BASIC FINANCIAL STATEMENTS

COUNTY OF CHAMPAIGN, ILLINOIS
STATEMENT OF NET POSITION
DECEMBER 31, 2016

Exhibit I

		Governmental Activities		Business-Type Activities		Total
ASSETS						
Cash	$	38,405,537	$	313,060	$	38,718,597
Investments		479,331		0		479,331
Receivables, Net of Uncollectible Amounts:						
Patient Accounts		0		1,218,794		1,218,794
Property Taxes		31,939,440		1,243,868		33,183,308
Intergovernmental		5,669,451		2,229,394		7,898,845
Program Loans--Current Portion		292,121		0		292,121
Accrued Interest		8,929		0		8,929
Other		1,567,664		897		1,568,561
Internal Balances		694,271		(694,271)		0
Inventories		0		21,112		21,112
Prepaid Items		766,854		10,862		777,716
Resident Trust Accounts		10,133		21,646		31,779
Program Loans Receivable--Long Term Portion		2,883,842		0		2,883,842
Investment in Joint Venture		1,653,850		0		1,653,850
Capital Assets Not Being Depreciated		4,551,685		0		4,551,685
Capital Assets, Net of Accumulated Depreciation		63,730,195		18,746,696		82,476,891
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
To 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						
Accrued Salaries Payable		1,184,564		258,623		1,443,187
Accounts Payable		2,623,386		2,564,488		5,187,874
Accrued Interest Payable		18,701		0		18,701
Funds Held for Others		328,096		21,646		349,742
Unearned Revenue		102,895		0		102,895
Tax Anticipation Notes Payable		0		1,021,757		1,021,757
Due To Other Governments		120,729		0		120,729
Noncurrent Liabilities:						
Due Within One Year		4,735,384		53,172		4,788,556
Due in More Than One Year		37,809,843		437,063		38,246,906
Net Pension Liability		18,000,081		1,749,296		19,749,377
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

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

COUNTY OF CHAMPAIGN, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

Exhibit II

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
FUNCTIONS / PROGRAMS	Expenses	Fines, Permits & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
General Government	$ 11,200,745	$ 4,756,864	$ 180,625	$ 0	$ (6,263,256)	$ 0	($6,263,256)
Justice & Public Safety	34,326,016	4,790,988	3,679,139	35,500	(25,820,389)	0	(25,820,389)
Health	9,355,002	155,680	634,040	0	(8,565,282)	0	(8,565,282)
Education	6,771,662	105,599	7,103,871	0	437,808	0	437,808
Social Services	79,883	0	0	0	(79,883)	0	(79,883)
Development	10,721,605	409,111	10,669,903	0	357,409	0	357,409
Highways & Bridges	6,191,176	106,253	2,788,060	0	(3,296,863)	0	(3,296,863)
Interest on Long-Term Debt	2,290,662	0	0	0	(2,290,662)	0	(2,290,662)
Total Governmental Activities	80,936,751	10,324,495	25,055,638	35,500	(45,521,118)	0	(45,521,118)
BUSINESS-TYPE ACTIVITIES:							
Nursing Home	13,909,721	11,356,472	0	0	0	(2,553,249)	(2,553,249)
Total Business-Type Activities	13,909,721	11,356,472	0	0	0	(2,553,249)	(2,553,249)
Total Government	$ 94,846,472	$ 21,680,967	$ 25,055,638	$ 35,500	(45,521,118)	(2,553,249)	(48,074,367)
General Revenues:							
Property Taxes					30,706,904	1,162,511	31,869,415
Public Safety Sales Taxes					4,686,884	0	4,686,884
Hotel/Motel & Auto Rental Taxes					55,432	0	55,432
Grants & Contributions Not Restricted to Specific Programs					11,846,184	0	11,846,184
Investment Earnings					92,191	545	92,736
Miscellaneous					981,757	4,542	986,299
Transfers					285,814	(285,814)	0
Total General Revenues and Transfers					48,655,166	881,784	49,536,950
Change in Net Position					3,134,048	(1,671,465)	1,462,583
Net Position - Beginning					62,774,061	18,937,026	81,711,087
Net Position - Ending					$ 65,908,109	$ 17,265,561	$ 83,173,670

