



OHIO AUDITOR OF STATE
KEITH FABER



CHAMPAIGN COUNTY
DECEMBER 31, 2020

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OHIO AUDITOR OF STATE KEITH FABER



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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 cash-basis 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, 2020, 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 such 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.

Efficient • Effective • Transparent

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, as of December 31, 2020, and the respective changes in cash financial position and the respective budgetary comparisons 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.

Emphasis of Matter

As discussed in Note 21 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. We did not modify our opinion regarding this matter.

Other Matters

Supplementary Information

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2021, 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.



Keith Faber
Auditor of State
Columbus, Ohio

October 19, 2021

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Champaign County
Statement of Net Position - Cash Basis
December 31, 2020

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$26,165,407
Cash and Cash Equivalents in Segregated Accounts	166,227
Total Assets	\$26,331,634
<u>Net Position</u>	
Restricted for	
Debt Service	\$2,500
Capital Projects	593,722
Public Works	5,208,601
Health	7,816,312
Children's Services	1,788,131
Other Purposes	4,229,650
Unrestricted	6,692,718
Total Net Position	\$26,331,634

See Accompanying Notes to the Basic Financial Statements

Champaign County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2020

	Program Receipts				Net (Disbursements)
	Disbursements	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions	Receipts and Change in Net Position
<u>Governmental Activities</u>					
General Government					
Legislative and Executive	\$4,725,581	\$1,791,585	\$285,404	\$0	(2,648,592)
Judicial	3,317,269	1,093,088	840,991	0	(1,383,190)
Public Safety	5,199,920	261,280	103,272	0	(4,835,368)
Public Works	8,566,777	733,030	5,362,212	1,784,964	(686,571)
Health	3,742,405	134,148	1,121,511	0	(2,486,746)
Human Services	6,199,439	135,063	4,029,471	0	(2,034,905)
Conservation and Recreation	400,048	0	0	0	(400,048)
Economic Development and Assistance	1,921,531	289,788	1,818,458	0	186,715
Capital Outlay	27,013	0	0	0	(27,013)
Total Governmental Activities	34,099,983	4,437,982	13,561,319	1,784,964	(14,315,718)
<u>General Receipts</u>					
Property Taxes Levied for					
General Operating					2,179,602
Lawnview 169 Board					2,567,967
Children's Services					1,460,643
Senior Citizens					334,210
Sales Taxes					6,156,300
Grants and Entitlements not Restricted to Other Programs					1,366,252
Interest					540,206
Sale of Capital Assets					280,001
Other					3,233,950
Total General Receipts					18,119,131
Change in Net Position					3,803,413
Net Position at Beginning of Year					22,528,221
Net Position at End of Year					\$26,331,634

See Accompanying Notes to the Basic Financial Statements

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Champaign County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2020

	General	Job and Family Services	Motor Vehicle License Gas Tax	Lawnview 169 Board
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$6,819,494	\$320,118	\$5,084,101	\$7,477,048
Cash and Cash Equivalents in Segregated Accounts	299	0	0	0
<u>Restricted Assets</u>				
Equity in Pooled Cash and Cash Equivalents	79,523	0	0	60,000
Total Assets	\$6,899,316	\$320,118	\$5,084,101	\$7,537,048
<u>Fund Balances</u>				
Nonspendable	\$79,523	\$0	\$0	\$60,000
Restricted	136,027	320,118	5,084,101	7,477,048
Committed	792,235	0	0	0
Assigned	4,538,289	0	0	0
Unassigned	1,353,242	0	0	0
Total Fund Balances	\$6,899,316	\$320,118	\$5,084,101	\$7,537,048

See Accompanying Notes to the Basic Financial Statements

Children's Services	Other Governmental	Total
\$1,788,131	\$4,536,992	\$26,025,884
0	165,928	166,227
0	0	139,523
<u>\$1,788,131</u>	<u>\$4,702,920</u>	<u>\$26,331,634</u>
\$0	\$0	\$139,523
1,788,131	4,693,968	19,499,393
0	0	792,235
0	8,952	4,547,241
0	0	1,353,242
<u>\$1,788,131</u>	<u>\$4,702,920</u>	<u>\$26,331,634</u>

Champaign County
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General	Job and Family Services	Motor Vehicle	
			License Gas Tax	Lawnview 169 Board
<u>Receipts</u>				
Property Taxes	\$2,179,602	\$0	\$0	\$2,567,967
Sales Taxes	6,156,300	0	0	0
Other Local Taxes	0	0	539,409	0
Special Assessments	0	0	0	0
Charges for Services	2,199,916	0	299	0
Licenses and Permits	229,056	0	0	0
Fines and Forfeitures	114,986	0	0	0
Intergovernmental	1,860,185	1,985,099	6,620,721	1,108,305
Interest	539,846	0	43,531	310
Other	1,332,259	920,628	573,383	293,320
Total Receipts	14,612,150	2,905,727	7,777,343	3,969,902
<u>Disbursements</u>				
<u>Current</u>				
General Government				
Legislative and Executive	4,037,327	0	0	0
Judicial	2,827,080	0	0	0
Public Safety	5,062,774	0	0	0
Public Works	1,518,256	0	7,046,022	0
Health	89,413	0	0	3,517,592
Human Services	271,508	2,921,623	0	0
Conservation and Recreation	400,048	0	0	0
Economic Development and Assistance	107,250	0	0	0
Capital Outlay	0	0	0	0
Total Disbursements	14,313,656	2,921,623	7,046,022	3,517,592
Excess of Receipts Over (Under) Disbursements	298,494	(15,896)	731,321	452,310
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	0	0
Advances In	23,513	0	0	0
Advances Out	(23,513)	0	0	0
Transfers In	251	74,440	20,587	0
Transfers Out	(140,089)	(51)	(200)	0
Total Other Financing Sources (Uses)	(139,838)	74,389	20,387	0
Changes in Fund Balances	158,656	58,493	751,708	452,310
Fund Balances at Beginning of Year	6,740,660	261,625	4,332,393	7,084,738
Fund Balances at End of Year	\$6,899,316	\$320,118	\$5,084,101	\$7,537,048

