



County of Champaign, Illinois

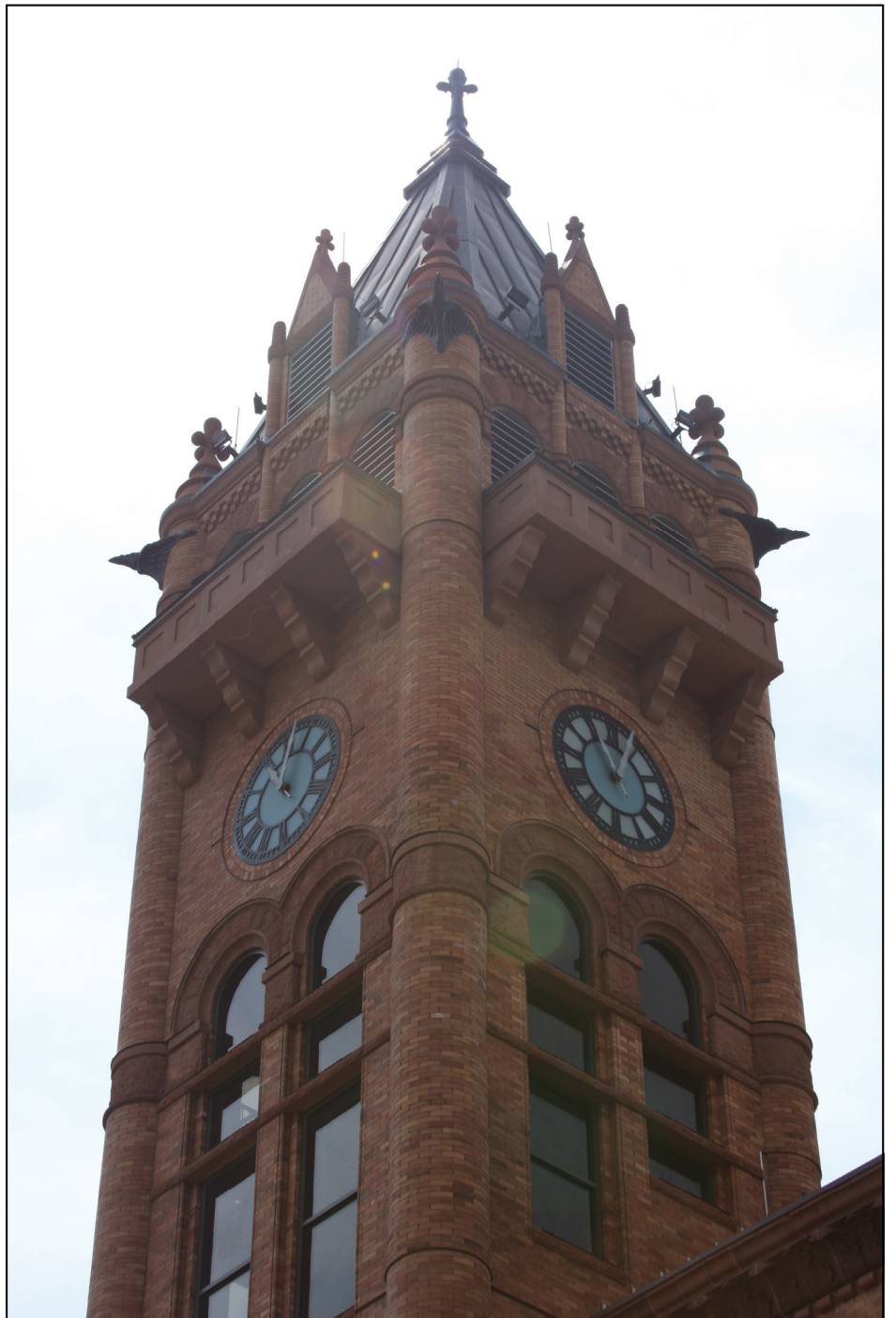
Popular Annual Financial Report

Fiscal Year Ended December 31, 2016



JOHN FARNEY

Champaign County Auditor



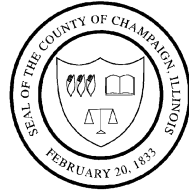
CHAMPAIGN COUNTY, ILLINOIS

POPULAR ANNUAL FINANCIAL REPORT

For Fiscal Year ended December 31, 2016

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OFFICE OF THE AUDITOR
CHAMPAIGN COUNTY, ILLINOIS

TO THE RESIDENTS OF CHAMPAIGN COUNTY:

The Champaign County Auditor's Office is proud to present its Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2016. This report provides a user friendly summary of the county's revenue, expenditures and financial condition. The report also includes supplemental information on local economic conditions, awards and accomplishments by Champaign County government, as well as additional information to help citizens of Champaign County become engaged with their county government. My goal for this report is to communicate Champaign County's financial positions in a format that can be utilized by anyone with an interest in County government.

