each member of the consortium is entitled to one vote. At all times, one director is required to be a member of the board of directors of the CCAO and another is required to be a board member of the County Risk Sharing Authority, Inc.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)**

**19. CONTINGENT LIABILITIES**

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

Several other claims and lawsuits are pending against the County. In the opinion of the County Prosecuting Attorney, any potential liability would not have a material adverse effect on the financial statements.

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE FOOD AND NUTRITION SERVICE</b>			
<i>(Passed through Ohio Department of Job and Family Services)</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	G-1415-11-5339	10.561	\$174,060
Total U.S. Department of Agriculture Food and Nutrition Service			<u>174,060</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>(Passed through Ohio Development Services Agency)</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	BF-11-1AK-1 BF-12-1AK-1 BF-13-1AK-1 BE-13-1AK-1 BC-11-1AK-1 BC-13-1AK-1	14.228	6 7,243 91,081 126,786 16,270 24,790
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			<u>266,176</u>
Home Investment Partnerships Program	BC-13-1AK-1	14.239	14,000
Total U.S. Department of Housing and Urban Development			<u>280,176</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>(Direct)</i>			
Bulletproof Vest Partnership Program	n/a	16.607	4,794
Total U.S. Department of Justice			<u>4,794</u>
<b>U.S. DEPARTMENT OF LABOR</b>			
<i>(Passed through Area 7 Workforce Investment Board)</i>			
Workforce Investment Act (WIA) Cluster:			
WIA Adult Program	N/A	17.258	60,756
WIA OMJ Branding	N/A		3,863
WIA Adult Program - Administration	N/A		572
Total WIA/WIOA Adult Program			<u>65,191</u>
WIA Youth Activities	N/A	17.259	33,887
WIA Youth Activities - Administration	N/A		9,511
Total WIA/WIOA Youth Activities			<u>43,398</u>
WIA Dislocated Workers	N/A	17.278	47,228
WIA Dislocated Workers - Administration	N/A		323
Total WIA/WIOA Dislocated Worker Formula Grants			<u>47,551</u>
Total Workforce Investment Act Cluster and Total U.S. Department of Labor			<u>156,140</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>(Passed through Ohio Department of Transportation)</i>			
Highway Planning and Construction	PID 97047	20.205	28,301
Formula Grants for Rural Areas	RPT 4011-031-131 RPTF 4095-034-141 RPTF 0095-034-143 RPTF 0095-034-144 095-RTPX-14-0100	20.509	38,313 136,747 14,403 55,698 1,920
Total Formula Grants for Rural Areas			<u>247,081</u>
Total U.S. Department of Transportation			<u>275,382</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>(Passed through Champaign County Family and Children First Council)</i>			
Special Education - Grants for Infants and Families		84.181	4,811
Total U.S. Department of Education			<u>4,811</u>

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. ELECTION ASSISTANCE COMMISSION</b>			
<i>(Passed through Ohio Secretary of State)</i>			
Help America Vote Act Requirements Payments	N/A	90.401	958
Total U.S. Election Assistance Commission			<u>958</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>(Passed through Area Agency on Aging, Planning &amp; Service Area)</i>			
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	FY14	93.044	32,790
<i>(Passed through Ohio Department of Job and Family Services)</i>			
Promoting Safe and Stable Families	G-1415-11-5339	93.556	17,037
Temporary Assistance for Needy Families	G-1415-11-5339	93.558	322,638
Child Support Enforcement	G-1415-11-5339	93.563	435,497
Child Care and Development Block Grant	G-1415-11-5339	93.575	74,381
<i>(Passed through Ohio Secretary of State)</i>			
Voting Access for Individuals with Disabilities-Grants to States	N/A	93.617	520
<i>(Passed through Ohio Department of Job and Family Services)</i>			
Stephanie Tubbs Jones Child Welfare Services Program	G-1415-11-5339	93.645	19,621
Foster Care_Title IV-E		93.658	118,798
Adoption Assistance	G-1415-11-5339	93.659	133,537
Social Services Block Grant:			
<i>(Passed through Ohio Department of Job and Family Services)</i>			
Social Services Block Grant	G-1415-11-5339	93.667	371,699
<i>(Passed through Ohio Board of Developmental Disabilities)</i>			
Social Services Block Grant	N/A		27,234
Total Social Service Block Grant			<u>398,933</u>
<i>(Passed through Ohio Department of Job and Family Services)</i>			
Community-Based Child Abuse Prevention Grants	G-1415-11-5339	93.590	1,701
Medical Assistance Program:			
<i>(Passed through Ohio Department of Job and Family Services)</i>			
Medical Assistance Program	G-1415-11-5339	93.778	409,859
<i>(Passed through Ohio Board of Developmental Disabilities)</i>			
Medical Assistance Program	N/A	93.778	37,795
Total Medical Assistance Program			<u>447,654</u>
Total U.S. Department of Health & Human Services			<u>2,003,107</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<i>(Passed through Ohio Department of Public Safety)</i>			
Emergency Management Performance Grants	EMW-2013-EP-00060-501	97.042	13,449
Homeland Security Grant Program	EMW-2011-SS-00070	97.067	33,870
Total U.S. Department of Homeland Security			<u>47,319</u>
Total Federal Financial Assistance			<u>\$2,946,747</u>

The accompanying notes to this schedule are an integral part of the schedule.



