



Dave Yost • Auditor of State

CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATIONS CENTER
CHAMPAIGN COUNTY

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Dave Yost • Auditor of State

Champaign Countywide Public Safety Communications Center
Champaign County
1512 South US Highway 68
Suite A100
Urbana, Ohio 43078

To the Board of Directors:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Dave Yost
Auditor of State

August 24, 2011

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Champaign Countywide Public Safety Communications Center
Champaign County
1512 South US Highway 68
Suite A100
Urbana, Ohio 43078

To the Board of Directors:

We have audited the accompanying financial statements of the Champaign Countywide Public Safety Communications Center, Champaign County (the Center) as of and for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Center has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the fund the accompanying financial statements present, GAAP requires presenting entity wide statements and also presenting the Center's larger (i.e. major) funds separately. While the Center does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Centers to reformat their statements. The Center has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Center as of December 31, 2010 and 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balance of the Champaign Countywide Public Safety Communications Center, Champaign County, as of December 31, 2010 and 2009, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Center has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2011, on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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Dave Yost
Auditor of State

August 24, 2011

**CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATIONS CENTER
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Cash Receipts:		
Property and Other Local Taxes	\$561,233	\$578,464
State Wireless 911 Assistance	100,322	89,519
Intergovernmental	163,040	163,535
Fire and EMS Coverage	14,000	
Miscellaneous	5,096	241
Total Cash Receipts	<u>843,691</u>	<u>831,759</u>
Cash Disbursements:		
Current:		
Salaries	483,564	490,648
Insurance	92,663	80,698
Retirement	74,186	75,238
Worker's Compensation	22,587	24,634
Supplies	3,312	3,666
Equipment	50,872	85,118
Professional Services	9,444	135
Building Lease and Utilities	18,708	24,274
Repair and Maintenance	19,488	11,227
Communications	17,553	14,101
Travel and Meetings	4,499	91
Training	510	
Audit		11,125
LEADS	7,470	8,217
Wireless Tariff Charges	3,863	3,863
Settlement Fees	98	15,497
Insurance - Liability	11,179	9,987
Dues and Memberships	355	
Reimbursements	104	620
Capital Outlay	849	
Total Cash Disbursements	<u>821,304</u>	<u>859,139</u>
Total Receipts Over/(Under) Disbursements	22,387	(27,380)
Fund Cash Balances, January 1	<u>514,866</u>	<u>542,246</u>
Fund Cash Balances, December 31	<u>\$537,253</u>	<u>\$514,866</u>

The notes to the financial statements are an integral part of this statement.

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**CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATION CENTER
COUNCIL OF GOVERNMENTS
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Champaign Countywide Public Safety Communications Center Council of Governments (The Center) rights and privileges are established by the authority provided by law, resolution, ordinance or regulation that is available individually to the City of Urbana or Champaign County, which have combined to form the Council of Governments. The Center is comprised of two separate, but interdependent Boards; the Fiscal Management Board and the Operations Board. The Center was created for the purpose of operating an enhanced 911 Public Safety Answering Point (PSAP), including public safety communications and dispatching operations, and providing those services to all political subdivisions and districts in Champaign County.

The Center management believes these financial statements present all activities for which the Center is financially accountable.

B. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Center recognizes receipts when received in cash rather than when earned, and recognizes when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash and Investments

The Champaign County Auditor acts as the fiscal agent for the Center. The County's cash and investment pool holds the Center's assets, valued at the County Treasurer's reported carrying value.

The Champaign County Auditor's records indicate the Center's cash balances as of December 31, 2010 and 2009 were \$537,253 and \$514,866.

D. Fund Accounting

The Center uses fund accounting to segregate cash and investments that are restricted as to use. The Center has one fund.

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

E. Budgetary Process

1. Appropriations

The bylaws of the Center require the Council to annually adopt a capital and operating budget and appropriate funds accordingly out of funds made available under the Financial Provisions of the Center agreement. The Council may not expend more in any one fiscal year than the funds made available.

**CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATION CENTER
COUNCIL OF GOVERNMENTS
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Encumbrances

The Center reserves (encumbers) appropriations when commitments are made. Encumbrances outstanding at year-end are carried over and are not re- appropriated.

A summary of 2010 and 2009 budgetary activity appears in Note 2.

F. Property, Plant, and Equipment

The Center records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2010 and December 31, 2009 follow:

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$821,612	\$821,304	\$308

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$886,904	\$859,139	\$27,765

3. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopt rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the COG.

**CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATION CENTER
COUNCIL OF GOVERNMENTS
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

4. RETIREMENT SYSTEMS

The Ohio Public Employees Retirement System (OPERS) is a state operated, cost-sharing, multiple employer public employee retirement system. The Ohio Revised Code prescribes retirement benefits for vested employees who are eligible to retire based upon years of service. OPERS also provides survivor and disability benefits to vested employees as the Ohio Revised Code prescribes.

The Ohio Revised Code also prescribes contribution rates. The Center's OPERS members contributed 10 percent of their gross salaries for 2009 and 2010. The Center contributed an amount equal to 14 percent of participants' gross salaries. All required contributions have been paid through December 31, 2010.

5. RISK MANAGEMENT

A. Commercial Insurance

The Center has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

B. Risk Pool Management

The Center is exposed to various risks of property and casualty losses, and injuries to employees.

The Center insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Center belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2010, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

**CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATIONS CENTER
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009
(Continued)**

5. RISK MANAGEMENT (Continued)

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009.

	<u>2010</u>	<u>2009</u>
Assets	\$34,952,010	\$36,374,898
Liabilities	<u>(14,320,812)</u>	<u>(15,256,862)</u>
Net Assets	<u>\$20,631,198</u>	<u>\$21,118,036</u>

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$12.9 million and \$14.1 million of estimated incurred claims payable. The assets above also include approximately \$12.4 million and \$13.7 million of unpaid claims to be billed to approximately 454 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2010, the Center's share of these unpaid claims collectible in future years is approximately \$10,396.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
<u>2010</u>	<u>2009</u>
\$11,179	\$9,987

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.



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

Champaign Countywide Public Safety Communications Center
Champaign County
1512 South US Highway 68
Suite A100
Urbana, Ohio 43078

To the Board of Directors:

We have audited the financial statements of the Champaign Countywide Public Safety Communications Center, Champaign County, (the Center) as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated August 24, 2011, wherein we noted the Center followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Center's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Center's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Center's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Center's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed one instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2010-001.

We intend this report solely for the information and use of management and Board of Directors, and others within the Center. We intend it for no one other than these specified parties.

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Dave Yost
Auditor of State

August 24, 2011

**CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATIONS CENTER
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2010 AND 2009**

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

FINDING NUMBER 2010-001

Finding for Recovery Repaid under Audit

Richard Nelson was employed by the Champaign Countywide Public Safety Communications Center and for pay period ending 10/09/09 Mr. Nelson's time sheet documented that he had worked or taken leave totaling 72 hours during the pay period. The Director paid him 80 hours for the pay period which resulted in 8 hours overpayment at \$15.49 per hour for a total amount of \$123.00.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Richard Nelson for the total amount of \$123.00 and in favor of Champaign Countywide Public Safety Communication Center's General Fund in the amount of \$123.

Official's Response:

The Finding was repaid through a payroll deduction, as evidenced by the Champaign County payroll distribution report for pay period ending August 12, 2011.

**CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATIONS CENTER
COUNCIL OF GOVERNMENTS
CHAMPAIGN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001 to 2008-014	Finding for recovery – overpayment of wages	No	Center is working on resolving Findings.



Dave Yost • Auditor of State

CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATIONS CENTER

DAYTON 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
NOVEMBER 10, 2011