



OHIO AUDITOR OF STATE
KEITH FABER



**CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATIONS SYSTEM
COUNCIL OF GOVERNMENTS
CHAMPAIGN COUNTY
DECEMBER 31, 2018 AND 2017**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Champaign Countywide Public Safety Communications System Council of Governments
Champaign County
1512 South US Highway 68
Suite A100
Urbana, Ohio 43078

To the Fiscal Management and Operations Boards:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements, and related notes of the Champaign Countywide Public Safety Communications System Council of Governments, Champaign County, Ohio (the Council) as of and for the years ended December 31, 2018 and 2017.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Council prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Council does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2018 and 2017, and the change in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements, and related notes of the Champaign Countywide Public Safety Communications System Council of Governments, Champaign County as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2019, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

October 7, 2019

Champaign Countywide Public Safety Communications System
Council of Governments
Champaign County
Statement of Receipts, Disbursements
and Change in Fund Balance (Regulatory Cash Basis)
General Fund
For the Year Ended December 31, 2018

	<u>General</u>
Cash Receipts	
Property and Other Local Taxes	\$988,662
State Wireless 911 Assistance	89,104
Intergovernmental	94,294
Miscellaneous	18,836
<i>Total Cash Receipts</i>	<u>1,190,896</u>
Cash Disbursements	
Current:	
Salaries	504,384
Insurance & Medicare	158,806
Retirement	70,451
Worker's Compensation	5,598
Unemployment	411
Supplies	3,276
Equipment	237,273
Professional Services	11,559
Building Lease and Utilities	40,207
Repair and Maintenance	29,396
Travel and Meetings	1,417
Training	1,510
Advertising	180
Insurance - Liability	15,502
LEADS	7,200
Dues & Memberships	284
Settlement Fees	24,742
<i>Total Cash Disbursements</i>	<u>1,112,196</u>
 <i>Excess of Receipts Over Disbursements</i>	 <u>78,700</u>
 <i>Fund Cash Balance, January 1</i>	 <u>1,633,106</u>
 Fund Cash Balance, December 31	
Unassigned	1,711,806
<i>Fund Cash Balance, December 31</i>	<u>\$1,711,806</u>

See accompanying notes to the basic financial statement

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Champaign Countywide Public Safety Communications System

Council of Governments

Champaign County

Notes to the Financial Statement

For the Year Ended December 31, 2018

Note 1 – Reporting Entity

The Champaign Countywide Public Safety Communications System Council of Governments (the Council) 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 Council is comprised of two separate, but interdependent Boards; the Fiscal Management Board and the Operations Board. The Council 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.

Public Entity Risk Pool

The Council participates in the Public Entities Pool of Ohio (PEP), a risk-sharing pool. PEP provides property and casualty coverage for its members. Note 5 to the financial statement provides additional information for this entity.

The Council's management believes this financial statement presents all activities for which the Council is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Council's financial statement consists of a statement of receipts, disbursements and change in fund balance (cash basis) for the General fund.

Fund Accounting

The Council uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Council only has a General fund, which is available to the Council for any purpose provided it is expended according to the general laws of Ohio.

Basis of Accounting

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

Appropriations The bylaws of the Council 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 Council agreement. The Council may not expend more in any one fiscal year than the funds made available.

Champaign Countywide Public Safety Communications System
Council of Governments
Champaign County
Notes to the Financial Statement
For the Year Ended December 31, 2018
(Continued)

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

Encumbrances The Council reserves (encumbers) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year.

A summary of 2018 budgetary activity appears in Note 3.

Deposits and Investments

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

The Council's cash balance as of December 31, 2018 was \$1,711,806.

Capital Assets

The Council records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

Accumulated Leave

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Council must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Council classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Governing Board can *commit* amounts via formal action (resolution). The Council must adhere to these commitments unless the Governing Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. In the general fund, *assigned* amounts represent intended uses established by the Council Governing Board or a Council official delegated that authority by resolution, or by State Statute.

Champaign Countywide Public Safety Communications System
Council of Governments
Champaign County
Notes to the Financial Statement
For the Year Ended December 31, 2018
(Continued)

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications.

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,154,142	\$1,112,196	\$41,946

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,190,580	\$1,190,896	\$316

Note 4 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Commissioners adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statement includes these credits and/or deduction 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.

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

Champaign Countywide Public Safety Communications System
Council of Governments
Champaign County
Notes to the Financial Statement
For the Year Ended December 31, 2018
(Continued)

Note 5 – Risk Management

Risk Pool Membership

The Council is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to the limits of the Council’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2018</u>
Cash and investments	\$ 35,381,789
Actuarial liabilities	\$12,965,015

Note 6 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Council contributed an amount equaling 14% of participants’ gross salaries. The Council has paid all contributions required through December 31, 2018.