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

COUNTY OF CHAMPAIGN, ILLINOIS
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2016

Exhibit III

	Major Funds: General Fund	Major Funds: Regional Planning Comm Fund	Major Funds: Mental Health Fund	All Other (Non-Major) Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ 4,566,741	$ 552,432	$ 2,555,516	$ 27,956,294	$ 35,630,983
Investments	0	0	0	479,331	479,331
Receivables, Net of Uncollectible Amounts:					
Property Taxes	11,268,871	0	4,569,528	16,101,041	31,939,440
Intergovernmental	1,898,263	745,721	0	1,059,424	3,703,408
Program Loans--Current Portion	0	0	0	292,121	292,121
Accrued Interest	0	0	0	8,929	8,929
Other	218,311	30,278	14,586	828,417	1,091,592
Due From Other Funds	1,220,340	228,057	159,891	1,997,087	3,605,375
Prepaid Items	20,316	127	0	5,535	25,978
Resident Trust Accounts	10,133	0	0	0	10,133
Program Loans Receivable--Long Term	0	0	0	2,883,842	2,883,842
Total Assets	$ 19,202,975	$ 1,556,615	$ 7,299,521	$ 51,612,021	$ 79,671,132
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accrued Salaries Payable	816,897	104,994	27,435	235,238	1,184,564
Accounts Payable	466,578	538,866	11,950	1,479,476	2,496,870
Due To Other Funds	1,679,829	167,701	34,302	2,663,353	4,545,185
Due To Other Governments	120,729	0	0	0	120,729
Funds Held for Others	27,289	0	0	215,723	243,012
Unearned Revenue	0	30,545	0	72,350	102,895
Total Liabilities	3,111,322	842,106	73,687	4,666,140	8,693,255
DEFERRED INFLOW OF RESOURCES					
Subsequent Years Property Taxes	11,268,871	0	4,569,528	16,101,041	31,939,440
Total Deferred Inflow of Resources	11,268,871	0	4,569,528	16,101,041	31,939,440
FUND BALANCES (DEFICITS):					
Non-spendable for Prepaid Items	20,316	0	0	0	20,316
Restricted	233,210	714,509	2,656,306	31,006,772	34,610,797
Committed	0	0	0	47,954	47,954
Assigned	307,427	0	0	1,517,135	1,824,562
Unassigned	4,261,829	0	0	(1,727,021)	2,534,808
Total Fund Balances (Deficits)	4,822,782	714,509	2,656,306	30,844,840	39,038,437
Total Liabilities & Fund Balances	$ 19,202,975	$ 1,556,615	$ 7,299,521	$ 51,612,021	$ 79,671,132

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

COUNTY OF CHAMPAIGN, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION FOR GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2016

Exhibit III-a

Fund Balances (Deficits) - Total Governmental Funds (See Exhibit III)	39,038,437
Capital assets, net of depreciation, used in governmental activities	68,281,880
Investment in Joint Ventures related to governmental activities	1,653,850
Assets and liabilities of internal service funds related to governmental activities, including estimated claims payable long term liability	1,293,941
Receivables for revenue accruals related to governmental activities	2,440,732
Payables for expense accruals related to governmental activities	(18,701)
Liability for compensated absences accruals related to governmental activities	(2,721,032)
Long term liabilities related to governmental activities, other than estimated claims payable from internal service funds	(35,516,522)
Net Pension Liability related to governmental activities	(18,000,081)
Net Deferred Outflows/(Inflows) related to Pension Liability	9,455,605
Net Position of Governmental Activities (See Exhibit I)	$ 65,908,109

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

COUNTY OF CHAMPAIGN, ILLINOIS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

