OHIO AUDITOR OF STATE
**KEITH FABER**

**CHAMPAIGN COUNTY**
**DECEMBER 31, 2023**

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OHIO AUDITOR OF STATE
KEITH FABER

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

# 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 Audit of the Financial Statements

### *Opinions*

We have audited the 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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Champaign County, as of December 31, 2023, and the respective changes in cash-basis financial position thereof 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 for the year then ended in accordance with the cash-basis of accounting described in Note 2.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Emphasis of Matter - Accounting Basis*

Ohio Administrative Code § 117-2-03(B) requires the County to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

***Supplementary Information***

Our audit was conducted to opine on the financial statements as a whole that collectively comprise the County's basic financial statements.

The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2024, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

October 29, 2024

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Champaign County
Statement of Net Position - Cash Basis
December 31, 2023

| | Governmental Activities |
|---|---|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | $36,292,553 |
| Cash and Cash Equivalents in Segregated Accounts | 133,012 |
| Total Assets | $36,425,565 |
| Net Position | |
| Restricted for | |
| Debt Service | $2,500 |
| Capital Projects | 337,612 |
| Public Works | 5,779,445 |
| Health | 7,849,097 |
| Children's Services | 4,728,087 |
| Other Purposes | 4,675,346 |
| Unrestricted | 13,053,478 |
| Total Net Position | $36,425,565 |

See Accompanying Notes to the Basic Financial Statements

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Champaign County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2023

| | | Program Receipts | | | Net (Disbursements) Receipts and Change in Net Position |
|---|---|---|---|---|---|
| | Disbursements | Charges for Services | Operating Grants, Contributions, and Interest | Capital Grants and Contributions | Governmental Activities |
| Governmental Activities | | | | | |
| General Government | | | | | |
| Legislative and Executive | $5,807,664 | $2,139,743 | $81,725 | $0 | ($3,586,196) |
| Judicial | 3,718,366 | 929,964 | 459,237 | 0 | (2,329,165) |
| Public Safety | 6,252,990 | 246,132 | 94,018 | 0 | (5,912,840) |
| Public Works | 8,650,334 | 1,098,838 | 5,628,703 | 0 | (1,922,793) |
| Health | 4,906,036 | 116,851 | 1,706,677 | 0 | (3,082,508) |
| Human Services | 8,476,720 | 149,652 | 5,045,762 | 0 | (3,281,306) |
| Conservation and Recreation | 438,938 | 0 | 0 | 0 | (438,938) |
| Economic Development and Assistance | 1,900,981 | 230,835 | 1,513,337 | 0 | (156,809) |
| Capital Outlay | 310,974 | 0 | 0 | 0 | (310,974) |
| Total Governmental Activities | 40,463,003 | 4,912,015 | 14,529,459 | 0 | (21,021,529) |

| | |
|---|---|
| General Receipts | |
| Property Taxes Levied for | |
| General Operating | 2,669,930 |
| Lawnview 169 Board | 2,661,650 |
| Children's Services | 1,472,072 |
| Senior Citizens | 824,950 |
| Sales Taxes | 7,213,825 |
| Grants and Entitlements not Restricted to Other Programs | 1,818,857 |
| Investment Earnings and Other Interest | 1,813,025 |
| Other | 3,056,206 |
| Total General Receipts | 21,530,515 |
| Change in Net Position | 508,986 |
| Net Position at Beginning of Year | 35,916,579 |
| Net Position at End of Year | $36,425,565 |

See Accompanying Notes to the Basic Financial Statements

Champaign County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2023

| | General | Job and Family Services | Motor Vehicle License Gas Tax | Lawnview 169 Board |
|---|---|---|---|---|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | $13,176,735 | $50,009 | $5,589,837 | $7,539,204 |
| Cash and Cash Equivalents in Segregated Accounts | 5,114 | 0 | 0 | 0 |
| Restricted Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | 415,378 | 0 | 0 | 60,000 |
| Total Assets | $13,597,227 | $50,009 | $5,589,837 | $7,599,204 |
| Fund Balances | | | | |
| Nonspendable | $415,378 | $0 | $0 | $60,000 |
| Restricted | 137,323 | 50,009 | 5,589,837 | 7,539,204 |
| Committed | 1,138,255 | 0 | 0 | 0 |
| Assigned | 6,281,547 | 0 | 0 | 0 |
| Unassigned | 5,624,724 | 0 | 0 | 0 |
| Total Fund Balances | $13,597,227 | $50,009 | $5,589,837 | $7,599,204 |

See Accompanying Notes to the Basic Financial Statements

| Children's Services | Other Governmental | Total |
|---|---|---|
| $4,728,087 | $4,733,303 | $35,817,175 |
| 0 | 127,898 | 133,012 |
| 0 | 0 | 475,378 |
| $4,728,087 | $4,861,201 | $36,425,565 |
| | | |
| $0 | $0 | $475,378 |
| 4,728,087 | 4,852,249 | 22,896,709 |
| 0 | 0 | 1,138,255 |
| 0 | 8,952 | 6,290,499 |
| 0 | 0 | 5,624,724 |
| $4,728,087 | $4,861,201 | $36,425,565 |

