FINANCIAL CONDITION
CHAMPAIGN COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31,1999

JIM PETRO
AUDITOR OF STATE
STATE OF OHIO

CHAMPAIGN COUNTY FINANCIAL CONDITION

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Champaign County Commissioners
Champaign County Auditor
Champaign County Treasurer
1512 South U.S. Highway 68, Suite A100
Urbana, Ohio 43078

To the Board of Champaign County Commissioners:

We have audited the accompanying general-purpose financial statements of Champaign County, (the County) as of and for the year ended December 31, 1999, as listed in the table of contents. 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 other auditors.

We conducted our audit in accordance with generally accepted auditing standards 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, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2000 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.

Our audit was performed for the purpose of forming 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 purposes of 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. Such information has been subjected 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 16, 2000

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FINANCIAL CONDITION
CHAMPAIGN COUNTY

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

as of December 31, 1999

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
Assets:						
Pooled cash and investments	$2,102,355	$6,712,790	$1,964	$1,122,434	$521,728	$285,052
Net Receivables:						
Taxes	1,353,166	2,225,422	0	0	0	0
Accounts	11,440	16,330	0	0	730,359	0
Special assessments	0	0	3,383	14,268	0	0
Accrued interest	72,607	0	0	0	0	0
Other	10,373	13,809	0	0	0	0
Due from other funds	22,246	6,985	0	0	0	0
Due from other governments	0	168,641	0	0	0	0
Inventory	7,540	72,113	0	0	49,742	0
Prepaid expenses	0	0	0	0	0	0
Unamortized bond issue costs	0	0	66,858	0	11,637	0
Deferred amount on refunding	0	0	0	0	51,571	0
Fixed assets (net of accumulated depreciation where applicable)	0	0	0	0	1,107,014	0
Amount available for the retirement of general long-term debt	0	0	0	0	0	0
Amount to be provided for retirement of general long-term debt	0	0	0	0	0	0
Total assets	$ 3,579,727	9,216,090	72,205	1,136,702	2,472,051	285,052
Liabilities:						
Accounts payable	$ 89,674	290,179	0	0	70,838	144,719
Accrued salaries	93,152	197,583	0	0	100,086	462
Accrued workers compensation	22,505	37,397	0	0	17,670	66
Accrued compensated absences	24,473	22,521	0	0	174,247	0
Accrued pensions	86,943	184,020	0	0	89,563	302
Due to other funds	0	18,500	0	0	0	0
Due to other governments	0	0	0	0	0	0
Deferred revenue	1,157,053	2,210,373	3,383	14,268	0	0
Restricted deposits	0	0	0	0	0	0
Bond premium	0	0	0	0	13,097	0
Capital lease payable	0	0	0	0	0	0
Bonds and loans payable	0	0	0	0	620,000	0
Total liabilities	1,473,800	2,960,573	3,383	14,268	1,085,501	145,549
Equity and other credits:						
Investments in general fixed assets	0	0	0	0	0	0
Contributed capital	0	0	0	0	18,643	0
Retained earnings	0	0	0	0	1,367,907	139,503
Fund balances:						
Reserved for:						
Encumbrances	43,635	55,456	0	0	0.00	0
Inventory	7,540	72,113	0	0	0.00	0
Prepaid expenses	0	0	0	0	0.00	0
Unreserved	2,054,752	6,127,948	68,822	1,122,434	0.00	0
Total equity and other credits	2,105,927	6,255,517	68,822	1,122,434	1,386,550	139,503
Total liabilities, equity and other credits	$ 3,579,727	$9,216,090	$72,205	$1,136,702	$2,472,051	$285,052

See accompanying notes to the general purpose financial statements.

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS Primary Gov't (Memorandum Only)		TOTALS Reporting Entity (Memorandum Only)
Trust & Agency	General Fixed Asset	General Long-Term Debt	1999	Component Unit	1999
$1,582,285	$0	$0	$12,328,608	$68,487	$12,397,095
18,907,728	0	0	22,486,316	0	22,486,316
91	0	0	758,220	30,916	789,136
46,676	0	0	64,327	0	64,327
1	0	0	72,608	0	72,608
1,161	0	0	25,343	0	25,343
54,758	0	0	83,989	0	83,989
751	0	0	169,392	0	169,392
0	0	0	129,395	3,327	132,722
0	0	0	0	618	618
0	0	0	78,495	0	78,495
0	0	0	51,571	0	51,571
0					
0	13,246,508	0	14,353,522	90,153	14,443,675
0	0	68,822	68,822	0	68,822
0	0	4,875,989	4,875,989	0	4,875,989
20,593,451	13,246,508	4,944,811	55,546,597	193,501	55,740,098
323	0	0	595,733	3,404	599,137
0	0	0	391,283	0	391,283
0	0	0	77,638	3,045	80,683
0	0	846,076	1,067,317	0	1,067,317
0	0	0	360,828	0	360,828
65,489	0	0	83,989	0	83,989
20,002,190	0	0	20,002,190	1,047	20,003,237
0	0	0	3,385,077	0	3,385,077
340,474	0	0	340,474	0	340,474
0	0	0	13,097	0	13,097
0	0	210,395	210,395	0	210,395
0	0	3,888,340	4,508,340	0	4,508,340
20,408,476	0	4,944,811	31,036,361	7,496	31,043,857
0	13,246,508	0	13,246,508	90,153	13,336,661
0	0	0	18,643	0	18,643
0	0	0	1,507,410	0	1,507,410
0	0	0	99,091	0	99,091
0	0	0	79,653	3,327	82,980
0	0	0	0	0	0
184,975	0	0	9,558,931	92,525	9,651,456
184,975	13,246,508	0	24,510,236	186,005	24,696,241
$20,593,451	$13,246,508	$4,944,811	$55,546,597	$193,501	$55,740,098