The information in this report is derived from Champaign County's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2016. That highly detailed financial report, which was audited by Baker Tilly Virchow Krause, LLP, received an unmodified (clean) opinion. The CAFR is prepared in conformity with Generally Accepted Accounting Principles (GAAP). The length and complexity of the CAFR (over 300 pages), makes it a challenging document to read and interpret. The financial schedules presented in the PAFR have been summarized from various financial statements in the CAFR. The December 31, 2016 CAFR can be located on the Champaign County Auditor's website (<http://www.co.champaign.il.us/auditor/auditor.php>) under the Annual Financial Statements link. Past PAFRs, CAFRs, Quarterly and Monthly reports are also available at that site.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Champaign County for its Popular Annual Financial Report for the Fiscal Year months ended December 31, 2015. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

This report is for your use in understanding the operations of Champaign County government and is not intended to replace the CAFR. Please feel free to ask questions or share comments. We welcome suggestions for topics to address in future editions of the PAFR. You may contact the County Auditor's Office at 217-384-3763 or via email at auditor@co.champaign.il.us.

It is my honor to serve as your County Auditor. It is my goal to provide meaningful, timely, and useful reports, and as such, to promote education about county government affairs through transparency and accountability. It is my sincere desire that this report helps to accomplish that goal.

Respectfully,

JOHN FARNEY
CHAMPAIGN COUNTY AUDITOR
December 11, 2017



Government Finance Officers Association

**Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting**

Presented to

**County of Champaign
Illinois**

For its Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

Profile of Champaign County, Illinois

Incorporated in 1833, Champaign County is located about 135 miles south of Chicago, at the crossroads of Interstates 57, 72, and 74 in the heart of East Central Illinois. The County is nearly 1,000 square miles in area, with a population of 208,419 (2016 estimate) who live in two cities, 24 incorporated villages, and on rural home sites.

The economic base of Champaign County is comprised largely of education, agriculture, and medicine. Champaign County is home to the University of Illinois, and enjoys the benefits of both urban and rural life, with abundant cultural and athletic events, ranging from performing arts and museums to Big Ten Sports. Champaign County is a regional medical center with two large clinic/hospital complexes. Over 90% of Champaign County's land is farmed. The principal crops are corn and soybeans.

The County operates under the County Board form of government. There are 22 County Board members, 2 from each of 11 districts. The board members elect a chairman for a two-year term from among the members. There is an appointed county administrator with the responsibility of service to the board. In addition to the County Board, the citizens of Champaign County elect an Auditor, Clerk of the Circuit Court, Coroner, County Clerk, Recorder of Deeds, Treasurer, Sheriff, State's Attorney and Regional Superintendent of Schools. The Regional Superintendent of Schools is a component unit of the State of Illinois, and as such, their financial information is not contained in this report.

Illinois law determines the functions and services of county government. The largest portion of the County's governmental expenditures are for the administration of justice and public safety, including the State's Attorney, Public Defender, Circuit Clerk, Circuit Court, Court Services (adult and juvenile probation and juvenile detention center), and the Sheriff's functions (road patrol and the county correctional center). Other functions mandated by state statute include the construction and maintenance of county highways and bridges, the maintenance of the property tax system, voter registration and the election system, vital records such as birth, marriage, and death certificates, and the recording of deeds and other real estate records.

The County also operates a nursing home, funded primarily by patient fees and Medicare/Medicaid reimbursements. Voters approved special property taxes in 1972 to fund mental health services, in 1995 to fund a Cooperative Extension Service, in 1996 to fund public health services for all county residents, in 2002 to fund social security and retirement contributions for Nursing Home employees, and in 2004 to fund services for the developmentally disabled.

The Champaign County Board created the Regional Planning Commission (RPC) in 1966 under state-enabling legislation allowing counties to create planning commissions for the welfare of County residents. Over the past decades, the RPC has expanded its scope beyond land use planning, and has been involved extensively in community development and economic development, distribution of federal community services block grant funds, housing programs, weatherization and energy assistance programs, job and police training, transportation planning, senior and social services. In 1994, RPC began the operation of the Champaign County Head Start pre-school program.

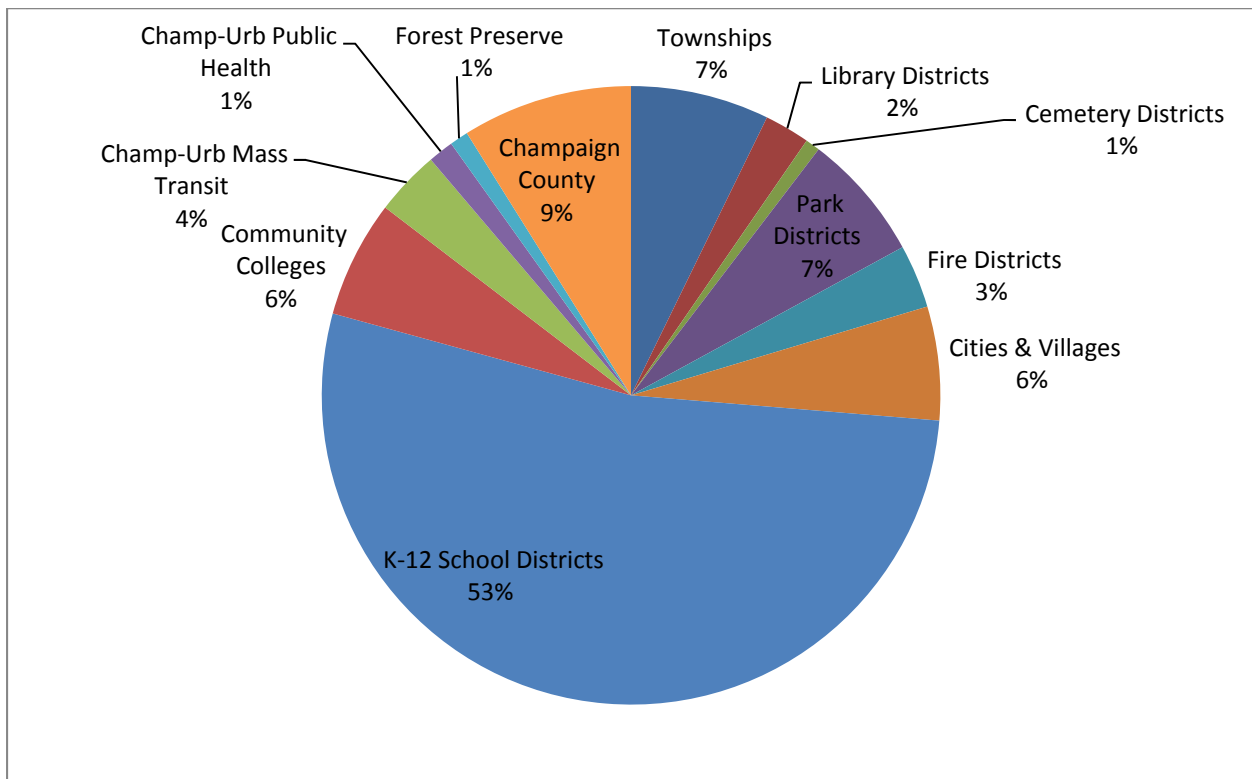
Champaign County has nearly 1,000 employees, and provides a wide variety of services to county residents. For more detailed information, please visit www.co.champaign.il.us.