See Accompanying Notes to the Basic Financial Statements

Children's Services	Other Governmental	Total
\$1,460,643	\$334,210	\$6,542,422
0	0	6,156,300
0	0	539,409
0	31,997	31,997
0	1,131,496	3,331,711
0	73,249	302,305
0	117,574	232,560
1,413,292	3,673,273	16,660,875
0	1,379	585,066
50,383	70,777	3,240,750
<u>2,924,318</u>	<u>5,433,955</u>	<u>37,623,395</u>
0	688,254	4,725,581
0	490,189	3,317,269
0	137,146	5,199,920
0	2,499	8,566,777
	135,400	3,742,405
1,877,327	1,128,981	6,199,439
0	0	400,048
0	1,814,281	1,921,531
0	27,013	27,013
<u>1,877,327</u>	<u>4,423,763</u>	<u>34,099,983</u>
<u>1,046,991</u>	<u>1,010,192</u>	<u>3,523,412</u>
0	280,001	280,001
0	23,513	47,026
0	(23,513)	(47,026)
0	45,062	140,340
0	0	(140,340)
<u>0</u>	<u>325,063</u>	<u>280,001</u>
1,046,991	1,335,255	3,803,413
<u>741,140</u>	<u>3,367,665</u>	<u>22,528,221</u>
<u>\$1,788,131</u>	<u>\$4,702,920</u>	<u>\$26,331,634</u>

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, 2020

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Over (Under)
	Original	Final		
<u>Receipts</u>				
Property Taxes	\$2,033,320	\$2,033,320	\$2,178,978	\$145,658
Sales Taxes	5,130,000	5,130,000	6,156,300	1,026,300
Charges for Services	2,149,272	2,149,272	2,198,115	48,843
Licenses and Permits	169,325	169,325	229,056	59,731
Fines and Forfeitures	88,900	88,900	114,930	26,030
Intergovernmental	1,756,373	1,765,173	1,823,908	58,735
Interest	456,100	456,100	558,187	102,087
Other	907,263	897,263	1,332,259	434,996
Total Receipts	12,690,553	12,689,353	14,591,733	1,902,380
<u>Disbursements</u>				
<u>Current</u>				
<u>General Government</u>				
Legislative and Executive	5,118,886	5,221,604	4,197,052	1,024,552
Judicial	3,354,096	3,309,929	2,888,587	421,342
Public Safety	5,342,427	5,342,496	5,087,047	255,449
Public Works	1,938,367	2,009,854	1,560,873	448,981
Health	89,993	89,993	89,413	580
Human Services	395,075	397,235	271,653	125,582
Conservation and Recreation	403,348	403,348	400,048	3,300
Economic Development and Assistance	122,000	197,000	107,250	89,750
Total Disbursements	16,764,192	16,971,459	14,601,923	2,369,536
Excess of Receipts Under Disbursements	(4,073,639)	(4,282,106)	(10,190)	4,271,916
<u>Other Financing Sources (Uses)</u>				
Advances In	0	0	23,513	23,513
Advances Out	(23,513)	(23,513)	(23,513)	0
Transfers In	251	1,451	251	(1,200)
Transfers Out	(140,089)	(140,089)	(140,089)	0
Total Other Financing Sources (Uses)	(163,351)	(162,151)	(139,838)	22,313
Changes in Fund Balance	(4,236,990)	(4,444,257)	(150,028)	4,294,229
Fund Balance at Beginning of Year	6,111,912	6,111,912	6,111,912	0
Prior Year Encumbrances Appropriated	197,074	197,074	197,074	0
Fund Balance at End of Year	\$2,071,996	\$1,864,729	\$6,158,958	\$4,294,229

See Accompanying Notes to the Basic Financial Statements

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, 2020

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Intergovernmental	\$2,498,380	\$2,498,380	\$1,985,099	(\$513,281)
Other	966,600	966,600	920,628	(45,972)
Total Receipts	3,464,980	3,464,980	2,905,727	(559,253)
<u>Disbursements</u>				
<u>Current</u>				
Human Services	3,538,430	3,594,369	2,923,086	671,283
Excess of Receipts Under Disbursements	(73,450)	(129,389)	(17,359)	112,030
<u>Other Financing Sources (Uses)</u>				
Transfers In	74,440	74,440	74,440	0
Transfers Out		(51)	(51)	0
Total Other Financing Sources (Uses)	74,440	74,389	74,389	0
Changes in Fund Balance	990	(55,000)	57,030	112,030
Fund Balance at Beginning of Year	215,153	215,153	215,153	0
Fund Balance at End of Year	<u>\$216,143</u>	<u>\$160,153</u>	<u>\$272,183</u>	<u>\$112,030</u>