FINANCIAL CONDITION
CHAMPAIGN COUNTY

Combined Statement of Revenues, Expenditures, and Changes in Fund
Balances - All Governmental Fund Types, Similar Fiduciary Trust Fund Types
and Discretely Presented Component Units

For the Year Ended December 31, 1999

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Property taxes	1,301,517	$2,251,888	$0	$0
Sales taxes	2,436,011	0	0	0
Other local taxes	193,103	132,332	0	0
Licenses and permits	160,104	25	0	0
Charges for services	811,575	814,113	0	0
Fines and forfeitures	82,097	41,762	0	0
Special assessments	0	0	2,802	12,385
Intergovernmental	668,370	7,746,350	0	130,972
Investment income	748,548	164,521	0	0
Other revenue	625,144	1,411,381	0	0
Total revenues	7,026,469	12,562,372	2,802	143,357
Expenditures:				
Current:				
General government and judicial	3,115,159	462,004	0	0
Public safety	3,317,937	500,844	0	0
Public works	185,308	3,283,127	0	0
Health	31,537	3,485,631	0	0
Human services	165,132	3,487,528	0	0
Conservation/Recreation	243,068	60,872	0	0
Capital outlay	0	402,545	0	175,348
Debt Service:				
Principal	91,519	0	153,775	0
Interest	0	0	233,911	0
Total expenditures	7,149,660	11,682,551	387,686	175,348
Excess (deficit) revenues over (under) expenditures	(123,191)	879,821	(384,884)	(31,991)
Other financing sources (uses):				
Inception in capital lease	297,064	0	0	0
Operating transfers in	137,326	142,703	374,317	250,400
Operating transfers (out)	(746,420)	(158,326)	0	0
Total other financing sources (uses)	(312,030)	(15,623)	374,317	250,400
Excess (deficit) revenues and other sources over (under) expenditures and other (uses)	(435,221)	864,198	(10,567)	218,409
Fund balance, beginning of year, unreserved, as restated	2,409,126	5,100,296	79,389	874,724
(Increase) decrease in reserve for encumbrances	74,272	175,458	0	29,301
(Increase) decrease in inventory	6,575	(12,004)	0	0
Fund balance, end of year, unreserved	$2,054,752	$6,127,948	$68,822	$1,122,434

See accompanying notes to the general purpose financial statements.

FIDUCIARY FUND TYPES Expendable Trust	TOTALS Primary Gov't (Memorandum Only) 1999	Component Unit	TOTALS Reporting Entity (Memorandum Only) 1999
0	3,553,405	0	3,553,405
0	2,436,011	0	2,436,011
0	325,435	0	325,435
0	160,129	0	160,129
1,988	1,627,676	365,194	1,992,870
0	123,859	0	123,859
0	15,187	0	15,187
0	8,545,692	0	8,545,692
61,789	974,858	2,068	976,926
6,116	2,042,641	3,571	2,046,212
69,893	19,804,893	370,833	20,175,726
242	3,577,405	0	3,577,405
0	3,818,781	0	3,818,781
0	3,468,435	0	3,468,435
0	3,517,168	0	3,517,168
1,250	3,653,910	371,324	4,025,234
0	303,940	0	303,940
0	577,893	4,145	582,038
0	245,294	0	245,294
0	233,911	551	234,462
1,492	19,396,737	376,020	19,772,757
68,401	408,156	(5,187)	402,969
0	297,064	0	297,064
0	904,746	0	904,746
0	(904,746)	0	(904,746)
0	297,064	0	297,064
68,401	705,220	(5,187)	700,033
116,574	8,580,109	97,712	8,677,821
0	279,031	0	279,031
0	(5,429)	0	(5,429)
184,975	9,558,931	92,525	9,651,456

FINANCIAL CONDITION
CHAMPAIGN COUNTY

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
- Budget and Actual (Budget Basis) - All Governmental Fund Types