Champaign County
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

| | General | Job and Family Services | Motor Vehicle License Gas Tax | Lawnview 169 Board |
|---|---|---|---|---|
| Receipts | | | | |
| Property Taxes | $2,669,930 | $0 | $0 | $2,661,650 |
| Sales Taxes | 7,213,825 | 0 | 0 | 0 |
| Other Local Taxes | 0 | 0 | 790,633 | 0 |
| Special Assessments | 0 | 0 | 0 | 0 |
| Charges for Services | 2,413,579 | 0 | 179 | 15 |
| Licenses and Permits | 214,771 | 0 | 0 | 0 |
| Fines and Forfeitures | 76,948 | 0 | 0 | 0 |
| Intergovernmental | 2,353,997 | 2,626,377 | 5,176,753 | 1,509,250 |
| Lease Revenue | 83,560 | 0 | 0 | 0 |
| Investment Earnings and Other Interest | 1,812,972 | 0 | 71,565 | 20,271 |
| Other | 641,690 | 1,387,178 | 464,468 | 398,518 |
| Total Receipts | 17,481,272 | 4,013,555 | 6,503,598 | 4,589,704 |
| Disbursements | | | | |
| Current | | | | |
| General Government | | | | |
| Legislative and Executive | 4,852,416 | 0 | 0 | 0 |
| Judicial | 3,058,498 | 0 | 0 | 0 |
| Public Safety | 5,913,444 | 0 | 0 | 0 |
| Public Works | 1,371,486 | 0 | 7,253,729 | 0 |
| Health | 42,120 | 0 | 0 | 4,720,457 |
| Human Services | 379,501 | 4,030,372 | 0 | 0 |
| Conservation and Recreation | 438,938 | 0 | 0 | 0 |
| Economic Development and Assistance | 213,110 | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Total Disbursements | 16,269,513 | 4,030,372 | 7,253,729 | 4,720,457 |
| Excess of Receipts Over (Under) Disbursements | 1,211,759 | (16,817) | (750,131) | (130,753) |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 1,552 | 0 | 23,719 | 0 |
| Transfers Out | (86,119) | (126,322) | (242) | 0 |
| Total Other Financing Sources (Uses) | (84,567) | (126,322) | 23,477 | 0 |
| Changes in Fund Balances | 1,127,192 | (143,139) | (726,654) | (130,753) |
| Fund Balances at Beginning of Year | 12,470,035 | 193,148 | 6,316,491 | 7,729,957 |
| Fund Balances at End of Year | $13,597,227 | $50,009 | $5,589,837 | $7,599,204 |

See Accompanying Notes to the Basic Financial Statements

| Children's Services | Other Governmental | Total |
|---|---|---|
| $1,472,072 | $824,950 | $7,628,602 |
| 0 | 0 | 7,213,825 |
| 0 | 0 | 790,633 |
| 0 | 31,341 | 31,341 |
| 0 | 1,209,054 | 3,622,827 |
| 0 | 25,760 | 240,531 |
| 0 | 66,175 | 143,123 |
| 1,748,857 | 2,840,430 | 16,255,664 |
| 0 | 0 | 83,560 |
| 0 | 869 | 1,905,677 |
| 58,781 | 105,571 | 3,056,206 |
| 3,279,710 | 5,104,150 | 40,971,989 |
| | | |
| 0 | 955,248 | 5,807,664 |
| 0 | 659,868 | 3,718,366 |
| 0 | 339,546 | 6,252,990 |
| 0 | 25,119 | 8,650,334 |
| 0 | 143,459 | 4,906,036 |
| 2,374,789 | 1,692,058 | 8,476,720 |
| 0 | 0 | 438,938 |
| 0 | 1,687,871 | 1,900,981 |
| 0 | 310,974 | 310,974 |
| 2,374,789 | 5,814,143 | 40,463,003 |
| 904,921 | (709,993) | 508,986 |
| 0 | 188,722 | 213,993 |
| (560) | (750) | (213,993) |
| (560) | 187,972 | 0 |
| 904,361 | (522,021) | 508,986 |
| 3,823,726 | 5,383,222 | 35,916,579 |
| $4,728,087 | $4,861,201 | $36,425,565 |

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, 2023

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| Receipts | | | | |
| Property Taxes | $2,507,500 | $2,507,500 | $2,584,706 | $77,206 |
| Sales Taxes | 6,500,000 | 6,500,000 | 7,213,825 | 713,825 |
| Charges for Services | 2,316,134 | 2,316,134 | 2,409,784 | 93,650 |
| Licenses and Permits | 222,500 | 222,500 | 214,964 | (7,536) |
| Fines and Forfeitures | 85,900 | 85,900 | 82,197 | (3,703) |
| Intergovernmental | 2,244,738 | 2,325,647 | 2,353,997 | 28,350 |
| Lease Revenue | 92,745 | 92,745 | 83,560 | (9,185) |
| Interest | 482,100 | 482,100 | 1,610,260 | 1,128,160 |
| Other | 734,072 | 734,072 | 641,690 | (92,382) |
| Total Receipts | 15,185,689 | 15,266,598 | 17,194,983 | 1,928,385 |
| Disbursements | | | | |
| Current | | | | |
| General Government | | | | |
| Legislative and Executive | 7,164,430 | 7,171,935 | 5,078,379 | 2,093,556 |
| Judicial | 3,518,466 | 3,720,804 | 3,141,481 | 579,323 |
| Public Safety | 6,567,267 | 6,700,782 | 5,960,302 | 740,480 |
| Public Works | 1,483,262 | 1,641,971 | 1,376,710 | 265,261 |
| Health | 140,670 | 140,670 | 104,710 | 35,960 |
| Human Services | 510,797 | 510,797 | 379,552 | 131,245 |
| Economic Development and Assistance | 327,000 | 327,000 | 213,110 | 113,890 |
| Other | 433,982 | 443,038 | 438,938 | 4,100 |
| Total Disbursements | 20,145,874 | 20,656,997 | 16,693,182 | 3,963,815 |
| Excess of Receipts Over (Under) Disbursements | (4,960,185) | (5,390,399) | 501,801 | 5,892,200 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 1,552 | 1,552 | 1,552 | 0 |
| Transfers Out | (87,400) | (87,400) | (86,119) | 1,281 |
| Total Other Financing Sources (Uses) | (85,848) | (85,848) | (84,567) | 1,281 |
| Changes in Fund Balance | (5,046,033) | (5,476,247) | 417,234 | 5,893,481 |
| Fund Balance at Beginning of Year | 11,604,918 | 11,604,918 | 11,604,918 | 0 |
| Prior Year Encumbrances Appropriated | 492,099 | 492,099 | 492,099 | 0 |
| Fund Balance at End of Year | $7,050,984 | $6,620,770 | $12,514,251 | $5,893,481 |

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, 2023

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| Receipts | | | | |
| Intergovernmental | $3,034,262 | $3,034,262 | $2,626,377 | ($407,885) |
| Other | 1,466,200 | 1,466,200 | 1,387,178 | (79,022) |
| Total Receipts | 4,500,462 | 4,500,462 | 4,013,555 | (486,907) |
| Disbursements | | | | |
| Current | | | | |
| Human Services | 4,374,140 | 4,515,806 | 4,036,009 | 479,797 |
| Excess of Receipts Over (Under) Disbursements | 126,322 | (15,344) | (22,454) | (7,110) |
| Other Financing Uses | | | | |
| Transfers Out | (126,322) | (126,322) | (126,322) | 0 |
| Changes in Fund Balance | 0 | (141,666) | (148,776) | (7,110) |
| Fund Balance at Beginning of Year | 158,653 | 158,653 | 158,653 | 0 |
| Fund Balance at End of Year | $158,653 | $16,987 | $9,877 | ($7,110) |