See Accompanying Notes to the Basic Financial Statements

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Other Local Taxes	\$540,000	\$540,000	\$539,409	(\$591)
Charges for Services	250	250	299	49
Intergovernmental	5,145,000	5,145,000	6,620,721	1,475,721
Interest	50,000	50,000	43,531	(6,469)
Other	404,463	404,463	573,383	168,920
Total Receipts	6,139,713	6,139,713	7,777,343	1,637,630
<u>Disbursements</u>				
Current				
Public Works	6,816,638	7,570,884	7,419,284	151,600
Excess of Receipts Over (Under) Disbursements	(676,925)	(1,431,171)	358,059	1,789,230
<u>Other Financing Sources (Uses)</u>				
Transfers In	20,587	20,587	20,587	0
Transfers Out		(200)	(200)	0
Total Other Financing Sources (Uses)	20,587	20,387	20,387	0
Changes in Fund Balance	(656,338)	(1,410,784)	378,446	1,789,230
Fund Balance at Beginning of Year	4,171,510	4,171,510	4,171,510	0
Prior Year Encumbrances Appropriated	114,228	114,228	114,228	0
Fund Balance at End of Year	\$3,629,400	\$2,874,954	\$4,664,184	\$1,789,230

See Accompanying Notes to the Basic Financial Statements

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Property Taxes	\$2,869,000	\$2,869,000	\$2,573,653	(\$295,347)
Charges for Services	100	100	3	(97)
Intergovernmental	720,825	720,825	1,073,546	352,721
Interest	350	350	310	(40)
Other	160,732	160,732	293,317	132,585
Total Receipts	3,751,007	3,751,007	3,940,829	189,822
<u>Disbursements</u>				
Current				
Health	3,809,525	3,809,525	3,629,014	180,511
Changes in Fund Balance	(58,518)	(58,518)	311,815	370,333
Fund Balance at Beginning of Year	6,807,643	6,807,643	6,807,643	0
Prior Year Encumbrances Appropriated	163,051	163,051	163,051	0
Fund Balance at End of Year	\$6,912,176	\$6,912,176	\$7,282,509	\$370,333

See Accompanying Notes to the Basic Financial Statements

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Receipts</u>				
Property Taxes	\$1,400,000	\$1,400,000	\$1,426,616	\$26,616
Intergovernmental	1,415,000	1,415,000	1,413,292	(1,708)
Other	30,200	30,200	50,383	20,183
Total Receipts	2,845,200	2,845,200	2,890,291	45,091
<u>Disbursements</u>				
<u>Current</u>				
Human Services	2,322,864	2,467,864	2,005,233	462,631
Changes in Fund Balance	522,336	377,336	885,058	507,722
Fund Balance at Beginning of Year	554,436	554,436	554,436	0
Prior Year Encumbrances Appropriated	163,864	163,864	163,864	0
Fund Balance at End of Year	\$1,240,636	\$1,095,636	\$1,603,358	\$507,722

See Accompanying Notes to the Basic Financial Statements

Champaign County
Statement of Cash Basis Fiduciary Net Position
Custodial Funds
December 31, 2020

<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$10,538,880
Cash and Cash Equivalents in Segregated Accounts	<u>383,272</u>
Total Assets	<u><u>\$10,922,152</u></u>
<u>Net Position</u>	
Restricted for Individuals, Organizations, and Other Governments	<u><u>\$10,922,152</u></u>
See Accompanying Notes to the Basic Financial Statements	

Champaign County
Statement of Cash Basis Change in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2020

<u>Additions</u>	
Amounts for Other Governments	\$3,576,273
Amounts Received as Fiscal Agent	13,098,881
Licenses, Permits, and Fees for Other Governments	7,018,980
Fines and Forfeitures for Other Governments	596,570
Property Tax Collections for Other Governments	34,396,549
Sheriff Sales Collections for Others	405,917
	59,093,170
Total Additions	59,093,170
 <u>Deductions</u>	
Distributions of State Funds to Other Governments	3,595,280
Distributions as Fiscal Agent	12,348,010
Licenses, Permits, and Fees Distributions to Other Governments	7,074,681
Fines and Forfeitures Distributions to Other Governments	618,258
Property Tax Distributions to Other Governments	34,364,247
Sheriff Sales Distributions to Others	451,610
	58,452,086
Total Deductions	58,452,086
Net Increase in Fiduciary Net Position	641,084
Net Position Beginning of Year	10,281,068
Net Position End of Year	\$10,922,152
See Accompanying Notes to the Basic Financial Statements	

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 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 2020.

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 custodial 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
- Champaign County Soil and Water Conservation District
- Tri-County Regional Jail

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 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 17, 18, and 19 to the basic financial statements. These organizations are:

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

Note 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.

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.

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Financial Statements

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

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.

Governmental Funds

The County classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange 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 Fund - This fund accounts for a County-wide property tax levy and federal and state grants restricted for the operation of a school for persons who are developmentally disabled.

Children's Services Fund - 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.

Note 2 - Summary of Significant Accounting Policies (continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The County's fiduciary funds are custodial funds. Custodial funds are primarily 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 custodial 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, department, and object level for all 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 final amended certificate of estimated resources requested by the County prior to year end.

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 on the budgetary statements reflect the amounts passed by the County Commissioners during the year.

Note 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 2020, 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 has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, “Certain External Investment Pools and Pool Participants”. The County measures the investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The net asset value per share is calculated on an amortized cost basis that provides a net asset value per share that approximates fair value.

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million requiring the excess amount to be transacted the following business day(s) but only to the \$100 million limit. All accounts of the participant will be combined for this purpose.