Property Taxes – Where does your money go?

Where do your property tax dollars go? It's a great question that many citizens do not typically ask. The Champaign County Treasurer issues tax bills annually. The Treasurer also serves as County Collector and is responsible for collecting property tax payments. However, only a small portion of your property tax payment goes to pay for County services – only 9%. The vast majority of property taxes are remitted to other governments that serve the people of Champaign County – school districts, mass transit districts, public health districts and so on. There are 185 taxing districts that serve some portion of Champaign County. Depending on the location of a real estate parcel, property taxes for that parcel will be collected for a combination of separate taxing districts.

The following chart presents the breakdown by government type for an average Champaign County tax bill. The chart is for illustrative purposes only and is based on an average of all tax bills in Champaign County. As noted earlier, each real estate parcel pays property taxes to a varying combination of taxing districts, based on location. Actual amounts collected and distributed to individual districts may vary.

Property Taxes – Breakdown by Governmental Type



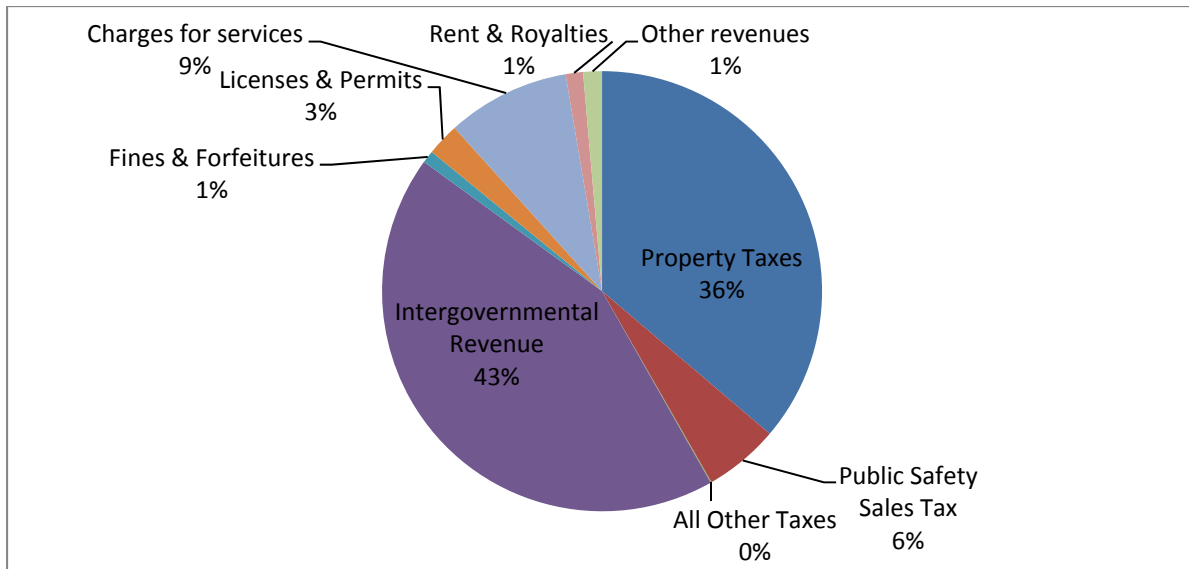
As shown in the chart above, in FY2016 the largest component of a typical tax bill in Champaign County goes to K-12 School Districts at 53%. In FY2015, the K-12 School District component of a tax bill averaged 52%, while in FY2014 it was 48%.

This PAFR presents an overview of Champaign County's financial data only. The other governmental districts shown above are separate legal entities and operate independent of Champaign County. Please consult those district's financial reports for detailed information.

Revenues – Where does the money come from?