Exhibit IV

	Major Funds: General Fund	Major Funds: Regional Planning Comm Fund	Major Funds: Mental Health Fund	All Other (Non-Major) Governmental Funds	Total Governmental Funds
REVENUES:					
Property Taxes	$ 10,775,908	$ 0	$ 4,255,414	$ 15,675,582	$ 30,706,904
Public Safety Sales Taxes	0	0	0	4,678,090	4,678,090
Hotel/Motel & Auto Rental Taxes	55,432	0	0	0	55,432
Intergovernmental Revenue	14,919,669	7,777,966	377,695	13,565,599	36,640,929
Fines & Forfeitures	723,137	0	0	53,324	776,461
Licenses & Permits	1,610,809	0	0	424,421	2,035,230
Charges for Services	4,131,868	999,244	0	2,531,491	7,662,603
Rents and Royalties	1,066,556	0	0	17,550	1,084,106
Interest on Program Loans	0	0	0	100,722	100,722
Investment Earnings	17,456	1,211	3,493	64,298	86,458
Miscellaneous	661,021	119,677	40,162	161,374	982,234
Total Revenues	33,961,856	8,898,098	4,676,764	37,272,451	84,809,169
EXPENDITURES:					
Current: General Government	9,669,608	0	0	2,367,108	12,036,716
Justice & Public Safety	23,614,943	0	0	8,189,095	31,804,038
Health	0	0	4,423,717	5,322,079	9,745,796
Education	0	0	0	6,992,471	6,992,471
Social Services	79,883	0	0	0	79,883
Development	430,047	8,978,767	0	2,438,090	11,846,904
Highways & Bridges	0	0	0	5,005,354	5,005,354
Debt Service: Principal Retirement	389,688	0	0	6,575,684	6,965,372
Interest & Fiscal Charges	107,958	0	0	2,361,977	2,469,935
Mortgage Principal	0	0	0	53,747	53,747
Mortgage Interest	0	0	0	27,954	27,954
Total Expenditures	34,292,127	8,978,767	4,423,717	39,333,559	87,028,170
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(330,271)	(80,669)	253,047	(2,061,108)	(2,219,001)
OTHER FINANCING SOURCES (USES):					
Sale of Refunding Bonds	0	0	0	3,775,000	3,775,000
Capital Lease Financing	0	0	0	141,728	141,728
Transfers In	976,684	376,234	0	1,641,638	2,994,556
Transfers Out	(1,051,692)	(282,799)	(185,391)	(1,188,860)	(2,708,742)
Net Other Financing Sources (Uses)	(75,008)	93,435	(185,391)	4,369,506	4,202,542
NET CHANGE IN FUND BALANCES	(405,279)	12,766	67,656	2,308,398	1,983,541
FUND BALANCES--Beginning of Year	5,228,061	701,743	2,588,650	28,536,442	37,054,896
FUND BALANCES--End of Year	$ 4,822,782	$ 714,509	$ 2,656,306	$ 30,844,840	$ 39,038,437

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

COUNTY OF CHAMPAIGN, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES FOR GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES FOR GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

Exhibit IV-a

Net Change in Fund Balances - Total Governmental Funds (See Exhibit IV)	$ 1,983,541
Remove expenditures for acquisition of capital assets	2,280,904
Include revenue for capital assets acquired through gift or grant	35,500
Include depreciation expense	(5,852,715)
Include change in investment in joint ventures	(22,574)
Include the net revenue (expense) of internal service funds used to charge the costs of risk financing and employee health benefits to governmental activities	725,605
Remove revenues related to prior periods; include revenues earned but not available in the current period	659,442
Remove expenditures related to prior periods; include expenses incurred but not expected to be liquidated with expendable available financial resources in the current period	7,983,090
Remove bond issuance costs	(36,084)
Remove proceeds from capital lease	(141,728)
Amortize bond premium and deferred amount on refunding against debt interest expense	206,423
Remove debt principal repayment expenditures	3,280,203
Include expenses for pensions	(7,967,559)
Change in Net Position of Governmental Activities (See Exhibit II)	$ 3,134,048