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, 2023

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| Receipts | | | | |
| Other Local Taxes | $851,000 | $581,000 | $790,633 | $209,633 |
| Charges for Services | 225 | 225 | 179 | (46) |
| Intergovernmental | 5,130,000 | 5,130,000 | 5,176,753 | 46,753 |
| Interest | 30,000 | 30,000 | 71,565 | 41,565 |
| Other | 458,331 | 458,331 | 464,468 | 6,137 |
| Total Receipts | 6,469,556 | 6,199,556 | 6,503,598 | 304,042 |
| Disbursements | | | | |
| Current | | | | |
| Public Works | 8,509,601 | 8,909,601 | 7,642,593 | 1,267,008 |
| Excess of Receipts Under Disbursements | (2,040,045) | (2,710,045) | (1,138,995) | 1,571,050 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 23,719 | 23,719 | 23,719 | 0 |
| Transfers Out | (242) | (242) | (242) | 0 |
| Total Other Financing Sources (Uses) | 23,477 | 23,477 | 23,477 | 0 |
| Changes in Fund Balance | (2,016,568) | (2,686,568) | (1,115,518) | 1,571,050 |
| Fund Balance at Beginning of Year | 6,069,412 | 6,069,412 | 6,069,412 | 0 |
| Prior Year Encumbrances Appropriated | 208,352 | 208,352 | 208,352 | 0 |
| Fund Balance at End of Year | $4,261,196 | $3,591,196 | $5,162,246 | $1,571,050 |

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, 2023

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| Receipts | | | | |
| Property Taxes | $2,930,743 | $2,930,743 | $2,591,919 | ($338,824) |
| Charges for Services | 100 | 100 | 15 | (85) |
| Intergovernmental | 958,650 | 958,650 | 1,509,250 | 550,600 |
| Interest | 10,460 | 10,460 | 20,271 | 9,811 |
| Other | 289,333 | 289,333 | 398,518 | 109,185 |
| Total Receipts | 4,189,286 | 4,189,286 | 4,519,973 | 330,687 |
| Disbursements | | | | |
| Current | | | | |
| Health | 4,712,104 | 5,069,104 | 4,805,872 | 263,232 |
| Changes in Fund Balance | (522,818) | (879,818) | (285,899) | 593,919 |
| Fund Balance at Beginning of Year | 7,522,167 | 7,522,167 | 7,522,167 | 0 |
| Prior Year Encumbrances Appropriated | 108,626 | 108,626 | 108,626 | 0 |
| Fund Balance at End of Year | $7,107,975 | $6,750,975 | $7,344,894 | $593,919 |

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, 2023

| | Budgeted Amounts | | | |
|---|---|---|---|---|
| | Original | Final | Actual | Variance with Final Budget |
| Receipts | | | | |
| Property Taxes | $1,425,000 | $1,425,000 | $1,433,379 | $8,379 |
| Intergovernmental | 1,380,000 | 1,380,000 | 1,748,857 | 368,857 |
| Other | 35,000 | 35,000 | 58,781 | 23,781 |
| Total Receipts | 2,840,000 | 2,840,000 | 3,241,017 | 401,017 |
| Disbursements | | | | |
| Current | | | | |
| Human Services | 3,245,995 | 3,551,995 | 2,684,805 | 867,190 |
| Excess of Receipts Over (Under) Disbursements | (405,995) | (711,995) | 556,212 | 1,268,207 |
| Other Financing Uses | | | | |
| Transfers Out | (560) | (560) | (560) | 0 |
| Changes in Fund Balance | (406,555) | (712,555) | 555,652 | 1,268,207 |
| Fund Balance at Beginning of Year | 3,362,261 | 3,362,261 | 3,362,261 | 0 |
| Prior Year Encumbrances Appropriated | 406,555 | 406,555 | 406,555 | 0 |
| Fund Balance at End of Year | $3,362,261 | $3,056,261 | $4,324,468 | $1,268,207 |

See Accompanying Notes to the Basic Financial Statements

Champaign County
Statement of Cash Basis Fiduciary Net Position
Custodial Funds
December 31, 2023

| | |
|---|---|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | $13,069,860 |
| Cash and Cash Equivalents in Segregated Accounts | 488,913 |
| Total Assets | $13,558,773 |
| Net Position | |
| Restricted for Individuals, Organizations, and Other Governments | $13,558,773 |

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, 2023

| | |
|---|---|
| Additions | |
| Intergovernmental Amounts for Other Governments | $3,792,445 |
| Amounts Received as Fiscal Agent | 14,705,326 |
| Licenses, Permits, and Fees for Other Governments | 5,570,233 |
| Fines and Forfeitures for Other Governments | 384,521 |
| Property Tax Collections for Other Governments | 37,619,688 |
| Sheriff Sales Collections for Others | 631,601 |
| Total Additions | 62,703,814 |
| Deductions | |
| Distributions of State Funds to Other Governments | 1,941,709 |
| Distributions as Fiscal Agent | 14,423,337 |
| Licenses, Permits, and Fees Distributions to Other Governments | 5,568,123 |
| Fines and Forfeitures Distributions to Other Governments | 361,533 |
| Property Tax Distributions to Other Governments | 38,254,751 |
| Sheriff Sales Distributions to Others | 620,700 |
| Total Deductions | 61,170,153 |
| Net Increase in Fiduciary Net Position | 1,533,661 |
| Net Position at Beginning of Year | 12,025,112 |
| Net Position at End of Year | $13,558,773 |

See Accompanying Notes to the Basic Financial Statements

## 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. 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 2023.

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

**Note 1 - Reporting Entity** (continued)

The County participates in certain organizations which are defined as joint ventures, jointly governed organizations, and insurance pools. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. These organizations are presented in Notes 16, 17, and 18 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
West Central Ohio Port Authority
Community Improvement Corporation of Champaign County
North Central Ohio Solid Waste Management District
County Risk Sharing Authority, Inc.
County Commissioners Association of Ohio Service Corporation
County Employee Benefits Consortium of Ohio, Inc.

