



**FINANCIAL CONDITION
CHAMPAIGN COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

CHAMPAIGN COUNTY FINANCIAL CONDITION

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REPORT OF INDEPENDENT ACCOUNTANTS

Champaign County
1512 South U.S. Highway 68, Suite A100
Urbana, Ohio 43078

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

We have audited the accompanying general-purpose financial statements of Champaign County, (the County) as of and for the year ended December 31, 2000. These general-purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of Lawnview Industries, Inc., the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lawnview Industries, Inc., is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Champaign County, as of December 31, 2000, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2001 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general-purpose financial statements of the County, taken as a whole. The accompanying schedule of federal awards expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Jim Petro
Auditor of State

July 23, 2001

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CHAMPAIGN COUNTY, OHIO

Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Unit
December 31, 2000

| | GOVERNMENTAL FUND TYPES | | | | PROPRIETARY FUND TYPES | |
|---|-------------------------|------------------|---------------|------------------|------------------------|------------------|
| | General | Special Revenue | Debt Service | Capital Projects | Enterprise | Internal Service |
| Assets: | | | | | | |
| Pooled cash and investments | \$ 1,743,383 | 6,970,691 | 2,554 | 981,205 | 396,128 | 445,870 |
| Net Receivables: | | | | | | |
| Taxes | 1,550,740 | 2,240,122 | - | - | - | - |
| Accounts | 30,770 | 24,049 | - | - | 677,702 | 800 |
| Special assessments | - | - | 1,044 | 12,806 | - | - |
| Accrued interest | 79,066 | - | - | - | - | - |
| Other | 20,840 | 23,006 | - | - | - | - |
| Due from other funds | 24,106 | 1,847 | - | - | - | - |
| Due from other governments | 61,982 | 65,949 | - | - | - | - |
| Inventory | 4,368 | 74,772 | - | - | - | - |
| Prepaid expenses | - | - | - | - | - | - |
| Unamortized bond issue costs | - | - | 61,454 | - | 9,559 | - |
| Deferred amount on refunding | - | - | - | - | 42,363 | - |
| Fixed assets (net of accumulated depreciation where applicable) | - | - | - | - | 1,140,713 | - |
| Amount available in debt service funds for the retirement of general long-term debt | - | - | - | - | - | - |
| Amount to be provided for retirement of general long-term debt | - | - | - | - | - | - |
| Total assets | \$ 3,515,255 | 9,400,436 | 65,052 | 994,011 | 2,266,465 | 446,670 |
| Liabilities: | | | | | | |
| Accounts payable | \$ 134,414 | 196,608 | - | 16,458 | 101,908 | 131,846 |
| Accrued salaries | 96,422 | 204,486 | - | - | 96,090 | 358 |
| Accrued workers compensation | 107,504 | 188,020 | - | - | 83,166 | 370 |
| Accrued compensated absences | 75,156 | 79,987 | - | - | 212,522 | - |
| Accrued pensions | 85,112 | 129,113 | - | - | 51,621 | 189 |
| Due to other funds | - | 23,116 | - | - | - | - |
| Due to other governments | - | - | - | - | - | - |
| Deferred revenue | 1,166,348 | 2,227,850 | 1,044 | 12,806 | - | - |
| Restricted deposits | - | - | - | - | - | - |
| Bond premium | - | - | - | - | 11,600 | - |
| Capital lease payable | - | - | - | - | - | - |
| Bonds and loans payable | - | - | - | - | 565,000 | - |
| Total liabilities | 1,664,956 | 3,049,180 | 1,044 | 29,264 | 1,121,907 | 132,763 |
| Equity and other credits: | | | | | | |
| Investments in general fixed assets | - | - | - | - | - | - |
| Contributed capital | - | - | - | - | 18,643 | - |
| Retained earnings | - | - | - | - | 1,125,915 | 313,907 |
| Fund balances: | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | 73,810 | 66,266 | - | 237,973 | - | - |
| Inventory | 4,368 | 74,772 | - | - | - | - |
| Endowments | - | - | - | - | - | - |
| Unreserved | 1,772,121 | 6,210,218 | 64,008 | 726,774 | - | - |
| Total equity and other credits | 1,850,299 | 6,351,256 | 64,008 | 964,747 | 1,144,558 | 313,907 |
| Total liabilities, equity and other credits | \$ 3,515,255 | 9,400,436 | 65,052 | 994,011 | 2,266,465 | 446,670 |

See accompanying notes to the general purpose financial statements.

| FIDUCIARY FUND TYPES | ACCOUNT GROUPS | | TOTALS | | TOTALS |
|-------------------------|-------------------|------------------------|---------------------------------------|-------------------|--|
| | | | Primary Gov't (Memorandum Only) | Component Unit | Reporting Entity (Memorandum Only) |
| | Trust & Agency | General Fixed Asset | General Long-Term Debt | 2000 | 2000 |
| 4,381,533 | - | - | 14,921,364 | 72,915 | 14,994,279 |
| 20,415,485 | - | - | 24,206,347 | - | 24,206,347 |
| 3,955 | - | - | 737,276 | 40,380 | 777,656 |
| - | - | - | 13,850 | - | 13,850 |
| - | - | - | 79,066 | - | 79,066 |
| 1,161 | - | - | 45,007 | - | 45,007 |
| 15,164 | - | - | 41,117 | - | 41,117 |
| 198 | - | - | 128,129 | - | 128,129 |
| - | - | - | 79,140 | 2,027 | 81,167 |
| - | - | - | - | 744 | 744 |
| - | - | - | 71,013 | - | 71,013 |
| - | - | - | 42,363 | - | 42,363 |
| - | - | - | - | - | - |
| - | 13,550,157 | - | 14,690,870 | 90,153 | 14,781,023 |
| - | - | 64,008 | 64,008 | - | 64,008 |
| - | - | 4,497,119 | 4,497,119 | - | 4,497,119 |
| <u>24,817,496</u> | <u>13,550,157</u> | <u>4,561,127</u> | <u>59,616,669</u> | <u>206,219</u> | <u>59,822,888</u> |
| - | - | - | 581,234 | 5,603 | 586,837 |
| 74 | - | - | 397,430 | - | 397,430 |
| 66 | - | - | 379,126 | 2,821 | 381,947 |
| - | - | 697,108 | 1,064,773 | - | 1,064,773 |
| 41 | - | - | 266,076 | - | 266,076 |
| 18,001 | - | - | 41,117 | - | 41,117 |
| 24,050,554 | - | - | 24,050,554 | 355 | 24,050,909 |
| - | - | - | 3,408,048 | - | 3,408,048 |
| 542,176 | - | - | 542,176 | - | 542,176 |
| - | - | - | 11,600 | - | 11,600 |
| - | - | 130,582 | 130,582 | - | 130,582 |
| - | - | 3,733,437 | 4,298,437 | - | 4,298,437 |
| <u>24,610,912</u> | <u>-</u> | <u>4,561,127</u> | <u>35,171,153</u> | <u>8,779</u> | <u>35,179,932</u> |
| - | 13,550,157 | - | 13,550,157 | 90,153 | 13,640,310 |
| - | - | - | 18,643 | - | 18,643 |
| - | - | - | 1,439,822 | - | 1,439,822 |
| - | - | - | 378,049 | - | 378,049 |
| - | - | - | 79,140 | 2,027 | 81,167 |
| 71,633 | - | - | 71,633 | - | 71,633 |
| 134,951 | - | - | 8,908,072 | 105,260 | 9,013,332 |
| <u>206,584</u> | <u>13,550,157</u> | <u>-</u> | <u>24,445,516</u> | <u>197,440</u> | <u>24,642,956</u> |
| <u>24,817,496</u> | <u>13,550,157</u> | <u>4,561,127</u> | <u>59,616,669</u> | <u>206,219</u> | <u>59,822,888</u> |

CHAMPAIGN COUNTY, OHIO

Combined Statement of Revenues, Expenditures, and Changes in Fund
Balances - All Governmental Fund Types, Expendable Trust Funds
and Discretely Presented Component Unit
Year Ended December 31, 2000

| | GOVERNMENTAL FUND TYPES | | | |
|--|-------------------------|-------------------|----------------|------------------|
| | General | Special Revenue | Debt Service | Capital Projects |
| Revenues: | | | | |
| Property taxes | \$ 1,327,231 | 2,493,847 | - | - |
| Sales taxes | 2,694,462 | - | - | - |
| Other local taxes | 1,978 | 135,088 | - | - |
| Licenses and permits | 215,643 | 95 | - | - |
| Charges for services | 823,897 | 799,865 | - | - |
| Fines and forfeitures | 93,293 | 48,983 | - | - |
| Special assessments | - | - | 2,814 | 14,307 |
| Intergovernmental | 983,662 | 8,746,440 | - | - |
| Investment income | 946,029 | 203,175 | - | - |
| Other revenue | 595,395 | 834,891 | - | 480 |
| Total revenues | 7,681,590 | 13,262,384 | 2,814 | 14,787 |
| Expenditures: | | | | |
| Current: | | | | |
| General government and judicial | 3,951,760 | 371,202 | - | - |
| Public safety | 2,832,336 | 663,937 | - | - |
| Public works | 196,384 | 3,650,776 | - | - |
| Health | 22,722 | 3,841,474 | - | - |
| Human services | 295,845 | 3,880,969 | - | - |
| Conservation/Recreation | 231,014 | 61,628 | - | - |
| Capital outlay | - | 514,514 | - | 172,474 |
| Debt Service: | | | | |
| Principal | 79,813 | - | 154,903 | - |
| Interest | 17,439 | - | 219,616 | - |
| Total expenditures | 7,627,313 | 12,984,500 | 374,519 | 172,474 |
| Excess (deficit) revenues over (under) expenditures | 54,277 | 277,884 | (371,705) | (157,687) |
| Other financing sources (uses): | | | | |
| Operating transfers in | 145,000 | - | 366,891 | - |
| Operating transfers (out) | (454,905) | (145,000) | - | - |
| Total other financing sources (uses) | (309,905) | (145,000) | 366,891 | - |
| Excess (deficit) revenues and other sources over (under) expenditures and other (uses) | (255,628) | 132,884 | (4,814) | (157,687) |
| Fund balance, beginning of year, unreserved, as restated | 2,054,752 | 6,090,803 | 68,822 | 1,122,434 |
| (Increase) decrease in reserve for encumbrances | (30,175) | (10,810) | - | (237,973) |
| (Increase) decrease in inventory | 3,172 | (2,659) | - | - |
| Fund balance, end of year, unreserved | \$ 1,772,121 | 6,210,218 | 64,008 | 726,774 |