For the Year Ended December 31, 1999

GENERAL FUND

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenue:			
Property taxes	$1,083,500	$1,300,001	$216,501
Sales taxes	2,110,298	2,436,011	325,713
Other local taxes	0	0	0
Licenses and permits	140,350	160,104	19,754
Charges for services	809,142	813,166	4,024
Fines and forfeitures	89,600	86,370	(3,230)
Special assessments	0	0	0
Intergovernmental	802,678	873,833	71,155
Investment income	491,880	737,885	246,005
Other	454,823	631,631	176,808
Total revenues	5,982,271	7,039,001	1,056,730
Expenditures:			
Current:			
General government and judicial	4,026,965	3,676,192	350,773
Public safety	2,625,191	2,544,042	81,149
Public works	1,384,448	1,217,083	167,365
Health	54,570	54,145	425
Human services	288,784	263,566	25,218
Recreation and conservation	246,770	245,488	1,282
Capital outlay	0	0	0
Debt service	0	0	0
Total expenditures	8,626,728	8,000,516	626,212
Excess (deficit) revenues over (under) expenditures	(2,644,457)	(961,515)	1,682,942
Other financing sources (uses):			
Bond proceeds	0	0	0
Operating transfers in	140,000	137,326	(2,674)
Operating advances in	0	8,874	8,874
Operating transfers (out)	0	0	0
Operating advances (out)	0	(26,056)	(26,056)
Total other financing sources (uses)	140,000	120,144	(19,856)
Excess (deficit) revenues and other sources over (under) expenditures and other (uses)	(2,504,457)	(841,371)	1,663,086
Fund balances, beginning of year	1,921,054	1,921,054	0
Fund balances, end of year	($583,403)	$1,079,683	$1,663,086

See accompanying notes to the general purpose financial statements

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
- Budget and Actual (Budget Basis) - All Governmental Fund Types

For the Year Ended December 31, 1999

SPECIAL REVENUE FUNDS

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenue:			
Property taxes	$2,088,900	$2,248,308	$159,408
Sales taxes	0	0	0
Other local taxes	117,000	132,321	15,321
Licenses and permits	0	25	25
Charges for services	723,548	823,004	99,456
Fines and forfeitures	44,640	45,004	364
Special assessments	0	0	0
Intergovernmental	7,365,219	7,861,020	495,801
Investment income	130,000	164,241	34,241
Other	1,736,362	1,487,658	(248,704)
Total revenues	12,205,669	12,761,581	555,912
Expenditures:			
Current:			
General government and judicial	740,711	706,137	34,574
Public safety	754,941	556,382	198,559
Public works	4,626,617	3,705,138	921,479
Health	3,843,382	3,671,700	171,682
Human services	4,480,906	3,801,465	679,441
Recreation and conservation	67,065	65,926	1,139
Capital outlay	163,126	163,126	0
Debt service	0	0	0
Total expenditures	14,676,748	12,669,874	2,006,874
Excess (deficit) revenues over (under) expenditures	(2,471,079)	91,707	2,562,786
Other financing sources (uses):			
Bond proceeds	0	0	0
Operating transfers in	0	0	0
Operating advances in	2,000	9,556	7,556
Operating transfers (out)	(137,326)	(137,326)	0
Operating advances (out)	(1,355)	(8,873)	(7,518)
Total other financing sources (uses)	(136,681)	(136,643)	38
Excess (deficit) revenues and other sources over (under) expenditures and other (uses)	(2,607,760)	(44,936)	2,562,824
Fund balances, beginning of year	3,320,739	3,320,739	0
Fund balances, end of year	$712,979	$3,275,803	$2,562,824

See accompanying notes to the general purpose financial statements.

FINANCIAL CONDITION
CHAMPAIGN COUNTY

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
- Budget and Actual (Budget Basis) - All Governmental Fund Types

For the Year Ended December 31, 1999

DEBT SERVICE FUNDS

	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenue:			
Property taxes	$0	$0	$0
Sales taxes	0	0	0
Other local taxes	0	0	0
Licenses and permits	0	0	0
Charges for services	0	0	0
Fines and forfeitures	0	0	0
Special assessments	2,800	2,802	2
Intergovernmental	0	0	0
Investment income	0	0	0
Other	0	0	0
Total revenues	2,800	2,802	2
Expenditures:			
Current:			
General government and judicial	0	0	0
Public safety	0	0	0
Public works	0	0	0
Health	0	0	0
Human services	0	0	0
Recreation and conservation	0	0	0
Capital outlay	0	0	0
Debt service	376,685	376,684	1
Total expenditures	376,685	376,684	1
Excess (deficit) revenues over (under) expenditures	(373,885)	(373,882)	3
Other financing sources (uses):			
Bond proceeds	0	0	0
Operating transfers in	374,317	374,317	0
Operating advances in	0	0	0
Operating transfers (out)	0	0	0
Operating advances (out)	0	0	0
Total other financing sources (uses)	374,317	374,317	0
Excess (deficit) revenues and other sources over (under) expenditures and other (uses)	432	435	3
Fund balances, beginning of year	1,530	1,530	0
Fund balances, end of year	$1,962	$1,965	$3

See accompanying notes to the general purpose financial statements

FINANCIAL CONDITION
CHAMPAIGN COUNTY

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
- Budget and Actual (Budget Basis) - All Governmental Fund Types