The County's management believes these financial statements present all activities for which the County is financial accountable.

**Note 2 - Summary of Significant Accounting Policies**

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

A. Basis of Presentation

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.

**Note 2 - Summary of Significant Accounting Policies** (continued)

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.

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 the 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.

**Note 2 - Summary of Significant Accounting Policies** (continued)

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.

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, for individuals, private organizations, or other governments and are not available to support the County's own programs. The County has no trust funds. 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. 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 amended certificate of estimated resources in effect at the time final appropriations were passed by the County Commissioners.

**Note 2 - Summary of Significant Accounting Policies** (continued)

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

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 2023, the County invested in money market funds, negotiable and nonnegotiable certificates of deposit, federal agency securities, and STAR Ohio. Investments are reported at cost and net value per share for STAR Ohio.

STAR Ohio (the State Treasury Asset Reserve of 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 2023, 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 for deposits and withdrawals of $100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to $250 million per day.

Investment earnings and other interest are allocated to County funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2023 were $1,812,972 which includes $1,101,606 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.

**Note 2 - Summary of Significant Accounting Policies** (continued)

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.

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

The County's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when disbursements are made. The County has no outstanding long-term obligations.

J. Leases and SBITAs

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

For 2023, GASB Statement No. 96, *Subscription-Based Technology Arrangements*, was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The County has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial and court systems. Subscription assets/liabilities are not reflected under the County's cash basis of accounting. Subscription disbursements are recognized when they are paid.

**Note 2 - Summary of Significant Accounting Policies** (continued)

K. 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, 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.

L. 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.

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.

**Note 2 - Summary of Significant Accounting Policies** (continued)

Assigned - Amounts in the assigned classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by the County Commissioners. The County Commissioners have authorized each department manager to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The County Commissioners have also assigned fund balance to cover a gap between estimated receipts and appropriations in the 2024 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.

M. Pension/Postemployment Benefits

For purposes of measuring the net pension/OPEB liability (asset), information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from 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.

N. Employer Contributions to Cost-Sharing Pension/OPEB Plans

The County recognizes the disbursement for employer contributions to cost-sharing pension/OPEB plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

O. Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to the OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2023, distributions of $88,811 are reflected as miscellaneous revenue in the OneOhio special revenue fund in the accompanying financial statements.

P. Internal Activity

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

**Note 2 - Summary of Significant Accounting Policies** (continued)

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

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

Q. 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 the 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 restricted, 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 $431,855, $393,012, $85,415 and $310,016, 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.

**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;

**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 or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;

11. A current unpaid or delinquent tax line of credit provided certain conditions are met related to a County land reutilization corporation organized under 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

As of December 31, 2023, the County had the following investments:

**Note 5 - Deposits and Investments** (continued)

| Measurement/Investment | Measurement Amount | Up to Six Months | Six Months to One Year | One Year to Two Years | More Than Two Years |
|---|---|---|---|---|---|
| Cost | | | | | |
| Money Market Fund | $486,481 | $486,481 | $0 | $0 | $0 |
| Negotiable Certificates of Deposit | 3,883,000 | 615,000 | 200,000 | 245,000 | 2,823,000 |
| Federal Home Loan | | | | | |
| Bank Notes | 250,000 | 0 | 0 | 0 | 250,000 |
| Federal Home Loan | | | | | |
| Mortgage Corporation Notes | 600,175 | 0 | 350,175 | 0 | 250,000 |
| Net Value Per Share | | | | | |
| STAR Ohio | 18,182,174 | 18,182,174 | 0 | 0 | 0 |
| Total Investments | $23,401,830 | $19,283,655 | $550,175 | $245,000 | $3,323,000 |

The negotiable certificates of deposit are generally covered by FDIC insurance. The Federal Home Loan Bank Notes and Federal Home Loan Mortgage Corporation Notes carry a rating of Aaa by Moodys. STAR Ohio carries a rating of AAAm by Standards and Poor's and has an average maturity of 46.4 days. The County has no policy regarding interest rate or credit risk beyond the requirements of State statue. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization.

The County places no limit on the amount of its interim monies it may invest in a particular security. The following table indicates the percentage of each applicable investment to the County's total portfolio.

| | Cost Value | Percentage of Portfolio |
|---|---|---|
| Negotiable Certificates of Deposit | $3,883,000 | 16.59% |
| Federal Home Loan Bank Notes | 250,000 | 1.07 |
| Federal Home Loan Mortgage Corporation Notes | 600,175 | 2.56 |

**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 2023 represent the collection of 2022 taxes. Real property taxes received in 2023 were levied after October 1, 2022, on the assessed values as of January 1, 2022, 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 2023 represent the collection of 2022 taxes. Public utility real and tangible personal property taxes received in 2023 became a lien on December 31, 2021, were levied after October 1, 2022, 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.

**Note 6 - Property Taxes** (continued)

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, 2023, was $12.90 per $1,000 of assessed value. The assessed values of real and public utility property upon which 2023 property tax receipts were based are as follows:

| | |
|---|---|
| Real Property | |
| Residential/Agriculture | $993,063,610 |
| Commercial/Industrial/Mineral | 107,029,380 |
| Public Utility Property | |
| Real | 1,213,030 |
| Personal | 41,502,910 |
| Total Assessed Value | $1,142,808,930 |

**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 certification is made, provide for payment to the County.

**Note 8 - Risk Management**

A. Property and Liability

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2023, the County contracted with the County Risk Sharing Authority, Inc. (CORSA) for insurance coverage. The CORSA program has a $2,500 deductible.

**Note 8 - Risk Management** (continued)

Coverage provided was as follows:

| | |
|---|---|
| Property | $65,856,955 |
| General Liability | 1,000,000 |
| Excess Liability | 7,000,000 |
| 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 2022 and settled claims have not exceeded this coverage in the past three years.

B. Workers Compensation

For 2023, the County participated in the County Commissioners Association of Ohio Service Corporation, a workers' compensation group rating plan (Plan). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the Plan. Each county pays its workers' compensation premium to the State based on the rate for the Plan rather than the county's individual rate.