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 2020 were \$539,846 which includes \$456,382 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 nonspendable portion of restricted donations are reported as restricted.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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 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:

Nonspendable - The nonspendable 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.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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. The County Commissioners have also assigned fund balance to cover a gap between estimated receipts and appropriations in the 2021 budget along with amounts for auto title administration, operations of the County transit system, and various other purposes.

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. Pension/Postemployment Benefits

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

M. Internal Activity

Transfers and advances 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.

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 2 - Summary of Significant Accounting Policies (continued)

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.

N. Inventory and Prepaid Items

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

Note 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, deferred inflows/outflows, net position/fund balances, and disclosures that, while presumed material, cannot be determined at this time. The County can be fined and various other administrative remedies may be taken against the County.

Note 4 - 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 primarily 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, Lawnview 169 Board Fund, and Children's Services Fund were \$285,540, \$368,674, \$110,024 and \$127,906, respectively.

Note 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.

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 5 - Deposits and Investments (continued)

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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities 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 the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts in eligible institutions pursuant to Ohio Revised Code Section 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in division (1) or (2) above; commercial paper as described in Ohio Revised Code Section 135.143(6); and repurchase agreements secured by such obligations provided these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;
9. Up to forty percent of the County's average portfolio in either of the following if training requirements have been met:
 - a. commercial paper notes in entities incorporated under the laws of Ohio or any other State that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed 10 percent of the value of the outstanding commercial paper of the issuing corporation, which mature within two hundred seventy days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate of 5 percent of interim monies available for investment at the time of purchase;

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 5 - Deposits and Investments (continued)

- b. bankers acceptances that are insured by the Federal Deposit Insurance Corporation and which mature not later than 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 the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
- 11. A current unpaid or delinquent tax line of credit provided certain conditions are met related to a County land reutilization corporation organized under Ohio Revised Code Chapter 1724; and,
- 12. Up to 2 percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

Investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, 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. Except as noted above, all investments must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that they will be held to maturity.

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

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

Investments

At December 31, 2020, the County had \$11,192,265 invested with STAR Ohio. This investment had an average maturity of 56 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.

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 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 2020 represent the collection of 2019 taxes. Real property taxes received in 2020 were levied after October 1, 2019, on the assessed values as of January 1, 2019, 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 2020 represent the collection of 2019 taxes. Public utility real and tangible personal property taxes received in 2020 became a lien on December 31, 2018, were levied after October 1, 2019, 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 custodial 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, 2020, was \$12.40 per \$1,000 of assessed value. The assessed values of real and public utility property upon which 2020 property tax receipts were based are as follows:

Real Property	
Residential/Agriculture	\$807,962,970
Commercial/Industrial/Mineral	105,954,730
Public Utility Property	
Real	255,980
Personal	36,753,000
Total Assessed Value	<u>\$950,926,680</u>

Note 7 - Permissive Sales and Use Tax

The County Commissioners, by resolution, imposed a 1.5 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. The Tax Commissioner shall then, on or before the twentieth day of the month in which the certification is made, provide for payment to the County.

Note 8 - Interfund Activity

During 2020, the General Fund made a cash advance to other governmental funds, in the amount of \$23,513. As of December 31, 2020, the advance had been repaid. Cash advances are generally made to provide working capital for operations or projects or to provide cash flow resources.

Note 9 - 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 2020, the County contracted with the County Risk Sharing Authority, Inc. (CORSA) for insurance coverage.

Coverage provided was as follows:

Property	\$68,436,662
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 workers' compensation and medical and life insurance coverage, all insurance is held with CORSA. There has been no significant reduction in insurance coverage from 2019 and settled claims have not exceeded this coverage in the past three years.

B. Workers Compensation

For 2020, 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.

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 9 - Risk Management (continued)

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 2020, 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.

Note 10 - Significant Commitments

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2021 are as follows:

General Fund	\$285,540
Motor Vehicle License Gas Tax Fund	368,674
Lawnview 169 Board Fund	110,024
Children's Services Fund	127,906
Other Governmental Funds	138,762

Note 11 - Defined Benefit Pension Plan

The Statewide retirement system provides both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Asset)/Net OPEB Liability

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

Note 11 - Defined Benefit Pension Plan (continued)

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

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

GASB Statements No. 68 and No. 75 assume the liability is solely the obligation of the employer because (1) they benefit from employee services and (2) State statute requires all funding to come from the employers. All pension contributions to date have come solely from the employer (which also includes pension costs paid in the form of withholdings from employees). The retirement system may allocate a portion of the employer contribution to provide for OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement system to amortize unfunded liabilities within thirty years. If the pension amortization period exceeds thirty years, the retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement system to provide health care to eligible benefit recipients.

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

The remainder of this note includes the pension disclosures. See Note 12 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 11 - Defined Benefit Pension Plan (continued)

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

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

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

Note 11 - Defined Benefit Pension Plan (continued)

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

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

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

Beginning in 2022, the combined plan will be consolidated under the traditional plan (defined benefit plan) and the combined plan option will no longer be available for newly hired employees beginning in 2022.

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 11 - Defined Benefit Pension Plan (continued)

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

	State and Local	Public Safety	Law Enforcement
2020 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee *	10.0 %	**	***
2020 Actual Contribution Rates			
Employer			
Pension ****	14.0 %	18.1 %	18.1 %
Postemployment Health Care Benefits ****	0.0	0.0	0.0
Total Employer	14.0 %	18.1 %	18.1 %
Total Employee	10.0 %	12.0 %	13.0 %

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

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

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

**** These pension and employer health care rates are for the traditional and combined plans. The employer contribution rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

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

For 2020, the County's contractually required contribution was \$1,888,582 for the traditional plan, \$16,264 for the combined plan, and \$34,127 for the member-directed plan.