See accompanying notes to the general purpose financial statements.

| FIDUCIARY FUND TYPES | TOTALS | | TOTALS | |
|-------------------------|---------------------------------------|-------------------|--|--|
| | Primary Gov't (Memorandum Only) | Component Unit | Reporting Entity (Memorandum Only) | |
| Expendable Trust | 2000 | Unit | 2000 | |
| - | 3,821,078 | - | 3,821,078 | |
| - | 2,694,462 | - | 2,694,462 | |
| - | 137,066 | - | 137,066 | |
| - | 215,738 | - | 215,738 | |
| 2,016 | 1,625,778 | 376,600 | 2,002,378 | |
| - | 142,276 | - | 142,276 | |
| - | 17,121 | - | 17,121 | |
| - | 9,730,102 | - | 9,730,102 | |
| 2,553 | 1,151,757 | 3,041 | 1,154,798 | |
| 4,714 | 1,435,480 | 1,884 | 1,437,364 | |
| <u>9,283</u> | <u>20,970,858</u> | <u>381,525</u> | <u>21,352,383</u> | |
| 832 | 4,323,794 | - | 4,323,794 | |
| - | 3,496,273 | - | 3,496,273 | |
| - | 3,847,160 | - | 3,847,160 | |
| - | 3,864,196 | - | 3,864,196 | |
| 1,511 | 4,178,325 | 370,090 | 4,548,415 | |
| - | 292,642 | - | 292,642 | |
| - | 686,988 | - | 686,988 | |
| - | 234,716 | - | 234,716 | |
| - | 237,055 | - | 237,055 | |
| <u>2,343</u> | <u>21,161,149</u> | <u>370,090</u> | <u>21,531,239</u> | |
| 6,940 | (190,291) | 11,435 | (178,856) | |
| - | 511,891 | - | 511,891 | |
| - | (599,905) | - | (599,905) | |
| - | (88,014) | - | (88,014) | |
| <u>6,940</u> | <u>(278,305)</u> | <u>11,435</u> | <u>(266,870)</u> | |
| 124,235 | 9,461,046 | 92,525 | 9,553,571 | |
| - | (278,958) | - | (278,958) | |
| - | 513 | 1,300 | 1,813 | |
| <u>131,175</u> | <u>8,904,296</u> | <u>105,260</u> | <u>9,009,556</u> | |

CHAMPAIGN COUNTY, OHIO

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

- Budget and Actual (Budget Basis) - All Governmental Fund Types

Year Ended December 31, 2000

| | GENERAL FUND | | |
|---|-------------------|------------------|--|
| | Budget | Actual | Variance: Favorable/ (Unfavorable) |
| Revenue: | | | |
| Property taxes | \$ 1,218,500 | 1,331,143 | 112,643 |
| Sales taxes | 2,300,000 | 2,507,005 | 207,005 |
| Other local taxes | - | - | - |
| Licenses and permits | 202,955 | 215,643 | 12,688 |
| Charges for services | 836,282 | 807,990 | (28,292) |
| Fines and forfeitures | 90,200 | 89,870 | (330) |
| Special assessments | - | - | - |
| Intergovernmental | 904,678 | 921,680 | 17,002 |
| Investment income | 737,580 | 939,570 | 201,990 |
| Other | 609,805 | 595,554 | (14,251) |
| Total revenues | 6,900,000 | 7,408,455 | 508,455 |
| Expenditures: | | | |
| Current: | | | |
| General government and judicial | 4,223,924 | 3,987,685 | 236,239 |
| Public safety | 2,904,447 | 2,893,962 | 10,485 |
| Public works | 209,333 | 198,437 | 10,896 |
| Health | 46,806 | 46,662 | 144 |
| Human services | 315,655 | 299,734 | 15,921 |
| Recreation and conservation | 232,159 | 231,459 | 700 |
| Capital outlay | - | - | - |
| Debt service | - | - | - |
| Total expenditures | 7,932,324 | 7,657,939 | 274,385 |
| Excess (deficit) revenues over (under) expenditures | (1,032,324) | (249,484) | 782,840 |
| Other financing sources (uses): | | | |
| Bond proceeds | - | - | - |
| Operating transfers in | 150,000 | 145,000 | (5,000) |
| Operating advances in | - | - | - |
| Operating transfers (out) | (454,906) | (454,906) | - |
| Operating advances (out) | - | (4,616) | (4,616) |
| Total other financing sources (uses) | (304,906) | (314,522) | (9,616) |
| Excess (deficit) revenues and other sources over (under) expenditures and other (uses) | (1,337,230) | (564,006) | 773,224 |
| Fund balances, beginning of year | 1,856,214 | 1,856,214 | - |
| Prior year encumbrances appropriated | 253,882 | 253,882 | - |
| Fund balances, end of year | \$ 772,866 | 1,546,090 | 773,224 |

(continued)

See accompanying notes to the general purpose financial statements.

CHAMPAIGN COUNTY, OHIO
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances
 - Budget and Actual (Budget Basis) - All Governmental Fund Types
 Year Ended December 31, 2000
 (continued)

| | SPECIAL REVENUE FUNDS | | |
|---|-----------------------|-------------------|--|
| | Budget | Actual | Variance: Favorable/ (Unfavorable) |
| Revenue: | | | |
| Property taxes | \$ 2,415,000 | 2,501,137 | 86,137 |
| Sales taxes | - | - | - |
| Other local taxes | 131,222 | 135,713 | 4,491 |
| Licenses and permits | 95 | 95 | - |
| Charges for services | 830,535 | 792,716 | (37,819) |
| Fines and forfeitures | 38,433 | 46,477 | 8,044 |
| Special assessments | - | - | - |
| Intergovernmental | 8,450,356 | 8,849,130 | 398,774 |
| Investment income | 140,340 | 203,175 | 62,835 |
| Other | 740,238 | 827,633 | 87,395 |
| Total revenues | 12,746,219 | 13,356,076 | 609,857 |
| Expenditures: | | | |
| Current: | | | |
| General government and judicial | 580,921 | 545,259 | 35,662 |
| Public safety | 742,347 | 690,071 | 52,276 |
| Public works | 4,417,735 | 3,679,503 | 738,232 |
| Health | 4,000,850 | 3,933,192 | 67,658 |
| Human services | 4,790,512 | 4,029,803 | 760,709 |
| Recreation and conservation | 63,894 | 66,066 | (2,172) |
| Capital outlay | 425,057 | 446,881 | (21,824) |
| Debt service | - | - | - |
| Total expenditures | 15,021,316 | 13,390,775 | 1,630,541 |
| Excess (deficit) revenues over (under) expenditures | (2,275,097) | (34,699) | 2,240,398 |
| Other financing sources (uses): | | | |
| Bond proceeds | - | - | - |
| Operating transfers in | - | - | - |
| Operating advances in | 116 | 6,616 | 6,500 |
| Operating transfers (out) | (145,000) | (145,000) | - |
| Operating advances (out) | - | (2,000) | (2,000) |
| Total other financing sources (uses) | (144,884) | (140,384) | 4,500 |
| Excess (deficit) revenues and other sources over (under) expenditures and other (uses) | (2,419,981) | (175,083) | 2,244,898 |
| Fund balances, beginning of year | 6,117,400 | 6,117,400 | - |
| Prior year encumbrances appropriated | 597,453 | 597,453 | - |
| Fund balances, end of year | \$ 4,294,872 | 6,539,770 | 2,244,898 |

(continued)

See accompanying notes to the general purpose financial statements.

CHAMPAIGN COUNTY, OHIO

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

- Budget and Actual (Budget Basis) - All Governmental Fund Types

Year Ended December 31, 2000

(continued)

| | DEBT SERVICE FUNDS | | |
|---|--------------------|----------------|--|
| | Budget | Actual | Variance: Favorable/ (Unfavorable) |
| Revenue: | | | |
| Property taxes | \$ - | - | - |
| Sales taxes | - | - | - |
| Other local taxes | - | - | - |
| Licenses and permits | - | - | - |
| Charges for services | - | - | - |
| Fines and forfeitures | - | - | - |
| Special assessments | 2,800 | 2,813 | 13 |
| Intergovernmental | - | - | - |
| Investment income | - | - | - |
| Other | - | - | - |
| Total revenues | 2,800 | 2,813 | 13 |
| Expenditures: | | | |
| Current: | | | |
| General government and judicial | - | - | - |
| Public safety | - | - | - |
| Public works | - | - | - |
| Health | - | - | - |
| Human services | - | - | - |
| Recreation and conservation | - | - | - |
| Capital outlay | - | - | - |
| Debt service | 369,124 | 369,115 | 9 |
| Total expenditures | 369,124 | 369,115 | 9 |
| Excess (deficit) revenues over (under) expenditures | (366,324) | (366,302) | 22 |
| Other financing sources (uses): | | | |
| Bond proceeds | - | - | - |
| Operating transfers in | 366,891 | 366,891 | - |
| Operating advances in | - | - | - |
| Operating transfers (out) | - | - | - |
| Operating advances (out) | - | - | - |
| Total other financing sources (uses) | 366,891 | 366,891 | - |
| Excess (deficit) revenues and other sources over (under) expenditures and other (uses) | 567 | 589 | 22 |
| Fund balances, beginning of year | 1,965 | 1,965 | - |
| Prior year encumbrances appropriated | - | - | - |
| Fund balances, end of year | \$ 2,532 | 2,554 | 22 |

(continued)

See accompanying notes to the general purpose financial statements.