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

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

C. Medical and Life Insurance

For 2023, 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 9 - Significant Commitments**

At year end, the significant encumbrances expected to be honored upon performance by the vendor in 2023 are as follows:

| | |
|---|---|
| General Fund | $431,855 |
| Motor Vehicle License Gas Tax Fund | 393,012 |
| Lawnview 169 Board Fund | 85,415 |
| Children's Services Fund | 310,016 |

**Note 10 - Defined Benefit Pension Plan**

The Statewide retirement systems provide 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.

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

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

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

**Note 10 - Defined Benefit Pension Plan** (continued)

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

The remainder of this note includes the pension disclosures. See Note 11 for the OPEB disclosures.

**Ohio Public Employees Retirement System (OPERS)**

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

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

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

| **Group A**<br>Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | **Group B**<br>20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | **Group C**<br>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:**<br>Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | **Age and Service Requirements:**<br>Age 60 with 60 months of service credit or Age 55 with 25 years of service credit | **Age and Service Requirements:**<br>Age 57 with 25 years of service credit or Age 62 with 5 years of service credit |
| **Traditional Plan Formula:**<br>2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | **Traditional Plan Formula:**<br>2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 | **Traditional Plan Formula:**<br>2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 |

**Note 10 - Defined Benefit Pension Plan** (continued)

| **Group A**<br>Eligible to retire prior to January 7, 2013 or five years after January 7, 2013 | **Group B**<br>20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013 | **Group C**<br>Members not in other Groups and members hired on or after January 7, 2013 |
|---|---|---|
| **State and Local** | **State and Local** | **State and Local** |
| **Combined Plan Formula:**<br>1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 | **Combined Plan Formula:**<br>1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30 | **Combined Plan Formula:**<br>1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35 |
| **Public Safety** | **Public Safety** | **Public Safety** |
| **Age and Service Requirements:**<br>Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | **Age and Service Requirements:**<br>Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | **Age and Service Requirements:**<br>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:**<br>Age 52 with 15 years of service credit | **Age and Service Requirements:**<br>Age 48 with 25 years of service credit or Age 52 with 15 years of service credit | **Age and Service Requirements:**<br>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:**<br>2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | **Traditional Plan Formula:**<br>2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 | **Traditional Plan Formula:**<br>2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25 |

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

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

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

**Note 10 - Defined Benefit Pension Plan** (continued)

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

**Note 10 - 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 | | | |
|---|---|---|---|---|
| | Traditional | Combined | Public Safety | Law Enforcement |
| **2023 Statutory Maximum Contribution Rates** | | | | |
| Employer | 14.0 % | 14.0 % | 18.1 % | 18.1 % |
| Employee * | 10.0 % | 10.0 % | ** | *** |
| | | | | |
| **2023 Actual Contribution Rates** | | | | |
| Employer: | | | | |
| Pension **** | 14.0 % | 12.0 % | 18.1 % | 18.1 % |
| Post-employment Health Care Benefits **** | 0.0 | 2.0 | 0.0 | 0.0 |
| Total Employer | 14.0 % | 14.0 % | 18.1 % | 18.1 % |
| Employee | 10.0 % | 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 ORC.

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

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

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

For 2023, The County's contractually required contribution was $2,219,829 for the traditional plan, $21,838 for the combined plan and $23,893 for the member-directed plan.

**Net Pension Liability (Asset)**

The net pension liability (asset) for OPERS was measured as of December 31, 2022, 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 of the County's defined benefit pension plans:

**Note 10 - Defined Benefit Pension Plan** (continued)

| | OPERS Traditional Plan | OPERS Combined Plan | Total |
|---|---|---|---|
| Proportion of the Net Pension Liability/Asset: | | | |
| Current Measurement Date | 0.09820137% | 0.03927900% | |
| Prior Measurement Date | 0.09946100% | 0.04456100% | |
| Change in Proportionate Share | -0.00125963% | -0.00528200% | |
| Proportionate Share of the: | | | |
| Net Pension Liability | $29,008,727 | $0 | $29,008,727 |
| Net Pension Asset | 0 | $92,577 | $92,577 |

**Actuarial Assumptions**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

| | OPERS Traditional Plan | OPERS Combined Plan |
|---|---|---|
| Wage Inflation | 2.75 percent | 2.75 percent |
| Future Salary Increases, including inflation | 2.75 to 10.75 percent including wage inflation | 2.75 to 8.25 percent including wage inflation |
| COLA or Ad Hoc COLA: | | |
| Pre-January 7, 2013 Retirees | 3.0 percent, simple | 3.0 percent, simple |
| Post-January 7, 2013 Retirees | 3.0 percent, simple through 2023, then 2.05 percent, simple | 3.0 percent, simple through 2023, then 2.05 percent, simple |
| Investment Rate of Return | 6.9 percent | 6.9 percent |
| Actuarial Cost Method | Individual Entry Age | Individual Entry Age |

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

**Note 10 - Defined Benefit Pension Plan** (continued)

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Geometric) |
|---|---|---|
| Fixed Income | 22.00% | 2.62% |
| Domestic Equities | 22.00 | 4.60 |
| Real Estate | 13.00 | 3.27 |
| Private Equity | 15.00 | 7.53 |
| International Equities | 21.00 | 5.51 |
| Risk Parity | 2.00 | 4.37 |
| Other investments | 5.00 | 3.27 |
| Total | 100.00% | |

**Note 10 - Defined Benefit Pension Plan** (continued)

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

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following table presents the County's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

| | 1% Decrease (5.90%) | Current Discount Rate (6.90%) | 1% Increase (7.90%) |
|---|---|---|---|
| **County's proportionate share of the net pension liability (asset)** | | | |
| OPERS Traditional Plan | $43,454,105 | $29,008,727 | $16,992,765 |
| OPERS Combined Plan | (48,313) | (92,577) | (127,657) |

**Note 11 - Defined Benefit OPEB Plan**

See Note 10 for a description of the net OPEB liability.

**Ohio Public Employees Retirement System (OPERS)**

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

**Note 11 - Defined Benefit Pension Plan** (continued)

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

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

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

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

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

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

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

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

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

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

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

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

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

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

**Note 11 - Defined Benefit Pension Plan** (continued)

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was $3,641 for the combined plan and $9,557 for the member-directed plan for 2023.