For the Year Ended December 31, 1999

	CAPITAL PROJECTS FUNDS		
	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenue:			
Property taxes	$0	$0	$0
Sales taxes	0	0	0
Other local taxes	0	0	0
Licenses and permits	0	0	0
Charges for services	0	0	0
Fines and forfeitures	0	0	0
Special assessments	12,385	12,385	0
Intergovernmental	130,972	130,972	0
Investment income	0	0	0
Other	0	0	0
Total revenues	143,357	143,357	0
Expenditures:			
Current:			
General government and judicial	0	0	0
Public safety	0	0	0
Public works	395,994	156,584	239,410
Health	0	0	0
Human services	0	0	0
Recreation and conservation	0	0	0
Capital outlay	71,219	18,762	52,457
Debt service	0	0	0
Total expenditures	467,213	175,346	291,867
Excess (deficit) revenues over (under) expenditures	(323,856)	(31,989)	291,867
Other financing sources (uses):			
Bond proceeds	0	0	0
Operating transfers in	241,000	250,400	9,400
Operating advances in	0	0	0
Operating transfers (out)	0	0	0
Operating advances (out)	0	0	0
Total other financing sources (uses)	241,000	250,400	9,400
Excess (deficit) revenues and other sources over (under) expenditures and other (uses)	(82,856)	218,411	301,267
Fund balances, beginning of year	377,087	377,087	0
Fund balances, end of year	$294,231	$595,498	$301,267

FINANCIAL CONDITION
CHAMPAIGN COUNTY

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
- Budget and Actual (Budget Basis) - All Governmental Fund Types

For the Year Ended December 31, 1999

	TOTALS (Memorandum Only)		
	Budget	Actual	Variance Favorable/ (Unfavorable)
Revenue:			
Property taxes	$3,172,400	$3,548,309	$375,909
Sales taxes	2,110,298	2,436,011	325,713
Other local taxes	117,000	132,321	15,321
Licenses and permits	140,350	160,129	19,779
Charges for services	1,532,690	1,636,170	103,480
Fines and forfeitures	134,240	131,374	(2,866)
Special assessments	15,185	15,187	2
Intergovernmental	8,298,869	8,865,825	566,956
Investment income	621,880	902,126	280,246
Other	2,191,185	2,119,289	(71,896)
Total revenues	18,334,097	19,946,741	1,612,644
Expenditures:			
Current:			
General government and judicial	4,767,676	4,382,329	385,347
Public safety	3,380,132	3,100,424	279,708
Public works	6,407,059	5,078,805	1,328,254
Health	3,897,952	3,725,845	172,107
Human services	4,769,690	4,065,031	704,659
Recreation and conservation	313,835	311,414	2,421
Capital outlay	234,345	181,888	52,457
Debt service	376,685	376,684	1
Total expenditures	24,147,374	21,222,420	2,924,954
Excess (deficit) revenues over (under) expenditures	(5,813,277)	(1,275,679)	4,537,598
Other financing sources (uses):			
Bond proceeds	0	0	0
Operating transfers in	755,317	762,043	6,726
Operating advances in	2,000	18,430	16,430
Operating transfers (out)	(137,326)	(137,326)	0
Operating advances (out)	(1,355)	(34,929)	(33,574)
Total other financing sources (uses)	618,636	608,218	(10,418)
Excess (deficit) revenues and other sources over (under) expenditures and other (uses)	(5,194,641)	(667,461)	4,527,180
Fund balances, beginning of year	5,620,410	5,620,410	0
Fund balances, end of year	$425,769	$4,952,949	$4,527,180

See accompanying notes to the general purpose financial statements.

FINANCIAL CONDITION
CHAMPAIGN COUNTY

Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types

For the Year Ended December 31, 1999

	PROPRIETARY FUND TYPES		TOTALS (Memorandum Only)
	Enterprise	Internal Service	1999
Operating revenues:			
Charges for services	$5,146,193	$9,600	$5,155,793
Total operating revenues	5,146,193	9,600	5,155,793
Operating expenses:			
Personnel services	2,897,674	10,292	2,907,966
Contractual services	1,341,337	1,313,314	2,654,651
Materials and supplies	488,872	0	488,872
Depreciation	92,822	0	92,822
Other expenses	297,656	0	297,656
Total operating expenses	5,118,361	1,323,606	6,441,967
Operating income (loss)	27,832	(1,314,006)	(1,286,174)
Nonoperating revenues/(expenses):			
Interest expense and fiscal charges	(47,241)	0	(47,241)
Other nonoperating revenues	1,408	1,133,712	1,135,120
Total nonoperating revenues/(expenses)	(45,833)	1,133,712	1,087,879
Net income (loss)	(18,001)	(180,294)	(198,295)
Retained earnings, beginning of year	1,385,908	319,797	1,705,705
Retained earnings, end of year	$1,367,907	$139,503	$1,507,410

See accompanying notes to the general purpose financial statements.