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

COUNTY OF CHAMPAIGN, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2016

Exhibit V

	Business-Type Activities Enterprise Fund Nursing Home Fund	Governmental Activities Internal Service Funds
ASSETS		
CURRENT ASSETS:		
Cash	$ 313,060	$ 2,774,554
Receivables, Net of Uncollectible Amounts:		
Patient Accounts	1,218,794	0
Property Taxes	1,243,868	0
Intergovernmental	2,229,394	247
Other	897	1,136
Due From Other Funds	35,456	1,936,013
Inventories	21,112	0
Prepaid Items	10,862	740,876
Resident Trust Accounts	21,646	0
Total Current Assets	5,095,089	5,452,826
NONCURRENT ASSETS:		
Capital Assets:		
Buildings and Improvements	24,561,009	0
Equipment	1,604,828	0
Less Accumulated Depreciation	(7,419,141)	0
Total Noncurrent Assets	18,746,696	0
DEFERRED OUTFLOW OF RESOURCES		
Related to Pension Liability	1,544,583	0
Total Assets and Deferred Outflows of Resources	25,386,368	5,452,826
LIABILITIES		
CURRENT LIABILITIES:		
Accrued Salaries Payable	258,623	0
Accounts Payable	2,564,488	126,516
Due To Other Funds	982,920	48,739
Funds Held For Others	21,646	0
Unearned Revenue	0	85,084
Compensated Absences Payable	53,172	0
Estimated Claims Payable	0	1,172,928
Tax Anticipation Notes Payable	1,021,757	0
Due To Other Governments	0	0
Total Current Liabilities	4,902,606	1,433,267
NONCURRENT LIABILITIES:		
Estimated Claims Payable	0	2,472,425
Compensated Absences Payable	212,688	0
Net Obligation for Other Post-Employment Benefits	224,375	0
Net Pension Liability	1,749,296	0
Total Noncurrent Liabilities	2,186,359	2,472,425
Total Liabilities	7,088,965	3,905,692
DEFERRED INFLOW OF RESOURCES		
Subsequent Year's Property Taxes	1,243,868	0
Related to Pension Liability	41,167	0
Total Deferred Inflow of Resources	1,285,035	0
NET POSITION		
Invested in Capital Assets	18,746,696	0
Unrestricted	(1,734,328)	1,547,134
TOTAL NET POSITION	$ 17,012,368	$ 1,547,134
Adjustment due to Consolidation of Internal Service Fund Activities related to the Enterprise Fund	253,193	
NET POSITION OF BUSINESS TYPE ACTIVITIES	$ 17,265,561	

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

Exhibit VI

COUNTY OF CHAMPAIGN, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

	Business-Type Activities Enterprise Fund Nursing Home Fund	Governmental Activities Internal Service Funds
OPERATING REVENUES:		
Charges for Services (Net of Uncollectible)	$ 11,353,204	$ 7,938,992
Miscellaneous	3,268	73,486
Total Operating Revenues	11,356,472	8,012,478
OPERATING EXPENSES:		
Salaries	6,667,136	48,336
Fringe Benefits	1,027,453	6,286,585
Commodities	843,742	136
Services	4,711,924	833,969
Capital Outlay	0	0
Depreciation	776,091	0
Total Operating Expenses	14,026,346	7,169,026
OPERATING INCOME (LOSS)	(2,669,874)	843,452
NON-OPERATING REVENUES (EXPENSES):		
Property Tax	1,162,511	0
Investment Earnings	545	5,733
Donations	4,542	0
Gain (Loss) on Disposal of Capital Assets	0	0
Interest Expense	(6,955)	0
Net Non-Operating Revenues (Expenses)	1,160,643	5,733
INCOME (LOSS) BEFORE TRANSFERS	(1,509,231)	849,185
Transfers In	0	0
Transfers Out	(285,814)	0
CHANGE IN NET POSITION	(1,795,045)	849,185
NET POSITION--Beginning of Year	18,807,413	697,949
NET POSITION--End of Year	$ 17,012,368	$ 1,547,134
Adjustment due to Consolidation of Internal Service Fund Activities related to the Enterprise Fund	123,580	
CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES	$ (1,671,465)	