**Note 11 - Defined Benefit Pension Plan** (continued)

**Net OPEB Liability**

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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 | 0.09474436% |
| Prior Measurement Date | 0.09627617% |
| Change in Proportionate Share | -0.00153181% |
| Proportionate Share of the Net OPEB Liability | $597,382 |

**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, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

| | |
|---|---|
| Wage Inflation | 2.75 percent |
| Projected Salary Increases, | 2.75 to 10.75 percent including wage inflation |
| Single Discount Rate | 5.22 percent |
| Prior Year Single Discount Rate | 6.00 percent |
| Investment Rate of Return | 6.00 percent |
| Municipal Bond Rate | 4.05 percent |
| Prior Year Municipal Bond Rate | 1.84 percent |
| Health Care Cost Trend Rate | 5.5 percent, initial 3.50 percent, ultimate in 2036 |
| Actuarial Cost Method | Individual Entry Age |

**Note 11 - Defined Benefit OPEB Plan** (continued)

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

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health 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 15.6 percent for 2022.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

| Asset Class | Target Allocation | Weighted Average Long-Term Expected Real Rate of Return (Geometric) |
|---|---|---|
| Fixed Income | 34.00% | 2.56% |
| Domestic Equities | 26.00 | 4.60 |
| Real Estate Investment Trust | 7.00 | 4.70 |
| International Equities | 25.00 | 5.51 |
| Risk Parity | 2.00 | 4.37 |
| Other investments | 6.00 | 1.84 |
| Total | 100.00% | |

**<u>Note 11 - Defined Benefit OPEB Plan</u>** (continued)

Discount Rate - A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, 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 5.22 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 (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

| | 1% Decrease (4.22%) | Current Discount Rate (5.22%) | 1% Increase (6.22%) |
|---|---|---|---|
| County's proportionate share of the net OPEB liability | $2,033,214 | $597,382 | ($587,415) |

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 or asset. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

**Note 11 - Defined Benefit OPEB Plan** (continued)

| | 1% Decrease | Current Health Care Cost Trend Rate Assumption | 1% Increase |
|---|---|---|---|
| County's proportionate share of the net OPEB liability | $559,939 | $597,382 | $639,524 |

**Note 12 - Compensated Absences**

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

**Note 13 - Long-Term Obligations**

At December 31, 2022, the County's overall debt margin was $27,070,223 with an unvoted debt margin of $11,428,089.

**Note 14 - Fund Balance**

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

**Note 14 - Fund Balance** (continued)

| Fund Balance | General | Job and Family Servces | Motor Vehicle License Gas Tax | Lawnview 169 Board |
|---|---|---|---|---|
| Nonspendable for: | | | | |
| Lawnview Donations | $0 | $0 | $0 | $60,000 |
| Unclaimed Monies | 415,378 | 0 | 0 | 0 |
| Total Nonspendable | 415,378 | 0 | 0 | 60,000 |
| Restricted for: | | | | |
| Developmental Disabilities Operations | 0 | 0 | 0 | 7,539,204 |
| Job and Family Services Operations | 0 | 50,009 | 0 | 0 |
| Road and Bridge Repair/Improvement | 0 | 0 | 5,589,837 | 0 |
| Transit System | 137,323 | 0 | 0 | 0 |
| Total Restricted | 137,323 | 50,009 | 5,589,837 | 7,539,204 |
| Committed to: | | | | |
| Board of Elections | 15,675 | 0 | 0 | 0 |
| Economic Development | 797,326 | 0 | 0 | 0 |
| GIS Mapping | 325,254 | 0 | 0 | 0 |
| Total Committed | 1,138,255 | 0 | 0 | 0 |
| Assigned for: | | | | |
| Document Recording | 143,567 | 0 | 0 | 0 |
| Projected Budget Shortage | 4,878,206 | 0 | 0 | 0 |
| Sheriff Operations | 126,387 | 0 | 0 | 0 |
| Title Administration | 357,843 | 0 | 0 | 0 |
| Transit System | 361,055 | 0 | 0 | 0 |
| Unpaid Obligations | 414,489 | 0 | 0 | 0 |
| Total Assigned | 6,281,547 | 0 | 0 | 0 |
| Unassigned | 5,624,724 | 0 | 0 | 0 |
| Total Fund Balance | $13,597,227 | $50,009 | $5,589,837 | $7,599,204 |

**Note 14 - Fund Balance** (continued)

| Fund Balance | Children's Services | Other Governmental |
|---|---|---|
| Restricted for: | | |
| Child Support Enforcement | $0 | $844,902 |
| Court Operations | 0 | 645,681 |
| Crime Victim Assistance | 0 | 5,501 |
| Debt Retirement | 0 | 2,500 |
| Delinquent Tax Collections | 0 | 575,843 |
| Ditch Maintenance | 0 | 168,335 |
| Dog and Kennel Operations | 0 | 249,893 |
| Drug Addiction Services | 0 | 89,425 |
| Economic Development | 0 | 60,280 |
| Emergency Management | 0 | 167,712 |
| Job and Family Services Operations | 4,728,087 | 0 |
| Juvenile Corrections | 0 | 221,156 |
| Law Library Operating | 0 | 41,274 |
| Marriage License | 0 | 4,626 |
| Permanent Improvements | 0 | 169,277 |
| Recycling | 0 | 0 |
| Real Estate Assessment | 0 | 854,385 |
| Road and Bridge Repair/Improvement | 0 | 189,608 |
| Sheriff Operations | 0 | 320,468 |
| Senior Citizens | 0 | 229,614 |
| Tax Certificates | 0 | 9,827 |
| Voting | 0 | 1,942 |
| Total Restricted | 4,728,087 | 4,852,249 |
| Assigned for: | | |
| Debt Retirement | 0 | 8,952 |
| Total Fund Balance | $4,728,087 | $4,861,201 |

## Note 15 - Interfund Transfers

During 2023, transfers were made from the General Fund to the Motor Vehicle License Gas Tax Fund and to other governmental funds, in the amount of $23,719, and $62,400, respectively, to subsidize operations in those funds. Transfers were made from the Job and Family Services Fund to other governmental funds, in the amount of $126,322 to move allowable public assistance funding for child support. Transfers were made from the Motor Vehicle License Gas Tax Fund, Children's Services Fund, and other governmental funds to the General Fund, in the amounts of $242, $560, and $750, respectively, to transfer unclaimed money.