CHAMPAIGN COUNTY, OHIO

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

- Budget and Actual (Budget Basis) - All Governmental Fund Types

Year Ended December 31, 2000

(continued)

| | CAPITAL PROJECTS FUNDS | | |
|---|------------------------|----------------|--|
| | Budget | Actual | Variance: Favorable/ (Unfavorable) |
| Revenue: | | | |
| Property taxes | \$ - | - | - |
| Sales taxes | - | - | - |
| Other local taxes | - | - | - |
| Licenses and permits | - | - | - |
| Charges for services | - | - | - |
| Fines and forfeitures | - | - | - |
| Special assessments | 13,724 | 14,306 | 582 |
| Intergovernmental | - | - | - |
| Investment income | - | - | - |
| Other | - | 480 | 480 |
| Total revenues | 13,724 | 14,786 | 1,062 |
| Expenditures: | | | |
| Current: | | | |
| General government and judicial | - | - | - |
| Public safety | - | - | - |
| Public works | 663,164 | 397,291 | 265,873 |
| Health | - | - | - |
| Human services | - | - | - |
| Recreation and conservation | - | - | - |
| Capital outlay | 66,356 | 13,156 | 53,200 |
| Debt service | - | - | - |
| Total expenditures | 729,520 | 410,447 | 319,073 |
| Excess (deficit) revenues over (under) expenditures | (715,796) | (395,661) | 320,135 |
| Other financing sources (uses): | | | |
| Bond proceeds | - | - | - |
| Operating transfers in | - | - | - |
| Operating advances in | - | - | - |
| Operating transfers (out) | - | - | - |
| Operating advances (out) | - | - | - |
| Total other financing sources (uses) | - | - | - |
| Excess (deficit) revenues and other sources over (under) expenditures and other (uses) | (715,796) | (395,661) | 320,135 |
| Fund balances, beginning of year | 1,122,435 | 1,122,435 | - |
| Prior year encumbrances appropriated | - | - | - |
| Fund balances, end of year | \$ 406,639 | 726,774 | 320,135 |

(continued)

See accompanying notes to the general purpose financial statements.

CHAMPAIGN COUNTY, OHIO

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

- Budget and Actual (Budget Basis) - All Governmental Fund Types

Year Ended December 31, 2000

(continued)

| | TOTALS (Memorandum Only) | | |
|---|--------------------------|-------------------|--|
| | Budget | Actual | Variance: Favorable/ (Unfavorable) |
| Revenue: | | | |
| Property taxes | \$ 3,633,500 | 3,832,280 | 198,780 |
| Sales taxes | 2,300,000 | 2,507,005 | 207,005 |
| Other local taxes | 131,222 | 135,713 | 4,491 |
| Licenses and permits | 203,050 | 215,738 | 12,688 |
| Charges for services | 1,666,817 | 1,600,706 | (66,111) |
| Fines and forfeitures | 128,633 | 136,347 | 7,714 |
| Special assessments | 16,524 | 17,119 | 595 |
| Intergovernmental | 9,355,034 | 9,770,810 | 415,776 |
| Investment income | 877,920 | 1,142,745 | 264,825 |
| Other | 1,350,043 | 1,423,667 | 73,624 |
| Total revenues | 19,662,743 | 20,782,130 | 1,119,387 |
| Expenditures: | | | |
| Current: | | | |
| General government and judicial | 4,804,845 | 4,532,944 | 271,901 |
| Public safety | 3,646,794 | 3,584,033 | 62,761 |
| Public works | 5,290,232 | 4,275,231 | 1,015,001 |
| Health | 4,047,656 | 3,979,854 | 67,802 |
| Human services | 5,106,167 | 4,329,537 | 776,630 |
| Recreation and conservation | 296,053 | 297,525 | (1,472) |
| Capital outlay | 491,413 | 460,037 | 31,376 |
| Debt service | 369,124 | 369,115 | 9 |
| Total expenditures | 24,052,284 | 21,828,276 | 2,224,008 |
| Excess (deficit) revenues over (under) expenditures | (4,389,541) | (1,046,146) | 3,343,395 |
| Other financing sources (uses): | | | |
| Bond proceeds | - | - | - |
| Operating transfers in | 516,891 | 511,891 | (5,000) |
| Operating advances in | 116 | 6,616 | 6,500 |
| Operating transfers (out) | (599,906) | (599,906) | - |
| Operating advances (out) | - | (6,616) | (6,616) |
| Total other financing sources (uses) | (82,899) | (88,015) | (5,116) |
| Excess (deficit) revenues and other sources over (under) expenditures and other (uses) | (4,472,440) | (1,134,161) | 3,338,279 |
| Fund balances, beginning of year | 9,098,014 | 9,098,014 | - |
| Prior year encumbrances appropriated | 851,335 | 851,335 | - |
| Fund balances, end of year | \$ 5,476,909 | 8,815,188 | 3,338,279 |

See accompanying notes to the general purpose financial statements.

CHAMPAIGN COUNTY, OHIO

Combined Statement of Revenues, Expenses and Changes in
Retained Earnings - All Proprietary Fund Types and Nonexpendable Trust Fund
Year Ended December 31, 2000

| | PROPRIETARY FUND TYPES | | FIDUCIARY FUND TYPE | TOTALS (Memorandum Only) |
|--|---------------------------|---------------------|------------------------|--------------------------------|
| | Enterprise | Internal Service | Nonexpendable Trust | 2000 |
| | | | | |
| Operating revenues: | | | | |
| Charges for services | \$ 5,171,598 | 42,078 | - | 5,213,676 |
| Investment income | - | - | 3,036 | 3,036 |
| Donations | - | - | 11,633 | 11,633 |
| Total operating revenues | 5,171,598 | 42,078 | 14,669 | 5,228,345 |
| Operating expenses: | | | | |
| Personnel services | 3,261,243 | 12,409 | - | 3,273,652 |
| Contractual services | 1,325,301 | 1,616,880 | - | 2,942,181 |
| Materials and supplies | 397,530 | - | - | 397,530 |
| Depreciation | 95,011 | - | - | 95,011 |
| Other expenses | 324,402 | - | - | 324,402 |
| Total operating expenses | 5,403,487 | 1,629,289 | - | 7,032,776 |
| Operating (loss) | (231,889) | (1,587,211) | 14,669 | (1,804,431) |
| Nonoperating revenues/(expenses): | | | | |
| Investment income | - | - | - | - |
| Interest expense and fiscal charges | (43,889) | - | - | (43,889) |
| Other nonoperating revenues | 33,786 | 1,673,601 | - | 1,707,387 |
| Total nonoperating revenues/(expenses) | (10,103) | 1,673,601 | - | 1,663,498 |
| Income (loss) before operating transfers | (241,992) | 86,390 | 14,669 | (140,933) |
| Transfers-in | - | 88,014 | - | 88,014 |
| Transfers-out | - | - | - | - |
| Net income (loss) | (241,992) | 174,404 | 14,669 | (52,919) |
| Retained earnings/fund balance, beginning of year, as restated | 1,367,907 | 139,503 | 60,740 | 1,568,150 |
| Retained earnings/fund balance, end of year | \$ 1,125,915 | 313,907 | 75,409 | 1,515,231 |

See accompanying notes to the general purpose financial statements.

CHAMPAIGN COUNTY, OHIO

Combined Statement of Cash Flows - All Proprietary Fund Types and Nonexpendable Trust Fund
Year Ended December 31, 2000

| | PROPRIETARY | | FIDUCIARY | TOTALS |
|--|-------------------|---------------------|------------------------|----------------------|
| | FUND TYPES | | FUND TYPE | (Memorandum Only) |
| | Enterprise | Internal Service | Nonexpendable Trust | 2000 |
| Cash flows from operating activities: | | | | |
| Operating (loss) | \$ (231,889) | (1,587,211) | 14,669 | (1,804,431) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | | |
| Depreciation | 95,011 | - | - | 95,011 |
| Accounts receivable | 52,657 | (800) | - | 51,857 |
| Inventory | 49,742 | - | - | 49,742 |
| Accounts payable | 31,070 | (12,873) | - | 18,197 |
| Accrued payroll and compensated absences | 99,775 | 200 | - | 99,975 |
| Accrued pension | (37,942) | (113) | - | (38,055) |
| Net cash provided (used) by operating activities | <u>58,424</u> | <u>(1,600,797)</u> | <u>14,669</u> | <u>(1,527,704)</u> |
| Cash from noncapital financing activities: | | | | |
| Nonoperating revenue | 33,786 | 1,673,601 | - | 1,707,387 |
| Operating transfers-in | - | 88,014 | - | 88,014 |
| Net cash provided from noncapital financing activities: | <u>33,786</u> | <u>1,761,615</u> | <u>-</u> | <u>1,795,401</u> |
| Cash flows from capital and related financing activities: | | | | |
| Purchase of capital assets | (128,710) | - | - | (128,710) |
| Debt reduction, bond payable | (55,000) | - | - | (55,000) |
| Interest expenses and fiscal charges | (34,100) | - | - | (34,100) |
| Net cash provided (used) by capital and related financing activities | <u>(217,810)</u> | <u>-</u> | <u>-</u> | <u>(217,810)</u> |
| Net increase (decrease) in cash | (125,600) | 160,818 | 14,669 | 49,887 |
| Pooled cash and investments, beginning of year | <u>521,728</u> | <u>285,052</u> | <u>60,740</u> | <u>867,520</u> |
| Pooled cash and investments, end of year | <u>\$ 396,128</u> | <u>445,870</u> | <u>75,409</u> | <u>917,407</u> |
| Interest paid | <u>\$ 34,100</u> | <u>-</u> | <u>-</u> | <u>34,100</u> |

See accompanying notes to the general purpose financial statements.