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

COUNTY OF CHAMPAIGN, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

	Business-Type Activities Enterprise Fund Nursing Home Fund	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Receipts from Customers	$ 12,584,162	$ 0
Cash Receipts from Other Funds and Employees for Services	0	7,927,080
Cash Receipts for Claims Reimbursements	0	73,936
Cash Payments to Employees for Services	(6,644,663)	(48,336)
Cash Payments to Suppliers and Other Funds for Goods and Services	(6,287,536)	(6,120,978)
Cash Payments for Claims	0	(839,384)
Net Cash Provided (Used) By Operating Activities	(348,037)	992,318
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Property Taxes Received	1,162,511	0
Gifts And Donations Received	4,542	0
Cash Received from Tax Anticipation Borrowing	1,021,757	0
Tax Anticipation Borrowing Repaid	(997,829)	0
Interest Paid on Tax Anticipation Borrowing	(6,955)	0
Transfers/Loans Paid To Other Funds	(285,814)	0
Net Cash Provided (Used) By Non-Capital Financing Activities	898,212	0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments for Acquisition and Construction of Capital Assets	(604,289)	0
Net Cash Provided (Used) By Capital and Related Financing Activities	(604,289)	0
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Interest Received on Investments and Bank Deposits	545	5,733
Net Cash Provided (Used) By Investment Activities	545	5,733
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(53,569)	998,051
Cash and Cash Equivalents at Beginning of Period	366,629	1,776,503
Cash and Cash Equivalents at End of Period	$ 313,060	$ 2,774,554

Non-cash Investing, Capital and Financing Activities:
In fiscal yeat 2016, the Nursing Home Enterprise Fund did not receive any non-cash donations.

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

COUNTY OF CHAMPAIGN, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

	Business-Type Activities Enterprise Fund Nursing Home Fund	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ (2,669,874)	$ 843,452
Adjust For Non-Cash Revenue/Expense:		
Depreciation Expense	776,091	0
Increase (Decrease) in Estimated Claims Payable	0	65,030
Increase (Decrease) in Net Obligation for OPEB	11,838	0
Decrease (Increase) in Net Deferred Inflows/Outflows	311,761	0
Increase (Decrease) in Net Pension Liability	(1,335,029)	0
Adjust For Non-Revenue/Expense Cash Flows:		
Decrease (Increase) in Receivables	1,227,690	(180)
Decrease (Increase) in Due From Other Funds	0	(11,282)
Decrease (Increase) in Prepaid Items	58,858	(38,317)
Decrease (Increase) in Salaries & Compensated Absences Payable	22,473	0
Increase (Decrease) in Payables	1,244,669	85,193
Increase (Decrease) in Due To Other Governments	(693,950)	0
Increase (Decrease) in Due To Other Funds	697,436	48,669
Increase (Decrease) in Unremitted Payroll Withholdings	0	(247)
Net Cash Provided (Used) By Operating Activities	$ (348,037)	$ 992,318

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

Exhibit VIII

COUNTY OF CHAMPAIGN, ILLINOIS
FIDUCIARY FUNDS
FIDUCIARY STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash	$ 1,091,947	$ 1,900,012
Investments	0	1,257,720
Intergovernmental	185,632	75,783
Total Assets	1,277,579	3,233,515
LIABILITIES		
Accounts Payable	3,961	0
Funds Held for Others	0	3,233,515
Total Liabilities	3,961	3,233,515
NET POSITION		
Held in Trust for Other Governments	$ 1,273,618	$ 0

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

Exhibit IX

COUNTY OF CHAMPAIGN, ILLINOIS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

	Private Purpose Trust Funds
ADDITIONS:	
Intergovernmental Revenue	$ 2,367,342
Investment Earnings	5,006
Total Additions	2,372,348
DEDUCTIONS:	
Township Road & Bridge Maintenance	2,692,616
Total Deductions	2,692,616
CHANGE IN NET POSITION	(320,268)
NET POSITION--Beginning of Year	1,593,886
NET POSITION--End of Year	$ 1,273,618

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Champaign, Illinois conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant policies:

A. The Entity

Champaign County was incorporated February 20, 1833. Like all Illinois counties, Champaign County is responsible for maintaining the judicial system, collecting and disbursing property taxes for all local governments located within the county, maintaining county roads and conducting elections. With the exception of Cook County, no Illinois counties are home-rule units of government and, therefore, they may collect and spend money only as specified by state law.