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 11 - Defined Benefit Pension Plan (continued)

Net Pension Liability (Asset)

The net pension liability (asset) for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share.

	OPERS Traditional Plan	OPERS Combined Plan	Total
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.09357381%	0.04059200%	
Prior Measurement Date	0.09368527%	0.04396100%	
Change in Proportionate Share	<u>0.00011146%</u>	<u>0.00336900%</u>	
Proportionate Share:			
Net Pension Liability	\$18,495,498	\$0	\$18,495,498
Net Pension Asset	\$0	\$84,644	\$84,644

Actuarial Assumptions

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB Statement No. 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent simple	3 percent simple
Post-January 7, 2013 Retirees	1.4 percent simple through 2020, then 2.15 percent simple	1.4 percent simple through 2020, then 2.15 percent simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	individual entry age	individual entry age

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 11 - Defined Benefit Pension Plan (continued)

In October 2019, the OPERS Board adopted a change in the COLA for Post-January 7, 2013, retirees, changing it from 3 percent simple through 2018 then 2.15 percent simple to 1.4 percent simple through 2020 then 2.15 percent simple.

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the traditional plan, the defined benefit component of the combined plan, and the annuitized accounts of the member-directed plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2 percent for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. Each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, is summarized in the following table.

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 11 - Defined Benefit Pension Plan (continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other Investments	13.00	4.98
Total	100.00 %	

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following table presents the County's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.2 percent) or one percentage point higher (8.2 percent) than the current rate.

	1% Decrease (6.2%)	Current Discount Rate (7.2%)	1% Increase (8.2%)
County's Proportionate Share of the Net Pension Liability (Asset)			
OPERS Traditional Plan	\$30,505,062	\$18,495,498	\$7,699,253
OPERS Combined Plan	(\$51,146)	(\$84,644)	(\$108,787)

Note 12 - Defined Benefit OPEB Plan

Net OPEB Liability

See Note 11 for a description of the net OPEB liability.

Note 12 - Defined Benefit OPEB Plan (continued)

Plan Description - Ohio Public Employees Retirement System (OPERS)

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 trust which funds multiple health care plans including medical coverage, prescription drug coverage, and deposits to a health reimbursement arrangement to qualifying benefit recipients of both the traditional and combined pension plans. This trust is also used to fund health care for member-directed plan participants in the form of a retiree medical account (RMA). At retirement or separation, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional and combined pension plans must have twenty or more years of qualifying Ohio service credit and a minimum age of sixty or generally thirty years of qualifying service credit at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in GASB Board Statement No. 75. See OPERS' Comprehensive Annual Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed 14 percent of earnable salary and public safety and law enforcement employers contributed 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 12 - Defined Benefit OPEB Plan (continued)

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund the health care plans. For 2020, OPERS did not allocate any employer contributions to health care for members of the traditional and combined plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants of the member-directed plan was 4 percent for 2020.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$13,650 for 2020.

Net OPEB Liability

The net OPEB liability and the total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share.

	OPERS
Proportion of the Net OPEB Liability:	
Current Measurement Date	0.08990890%
Prior Measurement Date	0.09039285%
Change in Proportionate Share	0.00048395%
Proportionate Share of the Net OPEB Liability	\$12,418,754

Actuarial Assumptions

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74.

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 12 - Defined Benefit OPEB Plan (continued)

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current Measurement Date	3.16 percent
Prior Measurement Date	3.96 percent
Investment Rate of Return	6 percent
Municipal Bond Rate:	
Current Measurement Date	2.75 percent
Prior Measurement Date	3.71 percent
Health Care Cost Trend Rate:	
Current Measurement Date	10 percent initial 3.5 percent ultimate in 2030
Prior Measurement Date	7.25 percent initial 3.25 percent ultimate in 2029
Actuarial Cost Method	individual entry age normal

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Health Care portfolio includes assets for health care expenses for the traditional plan, the combined plan, and the member-directed plan eligible members. Within the Health Care portfolio, if any contributions are made into the plan, contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made and health care related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 12 - Defined Benefit OPEB Plan (continued)

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation. Each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2019, is summarized in the following table.

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other Investments	14.00	4.90
Total	<u>100.00 %</u>	

Discount Rate - A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of twenty year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the expected rate of return on the health care investment portfolio of 6 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through 2034 and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the County's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.16 percent) or one percentage point higher (4.16 percent) than the current rate.

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 12 - Defined Benefit OPEB Plan (continued)

	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
County's Proportionate Share of the Net OPEB Liability	\$16,251,932	\$12,418,754	\$9,349,626

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using assumed trend rates and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1 percent lower or 1 percent higher than the current rate.

Retiree health care valuations use a health care cost trend assumption that changes over several years built into the assumption. The near term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not too distant future, the health plan cost trend will decrease to a level at or near wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate assumed to be 3.5 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's Proportionate Share of the Net OPEB Liability	\$12,052,288	\$12,418,754	\$12,780,550

Changes Between the Measurement Date and the Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in an effort to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees as well as replacing OPERS sponsored medical plans for pre-Medicare retirees with monthly allowances similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Note 13 - 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.