CHAMPAIGN COUNTY, OHIO
Notes to the General Purpose Financial Statements
December 31, 2000

1. Summary of Significant Accounting Policies:

A. Reporting entity

Champaign County, Ohio (the County) was established in 1805 by an act of the Ohio General Assembly. It operates as a political subdivision of the State of Ohio exercising only those powers conferred by the legislature. Champaign County voters elect a total of eleven legislative and administrative county officials. The three member Board of Commissioners is the legislative and executive body of the County. The County Auditor is the chief fiscal officer and tax assessor and the County Treasurer serves as the custodian of all county funds and as tax collector. In addition, there are six other elected administrative officials provided for by Ohio law, which include the Clerk of Courts, Recorder, Coroner, Engineer, Prosecuting Attorney and Sheriff. The judicial branch of the County is comprised of a Common Pleas Judge, a Probate Judge and a Court of Appeals Judge.

As required by to accounting principles generally accepted by the United States, these general purpose financial statements present the government and its component unit, the entity for which the government is considered to be financially accountable. The discretely presented component unit, on the other hand, is reported in a separate column in the combined general purpose financial statements to emphasize it is legally separate from the government.

Lawnview Industries, Inc.: Lawnview Industries, Inc. (Lawnview) is a legally separate, nonprofit corporation, served by a self-appointing board of trustees. Lawnview, under contractual agreement with the Champaign County Board of Mental Retardation and Developmental Disabilities (MRDD), provides sheltered employment, while educating and training the mentally retarded and developmentally disabled citizens of Champaign County. MRDD reimburses and provides certain operating expenses as necessary for the operation of Lawnview. Based on the significant services and resources provided by the County (MRDD) to Lawnview and Lawnview's sole purpose of providing assistance to the mentally retarded or developmentally disabled adults of Champaign County, Lawnview is reflected as a component unit of the County. It is reported separately as a discretely presented component unit to emphasize that it is legally separate from the County. Lawnview is presented as a governmental fund type (see basis of accounting footnote). Complete financial statements for Lawnview may be obtained from the administrative offices at 1250 East Route 36, Urbana, Ohio 43078.

Mercy Memorial Hospital; Logan-Champaign Mental Health, Drug Addiction and Alcohol Service Board; Champaign County Fairgrounds; Champaign County Air Pollution Control Board; Champaign County Conservancy District; Champaign County Senior Citizens' Center; and Champaign County Law Library, are other local government and non-profit entities which overlap the County's boundaries. These organizations have a separately selected governing authority and a separate designation of management. In addition, the County has no significant influence on operations. These organizations do not meet the reporting entity criteria of generally accepted governmental accounting principles and, accordingly, are not included in the accompanying general purpose financial statements.

CHAMPAIGN COUNTY, OHIO
Notes to the General Purpose Financial Statements
December 31, 2000

B. Basis of presentation

The accounting policies and financial reporting practices of the County conform to accounting principles generally accepted by the United States for local governments, as prescribed by the Governmental Accounting Standards Board (GASB).

The accounts of the County are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the fund because they do not directly affect net expendable available financial resources. The various funds are summarized by type in the financial statements. The County uses the following fund types and account groups:

GOVERNMENTAL FUND TYPES

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - The Special Revenue Funds are used to account for revenues derived from specific taxes, grants or other restricted revenue sources. Legal or regulatory provisions or administrative action specifies the uses and limitations of each special revenue fund.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds - Capital Project Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary or trust funds).

PROPRIETARY FUND TYPES

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or to other government units on a cost-reimbursement basis.

CHAMPAIGN COUNTY, OHIO
Notes to the General Purpose Financial Statements
December 31, 2000

FIDUCIARY FUND TYPES

Trust and Agency Funds - Fiduciary Funds are used to account for assets held on behalf of outside parties, including other government units, or on behalf of other funds within the County. When these assets are held under the terms of a formal trust agreement, either a non-expendable trust fund or an expendable trust fund is used. The terms "non-expendable" and "expendable" refer to whether or not the County is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

ACCOUNT GROUPS

Account Groups are used to establish accounting control and accountability for the County's general fixed assets and general long-term obligations. Since these assets and obligations are long-term, they are neither spendable resources nor require current appropriations.

General Fixed Assets Account Group - This account group is used to account for all fixed assets of the County other than those accounted for in the proprietary fund types.

General Long-Term Obligations Account Group - This account group is used to account for all long-term obligations of the county except those accounted for in the proprietary fund types.

C. Basis of accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type of operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

All governmental fund types, expendable trust funds and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers revenues as available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred.

Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

CHAMPAIGN COUNTY, OHIO
Notes to the General Purpose Financial Statements
December 31, 2000

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Fines and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The agency funds are merely "assets equal liabilities" and, thus, do not involve the measurement of results of operations.

Proprietary fund types, and nonexpendable trust funds utilize the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The County reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Component units are either legally separate organizations for which the elected officials of the County are financially accountable or for which the nature and significance of its relationship with the County is such that exclusions would cause the County's financial statement to be misleading or incomplete.

Lawnview, Champaign County's only identified discretely presented component unit, is a nonprofit corporation whose financial statements are prepared on the accrual basis of accounting. Their presentation as a governmental fund has been adjusted to reflect activity that would have been reflected if account groups were used, but not adjusted for other modified accrual adjustments. Fund balance of this entity can be reconciled as:

| | |
|---|-------------------|
| Net asset balance per Lawnview financial statements | \$ 115,627 |
| Less: Net property and equipment | 8,340 |
| Less: Reserve for inventory | <u>2,027</u> |
| Fund balance per County | \$ <u>105,260</u> |

D. Budgets and budgetary accounting

The County is required by state law to adopt annual budgets for all funds, except fiduciary funds specifically exempted by statute. Listed below are the major steps of the budget preparation process:

1. On or before July 15 of each year, the County administration prepares, and, after a public hearing, the Board adopts, a tax budget for the succeeding fiscal year. The tax budget must show estimated receipts and expenditures and indicate the amount of ad valorem property taxes, both inside and outside the ten-mill limitation, as hereinafter described, that must be levied in such fiscal year.

CHAMPAIGN COUNTY, OHIO
Notes to the General Purpose Financial Statements
December 31, 2000

2. The proposed tax budget is filed with the County Auditor on or before July 20 of each year, who presents it to the County Budget Commission, which is comprised of the County Auditor, County Treasurer and County Prosecuting Attorney. On or before September 1 of each year, the County Budget Commission reviews the tax budget, makes any necessary changes in the amount of ad valorem property taxes to be levied, and in particular, ascertains, that sufficient ad valorem property taxes are to be levied, both inside and outside the ten-mill limitation, to pay all debt charges.
3. The County Budget Commission then certifies the results of its review to the Board. Before October 1 of each year, the Board approves the tax levies as determined by the County Budget Commission and certifies them to the appropriate county officials.
4. No later than April 1 of each year, the Board adopts an annual appropriation resolution for the current fiscal year, which may not contain amounts in excess of those approved by the County Budget Commission. The annual appropriation resolution is certified to the County Auditor, who must certify that the amounts appropriated do not exceed current estimated receipts. Temporary appropriation measures may be enacted pending adoption of the annual appropriation ordinance.

Modifications throughout the fiscal year to the annual appropriations resolution are processed by the County Auditor's office and approved through legal resolution by the Board of County Commissioners. During the current year modifications were made to the appropriation resolution.

The County maintains budgetary control within an organizational unit and fund by not permitting expenditures and encumbrances to exceed appropriations. Unencumbered and unexpended appropriations lapse at year-end except for capital project funds and funds operating on a different fiscal year. The reserve for encumbrances is carried forward as part of the revised budgetary authority for the next year and is included in the revised budget amounts shown in the budget-to-actual comparisons.

Individual departments and agencies, the County Auditor's office and the Budget Commission compute estimated revenues. Total estimated revenues are reflected on the Amended Official Certificate of Estimated Resources filed by the County with the County Budget Commission. Appropriations may not exceed the amount of estimated revenues for any fund reported on the Amended Official Certificate of Estimated Resources.

The County's budgetary process is based upon accounting for certain transactions on a basis other than generally accepted accounting principles (GAAP). To provide a meaningful comparison of actual results with the budget, the actual results of operations are presented in the combined statement of revenues, expenditures and changes in fund balances - budget and actual (Non-GAAP budgetary basis) - all governmental fund types in accordance with the budget basis of accounting. Expenditures did not exceed appropriations in any individual fund. The major differences between the budget and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget), as opposed to when susceptible to accrual (GAAP).