**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED DECEMBER 31, 2014**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Champaign County's (the County's) federal award programs' disbursements. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - 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 C – PRIOR YEAR PROGRAM EXPENDITURE ADJUSTMENTS**

During the calendar year, the County Board of Developmental Disabilities received notice of a liability for the 2009 Cost Report owed to the Ohio Department of Developmental Disabilities for the Medicaid Program (CFDA #93.778) in the amount of \$2,828.92. The Cost Report liability was for settlement of the difference between the statewide payment rate and the rate calculated based upon actual expenditures for Medicaid services. This liability is not listed on the County's Schedule since the underlying expenses occurred in prior periods and the liability was invoiced by the Ohio Department of Developmental Disabilities.

**NOTE D - TRANSFERS BETWEEN FEDERAL PROGRAMS**

During fiscal year 2014, the County made allowable transfers of \$236,115 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 \$322,638 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during fiscal year 2014 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	\$558,753
Transfer to Social Services Block Grant	<u>(236,115)</u>
Total Temporary Assistance for Needy Families	<u>\$322,638</u>

**NOTE E – COMMUNITY DEVELOPMENT BLOCK GRANTS/STATE'S PROGRAM AND NON-ENTITLEMENT GRANTS IN HAWAII**

The County received grant funds for the Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii program. The entire funds were not expended prior to the grant expiration period. As a result, the County returned \$4,555 to the Ohio Development Services Agency during 2014. This is not reported as an expenditure on the Schedule.

**This page intentionally left blank.**



# Dave Yost • Auditor of State

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

Honorable Board of County Commissioners  
Honorable County Auditor  
Honorable County Treasurer  
Champaign County  
1512 South U.S. Highway 68, Suite B300  
Urbana, Ohio 43078

To the Board of County Commissioners, County Auditor, and County Treasurer:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Champaign County (the County) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 5, 2015, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the County's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the County's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2014-001.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

November 5, 2015



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Honorable Board of County Commissioners  
Honorable County Auditor  
Honorable County Treasurer  
Champaign County  
1512 South U.S. Highway 68, Suite B300  
Urbana, Ohio 43078

To the Board of Commissioners, County Auditor, and County Treasurer:

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

We have audited Champaign County's (the County) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Champaign County's major federal programs for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the County's major federal programs.

### ***Management's Responsibility***

The County's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the County's compliance for each of the County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Entity's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the County's major programs. However, our audit does not provide a legal determination of the County's compliance.

### ***Opinion on Each of the Major Federal Programs***

In our opinion, Champaign County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2014.

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402  
Phone: 937-285-6677 or 800-443-9274 Fax: 937-285-6688  
[www.ohioauditor.gov](http://www.ohioauditor.gov)

**Report on Internal Control Over Compliance**

The County's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the County's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the County's 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

November 5, 2015

**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2014**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA #14.228 – Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii  CFDA #93.563 – Child Support Enforcement  CFDA #93.667 – Social Services Block Grant  CFDA #93.778 – Medical Assistance Program
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

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

**FINDING NUMBER 2014-001**

**Noncompliance**

**Annual Financial Reporting**

**Ohio Rev. Code §117.38** states each public office, other than a state agency, 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 Rev. Code Section 117.38.

**Ohio Admin. Code §117-2-03(B)** requires the County to prepare its financial report in accordance with generally accepted accounting principles. The County prepared its financial statements in accordance with the cash basis of accounting. The accompanying financial statements and notes omitted assets, liabilities, deferred inflows/outflows, equities, 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 for its failure to file the required financial report.

The County should prepare its annual report in accordance with the above requirements in order to improve financial reporting and accountability for all users.

**Officials' Response:**

We did not receive a response from Officials to this finding.

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

**None**



**FINANCIAL CONDITION  
CHAMPAIGN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
DECEMBER 31, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2013-001	<b>Ohio Rev. Code §149.351(A)</b> – Failure to Maintain Required Records	Yes	
2013-002	<b>Ohio Rev. Code §117.38 and Ohio Admin. Code §117-2-03(B)</b> – Failure to file GAAP financial report	No	Repeated as Finding 2014-001
2013-003	<b>24 C.F.R. Section 85.21(c)</b> – Community Development Block Grant Cash Management	No	Reissued in Management Letter

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## CHAMPAIGN COUNTY FINANCIAL CONDITION

### CHAMPAIGN COUNTY

#### CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
DECEMBER 8, 2015