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 14 - Long-Term Obligations

At December 31, 2020, the County's overall debt margin was \$22,273,167 with an unvoted debt margin of \$9,509,267.

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

	Date of Issue	Amount of Issue	Balance December 31, 2020
Limited Obligation Bonds			
Urbana University Project	11/26/2002	\$2,659,000	\$429,722

The County is not obligated in any way to pay debt and related charges on limited 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.

Note 15 - Fund Balance

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

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

Fund Balance	General	Job and Family Services	Motor Vehicle License Gas Tax	Lawnview 169 Board	Children's Services	Other Governmental
Nonspendable for:						
Lawnview Donations	\$0	\$0	\$0	\$60,000	\$0	\$0
Unclaimed Monies	79,523	0	0	0	0	0
Total Nonspendable	79,523	0	0	60,000	0	0
Restricted for:						
Child Support						
Enforcement	0	0	0	0	0	926,385
Court Operations	0	0	0	0	0	491,032
Crime Victim						
Assistance	0	0	0	0	0	4,787
Debt Retirement	0	0	0	0	0	2,500
Delinquent Tax						
Collections	0	0	0	0	0	482,663
Developmental						
Disabilities						
Operations	0	0	0	7,477,048	0	0
Ditch Maintenance	0	0	0	0	0	143,842

(continued)

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 15 - Fund Balance (continued)

Fund Balance	General	Job and Family Services	Motor Vehicle License Gas Tax	Lawnview 169 Board	Children's Services	Other Governmental
Restricted for: (continued)						
Dog and Kennel						
Operations	\$0	\$0	\$0	\$0	\$0	\$279,264
Economic						
Development	0	0	0	0	0	733,730
Emergency						
Management	0	0	0	0	0	174,874
Job and Family						
Services Operations	0	320,118	0	0	1,788,131	0
Juvenile Corrections	0	0	0	0	0	74,529
Law Library						
Operating	0	0	0	0	0	36,440
Marriage License	0	0	0	0	0	4,371
Permanent						
Improvements	0	0	0	0	0	449,880
Recycling	0	0	0	0	0	2,150
Real Estate						
Assessment	0	0	0	0	0	324,995
Road and Bridge						
Repair/						
Improvement	0	0	5,084,101	0	0	122,350
Sheriff Operations	0	0	0	0	0	324,662
Senior Citizens	0	0	0	0	0	13,354
Tax Certificates	0	0	0	0	0	12,707
Transit System	136,027	0	0	0	0	0
Voting	0	0	0	0	0	89,453
Total Restricted	136,027	320,118	5,084,101	7,477,048	1,788,131	4,693,968
Committed to:						
Board of Elections	57,331	0	0	0	0	0
Economic						
Development	563,450	0	0	0	0	0
GIS Mapping	171,454	0	0	0	0	0
Total Restricted	792,235	0	0	0	0	0
Assigned for:						
Debt Retirement	0	0	0	0	0	8,952
Document						
Recording	100,653	0	0	0	0	0
Projected Budget						
Shortage	3,576,276	0	0	0	0	0
Sheriff Operations	65,546	0	0	0	0	0
Title Administration	195,388	0	0	0	0	0
Transit System	360,877	0	0	0	0	0
Unpaid Obligations	239,549	0	0	0	0	0
Total Assigned	4,538,289	0	0	0	0	8,952
Unassigned	1,353,242	0	0	0	0	0
Total Fund Balance	\$6,899,316	\$320,118	\$5,084,101	\$7,537,048	\$1,788,131	\$4,702,920

Champaign County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Note 16 - Interfund Transfers

During 2020, transfers were made from the General Fund to the Job and Family Services Fund, the Motor Vehicle License Gas Tax Fund, and to other governmental funds, in the amount of \$74,440, \$20,587 and \$45,062, respectively, to subsidize operations in those funds. Transfers were made from the Job and Family Services Fund and the Motor Vehicle License Gas Tax Fund to the General Fund, in the amount of \$51, and \$200, respectively, to transfer unclaimed money.

Note 17 - Joint Ventures

A. 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, 1521 North Detroit Street, P.O. Box 765, West Liberty, Ohio 43357.

B. 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 2020, Champaign County contributed \$1,554,659 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 \$575,351 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.

Note 18 - 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, one appointee of the Delaware 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 2020, Champaign County contributed \$514,370 for operations of the Center. Financial information may be obtained by writing to the Central Ohio Youth Center, 18100 State Route 4, Marysville, Ohio 43040.

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. The Madison - Champaign Educational Service Center serves as the administrative/fiscal agent. During 2020, Champaign County contributed \$34,006 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. 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. 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.

D. 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.

Note 18 - Jointly Governed Organizations (continued)

E. West Central Ohio Port Authority

The West Central Ohio Port Authority (WESTCO) is a jointly governed organization including Champaign, Clark, and Fayette Counties. WESTCO was created in accordance with Ohio Revised Code Chapter 4582 to preserve railroad assets and provide for the continued operation of rail freight services for ninety-four miles of railroad track. WESTCO is governed by a seven member board appointed by the participating counties. Financial information may be obtained by writing to WESTCO, 3130 East Main Street, Suite 2B, Springfield, Ohio 45505.