The primary government consists of the funds and departments described on pages 10-20. Several boards and commissions appointed by the County Board are included as part of the primary government, because they are not legally separate. These are the Mental Health Board, the Developmental Disability Board, the County Public Health Board, the Nursing Home Board of Directors, the Regional Planning Commission, the Board of Review and the Zoning Board of Appeals.

A legally separate organization should be included as a component unit of the primary organization if the primary government is financially accountable for the organization. Financial accountability exists if: (1) the primary government appoints a voting majority of the organization's governing body, and (a) it is able to impose its will on the organization, or (b) the organization provides financial benefits or imposes financial burdens on the primary government; OR (2) the organization is fiscally dependent on the primary government. There were no agencies which met the criteria for inclusion as a component unit of Champaign County.

Related organizations for which the County Board appoints a voting majority of the governing body, but for which the County is not financially accountable, are not included in the reporting entity. These include drainage districts, sanitary districts, fire protection districts, public water districts, cemetery associations, the forest preserve district, the housing authority, the mass transit district and the public aid appeals commission.

A joint venture is an organization that is jointly controlled by two or more participants, in which the participants retain an on-going financial interest or responsibility. The County is a member of the METCAD (Metropolitan Computer Aided Dispatch) joint venture with the City of Champaign, the City of Urbana and the University of Illinois. The County is also a member of the Geographic Information System (GIS) Consortium joint venture with the City of Champaign, the City of Urbana, the University of Illinois, the Village of Rantoul, the Village of Savoy and the Village of Mahomet. The County's equity interest in METCAD and the GIS Consortium joint ventures is reported as an investment in joint ventures in the Statement of Net Position. See Note 25 on joint ventures.

A jointly governed organization for which the County does not have an on-going financial interest or responsibility is the Job Training Partnership Act Consortium of Champaign, Ford, Iroquois and Piatt Counties. Jointly governed organizations are not included in the reporting entity.

B. Fund Accounting

The accounts of the County are organized on the basis of various individual funds. 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 or expenses, as appropriate. Government monies are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent. Funds are classified into several categories and types. Governmental funds include the general fund, special revenue funds, debt service funds and capital projects funds. Proprietary funds include enterprise funds and internal service funds. Fiduciary funds include private-purpose trust funds and agency funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. *Government-wide and Fund Financial Statements*

(1) Government-wide Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) display the financial position and results of operations for the entity Champaign County government, excluding the fiduciary funds. Both statements separately report governmental activities and business-type activities. Governmental activities are generally financed with taxes and intergovernmental revenues and are accounted for in governmental and internal service funds. Business-type activities are financed largely through user fees charged to external parties and are reported in an enterprise fund. Interfund activity is eliminated from the government-wide statements to reduce the doubling effect it creates. Allocations of overhead expenses are eliminated so that the expenses are reported only in the functions to which they were allocated. Interfund receivables and payables are reduced to just the net residual amounts due between governmental and business-type activities, which are then reported as internal balances.

The Statement of Activities reports direct expenses related to specific functions. Those expenses are then offset by the program revenues directly attributable to each function. Program revenues include charges for services, licenses and permits, fines and forfeitures, and grants and contributions. Taxes, investment income and other revenue not attributable to specific programs are reported as general revenues.

(2) Fund Financial Statements

Fund financial statements are presented for the governmental funds, the proprietary funds and the fiduciary funds. The fund statements focus on major individual funds, with non-major funds reported in aggregate.