## Note 16 - 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 fourteen 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 and a member of the Board of County Commissioners from each participating county. The Champaign County Auditor serves as fiscal agent. During 2023, Champaign County contributed $1,842,895 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 $782,925 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 17 - Jointly Governed Organizations

A. Central Ohio Youth Center

The Central Ohio Youth Center is a jointly governed organization involving Champaign, Delaware, Logan, 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, two appointees of the Delaware County Commissioners, and one appointee from Champaign, Logan, 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 2023, Champaign County contributed $714,115 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. Champaign County Department of Job and Family Services is the fiscal / administrative agent. During 2023, Champaign County contributed $50,000 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, 1512 S. US Highway 68, Suite N100, 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. 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.

**Note 17 - Jointly Governed Organizations** (continued)

E. 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, 40 Monument Square, Suite 306, Urbana, Ohio 43078.

F. North Central Ohio Solid Waste Management District

The 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 at 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 - 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.

**Note 18 - Insurance Pools** (continued)

B. County Commissioners Association of Ohio Service Corporation

The County participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners' Association of Ohio (CCAO) as an insurance purchasing pool.

A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participants. The group executive committee consists of nine members. Two members are the president and the treasurer of the CCAOSC; the remaining seven members are representatives of the participants. These seven members are elected for the ensuing year by the participants at a meeting held in December of each year. No participant can have more than one member on the group executive committee in any year and each elected member shall be a county commissioner.

C. County Employee Benefits Consortium of Ohio, Inc.

The County participates with the County Employee Benefits Consortium of Ohio, Inc. (CEBCO), an Ohio not-for-profit corporation with membership open to Ohio political subdivisions to collectively pool resources to purchase employee benefits. The County pays, on a monthly basis, the annual actuarially determined funding rate. Components of the funding rate include the claims fund contribution, incurred but not reported claims, a claims contingency reserve fund, as well as the fixed cost of the consortium. The business and affairs of the consortium are managed by a board of not less than nine or more than fifteen directors that exercise all powers of the consortium. 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 19 - Contingent Liabilities**

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

The County is defendant in lawsuits. Although management cannot presently determine the outcome of these suits, they believe the resolution of these matters will not materially adversely affect the County's financial statements.

**CHAMPAIGN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**FOR THE YEAR ENDED DECEMBER 31, 2023**

| Federal Grantor/ Pass Through Grantor Program Title | Pass Through Entity Number | Federal CFDA Number | Passed Through to Subrecipients | Expenditures |
|---|---|---|---|---|
| **U.S. DEPARTMENT OF AGRICULTURE** | | | | |
| ***(Passed through Ohio Department of Job and Family Services)*** | | | | |
| SNAP Cluster: | | | | |
| COVID-19 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | G-2223-11-6908 / G-2425-11-6118 | 10.561 | | $ 23,304 |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | G-2223-11-6908 / G-2425-11-6118 | | | 147,826 |
| Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program and SNAP Cluster | | | | 171,130 |
| **Total U.S. Department of Agriculture** | | | | **171,130** |
| **U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** | | | | |
| ***(Passed through Ohio Department of Development)*** | | | | |
| COVID-19 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | B-D-21-1AK-4 | 14.228 | | 419,942 |
| Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | B-F-21-1AK-1 | | | 147,122 |
| | B-C-21-1AK-1 | | | 140,031 |
| | B-X-21-1AK-1 | | | 322,147 |
| | B-X-22-1AK-1 | | | 10,491 |
| Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | | | | 1,039,733 |
| Home Investment Partnerships Program | B-C-21-1AK-2 | 14.239 | | 257,199 |
| **Total U.S. Department of Housing and Urban Development** | | | | **1,296,932** |
| **U.S. DEPARTMENT OF LABOR** | | | | |
| ***(Passed through Ohio Department of Job and Family Services and Greater Ohio Workforce Board, Inc.)*** | | | | |
| WIOA Cluster: | | | | |
| WIOA Adult Program | N/A | 17.258 | | 14,335 |
| WIOA Youth Activities | N/A | 17.259 | | 37,189 |
| WIOA Dislocated Worker Formula Grants | N/A | 17.278 | | 71,511 |
| Total WIOA Cluster | | | | 123,035 |
| Employment Service Cluster: | | | | |
| Employment Service/Wagner-Peyser Funded Activities and Total Employment Service Cluster | N/A | 17.207 | | 8,410 |
| Unemployment Insurance | N/A | 17.225 | | 37,765 |
| Trade Adjustment Assistance | N/A | 17.245 | | 1,340 |
| H-1B Job Training Grants | N/A | 17.268 | | 84,818 |
| **Total U.S. Department of Labor** | | | | **255,368** |
| **U.S. DEPARTMENT OF TRANSPORTATION** | | | | |
| ***(Passed through Ohio Department of Transportation)*** | | | | |
| Highway Planning and Construction | 115616 | 20.205 | | 17,895 |
| Formula Grants for Rural Areas and Tribal Transit Program | RPTF-4095-X01-231 | 20.509 | | 265,085 |
| | RPTM-0095-X01-232 | | | 13,496 |
| Total Formula Grants for Rural Areas and Tribal Transit Program | | | | 278,581 |
| Federal Transit Cluster: | | | | |
| Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs | BABF-0095-010-221 | 20.526 | | 44,665 |
| | BABF-0095-010-222 | | | 39,646 |
| Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs and Total Federal Transit Cluster | | | | 84,311 |
| **Total U.S. Department of Transportation** | | | | **380,787** |
| **U.S. DEPARTMENT OF THE TREASURY** | | | | |
| ***Direct*** | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | N/A | 21.027 | | 459,492 |
| ***(Passed through Ohio Department of Public Safety)*** | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 2022-AR-CCB-1106 | 21.027 | | 26,531 |
| | 2022-AR-LEP-970 | | | 28,800 |
| | | | | 55,331 |
| ***(Passed through Ohio Department of Job and Family Services)*** | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | G-2223-11-6908 / G-2425-11-6118 | 21.027 | | 35,156 |
| Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds | | | | 549,979 |
| **Total U.S. Department of the Treasury** | | | | **549,979** |
| **U.S. DEPARTMENT OF EDUCATION** | | | | |
| ***(Passed through Ohio Department of Developmental Disabilities)*** | | | | |
| COVID-19 Special Education - Grants for Infants and Families | H181X210024 | 84.181X | 8,205 | 8,205 |
| Special Education - Grants for Infants and Families | H181A210024 | 84.181 | 53,375 | 53,375 |
| Total Special Education - Grants for Infants and Families | | | 61,580 | 61,580 |
| **Total U.S. Department of Education** | | | **61,580** | **61,580** |
| **U.S. ELECTION ASSISTANCE COMMISSION** | | | | |
| ***(Passed through Ohio Secretary of State)*** | | | | |
| HAVA Election Security Grants | N/A | 90.404 | | 2,059 |
| **Total U.S. Election Assistance Commission** | | | | **2,059** |