FINANCIAL CONDITION
CHAMPAIGN COUNTY

Combined Statement of Cash Flows - All Proprietary Fund Types

For the Year Ended December 31, 1999

	PROPRIETARY FUND TYPES		TOTALS (Memorandum Only)
	Enterprise	Internal Service	1999
Cash flows from operating activities:			
Operating income (loss)	$27,832	($1,314,006)	($1,286,174)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	92,822	0	92,822
Accounts receivable	(123,831)	0	(123,831)
Inventory	(6,212)	0	(6,212)
Accounts payable	(35,366)	53,192	17,826
Accrued payroll and compensated absences	(276,004)	(438)	(276,442)
Accrued pension	10,069	141	10,210
Net cash provided (used) by operating activities	(310,690)	(1,261,111)	(1,571,801)
Cash from noncapital financing activities:			
Nonoperating revenue	1,408	1,133,712	1,135,120
Net cash provided from noncapital financing activities:	1,408	1,133,712	1,135,120
Cash flows from capital and related financing activities:			
Purchase of capital assets	(10,619)	0	(10,619)
Debt reduction, bond payable	(50,000)	0	(50,000)
Interest expenses and fiscal charges	(36,850)	0	(36,850)
Net cash provided (used) by capital and related financing activities	(97,469)	0	(97,469)
Net increase (decrease) in cash	(406,751)	(127,399)	(534,150)
Pooled cash and investments, beginning of year	928,479	412,451	1,340,930
Pooled cash and investments, end of year	521,728	285,052	806,780
Interest paid	$36,850	$0	$36,850

See accompanying notes to the general purpose financial statements.

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. A total of eleven legislative and administrative county officials are elected by Champaign County voters. 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 generally accepted accounting principles, these general purpose financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting entity (continued)

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.

B. Basis of presentation

The accounting policies and financial reporting practices of the County conform to generally accepted accounting principles 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 devise 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 following fund types and account groups are used by the County:

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. The uses and limitations of each special revenue fund are specified by legal or regulatory provisions or administrative action.

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).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. 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.

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.

The accrual basis of accounting is utilized by proprietary fund types, and nonexpendable trust funds. 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 a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Component units are either legally separate organizations for which the elected officials of the County are not financially accountable or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusions would not 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	$112,316
Less: Net property and equipment	16,464
Less: Reserve for inventory	3,327
Fund balance per County	$ 92,525

See restatement of beginning net assets at Note 20.

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets and budgetary accounting (Continued)

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.

Estimated revenues are computed by individual departments and agencies, the County Auditor's office and the Budget Commission. 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).

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).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 repurchased agreements 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 is distributed to the general fund, unless otherwise required by law or contract. Interest revenue credited to the General fund during 1999 amounted to $748,548, which includes $582,308 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 a 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 1999, investments of the County were limited to the State Treasury Asset Reserve of Ohio (STAROhio) and repurchase agreements. 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, 1999. 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 cost (first-in, first-out). The proprietary fund types inventories are recorded as expenses when used. 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets - general (Continued)

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.

L. Pensions

The provision for pension costs is 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Interfund transfers (Continued)

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, 1999, the County had $18,643 in contributed capital.

Q. Financial disclosures

The County has elected to report its financial statements in accordance with statements issued by the Financial Accounting Standards Board (FASB) unless they are superseded by GASB, as outlined by GASB 20.

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, 1999, pooled cash and investments and restricted cash and investments were invested as follows:

Cash on hand	$ 14,000
Deposits:	
Demand deposits:	
Interest bearing	5,222,470
Less: Outstanding warrants	(2,143,269)
Non-entity cash in pool	(984,911)
Total cash and deposits	2,108,290
Investments:	
State Treasury Asset Reserve of Ohio (Star Ohio), 5.0%	416,508
Money market funds	9,803,810
Total investments	$ 10,220,318
Total pooled cash and investments	$ 12,328,608

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 110% 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.

The year end bank balance of all County deposits was $5,949,508 including $773,408 in accounts not held by the County Treasurer. Based on criteria described in GASB Statement No. 3 deposits with financial institutions, investments (including repurchase agreements) and reverse repurchase agreements the bank balance was covered by:

FDIC insured deposits	$ 570,497
Deposits collateralized by securities held by pledging financial institution or its agent but not in County's name	5,379,011
Total deposits	$ 5,949,508

2. CASH AND INVESTMENTS (Continued)

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.

	Category C	Carrying Amount	Market Value
Money Market Funds	$ 9,803,810	9,803,810	9,803,810
State Treasury Asset Reserve of Ohio (Star Ohio)	-	416,508	416,508
	$ 9,803,810	10,220,318	10,220,318

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	$ 12,328,608	-
Investments	(10,220,318)	10,220,318
GASB Statement No. 3	$ 2,108,290	10,220,318

NOTES TO THE GENERAL-PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999
(Continued)

3. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 1999 consist of the following individual fund receivables and payables:

	Due From Other Funds	Due To Other Funds
General	$ 22,246	-
Special revenue:		
Lawnview School	5,282	-
Litter Control	-	2,000
Childrens' Service Levy	1,703	-
Mediation Institutionalization	-	16,500
Agency:		
Advanced real estate payments	-	65,489
Urbana-Champaign Senior Citizens	203	-
Townships	5,837	-
Schools	46,654	-
Corporations	466	-
Library	483	-
Other agencies	1,115	-
	$ 83,989	83,989

4. FIXED ASSETS

A summary of proprietary fund type property and equipment at December 31, 1999 follows:

	Enterprise
Land	$ 285,630
Buildings	992,000
Improvements other than buildings	653,335
Machinery and equipment	455,557
Vehicles	25,900
Total fixed assets	2,412,422
Less accumulated depreciation	1,305,408
Fixed assets, net of accumulated depreciation	$ 1,107,014

There was no interest capitalized during 1999.