Major governmental funds include the General Fund, which is the principal operating fund for the County; the Mental Health Fund, which uses property taxes to fund mental health agencies; and the Regional Planning Commission Fund, which uses intergovernmental grants and contracts to provide housing/home energy assistance, community services, senior services, economic development assistance, transportation planning and police training.

The major (and only) enterprise fund is the Nursing Home Fund, which is the operating fund for the County Nursing Home. Other proprietary funds include internal service funds created to provide risk financing and employee health and life insurance for other County funds, mostly related to governmental activities.

The fiduciary funds include two private-purpose trust funds, in which the County Engineer acts in a trustee capacity on behalf of townships to use state funding to maintain township roads and township bridges. These resources are not available to support the County's own programs. The fiduciary funds also include agency funds, whose purpose is to report resources, such as property taxes and circuit court fees and fines, held in a custodial capacity for external individuals, organizations and governments. Resources held for other County funds are reported in the appropriate County funds rather than the agency funds.

C. *Fund Balance/Net Position Reporting*

Fund balances in governmental funds are classified according to the level of constraints on how amounts in those funds can be spent: non-spendable, restricted, committed, assigned or unassigned. Non-spendable amounts are either not in spendable form or are legally required to be kept intact. Restricted amounts may only be spent according to externally imposed constraints or legally enforceable enabling legislation. Fund Balance may be committed to a specific purpose by resolution or ordinance passed by the County Board. A

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. *Fund Balance/Net Position Reporting (continued)*

commitment may only be rescinded by the same formal action of the County Board. Fund balance may also be assigned (or unassigned) to a purpose by the County Administrator or a Committee of the County Board in accordance with County Board budget policies.

When both restricted and unrestricted resources are available for the same purpose, restricted resources are used first. Within unrestricted fund balance, resources committed to a specific purpose are used first, then assigned resources, and then unassigned.

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, restricted by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net positions are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

D. *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense; information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF); and, additions to/deductions from IMRF's fiduciary net position, have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

E. *Measurement Focus and Basis of Accounting*

(1) Government-wide Financial Statements

The measurement focus for the government-wide financial statements is the flow of economic resources, using the accrual basis method of accounting. On this basis, revenues are recognized when earned and expenses are recognized when a liability is incurred. Property taxes are recognized as revenue in the year for which the taxes are levied, generally, the year after the levy is passed. Grants are recognized as revenue when eligibility requirements are met, such as allowable costs having been incurred.

(2) Governmental Funds

The measurement focus for governmental funds is the flow of current financial resources. All governmental funds are accounted for using the modified accrual basis method of accounting.

On this basis, all material sources of revenue are recognized when they become measurable and available. "Available" is defined as collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For the County, this translates to 60 days after the end of the fiscal year, which corresponds with the expiration of appropriations according to County ordinance. Major sources of revenue susceptible to accrual when collectible within 60 days of year-end include property taxes, sales taxes, income taxes, personal property replacement taxes, other intergovernmental revenues, charges for services and investment interest.

Material amounts of expenditures are recognized when the liability is incurred, as long as they are due to be paid from expendable available financial resources. Thus, accumulated unpaid vacation, sick leave

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement Focus and Basis of Accounting (continued)

and personal leave are only accrued when they become currently payable; and principal and interest on general long-term debt are only recognized when due.

(3) Proprietary Funds

The measurement focus for proprietary funds is the flow of economic resources. All proprietary funds are accounted for using the accrual basis method of accounting. On this basis, revenues are recognized when they are earned and expenses are recognized when a liability is incurred.

Proprietary funds operating revenues consist of charges for services and miscellaneous revenue resulting from the provision of services to users. In the enterprise fund, this means Nursing Home patient revenue, including Medicaid, Medicare and other insurance payments received for patient accounts. Operating expenses are those incurred in providing patient care. In the internal service funds, operating revenue includes inter-fund billings for insurance coverage and claims. Operating expenses are expenses incurred in providing the services, such as insurance premiums and claims expenses.