CHAMPAIGN COUNTY, OHIO
Notes to the General Purpose Financial Statements
December 31, 2000

2. Encumbrances are recorded as the equivalent of expenditures (budget), as opposed to a reservation of fund balances (GAAP).
3. Property taxes and special assessment taxes are recorded in the agency fund and shown as transfers to the ultimate recipient fund (budget), as opposed to direct recognition in the recipient fund (GAAP).

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

F. Cash and cash equivalents

The County Treasurer invests all active and inactive county funds. Active county funds are invested in overnight money market accounts with local commercial banks. Inactive funds are invested in certificates of deposit. The County pools its cash for investment purposes to capture the highest return. Investment income credited to the General Fund during 2000 amounted to \$946,029, which includes \$798,113 assigned from other funds. Investments are stated at cost, which approximates fair market value.

For purposes of the statement of cash flows, the proprietary fund types consider all highly liquid investments held by trustees, with maturity of three months or less when purchased, to be cash equivalents. In addition, all cash and investments with the Treasurer are also considered to be cash equivalents since they are available to the proprietary fund types on demand.

During fiscal year 2000, investments of the County were limited to the State Treasury Asset Reserve of Ohio (STAROhio), certificates of deposits, and money market funds. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission (SEC) as an investment company, but does not operate in a manner consistent with Rule 2a7 on the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2000. The fair value of the County's investment in the STAR Ohio pool is equal to its position in the pool.

G. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in governmental funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are offset by a fund balance reserve, which indicates they do not constitute "available spendable resources" and are not available for appropriations.

CHAMPAIGN COUNTY, OHIO
Notes to the General Purpose Financial Statements
December 31, 2000

H. Fixed assets - general

Fixed assets purchased for general governmental purposes are recorded as expenditures in the governmental fund types and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the general fixed assets account group. Contributed fixed assets are recorded at fair market value at the date received. Public domain assets (infrastructure) such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the County. Therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

No depreciation has been provided on general fixed assets, nor has interest on general fixed asset construction in progress been capitalized.

I. Fixed assets - enterprise and internal service fund

Fixed assets acquired by the proprietary fund types are stated at cost (or estimated historical cost), including interest capitalized during construction, where applicable. Contributed fixed assets are recorded at the fair market value at the date received. Depreciation has been provided using the straight-line method over the following estimated useful lives:

| | |
|-----------------------------------|-------------|
| Buildings | 45 years |
| Improvements other than buildings | 20 years |
| Machinery and equipment | 10-20 years |

J. Unamortized bond discounts and issuance costs

The discounts and issuance costs on the enterprise funds' long-term debt are amortized using the straight-line method over the term of the related issues.

K. Compensated absences

County employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

For governmental fund type employees, the current portion of vested vacation and sick leave is recorded in the appropriate governmental fund type and the noncurrent portion is recorded in the general long-term obligations account group. Vested vacation and sick leave pertaining to proprietary fund types is recorded as an expense when earned.

Payment of vacation and sick leave recorded in the general long-term obligations account group is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available when payment is due.

Each department within the County has the ability to set their own vacation and sick leave policies.

CHAMPAIGN COUNTY, OHIO
Notes to the General Purpose Financial Statements
December 31, 2000

L. Pensions

The provision for pension costs are recorded when the related payroll is accrued and the obligation is incurred.

M. Interfund transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. Insurance

The County is insured with private carriers for most risks including, but not limited to, property damage, health care and personal injury. Uninsured judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated.

O. Reserves

Reserves indicate portions of fund equity not appropriable for expenditures/expenses and/or legally segregated for a specific future use.

P. Contributed capital

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation on contributed fixed assets (acquired by grants, entitlements and shared revenues externally restricted for capital acquisition and construction that reduces contributed capital) is allocated to retained earnings using the straight-line method over the same lives as described for the related fixed assets in Note 4. At December 31, 2000, the County had \$18,643 in contributed capital, which was unchanged from the prior year.

CHAMPAIGN COUNTY, OHIO
Notes to the General Purpose Financial Statements
December 31, 2000

Q. Financial disclosures

The County's financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. The County accounts for its proprietary activities in accordance with all applicable GASB pronouncements, as well as pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

R. Total columns on combined financial statements

Total columns on the general purpose combined financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows, in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. Cash and Investments:

At December 31, 2000, pooled cash and investments and restricted cash and investments were invested as follows:

| | |
|---|---------------------|
| Cash on hand | \$ 14,000 |
| Deposits: | |
| Demand deposits: | |
| Interest bearing | 2,187,179 |
| Certificates of deposit, 5.73% to 7.00% maturing June 25, to December 23, 2002 | 7,398,333 |
| Less: Reconciling items | <u>(1,381,427)</u> |
| Total cash and deposits | <u>8,218,085</u> |
| Investments: | |
| State Treasury Asset Reserve of Ohio (Star Ohio), 5.0% | 157,239 |
| Money market funds | <u>6,546,040</u> |
| Total investments | <u>\$ 6,703,279</u> |
| Total pooled cash and investments | <u>\$14,921,364</u> |

Deposits

Except for items in-transit, the carrying value of deposits by the respective depositories equates to the carrying value by the County. All deposits are collateralized with eligible securities, as described by the Ohio Revised Code, in amounts equal to at least 105% of the County's carrying value of the deposits (demand deposits and certificates of deposit). Such collateral, as permitted by the State of Ohio, is held in each respective depository bank's collateral pool at a federal reserve bank, or member bank other than the depository bank, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds.

CHAMPAIGN COUNTY, OHIO
Notes to the General Purpose Financial Statements
December 31, 2000

The year-end bank balance of all County deposits was \$10,080,995 including \$408,462 in accounts not held by the County Treasurer. Based on criteria described in GASB Statement No. 3 amounts on deposit with financial institutions, including investments were covered by:

| | |
|--|---------------------|
| FDIC insured deposits | \$ 702,262 |
| Deposits collateralized by securities held by pledging financial institution or its agent but not in County's name | <u>9,378,733</u> |
| Total deposits | <u>\$10,080,995</u> |

Investments

Monies held in the County Treasury are pooled for the purpose of investment management. The County invests in those instruments identified in Section 135.35 of the Ohio Revised Code. Specifically, authorized investment instruments consist of:

1. Bonds, notes or other obligations guaranteed by the United States;
2. Bonds, notes or other obligations issued by any federal government agency;
3. Certificates of deposit in accordance with Section 135.32 of the Ohio Revised Code;
4. Repurchase agreements under the terms of which agreement the County purchases and the seller agrees unconditionally to repurchase any of the securities listed in 1 or 2;
5. Bonds and other obligations of Ohio, its political subdivisions, or other units or agencies of Ohio or its political subdivisions; and
6. The Ohio State Treasurer's investment pool.

Based upon criteria described in GASB Statement No. 3, the County's investments are categorized below to give an indication of the level of risk assumed by the County at year end. Category A includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category B includes investments that are uninsured or unregistered, with securities held by the counterpart's trust department or agent in the County's name. Category C includes uninsured and unregistered investments for which the securities are held by the broker or dealer at a federal reserve bank, or by its trust department or agent but not in the County's name.

| | <u>Category C</u> | <u>Carrying Amount</u> | <u>Market Value</u> |
|-----------------------------|---------------------|------------------------|---------------------|
| Money Market Funds | \$ 6,546,040 | 6,546,040 | 6,546,040 |
| State Treasury Asset | | | |
| Reserve of Ohio (Star Ohio) | - | <u>157,239</u> | <u>157,239</u> |
| | <u>\$ 6,546,040</u> | <u>6,703,279</u> | <u>6,703,279</u> |

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A reconciliation between classification of cash and investments on the financial statements and the classification per GASB Statement No. 3 is as follows:

| | <u>Cash and Cash</u> <u>Equivalents/Deposits</u> | <u>Investments</u> |
|----------------------|---|--------------------|
| GASB Statement No. 9 | \$ 14,921,364 | - |
| Investments | <u>(6,703,279)</u> | <u>6,703,279</u> |
| GASB Statement No. 3 | \$ <u>8,218,085</u> | <u>6,703,279</u> |

3. Interfund Receivables and Payables:

Interfund balances at December 31, 2000 consist of the following individual fund receivables and payables:

| | <u>Due From</u> <u>Other Funds</u> | <u>Due To</u> <u>Other Funds</u> |
|----------------------------------|---------------------------------------|-------------------------------------|
| General | \$ 24,106 | - |
| Special revenue: | | |
| Lawnview School | 1,397 | - |
| Childrens' Service Levy | 450 | - |
| Mediation Institutionalization | - | 23,000 |
| Prcdr Grant 2000 | - | 116 |
| Agency: | | |
| Advanced real estate payments | - | 18,001 |
| Urbana-Champaign Senior Citizens | 54 | - |
| Townships | 1,652 | - |
| Schools | 12,934 | - |
| Library | 88 | - |
| Other agencies | <u>436</u> | <u>-</u> |
| | \$ <u>41,117</u> | <u>41,117</u> |

4. Fixed Assets:

A summary of proprietary fund type property and equipment at December 31, 2000 follows:

| | <u>Enterprise</u> |
|---|---------------------|
| Land | \$ 285,630 |
| Buildings | 992,000 |
| Improvements other than buildings | 653,335 |
| Machinery and equipment | 579,967 |
| Vehicles | <u>25,900</u> |
| Total fixed assets | 2,536,832 |
| Less accumulated depreciation | <u>1,396,119</u> |
| Fixed assets, net of accumulated depreciation | \$ <u>1,140,713</u> |

CHAMPAIGN COUNTY, OHIO
Notes to the General Purpose Financial Statements
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There was no interest capitalized during 2000.