A summary of changes in general fixed assets follows:

	Balance 1/1/99	Additions	Disposals	Prior Period Adjustment	Balance 12/31/99
Land	$ 854,417	-	-	(125,000)	729,417
Buildings	4,676,147	-	-	-	4,676,147
Improvements other than buildings	3,589,769	-	-	-	3,589,769
Machinery and equipment	2,728,671	152,361	-	(584,865)	2,296,167
Vehicles	2,719,950	490,770	-	(1,255,712)	1,955,008
	$ 14,568,954	643,131	-	(1,965,577)	13,246,508

5. NOTES PAYABLE AND LONG-TERM OBLIGATIONS

Long-term obligations at December 31, 1999 were as follows:

	Balance 1/1/99	Addition	Reduction	Balance 12/31/99
General long-term obligations:				
Miami Square Renovation Note	$ 102,939	-	16,692	86,247
County Ditch Bond	4,186	-	2,093	2,093
Accrued vacation and sick leave	984,356	-	138,280	846,076
General Obligation Bond	3,935,000	-	135,000	3,800,000
Capital lease	4,850	297,064	91,519	210,395
Total General Long-Term Debt	5,031,331	297,064	383,584	4,944,811
Enterprise funds:				
General obligation bonds	670,000	-	50,000	620,000
	$ 5,701,331	297,064	433,584	5,564,811

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, 1999 had a balance of $86,247.

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.

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, 1999 is summarized below:

	Year of Issue	Year Due Through	Interest Rate	Amount
General obligation bond nursing home improvement	1998	2008	5.5%	$ 620,000
Miami Square Renovation Note	1992	2004	6.50%	86,247
County Various Purpose General Obligation Bond	1998	2017	5.5%	3,800,000
General obligation county ditch bond	1995	2006	5.6%	2,093

5. NOTES PAYABLE AND LONG-TERM OBLIGATIONS (Continued)

The following tables summarize the County's future debt service requirements for general obligation bonds as of December 31, 1999:

	Nursing Home Enterprise		Miami Square Renovation	
	Principal	Interest	Principal	Interest
Year Ending December 31:				
2000	$ 55,000	34,100	17,810	5,082
2001	55,000	31,075	19,002	3,889
2002	60,000	28,050	20,275	2,616
2003	65,000	24,750	21,633	1,259
2004	70,000	21,175	7,527	103
2005-2009	315,000	45,100	-	-
2010	-	-	-	-
Total	$ 620,000	184,250	86,247	12,949

	County Ditch		Various Purpose Bonds	
	Principal	Interest	Principal	Interest
2000	$ 2,093	136	135,000	209,000
2001	-	-	145,000	201,575
2002	-	-	150,000	193,600
2003	-	-	160,000	185,350
2004	-	-	165,000	176,550
2005-2009	-	-	965,000	735,350
2010 thereafter	-	-	2,080,000	546,425
	$ 2,093	136	3,800,000	2,247,850

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. In addition to the above general obligation bonds, the County has limited obligation bonds totaling $1,017,490 with Champaign Residential Services, Inc. (Agency). In the event of default by the Agency, the County's obligation would be limited to revenue derived from the rental or sale of the building. The building was leased by the Agency from the County.

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, 1999 was $640,000.

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, 1999, 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 year are as follows:

	Year ended December 31
Unpaid claims, beginning of fiscal year	$ 41,905
Incurred claims (including IBNRs)	1,506,271
Claim payments	(1,403,457)
Unpaid claims, end of fiscal year	$ 144,719

8. PROPERTY TAXES:

Property taxes are levied against all real, public utility and tangible (used in business) personal property located in the County.

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. In addition, 5.2 mills have been levied based upon mills voted for the Senior Citizens, MRDD (Lawnview School) and the Childrens' Service levy.

Real property and public utility taxes collected during 1999 were levied on January 1, 1999 on assessed values listed as of January 1, 1999 the lien date. One-half of these taxes were due on March 10, 1999 with the remaining balance due on July 12, 1999.

Tangible personal property taxes collected during 1999 had a lien and levy date of January 1, 1999. One-half of these taxes were due May 10, 1999 with the remaining balance due on October 20, 1999.

8. PROPERTY TAXES (Continued)

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 no less than every six years with equalization adjustments in the third year following reappraisal. The last revaluation was completed in 1995. Public utility property taxes are assessed on tangible personal property as well as land and improvements at 35% of true market value (normally 50% of cost). Tangible personal property assessments are 25% of true value. The assessed value upon which the 1999 levy was based was approximately $561,843,730. The assessed value for 1999 upon which the 2000 levy will be based is approximately $574,067,831.

The County Treasurer collects property taxes on behalf of all taxing districts within the County. The County Auditor periodically remits to the various taxing districts their portion of taxes collected. Property taxes may be paid on either an annual or semiannual basis.

9. LEASES

The County leases a 150 acre farm to a farmer for a four-year period, which began on March 1, 1999 at an annual rental of $10,530. Total rental income on the farm for 1999 was $10,530 and is included in miscellaneous receipts and reimbursements of the general fund.

10. DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

Champaign County contributes to 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 stand-alone financial report to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 466-2085 or 1-800-222-PERS (7377).