Champaign County receives its funding from a variety of sources, with intergovernmental revenue being the largest source of funding, due mainly to Federal and State Grant money, as well as the County's share of state collected sales taxes. Property taxes account for nearly one quarter of the County's yearly revenue. The charts below reflect Governmental Funds only.

	General Corporate	Other Funds	Total All Funds	% of Total
Revenues:				
Property Taxes	\$10,775,908	\$19,930,996	\$30,706,904	36.21%
Public Safety Sales Tax	0	4,678,090	4,678,090	5.52%
All Other Taxes	55,432	0	55,432	0.07%
Intergovernmental Revenue	14,919,669	21,721,260	36,640,929	43.20%
Fines & Forfeitures	723,137	53,324	776,461	0.92%
Licenses & Permits	1,610,809	424,421	2,035,230	2.40%
Charges for services	4,131,868	3,530,735	7,662,603	9.04%
Rent & Royalties	1,066,556	17,550	1,084,106	1.28%
Other revenues	678,477	490,937	1,169,414	1.38%
Total Revenues	\$33,961,856	\$50,847,313	\$84,809,169	100.00%

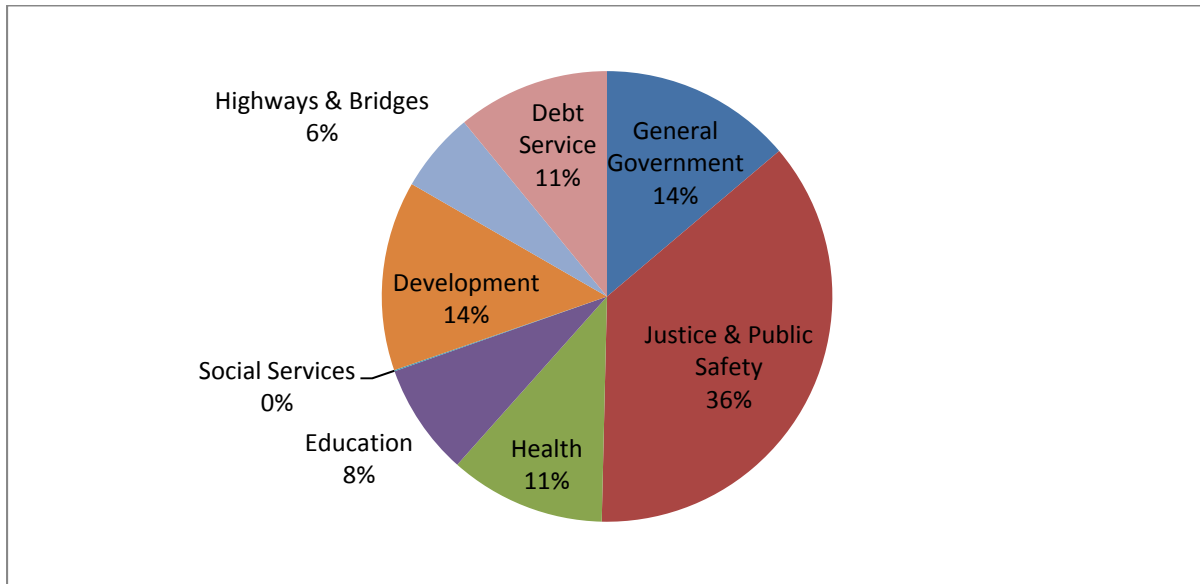


Property taxes represent a tax on all real estate within the County. The **Public Safety Sales Tax** is a ¼% sales tax enacted by Champaign County voters to fund public safety facilities and activities. **All other taxes** includes interest received on delinquent taxes, mobile home taxes, and county hotel/motel tax. **Intergovernmental revenue** includes sales taxes collected by the state, reimbursements and grant funds. **Charges for services** represents fees paid by individuals, businesses or other governments who use, purchase, or directly benefit from goods or services provided by the county. This also includes fees collected by the Circuit Clerk. **Fines and Forfeitures** include funds collected through the criminal justice system. Finally, **all other revenue** includes rent, interest, gifts/donations, and interfund transfers.

Expenditures – Where does the money go?

As was the case in Fiscal Year 2015, Champaign County’s largest expenditure among governmental activities during the Fiscal Year ended December 31, 2016 was on Justice and Public Safety, an expense of over \$31 million. Revenues outpaced expenditures by \$1.46 million in Fiscal Year 2016.

	General Corporate	Other Funds	Total All Funds	% of Total
Expenditures:				
General Government	\$9,669,608	\$2,367,108	\$12,036,716	13.83%
Justice & Public Safety	23,614,943	8,189,095	31,804,038	36.54%
Health	0	9,745,796	9,745,796	11.20%
Education	0	6,992,471	6,992,471	8.03%
Social Services	79,883	0	79,883	0.09%
Development	430,047	11,416,857	11,846,904	13.61%
Highways & Bridges	0	5,005,354	5,005,354	5.75%
Debt Service	497,646	9,019,362	9,517,008	10.94%
Total Expenditures	\$34,292,127	\$52,736,043	\$87,028,170	100.00%