A summary of changes in general fixed assets follows:

| | Balance <u>1/1/00</u> | <u>Additions</u> | <u>Disposals</u> | Prior Period <u>Adjustment</u> | Balance <u>12/31/00</u> |
|--------------------------------------|--------------------------|------------------|------------------|-----------------------------------|----------------------------|
| Land | \$ 729,417 | 37,666 | - | - | 767,083 |
| Buildings | 4,676,147 | 2,288 | - | - | 4,678,435 |
| Improvements other than buildings | 3,589,769 | - | - | - | 3,589,769 |
| Machinery and equipment | 2,296,167 | 279,789 | 137,878 | (2,216) | 2,435,862 |
| Vehicles | <u>1,955,008</u> | <u>213,615</u> | <u>89,615</u> | - | <u>2,079,008</u> |
| | <u>\$ 13,246,508</u> | <u>533,358</u> | <u>227,493</u> | <u>(2,216)</u> | <u>13,550,157</u> |

The prior period adjustment relates to inclusion of fixed assets of a department that is not a reporting entity of the County. See Note 19.

5. Notes Payable and Long-Term Obligations:

Long-term obligations at December 31, 2000 were as follows:

| | Balance <u>1/1/00</u> | <u>Addition</u> | <u>Reduction</u> | Balance <u>12/31/00</u> |
|---------------------------------|--------------------------|-----------------|------------------|----------------------------|
| General long-term obligations: | | | | |
| Miami Square Renovation Note | \$ 86,247 | - | 17,810 | 68,437 |
| County Ditch Bond | 2,093 | - | 2,093 | - |
| Accrued vacation and sick leave | 846,076 | - | 148,968 | 697,108 |
| General Obligation Bond | 3,800,000 | - | 135,000 | 3,665,000 |
| Capital lease | <u>210,395</u> | - | <u>79,813</u> | <u>130,582</u> |
| Total General Long-Term Debt | 4,944,811 | - | 383,684 | 4,561,127 |
| Enterprise funds: | | | | |
| General obligation bonds | <u>620,000</u> | - | <u>55,000</u> | <u>565,000</u> |
| | <u>\$ 5,564,811</u> | - | <u>438,684</u> | <u>5,126,127</u> |

The Miami Square Renovation note issue will be paid through the Debt Service Fund from rental income of the Miami Square Offices transferred from the General Fund as needed to pay principal and interest. The original promissory note for the Miami Square Renovation was for \$168,000 and as of December 31, 2000 had a balance of \$68,437.

Additions and reductions of accrued vacation are shown net since it is impractical for the County to determine these separately. The current portion of accrued vacation and sick leave has been recorded in the appropriate governmental fund type. The current portion has been reclassified only to reflect those employees who are eligible to retire as well as any vacation or sick leave paid or used during the County's period of availability, in accordance with GASB 16.

CHAMPAIGN COUNTY, OHIO
Notes to the General Purpose Financial Statements
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In addition to the above general obligation bonds, the County has limited obligation bonds totaling \$1,082,784 with Champaign Residential Services, Inc., and \$1,690,000 with the Champaign County YMCA. In the event of default by either agency, the County's obligation would be limited to revenue derived from the rental or sale of buildings. The Champaign Residential Services building was leased by the Agency from the County.

Long-term debt payable at December 31, 2000 is summarized below:

| | <u>Year Of Issue</u> | <u>Year Due Through</u> | <u>Interest Rate</u> | <u>Amount</u> |
|---|------------------------------|---------------------------------|--------------------------|---------------|
| General obligation bond nursing home improvement | 1998 | 2008 | 5.5% | \$ 565,000 |
| Miami Square Renovation Note | 1992 | 2004 | 6.50% | 68,437 |
| County Various Purpose General Obligation Bond | 1998 | 2017 | 5.5% | 3,665,000 |

The following tables summarize the County's future debt service requirements for general obligation bonds as of December 31, 2000:

| Year Ending December 31: | Nursing Home Enterprise | | Miami Square Renovation | | Various Purpose Bonds | |
|-----------------------------|----------------------------|-----------------|----------------------------|-----------------|-----------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2001 | \$ 55,000 | 31,075 | 19,002 | 3,889 | 145,000 | 201,575 |
| 2002 | 60,000 | 28,050 | 20,275 | 2,616 | 150,000 | 193,600 |
| 2003 | 65,000 | 24,750 | 21,633 | 1,259 | 160,000 | 185,350 |
| 2004 | 70,000 | 21,175 | 7,527 | 103 | 165,000 | 176,250 |
| 2005 | 70,000 | 17,325 | - | - | 175,000 | 167,475 |
| 2006-2010 | 245,000 | 27,775 | - | - | 1,005,000 | 682,275 |
| 2011-thereafter | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,865,000</u> | <u>432,025</u> |
| Total | <u>\$ 565,000</u> | <u>150,150</u> | <u>68,437</u> | <u>7,867</u> | <u>3,665,000</u> | <u>2,038,550</u> |

The general obligation bonds contain no sinking fund requirements or significant bond limitations or restrictions and are backed by the full faith and credit of the County. Historically, the County has appropriated enterprise fund revenues for payment of general obligations debt for enterprise system improvements.

CHAMPAIGN COUNTY, OHIO
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6. Advanced Refund:

On September 16, 1997, the County issued \$4.820 million in General Obligation Bonds to fund a \$4.06 million County building upgrade and advance refund the 1998 Nursing Home Improvement Bonds. The new bonds with an interest rate of 5.5%, refunded the \$1,030,000 improvement bonds with an average rate of 7.829%. The net proceeds (after the county building proceeds, underwriting fees and other closing costs) were deposited with an escrow agent to provide all future debt service payments on the 1988 improvement bonds. As a result, the 1988 improvement bonds are considered to be defeased and the liability for those bonds has been removed from the Nursing Home fund. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$72,544. This difference, reported in the accompanying financial statements, is being charged through the year 2008 using the effective interest method. The advance refunding reduces its total debt service over the next 11 years by \$79,066 and to obtain an economic gain (difference between present values of the old and new debt service payments) of \$59,107. The amount of the defeased bonds at December 31, 2000 was \$590,000.

7. Risk Management:

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The County has not had any reduction in coverage nor experienced any settlements in excess of coverage over the previous three years.

The County is self-insured for health insurance benefits. Premiums are paid into the internal service fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenses reported in the internal service fund. As of December 31, 2000, such interfund premiums did not exceed reimbursable expenses.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated. An excess coverage insurance policy covers individual claims in excess of \$45,000. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments is reported in the internal service fund because it is expected to be liquidated with expendable available financial resources. Changes in the balances of claims liabilities during the past two years are as follows:

| | Year ended December 31 | |
|---|------------------------|--------------------|
| | <u>2000</u> | <u>1999</u> |
| Unpaid claims, beginning of fiscal year | \$ 144,719 | 41,905 |
| Incurred claims (including IBNRs) | 1,614,075 | 1,506,271 |
| Claim payments | <u>(1,626,948)</u> | <u>(1,403,457)</u> |
| Unpaid claims, end of fiscal year | \$ <u>131,846</u> | <u>144,719</u> |

CHAMPAIGN COUNTY, OHIO
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8. Property Taxes:

Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the County. Real property taxes collected during 2000 were levied after October 1, 1999 on the assessed value listed as of January 1, 1999, the lien date. Public utility property taxes collected in 2000 attached as a lien on December 31, 1998 and were levied after October 31, 1999. Taxpayers were required to pay one half of these taxes by March 23, 2000, with the remaining half due by July 12, 2000. Tangible personal property taxes collected in 2000, were levied after October 31, 1999 on the value listed as of December 31, 1999. Taxpayers were required to pay one half of these taxes were due on May 10, 2000 with the remaining balance due on October 20, 2000

Public utility property taxes are assessed on tangible personal property at true value, while other tangible personal property assessments are 25% of true value. True value is based on cost and established by the State. Assessed values on real property are established by State law at 35% of appraised market value. A revaluation of all property is required to be completed every sixth year, with a statistical update every third year. The last revaluation was completed in 1995 and a statistical update was completed in 1998.

The assessed value by property classification, upon which the 2000 tax receipts were based, follows:

| | |
|---|-----------------------|
| Real property | \$ 456,850,183 |
| Public utility real property | 176,330 |
| Tangible personal property | 78,134,268 |
| Public utility tangible personal property | <u>38,907,050</u> |
| Total | \$ <u>574,067,831</u> |

Ohio law prohibits taxation from all taxing authorities in excess of 10 mills of assessed value without a vote of the people. Currently, the County levies 2.2 mills of the first 10 mills of assessed value. During 2000, in addition to the 2.2 mills, 5.2 mills have been levied based upon mills voted for the Senior Citizens, MRDD (Lawnview School) and the Children's Service levy.

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 taxes collected. Collection of the taxes and their remittance to the taxing districts are accounted for in various agency funds of the County. Property taxes receivable in the Governmental Funds represent outstanding delinquent taxes and real, tangible personal and public utility taxes which were measurable as of December 31, 2000. The delinquent taxes outstanding, which were collected and available to the County within the first 30 days of 2001, were recorded as 2000 revenue. Although property taxes levied for the next fiscal year are measurable as of December 31st, they are not intended to finance 2000 operations nor are they available for appropriation until 2001; therefore, the receivable is offset by a credit to deferred revenue.