F. Community Improvement Corporation of Champaign County

The County participates in the Community Improvement Corporation of Champaign County, a 501(c)(3) not-for-profit corporation established under Ohio Revised Code Section 1724.01. The Corporation was created to expand industrial, economic, civic, commercial distribution, and economic research in the County. The Corporation consists of the County, the City of Urbana, villages and townships within the county, as well as various business participants. The Corporation is governed by a board of trustees appointed by the members. Financial information may be obtained by writing to the Community Improvement Corporation of Champaign County, doing business as the Champaign Economic Partnership, 3 Monument Square, Urbana, Ohio 43078.

Note 19 - Insurance Pools

A. County Risk Sharing Authority, Inc.

The County Risk Sharing Authority, Inc. (CORSA), is a jointly governed organization among various 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.

Note 19 - Insurance Pools (continued)

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.

Note 20 - 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.

There are currently no matters in litigation with the County as defendant.

Note 21 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County. The County's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the County's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the County received CARES Act funding. Of the amounts received, \$1,052,606 was sub-granted to other governments and organizations. These amounts are reflected as Economic Development and Assistance expenditures in the CARES ACT special revenue fund on the accompanying financial statements.

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CHAMPAIGN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Passed Through to Subrecipients	Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>(Passed through Ohio Department of Job and Family Services)</i>				
SNAP Cluster:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program and Total SNAP Cluster	G-2021-11-5908	10.561		\$ 225,340
Total U.S. Department of Agriculture				225,340
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>(Passed through Ohio Department of Development)</i>				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	B-C-17-1AK-1 B-F-19-1AK-1 B-C-19-1AK-1	14.228		607 12,000 73,362
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				85,969
Home Investment Partnerships Program	B-C-19-1AK-2	14.239		120,725
Total U.S. Department of Housing and Urban Development				206,694
U.S. DEPARTMENT OF LABOR				
<i>(Passed through Ohio Department of Job and Family Services and Area 7 Workforce Development Board)</i>				
WIOA Cluster:				
WIOA Adult Program	N/A	17.258		22,494
WIOA Youth Activities	N/A	17.259		38,955
WIOA Dislocated Worker Formula Grants	N/A	17.278		46,614
Total WIOA Cluster				108,063
Employment Service Cluster:				
Employment Service/Wagner-Peyser Funded Activities and Total Employment Service Cluster	N/A	17.207		12,589
Trade Adjustment Assistance	N/A	17.245		2,282
WIOA National Dislocated Worker Grants / WIA National Emergency Grants	N/A	17.277		400
Total U.S. Department of Labor				123,334
U.S. DEPARTMENT OF TRANSPORTATION				
<i>(Passed through Ohio Department of Transportation)</i>				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	PID 99671 PID 100543 PID 110515	20.205		1,736,450 90,789 93,060
Total Highway Planning and Construction and Total Highway Planning and Construction Cluster				1,920,299
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	CARE-4095-024-201	20.509		310,059
Formula Grants for Rural Areas and Tribal Transit Program	RPTM-0095-005-201 RPTF-4095-005-201			5,979 42,885
Total Formula Grants for Rural Areas and Tribal Transit Program				358,923
Federal Transit Cluster:				
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs and Total Federal Transit Cluster	BABF-0095-010-203 BABF-0095-010-204 BABF-0095-010-205 BABF-0095-010-206 BABF-0095-010-207	20.526		2,516 2,880 2,009 720 1,040
Total Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs and Total Federal Transit Cluster				9,165
National Infrastructure Investments	TTGR-0095-036-16T	20.933		35,100
Total U.S. Department of Transportation				2,323,487
U.S. DEPARTMENT OF THE TREASURY				
<i>(Passed through Ohio Office of Budget and Management)</i>				
COVID-19 Coronavirus Relief Fund	N/A	21.019	\$ 1,052,606	1,742,748
Total U.S. Department of the Treasury			1,052,606	1,742,748
U.S. ELECTION ASSISTANCE COMMISSION				
<i>(Passed through Ohio Secretary of State)</i>				
COVID-19 2018 HAVA Election Security Grants	N/A	90.404		31,572
2018 HAVA Election Security Grants				50,158
Total 2018 HAVA Election Security Grants				81,730
Total U.S. Election Assistance Commission				81,730

CHAMPAIGN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Passed Through to Subrecipients	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>(Passed through Ohio Department of Aging and Area Agency on Aging, Planning & Service Area (PSA) 2)</i>				
Aging Cluster:				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers and Total Aging Cluster	2020	93.044		19,843
<i>(Passed through Ohio Department of Job and Family Services)</i>				
MaryLee Allen Promoting Safe and Stable Families Program	G-2021-11-5908	93.556		39,021
Temporary Assistance for Needy Families	G-2021-11-5908	93.558		314,265
Child Support Enforcement	G-2021-11-5908	93.563		474,623
CCDF Cluster:				
Child Care and Development Block Grant	G-2021-11-5908	93.575		19,077
Stephanie Tubbs Jones Child Welfare Services Program	G-2021-11-5908	93.645		63,369
Foster Care Title IV-E	G-2021-11-5908	93.658		242,293
Adoption Assistance	G-2021-11-5908	93.659		146,967
John H. Chafee Foster Care Program for Successful Transition to Adulthood	G-2021-11-5908	93.674		1,234
Social Services Block Grant:				
<i>(Passed through Ohio Department of Job and Family Services)</i>				
Social Services Block Grant	G-2021-11-5908	93.667		359,329
<i>(Passed through Ohio Department of Developmental Disabilities)</i>				
Social Services Block Grant	200IOHSOSR	93.667		25,590
Total Social Services Block Grant				<u>384,919</u>
<i>(Passed through Ohio Department of Job and Family Services)</i>				
Children's Health Insurance Program	G-2021-11-5908	93.767		35,689
Medicaid Cluster:				
<i>(Passed through Ohio Department of Job and Family Services)</i>				
Medical Assistance Program	G-2021-11-5908	93.778		426,714
<i>(Passed through Ohio Department of Developmental Disabilities)</i>				
Medical Assistance Program	2105OH5ADM	93.778		133,929
Total Medical Assistance Program and Total Medicaid Cluster				<u>560,643</u>
Total U.S. Department of Health and Human Services				<u>2,301,943</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>(Passed through Ohio Department of Public Safety)</i>				
Emergency Management Performance Grants	EMC-2019-EP-00005	97.042		6,011
	EMC-2020-EP-00004			31,214
Total Emergency Management Performance Grants				<u>37,225</u>
Total U.S. Department of Homeland Security				<u>37,225</u>
Total Expenditures of Federal Awards			\$ 1,052,606	\$ <u>7,042,501</u>