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
## FOR THE YEAR ENDED DECEMBER 31, 2023

| 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** | | | | |
| ***(Passed through Ohio Department of Aging and Area Agency on Aging, Planning & Service Area (PSA) 2)*** | | | | |
| Aging Cluster: | | | | |
| Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers and Total Aging Cluster | 2023 | 93.044 | | 33,963 |
| ***(Passed through Ohio Department of Job and Family Services)*** | | | | |
| MaryLee Allen Promoting Safe and Stable Families Program | G-2223-11-6908 / G-2425-11-6118 | 93.556 | | 32,819 |
| Temporary Assistance for Needy Families | G-2223-11-6908 / G-2425-11-6118 | 93.558 | | 387,593 |
| Child Support Services | G-2223-11-6908 / G-2425-11-6118 | 93.563 | | 529,795 |
| CCDF Cluster: | | | | |
| Child Care and Development Block Grant and Total CCDF Cluster | G-2223-11-6908 / G-2425-11-6118 | 93.575 | | 29,406 |
| Stephanie Tubbs Jones Child Welfare Services Program | G-2223-11-6908 / G-2425-11-6118 | 93.645 | | 44,746 |
| Foster Care Title IV-E | G-2223-11-6908 / G-2425-11-6118 | 93.658 | | 260,100 |
| Adoption Assistance | G-2223-11-6908 / G-2425-11-6118 | 93.659 | | 307,643 |
| Child Abuse and Neglect State Grants | G-2223-11-6908 / G-2425-11-6118 | 93.669 | | 13,605 |
| John H. Chafee Foster Care Program for Successful Transition to Adulthood | G-2223-11-6908 / G-2425-11-6118 | 93.674 | | 16,414 |
| Social Services Block Grant: | | | | |
| ***(Passed through Ohio Department of Job and Family Services)*** | | | | |
| Social Services Block Grant | G-2223-11-6908 / G-2425-11-6118 | 93.667 | | 460,390 |
| ***(Passed through Ohio Department of Developmental Disabilities)*** | | | | |
| Social Services Block Grant | 2301OHSOSR | 93.667 | | 24,600 |
| Total Social Services Block Grant | | | | 484,990 |
| ***(Passed through Ohio Department of Job and Family Services)*** | | | | |
| Elder Abuse Prevention Interventions Program | G-2223-11-6908 / G-2425-11-6118 | 93.747 | | 45,878 |
| Children's Health Insurance Program | G-2223-11-6908 / G-2425-11-6118 | 93.767 | | 42,090 |
| Medicaid Cluster: | | | | |
| Medical Assistance Program and Total Medicaid Cluster | G-2223-11-6908 / G-2425-11-6118 | 93.778 | | 488,481 |
| **Total U.S. Department of Health and Human Services** | | | | **2,717,523** |
| **U.S. DEPARTMENT OF HOMELAND SECURITY** | | | | |
| ***(Passed through Ohio Department of Public Safety)*** | | | | |
| Emergency Management Performance Grants | EMC-2022-EP-00006 | 97.042 | | 43,709 |
| **Total U.S. Department of Homeland Security** | | | | **43,709** |
| **Total Federal Financial Assistance** | | | **$ 61,580** | **$ 5,479,067** |

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

# NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
# 2 CFR 200.510(b)(6)
# FOR THE YEAR ENDED DECEMBER 31, 2023

## 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, 2023. 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 – 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 E – TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2023, The County made allowable transfers of $303,984 from the Temporary Assistance for Needy Families (TANF) (AL #93.558) program to the Social Services Block Grant (SSBG) (AL #93.667) program. The Schedule shows the County spent approximately $387,593 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 2023 and the amount transferred to the Social Services Block Grant program.

| | |
|---|---|
| Temporary Assistance for Needy Families | $ 691,577 |
| Transfer to Social Services Block Grant | (303,984) |
| **Total Temporary Assistance for Needy Families** | **$ 387,593** |

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OHIO AUDITOR OF STATE
KEITH FABER

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

**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 the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by 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, 2023, 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 29, 2024, wherein we noted the County uses a special purpose framework other than generally accepted accounting principles.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2023-001.

***County's Response to Finding***

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

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

October 29, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

# 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

### *Opinion on Each Major Federal Program*

We have audited Champaign County's, (the County) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Champaign County's major federal programs for the year ended December 31, 2023. Champaign County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Champaign County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

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

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

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

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

**Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

October 29, 2024

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**SCHEDULE OF FINDINGS**
**2 CFR § 200.515**
**DECEMBER 31, 2023**

## 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)?** | No |
| *(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):** | Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (AL #14.228)<br>Temporary Assistance for Needy Families (AL #93.558)<br>Child Support Services (AL #93.563)<br>Medicaid Cluster (AL #93.778) |
| *(d)(1)(viii)* | **Dollar Threshold: Type A\B Programs** | Type A: > $ 750,000<br>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 2023-001

**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)**, 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 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 67.

## 3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

**None.**

# 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, 2023**

| Finding Number | Finding Summary | Status | Additional Information |
|---|---|---|---|
| 2022-001 | Ohio Revised Code section 117.38 and Ohio Administrative Code section 117-2-03 (B) – Failure to file financial statements in accordance with G.A.A.P. | Not Corrected | Repeated as Finding 2023-001<br>The failure to compile G.A.A.P. 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**

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


**CORRECTIVE ACTION PLAN**
**2 CFR § 200.511(c)**
**DECEMBER 31, 2023**

| | |
|---|---|
| **Finding Number:** | 2023-001 |
| **Planned Corrective Action:** | There is no corrective action at this time |
| **Anticipated Completion Date:** | n/a |
| **Responsible Contact Person:** | Karen T. Bailey |

*"Proudly serving the citizens of Champaign County"*

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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 11/19/2024**

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