9. Leases:

The County leases a 150-acre farm to a farmer for a three-year period, which began on March 1, 1998 at an annual rent of \$10,530, with annual rental updates. Total rental income on the farm for 2000 was \$10,530 and is included in miscellaneous receipts and reimbursements of the general fund.

CHAMPAIGN COUNTY, OHIO
Notes to the General Purpose Financial Statements
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10. Defined Benefit Pension Plans:

A. Public Employees Retirement System

Champaign County participates in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a publicly available stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Retirement Board instituted a temporary employer contribution rate rollback for calendar year 2000. The rate rollback was 20% for state and local government divisions. The Ohio Revised Code provides statutory authority for employee and employer contributions. Plan members are required to contribute 8.5% of their annual covered salary and the County's contribution rate for 2000 was 10.84% of covered payroll. The County's contributions, representing 100% of employer contribution's for the periods ended December 31, 2000, 1999, and 1998 were \$2,025,888, \$1,385,150 and \$1,374,169, respectively.

B. State Teachers Retirement System

The State Teachers Retirement System of Ohio (STRS Ohio) is a cost-sharing, multiple-employer public employee retirement system.

STRS Ohio is a statewide retirement plan for certified teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution, or other agency wholly controlled, managed and supported in whole, or in part by the State or political subdivision thereof. Any member who has (i) five years of service credit and attained age 60, (ii) 25 years of service credit and attained age 55, or (iii) 30 years of service credit regardless of age may retire. The maximum annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest years' salaries. The annual allowance is calculated by using a base percentage of 2.1% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached.

Legislation passed in April 2000 with a July 1999 effective date provided an adjustment for retirees whose benefits have not kept pace with the rate of inflation. The legislation also changed the formula for calculating the formula benefit. The formula benefit increased to 2.2% from 2.1% per year for all years up to 30 years. For members with 35 or more years of earned Ohio service, the first 30 years will be calculated at 2.5% instead of 2.2%. For earned Ohio service over 30 years, the formula will remain as current law, which provides an escalating formula of 2.5% for the 31st year, 2.6% for the 32nd year, 2.7% for 33rd year, etc., until 100% of final average salary is reached.

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Under the "money purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

A retiree of STRS Ohio or other Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance.

Retirement benefits are annually increased by the greater of the amount of change in the Consumer Price Index (CPI) or the cumulative CPI increases since retirement, less previous cost-of-living increases up to a maximum of 3% of the original base benefit. The plan offers comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums.

A member with five or more years' credited service who becomes disabled is entitled to a disability benefit. Survivor benefits are available to eligible spouses and dependents of active members who die before retirement. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member. Additional death benefit coverage of \$1,000 or \$2,000 can be purchased. Various other benefits are available to members' beneficiaries.

Benefits are established by Chapter 3307, Revised Code.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The County's actual contributions to STRS for the years ended December 31, 2000, 1999 and 1998, were \$86,021, \$46,349 and \$37,285, respectively, equal to the required contributions for each year.

STRS Ohio issues a stand-alone financial report. Copies of the STRS' 2000 *Comprehensive Annual Financial Report* will be available after January 1, 2001, and can be requested by writing to STRS, 275 E. Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

11. Post Retirement Benefits:

A. Public Employees Retirement System

The Public Employees Retirement System (PERS) of Ohio provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The employer contribution rate was rolled back for the year 2000. For local government employer units the rate

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was 10.84% of covered payroll; 4.30% was the portion that was used to fund health care for the year.

The Ohio Revised Code provides the statutory authority requiring public employers to fund postretirement health care through their contributions to PERS.

Actuarial Review: The following assumptions and calculations were based on the System's latest Actuarial Review as of December 31, 1999.

Funding Method: An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability.

Assets Valuation Method: All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets.

Investment Return: The investment assumption rate for 1999 was 7.75%.

Active Employee Total Payroll: An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%.

Health Care: Health care costs were assumed to increase 4.75% annually.

The OPEB's are advance-funded on an actuarially determined basis. The number of active contributing participants was 401,339. The portion of County's contributions that were used to fund postemployment benefits was \$803,670. \$10,805.5 million represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 1999. The actuarially accrued liability and the unfounded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively.

The Retirement Board enacted a temporary employer contribution rate rollback for calendar year 2000. The decision to rollback rates was based on the December 31, 1998 actuarial study, which indicated that actuarial assets exceeded actuarial liabilities. The temporary rate roll back was 20% for both state and local government divisions. The Board reallocated employer contributions from 4.20% to 4.30% at the beginning of the year to improve health care financing. The proportion of contributions dedicated to funding OPEB increased during the year for those reasons.

B. State Teachers Retirement System

State Teachers Retirement System of Ohio (STRS Ohio) provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code (R.C.), the State Teachers Retirement Board (the board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Most

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benefit recipients pay a portion of the health care cost in the form of a monthly premium.

The R.C. grants authority to STRS Ohio to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of the coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Reserve Fund from which health care benefits are paid. For the fiscal year ended June 30, 2000, the board allocated employer contributions equal to 8% of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$3.419 billion at June 30, 2000. The Health Care Reserve Fund allocation for the year ended June 30, 2001, and after, will be 4.5% of covered payroll.

For the year ended June 30, 2000, net health care costs paid by STRS Ohio were \$283,137,000. There were 99,011 eligible benefits recipients.

12. Enterprise Fund Segment Information:

Significant financial data for the services provided by the County which are intended to be financed by user charges for the year ending December 31, 2000 are as follows:

| | <u>Nursing Home</u> |
|--------------------------------|-------------------------|
| Operating revenues | \$ 5,171,598 |
| Operating expenses: | |
| Depreciation | 95,011 |
| Other | 5,308,476 |
| Operating (loss) | (231,889) |
| Nonoperating income (expense): | |
| Interest | (43,889) |
| Other income | 33,786 |
| Net income (loss) | (241,992) |
| Total assets | 2,266,465 |
| Net working capital | 741,045 |
| Bonds, notes and loans payable | 565,000 |
| Total equity | 1,144,558 |
| Fixed assets additions | 128,710 |

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13. Budget Basis of Accounting:

Adjustments necessary to convert the results of operation for the governmental fund types for the year ended December 31, 2000 on the GAAP basis to the budget basis are as follows:

| | <u>Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures and Other (Uses)</u> | | | |
|--|---|----------------------------|-------------------------|-----------------------------|
| | <u>General Fund</u> | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> |
| GAAP basis | \$(255,628) | 132,884 | (4,814) | (157,687) |
| Increase (decrease): | | | | |
| Due to revenues | (273,135) | 93,692 | (1) | (1) |
| Due to expenditures | (30,626) | (406,275) | 5,404 | (237,973) |
| Due to other financing sources and uses | <u>(4,617)</u> | <u>4,616</u> | <u>-</u> | <u>-</u> |
| Budget basis | <u>\$(564,006)</u> | <u>(175,083)</u> | <u>589</u> | <u>(395,661)</u> |

14. Contingent Liabilities:

The County is a defendant in a number of lawsuits pertaining to matters, which are incidental to performing routine governmental and other functions. No material claims are outstanding.

The County is also subject to a claim by the West Central Ohio Port Authority for unreimbursed taxes following a partial denial of an application for tax exemption. Although there has been no action or further demand on this issue, it is the opinion of the County's legal council that a strong possibility that the County could be liable to pay the Port Authority \$60,604. This amount has been included in the accounts payable in the General Fund.

The Champaign Nursing Home receives the Hill-Burton federal grant from the Department of Health and Human Services. Under the provisions of this grant, the nursing home is to provide services to indigent residents of the home, which meet certain eligibility requirements. At the end of each year, the nursing home is to report to the Department of Health and Human Services the amount of services, which were provided to such residents. Under provisions of the grant, the nursing home will not be required to repay the amount received; therefore, no liability has been recorded on the financial statements.

Under the terms of federal grants, periodic audits are required and certain cost may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management, that the reimbursement, if any, will not have a material effect on the County's financial position.

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15. Deficit Fund Balances/Retained Earnings:

The following individual funds had deficit fund balances/retained earnings at December 31, 2000:

| | |
|--------------------------------|----------|
| Public Assistance | \$ 1,092 |
| Juvenile Diversion | 177 |
| Mediation Institutionalization | 4,879 |
| PRCDR Grant 2000 | 1,442 |

These negative fund balances are a result of the conversion to GAAP from cash.

16. Jointly Governed Organizations:

Five County Joint Juvenile Detention and Rehabilitation Center

The Five County Joint Juvenile Detention and Rehabilitation Center is a jointly governed organization involving Union, Champaign, Delaware, Logan, and Madison 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, and Madison Counties. Each county's ability to influence the operations of the Center is limited to their representation on the board of trustees. Appropriations are adopted by the joint board of trustees who exercise control over the operation, maintenance, and construction of the Center. Union County serves as the fiscal agent. Each county is charged for their share of the operating costs of the Center based on the number of individuals from their County in attendance. During 2000, Champaign County contributed \$74,595 for operations of the Center.

Champaign County Child and Family Council

The Champaign County Child and Family 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 and shall 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 statute and includes the chair of the board of county commissioners, or an individual designated by the board. Appropriations are adopted by the Champaign County Budget Commission and the Champaign County Auditor serves as the fiscal agent. During 2000, the Champaign County Department of Jobs and Family Services served as the Council's administrative agent and contributed \$10,000 in membership fees.