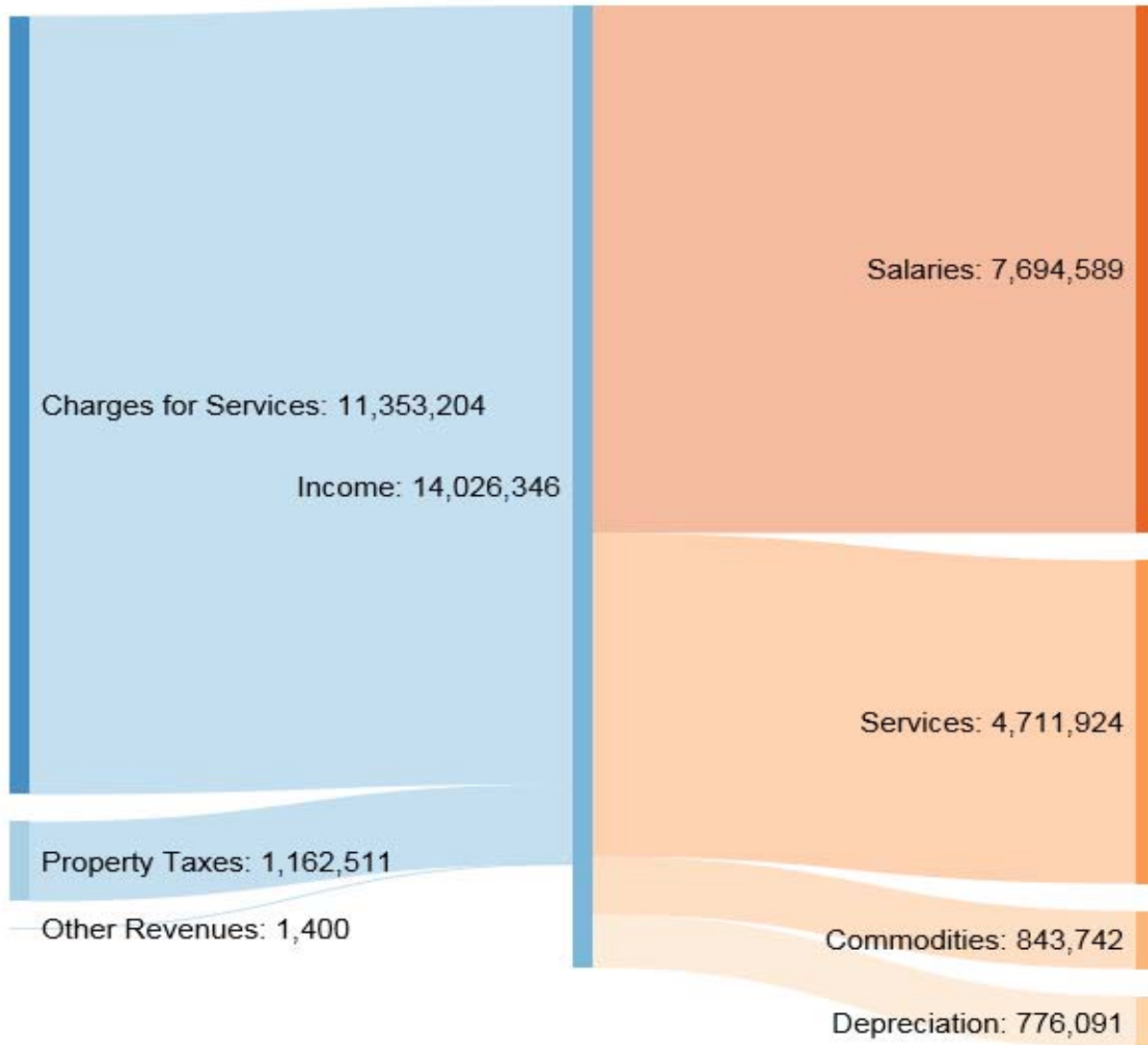


General Government expenditures include funds to operate administrative offices such as the Administrative Services Division, Auditor, County Clerk, Treasurer, and Recorder of Deeds. **Justice & Public Safety** includes funds to operate offices of the Sheriff, State’s Attorney, Coroner, Circuit Clerk, and Probation & Court Services. **Health** includes funds associated with the Mental Health & Developmental Disabilities Boards. **Development** includes funds associated with the Champaign County Regional Planning Commission. **Education** expenses are mainly related to the Head Start program, operated by the Regional Planning Commission. **Highways & Bridges** funds are entirely associated with the operation of the County Highway Department. **Debt service** expenditures include debt on public buildings.

Enterprise Fund – Champaign County Nursing Home

Champaign County maintains one enterprise fund for the Champaign County Nursing Home. Enterprise funds are created to account for County operations that are financed and operated in a manner similar to a private business. The vast majority, over 90%, of the revenues in the enterprise fund are charges for services provided to residents of the home. Champaign County also collects a property tax to assist with the operation of Champaign County Nursing Home. This accounts for approximately 8% of the fund's revenue.

A vast majority of the expenses attributed to the enterprise fund are personnel expenses, including salary and fringe benefits. Commodities include the cost of supplies to help with the health and comfort of home residents, including pharmacy expenses (\$219,561). Services include licensing fees, contract nursing wages and fees paid to rehabilitation companies that work with individuals at Champaign County Nursing Home in addition to normal service related expenses (utilities, engineering, fleet maintenance). The following diagram shows inflow and outflow for the Enterprise Fund (Actual GAAP Basis).