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

CHAMPAIGN COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Champaign County (the County) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position or change in net position of the County.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

The County passes certain federal awards received from Ohio Office of Budget and Management to other governments or not-for-profit agencies (subrecipients). As Note B describes, the County reports expenditures of Federal awards to subrecipients when paid in cash.

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

NOTE E - MATCHING REQUIREMENTS

Certain Federal programs require the County to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE F - TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2020, the County made allowable transfers of \$282,331 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 \$314,265 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 2020 and the amount transferred to the SSBG program.

Temporary Assistance for Needy Families	\$ 596,596
Transfer to Social Services Block Grant	<u>(282,331)</u>
Total Temporary Assistance for Needy Families	<u>\$ 314,265</u>

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OHIO AUDITOR OF STATE KEITH FABER



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

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 cash-basis 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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 19, 2021, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the County.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-002 to be a material weakness.

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 financial statement. 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2020-001 and 2020-002.

County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and/or corrective action plan. We did not subject the County's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

October 19, 2021

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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 Compliance for 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) *Compliance Supplement* that could directly and materially affect each of Champaign County's major federal programs for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies each of the County's major federal programs.

Management's Responsibility

The County's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance 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 County'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 each of the County's major programs. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

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, 2020.

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 the Uniform Guidance, 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 Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

October 19, 2021

CHAMPAIGN COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Highway Planning and Construction Cluster CFDA #21.019 – COVID-19 - Coronavirus Relief Fund
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2020-001

Noncompliance

Annual Financial Reporting

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

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

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

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

Officials' Response

See Corrective Action Plan on page 65.

FINDING NUMBER 2020-002

Noncompliance and Material Weakness

Financial Statement Misstatements

Ohio Rev. Code § 5705.01(E) states "permanent improvement" or "improvement" means any property, asset, or improvement with an estimated life or usefulness of five years or more, including land and interests therein, and reconstructions, enlargements, and extensions thereof having an estimated life or usefulness of five years or more.

Ohio Rev. Code § 5705.10(F) states, in part, if a permanent improvement of the subdivision is sold, the amount received from the sale shall be paid into the sinking fund, the bond retirement fund, or a special fund for the construction or acquisition of permanent improvements.

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

**FINDING NUMBER 2020-002
(Continued)**

In 2020, the County recorded proceeds, totaling \$280,001, from the sale of property in the General fund. The proceeds should have been recorded in a special fund for the construction or acquisition of permanent improvements. Additionally, the amounts reported for Custodial Funds Property Tax Collections for Other Governments and Property Tax Distributions to Other Governments were overstated in the amount of \$37,760,339. The County's accounting records and the accompanying financial statements have been adjusted to correct these misstatements. Furthermore, we also identified additional misstatements ranging from \$35,100 to \$1,863,476 which were immaterial to the financial statements and did not require adjustment; however, we have brought those items to the County's attention.

Failure to correctly classify financial activity and balances in the accounting records and financial statements may impact the users' understanding of the financial operations, the County's ability to make sound financial decisions or comply with budgetary law.

To improve financial reporting, the County should establish and implement procedures to provide for accurate and complete recording of financial activity in the accounting records and financial statements to assist in the effective management and reporting of financial resources.

Officials' Response

See Corrective Action Plan on page 65.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.

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Karen T. Bailey

Champaign County Auditor

1512 S. Hwy. 68, Suite B300 • Urbana, Ohio 43078
Phone: 937-484-1600 • Fax: 937-484-1626
<http://champaignoh.ddti.net>



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
DECEMBER 31, 2020**

Finding Number	Finding Summary	Status	Additional Information
2019-001	Ohio Revised Code section 117.38 and Ohio Administrative Code section 117-2-03(B)	Not Corrected	Repeated as Finding 2020-001 The failure to compile GAAP financial reports is a purposeful decision based on the prohibitive cost. There is no planned corrective action at this time.

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Karen T. Bailey
Champaign County Auditor

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
DECEMBER 31, 2020

Finding Number: 2020-001
Planned Corrective Action: There is no corrective action plan at this time.
Anticipated Completion Date: N/A
Responsible Contact Person: Karen T. Bailey

Finding Number: 2020-002
Planned Corrective Action: The account has been created, the monies have been transferred as instructed
Anticipated Completion Date: 10/01/2021
Responsible Contact Person: Karen T. Bailey

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OHIO AUDITOR OF STATE KEITH FABER



CHAMPAIGN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/9/2021

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

This report is a matter of public record and is available online at
www.ohioauditor.gov