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Fairways Regional Council of Governments

The County is a participant in the Fairways Regional Council of Governments (the Council), jointly governed organization with Champaign and Madison Counties. The purpose of the Council is to provide supported living services and family support services for mentally retarded and disabled individuals and their families. The Council started providing these services in September 1998 and is established under section 167 of the Ohio Revised Code. The Council is governed by a three-member board of directors, consisting of the superintendents of the participating Counties MRDD Boards. Champaign County has no ongoing financial responsibility to the Board. During 2000, Champaign County made no contributions towards the operation of the Council.

17. Capital Leases:

The County is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. Assets under capital leases totaled \$297,064 at December 31, 2000.

The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of December 31, 2000.

| <u>Year Ending</u> <u>December 31</u> | <u>General</u> <u>Long-Term Debt</u> <u>Account Group</u> |
|---|---|
| 2001 | \$ 140,022 |
| Less: Amount representing interest | (9,440) |
| Total present value of minimum lease payments | \$ <u>130,582</u> |

18. Joint Venture:

Tri-County Regional Jail – Champaign County is a participant in the Tri-County Regional jail, which is a joint prison capable of minimum, medium, and maximum security. The prison is being built to house convicted criminals from Madison, Union and Champaign Counties. The governing board consists of the Champaign County Sheriff and the Common Pleas Judge from each of the aforementioned counties, with the judge from Champaign County chairing the board. The Champaign County Auditor serves as fiscal agent for the Jail. During 2000, Champaign County contributed \$614,878 towards the operation of the jail. Financial information can be obtained by writing the Champaign County Auditor, 200 North Main St., Urbana Ohio 43078.

CHAMPAIGN COUNTY, OHIO
Notes to the General Purpose Financial Statements
December 31, 2000

19. Restatement of Prior Year Balances:

A restatement of fund balance in the Special Revenues funds was due to the removal of the Child and Family First Council fund, which was incorrectly included in the special revenue funds in the prior year. A restatement of fund balance in the Expendable Trust fund and the Nonexpendable Trust fund was to establish a Nonexpendable Trust fund in which proceeds received in 1999 were paid into the Expendable Trust fund incorrectly. The original principal must remain in perpetuity, with only the principal permitted to be spent, necessitating the Nonexpendable Trust fund.

| | Special Revenue <u>Funds</u> | Expendable Trust <u>Funds</u> | Nonexpendable Trust <u>Funds</u> |
|---|------------------------------------|-------------------------------------|--|
| Fund balance as previously stated | \$6,127,948 | 184,975 | - |
| Restatement of fund balance | <u>(37,145)</u> | <u>(60,740)</u> | <u>60,740</u> |
| Restated balances as of January 1, 2000 | <u>\$6,090,803</u> | <u>124,235</u> | <u>60,740</u> |

**FINANCIAL CONDITION
CHAMPAIGN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2000**

| Federal Grantor/ Pass Through Grantor Program Title | Pass Through Entity / Project Number | Federal CFDA Number | Disbursements |
|--|--|------------------------------------|---|
| U.S. Department of Justice | | | |
| (Direct Receipt) | | | |
| Local Law Enforcement Block Grants Program | 1998-LB-VX-6564 | 16.592 | \$24,811 |
| Public Safety Partnership and Community Policing Grants | 99UMWX2886 | 16.710 | 28,883 |
| Bullet Proof Vest Grant | 990003114 | 16.670 | 1,350 |
| (Passed through the Office of Criminal Justice) | | | |
| Child Abuse Response Team | 1997-TT-TMV-3903 | 16.579 | 10,295 |
| Juvenile Accountability Incentive Block Grants | 98-JB-013-A067 99-JB-006-A067 | 16.523 | 7,169 10,647 |
| Total Juvenile Accountability Incentive Block Grants | | | 17,816 |
| Juvenile Justice and Delinquency Prevention Allocation | 98-JJ-IN4-0568 | 16.540 | 10,000 |
| Total U.S. Department of Justice | | | 93,155 |
| U.S. Department of Housing & Urban Development | | | |
| (Passed through Ohio Department of Development) | | | |
| Community Deveolpment Block Grants/State's Program | BC-99-011-1 BC-99-011-1 BC-99-011-2 BC-97-011-1 BF-97-011-2 BL-99-011-1 BF-98-011-1 BF-00 BL-99-011-1 BL-00-011 | 14.228 | 5,000 66,143 131,142 106,377 61,466 66,926 67,125 37 24,300 24,900 |
| Total Community Deveolpment Block Grants/State's Program | | | 553,416 |
| HOME Investment Partnerships Program | BC-97-011-2 | 14.239 | 22,586 |
| Total U.S. Department of Housing & Urban Development | | | 576,002 |
| U.S. Department of Transportation | | | |
| (Passed through Ohio Department of Transportation) | | | |
| Public Transportation for Nonurbanized Areas | RPT-4011-016-971 RPT-4011-012-992 | 20.509 | 90,607 70,186 |
| Total U.S. Department of Transportation | | | 160,793 |

**FINANCIAL CONDITION
CHAMPAIGN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2000**

| Federal Grantor/ Pass Through Grantor Program Title | Pass Through Entity / Project Number | Federal CFDA Number | Disbursements |
|---|---|------------------------------------|----------------------------------|
| U.S. Department of Education (Passed through Ohio Department of Education) | | | |
| Special Education Grants to States | 0658896-6B-SF-01P | 84.027 | 3,207 |
| Special Education - Preschool Grant | 065896-PG-S1-2001P | 84.173 | 4,625 |
| Total Special Education Cluster | | | <u>7,832</u> |
| (Passed through Ohio Department of Mental Retardation) | | | |
| Rehabilitation Services - Client Assistance Program | FY00 | 84.161 | 5,400 |
| (Passed through Ohio Department of Health) | | | |
| Special Education Grant for Infants and Families with Disaablities | FY00 FY01 | 84.181 | 49,747 |
| Total Special Education Grant for Infants and Families with Disabilities | | | <u>15,210</u> <u>64,957</u> |
| Total U.S. Department of Education | | | <u>78,189</u> |
| U.S. Department of Health & Human Services (Passed through Ohio Department of Mental Retardation) | | | |
| TITLE XX | FY00 FY01 | 93.667 | 26,806 |
| Total Social Services Block Grant | | | <u>9,550</u> <u>36,356</u> |
| (Passed through Ohio Department of Mental Retardation) | | | |
| Medical Assistance Program | FY98 FY99 FY00 | 93.778 | 24,569 |
| | | | 203,441 |
| | | | <u>392,461</u> <u>620,471</u> |
| (Passed through Area Agency on Aging, Planning & Service Area) | | | |
| Special Programs for the Aging Title III, Part B Grants | FY00 | 93.044 | <u>29,754</u> |
| Total U.S. Department of Health & Human Services | | | 686,581 |
| Federal Emergency Management Agency (Passed through Ohio Emergency Relief Agency) | | | |
| Emergency Management State and Local Assistance | CU91197 | 83.534 | 10,960 |
| Total Federal Financial Assistance | | | <u><u>\$1,605,680</u></u> |

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

CHAMPAIGN COUNTY FINANCIAL CONDITION

FISCAL YEAR ENDED DECEMBER 31, 2000

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B -- SUBRECIPIENTS

The County passes-through certain Federal assistance received from Ohio Department of Development to other governments or not-for-profit agencies (subrecipients). As described in Note A, the County records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these Federal Programs. Under Federal Circular A-133, the County is responsible for monitoring subrecipients to help assure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.

NOTE C -- MATCHING REQUIREMENTS

Certain Federal programs require that the County contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



STATE OF OHIO
OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND
ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Champaign County
1512 South U.S. Highway 68, Suite A100
Urbana, Ohio 43078

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

We have audited the financial statements of Champaign County (the County), as of and for the year ended December 31, 2000, and have issued our report thereon dated July 23, 2001. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the general purpose financial statements, as it related to the amounts included for Lawnview Industries, Inc. is based on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the County in a separate letter dated July 23, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the County in a separate letter dated July 23, 2001.

Champaign County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, management, elected officials, the Board of Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

July 23, 2001



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Champaign County
1512 South U.S. Highway 68, Suite A100
Urbana, Ohio 43078

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

Compliance

We have audited the compliance of Champaign County (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2000. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Champaign County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2000.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

**Internal Control Over Compliance
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted one matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the County in a separate letter dated July 23, 2001.

This report is intended for the information and use of the audit committee, management, elected officials, the County Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

July 23, 2001

CHAMPAIGN COUNTY FINANCIAL CONDITION

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2000**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|---|--|
| (d)(1)(i) | Type of Financial Statement Opinion | Unqualified |
| (d)(1)(ii) | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(ii) | Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | No |
| (d)(1)(iii) | Was there any reported material non-compliance at the financial statement level (GAGAS)? | No |
| (d)(1)(iv) | Were there any material internal control weakness conditions reported for major federal programs? | No |
| (d)(1)(iv) | Were there any other reportable internal control weakness conditions reported for major federal programs? | No |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unqualified |
| (d)(1)(vi) | Are there any reportable findings under § .510? | No |
| (d)(1)(vii) | Major Program (list): | CFDA # 93.778, Medical Assistance Program |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs | Type A: > \$ 300,000 Type B: all others |
| (d)(1)(ix) | Low Risk Auditee? | Yes |

CHAMPAIGN COUNTY FINANCIAL CONDITION

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2000

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

None

3. FINDINGS FOR FEDERAL AWARDS

None



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CHAMPAIGN COUNTY FINANCIAL CONDITION

CHAMPAIGN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
AUGUST 9, 2001