Note 7 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

Champaign Countywide Public Safety Communications System
Council of Governments
Champaign County
Statement of Receipts, Disbursements
and Change in Fund Balance (Regulatory Cash Basis)
General Fund
For the Year Ended December 31, 2017

	<u>General</u>
Cash Receipts	
Property and Other Local Taxes	\$994,869
State Wireless 911 Assistance	90,000
Intergovernmental	93,908
Miscellaneous	18,289
<i>Total Cash Receipts</i>	<u>1,197,066</u>
Cash Disbursements	
Current:	
Salaries	490,287
Insurance & Medicare	146,536
Retirement	68,247
Worker's Compensation	1,427
Supplies	2,559
Equipment	72,502
Professional Services	15,749
Building Lease and Utilities	39,771
Repair and Maintenance	26,102
Travel and Meetings	908
Training	1,807
Advertising	221
Insurance - Liability	15,540
LEADS	6,600
Dues & Memberships	194
Settlement Fees	26,918
<i>Total Cash Disbursements</i>	<u>915,368</u>
<i>Excess of Receipts Over Disbursements</i>	<u>281,698</u>
<i>Fund Cash Balance, January 1</i>	<u>1,351,408</u>
Fund Cash Balance, December 31	
Assigned	54,562
Unassigned	1,578,544
<i>Fund Cash Balance, December 31</i>	<u><u>\$1,633,106</u></u>

See accompanying notes to the basic financial statement

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Champaign Countywide Public Safety Communications System

Council of Governments

Champaign County

Notes to the Financial Statement

For the Year Ended December 31, 2017

Note 1 – Reporting Entity

The Champaign Countywide Public Safety Communications System Council of Governments (the Council) 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 Council is comprised of two separate, but interdependent Boards; the Fiscal Management Board and the Operations Board. The Council 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.

Public Entity Risk Pool

The Council participates in the Public Entities Pool of Ohio (PEP), a risk-sharing pool. PEP provides property and casualty coverage for its members. Note 5 to the financial statement provides additional information for this entity.

The Council's management believes this financial statement presents all activities for which the Council is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Council's financial statement consists of a statement of receipts, disbursements and change in fund balance (cash basis) for the General fund.

Fund Accounting

The Council uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Council only has a General fund, which is available to the Council for any purpose provided it is expended according to the general laws of Ohio.

Basis of Accounting

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

Appropriations The bylaws of the Council 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 Council agreement. The Council may not expend more in any one fiscal year than the funds made available.

Champaign Countywide Public Safety Communications System
Council of Governments
Champaign County
Notes to the Financial Statement
For the Year Ended December 31, 2017
(Continued)

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

Encumbrances The Council reserves (encumbers) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year.

A summary of 2017 budgetary activity appears in Note 3.

Deposits and Investments

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

The Council's cash balance as of December 31, 2017 was \$1,633,106.

Capital Assets

The Council records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

Accumulated Leave

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Council must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Council classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed Governing Board can *commit* amounts via formal action (resolution). The Council must adhere to these commitments unless the Governing Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. In the general fund, *assigned* amounts represent intended uses established by the Council Governing Board or a Council official delegated that authority by resolution, or by State Statute.

Champaign Countywide Public Safety Communications System
Council of Governments
Champaign County
Notes to the Financial Statement
For the Year Ended December 31, 2017
(Continued)

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications.

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

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2017 follows:

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$993,692	\$915,368	\$78,324

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,197,066	\$1,197,066	\$0

Note 4 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board of Commissioners adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statement includes these credits and/or deduction 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.

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

Champaign Countywide Public Safety Communications System
Council of Governments
Champaign County
Notes to the Financial Statement
For the Year Ended December 31, 2017
(Continued)

Note 5 – Risk Management

Risk Pool Membership

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

The Council insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

The Council 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. 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 York. 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, 2017, PEP retained \$350,000 for casualty claims and \$100,000 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.

Financial Position

PEP’s financial statements (audited by other auditor’s) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017.

	<u>2017</u>
Assets	\$44,452,326
Liabilities	(13,004,011)
Net Position	\$31,448,315

At December 31, 2017 the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed. The Pool’s membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Council’s share of these unpaid claims collectible in future years is approximately \$10,000.

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.

Champaign Countywide Public Safety Communications System
Council of Governments
Champaign County
Notes to the Financial Statement
For the Year Ended December 31, 2017
(Continued)

2017 Contributions to PEP
\$ 15,540

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.

Note 6 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Council contributed an amount equaling 14% of participants' gross salaries. The Council has paid all contributions required through December 31, 2017.

Note 7 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 1.0 percent during calendar year 2017.

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OHIO AUDITOR OF STATE KEITH FABER



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

Champaign Countywide Public Safety Communications System Council of Governments
Champaign County
1512 South US Highway 68
Suite A100
Urbana, Ohio 43078

To the Fiscal Management and Operations Board:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements of the Champaign Countywide Public Safety Communications System Council of Governments, Champaign County, (the Council) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated October 7, 2019 wherein we noted the Council followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

October 7, 2019

OHIO AUDITOR OF STATE KEITH FABER



**CHAMPAIGN COUNTYWIDE PUBLIC SAFETY COMMUNICATIONS SYSTEM COUNCIL OF
GOVERNMENT**

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
NOVEMBER 7, 2019**