Plan members, other than those engaged in law enforcement, are required to contribute 8.5% of their annual covered salary to fund pension obligations and the County is required to contribute 13.55%. For law enforcement employees, the employee contribution is 9% and the employer contribution is 16.7%. Contributions are authorized by state statute. The contribution rates are determined actuarially. The County's actual contributions to PERS for the years ended December 31, 1999, 1998 and 1997 were $1,385,150, $1,374,169 and $1,449,721, respectively, equal to the required contributions for each year.

B. State Teachers Retirement System

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

10. DEFINED BENEFIT PENSION PLANS

B. State Teachers Retirement System

STRS 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 determined by multiplying final average salary by 2.5% for each year of Ohio contributing service in excess of 30 years and by 2.1% for all other years of credited service up to a maximum allowance of 100% of final average salary.

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

A retiree of STRS or other 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 allowance. 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.

Ohio Revised Code, Chapter 3307, 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, 1999, 1998 and 1997, were $46,349, $37,285 and $43,601, respectively, equal to the required contributions for each year.

The State Teacher's Retirement System issues a stand-alone financial report. Copies of the STRS' 1999 *Comprehensive Annual Financial Report* will be available after January 1, 1999, 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 of Ohio (PERS) 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 as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by state statute. The 1999 employer contribution rate was 13.55% of covered payroll for employees not engaged in law enforcement; 4.2% was the portion that was used to fund health care for 1999. For law enforcement employees, the employer contribution rate for 1999 was 16.7% of which 4.2% was used to fund health care.

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

OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

Expenditures for OPEB during 1999 were $523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were $9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1999, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

B. State Teachers Retirement System

In addition to the benefits described in footnote 10, the State Teacher's Retirement System Plan provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physician fees, prescription drugs and reimbursements of monthly Medicare premiums. Pursuant to the Revised Code (RC), 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 benefit recipients pay a portion of the health care cost in the form of a monthly premium.

The RC grants authority to STRS 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 board currently allocates employer contributions equal to 2% of covered payroll to the Health Care Reserve Fund from which health care benefits are paid. The balance in the Health Care Reserve Fund was $2,783 million at June 30, 1999. The Health Care Reserve Fund allocation for the year ended June 30, 2000 will be 8% of covered payroll.

Currently there are 95,796 eligible benefits recipients. Net health care costs paid by the Plan for the year ended June 30, 1999, were $249,929,000.

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, 1999 are as follows:

	Nursing Home	Total
Operating revenues	$ 5,146,193	5,146,193
Operating expenses:		
Depreciation	92,822	92,822
Other	5,025,539	5,025,539
Operating (loss)	27,832	27,832
Nonoperating income (expense):		
Interest	(47,241)	(47,241)
Other income	1,408	1,408
Net income (loss)	(18,001)	(18,001)
Total assets	2,472,051	2,472,051
Net working capital	849,425	849,425
Bonds, notes and loans payable	620,000	620,000
Total equity	1,386,550	1,386,550
Fixed assets additions	10,619	10,619

13. BUDGET BASIS OF ACCOUNTING

Adjustments necessary to convert the results of operation for the governmental fund types for the year ended December 31, 1999 on the GAAP basis to the budget basis are as follows:

	Excess (Deficiency) of Revenues & Other Financing Sources over Expenditures and Other (Uses)			
	General Fund	Special Revenue	Debt Service	Capital Projects
GAAP basis	$(435,221)	864,198	(10,567)	218,409
Increase (decrease):				
Due to revenues	12,532	199,209	-	-
Due to expenditures	(850,856)	(987,323)	11,002	2
Due to other financing sources and uses	432,174	(121,020)	-	-
Budget basis	$(841,371)	(44,936)	435	218,411

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 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.

15. DEFICIT FUND BALANCES/RETAINED EARNINGS

The following individual funds had deficit fund balances/retained earnings at December 31, 1999:

Children's Abuse Prevention	$ 1
Litter Grant	30
Regional Jail Construction	985,571
Mediation Institutionalization	1,360

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. In 1999, the Center ran a surplus in operations resulting in no contribution being required by Champaign County.

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. The Council is controlled by various individuals within the County including 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. Champaign County does not provide any funds for the operation of the Council.

16. JOINTLY GOVERNED ORGANIZATIONS (Continued)

Fairways Regional Council of Governments

The County is a participant in the Fairways Regional Council of Governments (the Council), jointly governed organization with Greene 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 1999, Champaign County contributed $120,228 for the Council's operation.

17. COMPONENT UNIT BONDS AND LOANS PAYABLE

In July, 1996, Lawnview Industries borrowed money from Champaign National Bank and Trust to purchase a shrink wrap machine. The loan amount was $26,299 to be paid bank monthly, over 60 months, at 8.75% interest, with monthly payments of $544. The loan was paid off.

18. CAPITAL LEASES

The County is obligated under certain leases accounted for as capital leases. The leased vehicles 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, 1999.

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, 1999.

Year Ending December 31	General Long-Term Debt Account Group
2000	$ 95,023
2001	140,022
Total minimum lease payment	235,045
Less: Amount representing interest	(24,650)
Total present value of minimum lease payments	$210,395

19. 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. Financial information can be obtained by writing the Champaign County Auditor, 200 North Main St., Urbana Ohio 43078.