Statement of Net Position

Champaign County's Net Position as of December 31, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 84,371,423	\$ 4,365,362	\$ 88,736,785
Capital Assets	68,281,880	18,746,696	87,028,576
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amount related to Bond Refunding	662,320	0	662,320
Deferred Amount related to Pension Liability	9,751,859	1,544,583	11,296,442
Total Deferred Outflow of Resources	10,414,179	1,544,583	11,958,762
Total Assets & Deferred Outflow of Resources	163,067,482	24,656,641	187,724,123
LIABILITIES			
Current and other liabilities	4,378,371	3,866,514	8,244,885
Long term liabilities	60,545,308	2,239,531	62,784,839
Total Liabilities	64,923,679	6,106,045	71,029,724
DEFERRED INFLOW OF RESOURCES			
Subsequent Years Property Taxes	31,939,440	1,243,868	33,183,308
Deferred Amount related to Pension Liability	296,254	41,167	337,421
Total Deferred Inflow of Resources	32,235,694	1,285,035	33,520,729
NET POSITION			
Net Investments in Capital Assets	44,251,311	18,746,696	62,998,007
Restricted for:			
Debt Service	1,914,943	0	1,914,943
Justice & Public Safety	4,510,129	0	4,510,129
Health & Education	8,325,516	0	8,325,516
Development & General Government	9,416,139	0	9,416,139
Highways & Bridges	9,748,622	0	9,748,622
Insurance & Fringe Benefits	1,815,329	0	1,815,329
Unrestricted (Deficit)	(14,073,880)	(1,481,135)	(15,555,015)
Total Net Position	\$ 65,908,109	\$ 17,265,561	\$ 83,173,670

Business Type activities is the Champaign County Nursing Home.

Current and other assets are assets that a company can reasonably expect to convert to cash, sell, or consume within one year. **Capital assets** are the County's long-term investments in infrastructure (buildings, highways, bridges) and other assets used by Champaign County to provide services to citizens. These assets are not available for future spending.

Current and other liabilities includes debt that can be paid off in one year or less. This debt includes accounts payable, accrued interest, claims payable and unearned revenue. **Long term liabilities** include outstanding bond debt and long term portions of post-employment benefits.

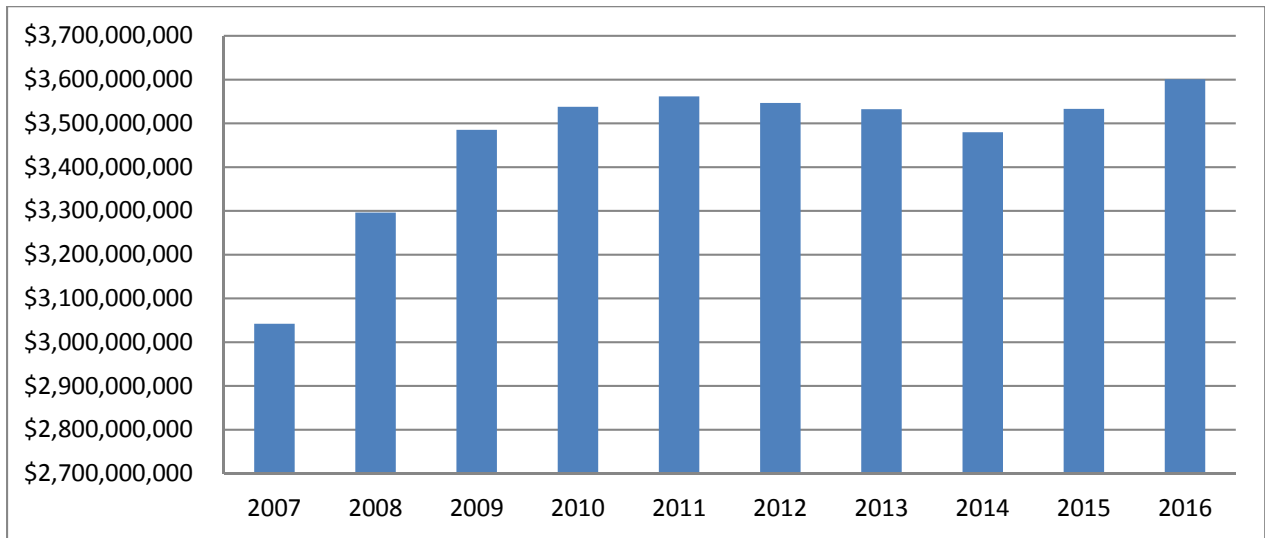
Net investment in capital assets, represents Champaign County's investments in capital assets less any related outstanding debt used to acquire those assets. Other sources are needed to repay the debt as capital assets themselves cannot be used to settle these liabilities.

Restricted assets represents resources that are subject to external restrictions, for the reason listed in the statement above. **Unrestricted net assets** represents the accessible resources to the County in order to provide services to the citizens of Champaign County if no additional revenue or resources were available.

Economic Outlook

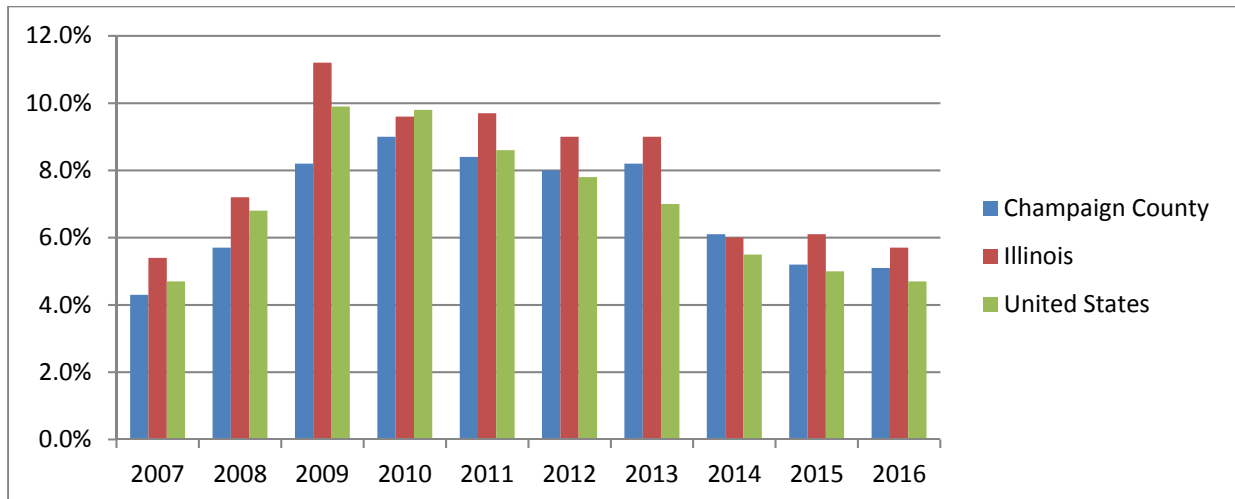
The economic base of Champaign County is comprised largely of education, farming, and medicine. Home to the University of Illinois, the County enjoys the benefits of both urban and rural life, with abundant cultural and athletic events ranging from performing arts and museums to Big Ten Sports. Champaign County is a regional medical center with two large clinic/hospital complexes. Nearly 90% of Champaign County's land is farmed. The principal crops are corn and soybeans.

ASSESSED PROPERTY VALUE



Assessed value of taxable property in Champaign County saw a slight increase over the last three years, from a low of \$3,479,591,533 in 2014 to today's value of \$3,600,615,388. Property in Champaign County is assessed at 33.3% of fair market value.

UNEMPLOYMENT RATE



Traditionally, Champaign County's Unemployment Rate has remained lower than state and national levels, thanks mostly to the employment stability offered by the University of Illinois. During the fiscal year ended December 31, 2015, Champaign County's rate dropped more than 1%, slightly higher than the national rate, but lower than the state rate.

Champaign County Fast Facts

Champaign County's estimated population of 208,419 is a nearly 30,000 person increase since 2000, making the County one of Illinois' fastest growing populations.

There are over 616,000 acres of farmland in production in Champaign County.

While agricultural production occupies much of the land within Champaign County, the County's largest employer is the University of Illinois, with over 44,000 students and over 14,000 employees. Other large employers in Champaign County include Carle Foundation Hospital and Clinic (5,757 employees), the Champaign School District (1,629 employees), Kraft Foods (1,150 employees) and Parkland College (725 employees).

Champaign County Government operates 24 elected offices and departments, nearly 900 people, including over 200 at Champaign County Nursing Home.

Champaign County Nursing Home, a property tax supported skilled nursing facility located on the County complex in Urbana, has provided compassionate long-term, rehabilitative, adult day care and memory care services for over 100 years.

The largest property taxpayer in Champaign County is Campus Property Management, a residential rental property developer with an assessed valuation of \$27,491,690 – about .6% of the County's total value. Market Place Mall in north Champaign is a close second at \$24,534,630. The total assessed valuation of properties in Champaign County is just over \$4.3 billion.

Not including drainage districts, there are 184 taxing districts within Champaign County. This total includes 24 cities and villages, 30 townships, 24 school districts, 25 fire districts, 6 library districts, 4 park districts, and 1 cemetery district. There are 326 drainage districts within the county that assess a benefit assessment to properties rather than a property tax to fund services.

The averaged tax rate for Champaign County in 2016 was 9.4967 per \$100 of assessed valuation. Over half of that amount goes to K-12 school districts (5.0289). Champaign County government's portion of the tax bill is .8458.

Within Champaign County's portion of the property tax bill, money supports general government functions (administration, law enforcement, criminal justice system, election services, planning and zoning functions), mental health and developmental disability services (through the Champaign County Mental Health and Developmental Disabilities Boards), highway and bridge services, cooperative extension services, Champaign County Nursing Home operations and bonding, and employee retirement (through the Illinois Municipal Retirement Fund and Social Security).

Champaign County Government was awarded \$12,642,266 in awards to administer programming on behalf of the Federal Government. This total includes over \$5 million in funding to the Champaign County Regional Planning Commission (CCRPC) for Early Childhood Education (Head Start) programs, nearly \$2 million for low-income home energy assistance, and over \$1.5 million for workforce development programming.

Champaign County Government Accomplishments

The Champaign County Auditor's Office handled over 98,000 accounting transactions for Fiscal Year ended December 31, 2016. Additionally the office issued over 18,000 Accounts Payable checks.

Champaign County, through its County Board Office, was presented with the Government Finance Officer's Association's Distinguished Budget Presentation Award for 2016.

The Champaign County Treasurer's Office, County Clerk's Office and Supervisor of Assessments Office, along with the County Information Technology Department worked diligently to once again have property tax bills issued by May 1, an accomplishment achieved by less than 10% of Illinois Counties.

In 2016, the Champaign County Treasurer issued 73,984 property tax bills.