20. RESTATEMENT OF PRIOR YEAR BALANCES

A restatement of fund balances was due to the removal of the Tri-County Jail fund which was incorrectly included in the special revenue funds in the prior year, and for a wholly owned subsidiary which was not included in the component in the prior year. The enterprise fund retained earnings was restated for a correction to the fixed assets.

	Special Revenue Funds	Enterprise Fund	Component Unit
Fund balance as previously stated	$5,103,794	1,375,452	93,076
Restatement of fund balance	(3,498)	10,456	4,636
Restated balances as of January 1, 1999	$5,100,296	1,385,908	97,712

FINANCIAL CONDITION
CHAMPAIGN COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED December 31, 1999

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. Department of Justice			
Local Law Enforcement Block Grants Program	98LBVX6564	16.592	$24,811
Public Safety Partnership and Community Policing Grants	99UMWX2886	16.710	7,166
(Passed through the Office of Criminal Justice)			
Juvenile Justice and Delinquency Prevention Allocation	98-JJ-IN4-0568	16.540	15,000
Total U.S. Department of Justice			46,977
U.S. Department of Housing & Urban Development			
(Passed through Ohio Department of Development)			
Community Deveolpment Block Grants/State's Program	BF-97-011-1	14.228	16,941
	BF-98-011-1		65,939
	BC-97-011-1		138,181
	BL-98-011-1		25,388
	BL-99-011-1		24,300
Total Community Deveolpment Block Grants/State's Program			270,749
HOME Investment Partnerships Program	BC-97-011-2	14.239	145,531
Total U.S. Department of Housing & Urban Development			416,280
U.S. Department of Transportation			
(Passed through Ohio Department of Transportation)			
Public Transportation for Nonurbanized Areas	RPT-4011-016-971	20.509	48,818
	RPT-4011-012-992		41,087
Total U.S. Department of Transportation			89,905
U.S. Department of Education			
(Passed through Ohio Department of Education)			
Special Education Grants to States	0658896-6B-SF-00P	84.027	16,558
Special Education - Preschool Grant	065896-PG-S1-2000P	84.173	7,615
Innovative Education Program Strategies	065896-C2-S1-2000	84.298	810
(Passed through Ohio Department of Mental Retardation)			
Rehabilitation Services - Client Assistance Program	FY99	84.161	3,615
(Passed through Ohio Department of Health)			
Special Education Grant for Infants and Families with Disablities	FY99	84.181	50,542
	FY00		15,602
Total Special Education Grant for Infants and Families with Disablities			66,144
Total U.S. Department of Education			94,742
U.S. Department of Health & Human Services			
(Passed through Ohio Department of Mental Retardation)			
Social Services Block Grant	FY 98	93.667	32,177
	FY 99		12,931
Total Social Services Block Grant			45,108
(Passed through Ohio Department of Mental Retardation)			
Medical Assistance Program	FY98	93.778	27,469
	FY99		564,083
Total Medical Assistance Program			591,552
(Passed through Area Agency on Aging, Planning & Service Area)			
Special Programs for the Aging Title III, Part B Grants	FY99	93.044	28,442
	FY00	93.044	20,062
Total for Special Programs for the Aging			48,504
Total U.S. Department of Health & Human Services			685,164
Federal Emergency Management Agency			
'(Passed through Ohio Emergency Relief Agency)			
Emergency Management State and Local Assistance	CU91197	83.534	8,846
Total Federal Financial Assistance			$1,341,914

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

FISCAL YEAR ENDED DECEMBER 31, 1999

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

Board of Champaign County Commissioners
Champaign County Auditor
Champaign County Treasurer
1512 South U.S. Highway 68, Suite A100
Urbana, Ohio 43078

To the Board of Champaign County Commissioners:

We have audited the financial statements of Champaign County, (the County) as of and for the year ended December 31, 1999, and have issued our report thereon dated July 16, 2000. We did not audit the financial statements of Lawnview Industries, Inc., the only discretely presented component unit of the County. 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 generally accepted auditing standards 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 16, 2000.

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 16, 2000.

This report is intended for the information and use of the audit committee, management, elected officials, 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 16, 2000

STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Board of Champaign County Commissioners
Champaign County Auditor
Champaign County Treasurer
1512 South U.S. Highway 68, Suite A100
Urbana, Ohio 43078

To the Board of Champaign County Commissioners:

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, 1999. 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 generally accepted auditing standards; 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, the 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, 1999.

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.

This report is intended for the information and use of the audit committee, management, elected officials, 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 16, 2000

CHAMPAIGN COUNTY FINANCIAL CONDITION

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505

DECEMBER 31, 1999

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):**	Medical Assistance Program, CFDA # 93.778
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

CHAMPAIGN COUNTY FINANCIAL CONDITION

DECEMBER 31, 1999

SCHEDULE OF PRIOR AUDIT FINDING
OMB CIRCULAR A -133 § .315 (b)

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***:
1998-60311-001	Tax and budgetary software modules in the remediation stage with need to monitor remediation, validating and testing of these systems for Y2K readiness.	Yes	N/A

STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
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800-282-0370
Facsimile 614-466-4490

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 3, 2000