The Champaign County Coroner's Office investigated 1,793 deaths in 2016, a new record for that office. The office also conducted 149 autopsies and issued 952 cremation permits.

The Champaign County Recorder of Deeds Office recorded 25,990 documents in 2016.

The Champaign County Sheriff answered 22,172 calls for service in FY2016. The office issued 1,718 traffic citations, served 8,184 civil process papers, and booked 5,357 jail book-ins through the year.

During 2016, the Champaign County State's Attorney filed 1,733 felony cases and 1,198 misdemeanor cases.

Champaign County Animal Control registered 17,287 animals during 2016. The department also impounded 1,487 animals during the year.

The Champaign County Planning and Zoning Department processed 206 zoning use permit applications in 2016.

Champaign County Nursing Home had an annual daily census of 177 patients.

The Champaign County Information Technology department rolled out a new and improved County website that is compliant with the most up-to-date technology for ADA compliance.

Champaign County Elected Officials

County Wide Elected Officials

Auditor

John Farney

Term Expires

December 2020

Circuit Clerk

Katie Blakeman

December 2020

Coroner

Duane Northrup

December 2020

County Clerk

Gordy Hulten

December 2018

Recorder of Deeds

Mark Shelden

December 2020

Sheriff

Daniel Walsh

December 2018

State's Attorney

Julia Rietz

December 2020

Regional Superintendent of Education (Champaign & Ford Counties)

Jane Quinlan

December 2018

Treasurer

Daniel Welch

December 2018

Champaign County Board Members

District 1

James Goss

Term Expires

December 2018

Gary Maxwell (Resigned, January 2017)

Brooks Marsh

December 2018

John Jay (Resigned, February, 2017)

District 6

Pattsi Petrie

Term Expires

December 2018

Josh Hartke

December 2020

District 2

Jack Anderson

December 2018

Dianne Michaels

December 2020

District 7

C. Pius Weibel (Chair)

December 2018

Kyle Patterson

December 2020

District 3

Aaron Esry

December 2018

Stan Harper

December 2020

District 8

Stephanie Fortado

December 2018

Matt Hiser (Resigned, June 2017)

Geraldo Rosales

December 2020

District 4

Jim McGuire

December 2018

Brad Clemmons

December 2020

District 9

Shanna Jo Crews

December 2018

Steve Summers

December 2020

District 5

Max Mitchell

December 2018

Jon Rector

December 2020

District 10

Chris Stohr

December 2018

Chris Alix (Resigned, October 2017)

Robert King

December 2020

District 11

Lorraine Cowart

December 2018

James Tinsley

December 2020

Champaign County Contact Information

Administrative Services/County Board, 1776 E. Washington St., Urbana, IL 61802	217-384-3776
Animal Control, 210 S. Art Bartell Rd., Urbana, IL 61802	217-384-3798
Auditor, 1776 E. Washington St., Urbana, IL 61802	217-384-3763
Board of Review, 1776 E. Washington St., Urbana, IL 61802	217-384-3758
Children’s Advocacy Center, 201 W. Kenyon Rd., Champaign, IL 61820	217-384-1266
Circuit Clerk, 101 E. Main St., 1 st Floor, Urbana, IL 61801	217-384-3725
Circuit Court, 101 E. Main St. Urbana, IL 61801	217-384-3707
Coroner, 202 S. Art Bartell Rd., Urbana, IL 61802	217-384-3888
County Assessment Office, 1776 E. Washington St., Urbana, IL 61802	217-384-3760
County Clerk, 1776 E. Washington St., Urbana, IL 61802	217-384-3720
Developmental Disabilities Board, 1776 E. Washington St., Urbana, IL 61802	217-367-5703
Emergency Management Agency, 1905 E. Main St., Urbana, IL 61802	217-384-3826
GIS Consortium, 1776 E. Washington St., Urbana, IL 61802	217-819-3555
Highway Department, 1605 E. Main St., Urbana, IL 61802	217-384-3800
Juvenile Detention Center, 400 S. Art Bartell Rd., Urbana, IL 61802	217-384-3780
Mental Health Board, 1776 E. Washington St., Urbana, IL 61802	217-367-5703
Nursing Home, 500 S. Art Bartell Rd., Urbana, IL 61802	217-384-3784
Planning & Zoning Department, 1776 E. Washington St., Urbana, IL 61802	217-384-3708
Probation & Court Services, 101 E. Main St., 3 rd Floor, Urbana, IL 61801	217-384-3753
Public Defender, 101 E. Main St., 3 rd Floor, Urbana, IL 61801	217-384-3714
Recorder of Deeds, 1776 E. Washington St., Urbana, IL 61802	217-384-3774
Regional Planning Commission, 1776 E. Washington St., Urbana, IL 61802	217-328-3313
Sheriff, 204 E. Main St., Urbana, IL 61802	217-384-1204
State’s Attorney, 101 E. Main St., 2 nd Floor, Urbana, IL 61801	217-384-3733
Treasurer, 1776 E. Washington St., Urbana, IL 61802	217-384-3743
Veterans’ Assistance Commission, 1776 E. Washington St., Urbana, IL 61802	217-819-3556

County Website (All offices/departments): www.co.champaign.il.us

Circuit Clerk Website (Court Documents): www.cccircuitclerk.com

County Clerk Website (Vital Records, Elections, County Board): www.champaigncountyclerk.com