(4) Fiduciary Funds

The measurement focus for fiduciary funds, other than agency funds, is the flow of economic resources. All fiduciary funds, including agency funds, are accounted for using the accrual basis method of accounting. Fiduciary funds do not report revenues or expenditures, but rather report increases and decreases in net position. Since agency fund assets always equal liabilities, the net position is always zero, and, thus, changes in the fiduciary net position are not reported for agency funds.

F. Investments and Cash Equivalents

Under Illinois law (30 ILCS 235/2), county money may be invested in interest-bearing deposits at federally insured banks/savings and loans/credit unions; certain commercial paper; bonds issued by local governments; short term discount obligations of the Federal National Mortgage Association; securities issued by the U.S. Treasury or other federal agencies; money market mutual funds limited to U.S. Government securities; repurchase agreements involving government securities and certain other securities; and the State Treasurer’s investment pool. The State Treasurer’s investment pool falls under the regulatory oversight of the State of Illinois Legislature.

Deposits in banks or savings associations are valued at cost. Repurchase agreements, considered nonparticipating interest-earning investment contracts, are valued at cost. The fair value of the position in the state treasurer’s investment pool is the same as the value of the pool shares. Investments in mutual funds, commercial paper, U.S. Treasury securities and other federal agency obligations are reported at fair value determined by the current share price or quoted market prices. Changes in fair value of these investments are recognized as an increase or decrease to investment income on the operating statements.

For purposes of the statement of cash flows, the proprietary funds consider short-term highly liquid investments, including time deposits at financial institutions, to be cash equivalents. Resident Trust Accounts are not recognized as cash equivalents.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Receivables and Payables

Receivables and payables are reported net of an allowance for uncollectible amounts, if applicable. Short term receivables and payables between funds are reported as due from/to other funds. Non-current amounts are reported as advances to/from other funds. In the government-wide statements, inter-fund receivables and payables remaining between governmental activities and business-type activities after the elimination of inter-fund activity are reported as internal balances. These internal balances net to zero in the government total column.

H. Inventories

Inventories are valued at cost on a first in, first out (FIFO) basis, and are accounted for by the consumption method. Inventories in the Nursing Home Enterprise Fund consist of food and operating supplies held for consumption.

I. Prepaid Items

In governmental funds, prepaid expenditures, such as insurance or service contracts, are recognized as expenditures when purchased rather than over the term involved. In proprietary funds, prepaid expenses are deferred and expensed over the term when the services are received.

J. Capital Assets

(1) Governmental Activities

Capital assets purchased for use in governmental activities are recorded as expenditures in governmental funds at the time of purchase. Governmental capital assets are reported in the government-wide financial statements, offset by accumulated depreciation. Capital assets are valued at actual or estimated historical cost, while donated capital assets are valued at fair value as of the date donated. Equipment valued at or above $5,000, buildings and land improvements valued at or above $25,000, infrastructure valued at or above $100,000, and land of any value are capitalized. Depreciation is calculated on all assets, other than land and construction in progress, using the straight line method with the following estimated useful lives:

Buildings – New Construction:	40 years	Infrastructure – Roads:	15 years
Buildings – Improvements:	15 years	Infrastructure – Bridges:	50 years
Equipment:	5-10 years	Land Improvements:	15 years

(2) Business-type Activities (Nursing Home Enterprise Fund)

Nursing Home Enterprise Fund capital assets valued at $2,500 or more are capitalized within the fund. This capitalization threshold follows Illinois Department of Healthcare & Family Services guidelines. Capital assets are stated at actual or estimated historical cost. Donated fixed assets are valued at their fair market value on the date donated. Depreciation is computed on the straight-line method over the estimated useful life of the asset. Estimated useful lives following the American Hospital Association Guidelines are:

Buildings – New Construction:	40 years	Land Improvements:	15 years
Buildings – Improvements:	5-20 years	Equipment:	5-20 years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K Compensated Absences

Accumulated unpaid vacation and personal leave (compensated absences) are accrued in governmental funds only when they become currently payable, due to the employee using benefit time or terminating employment. A liability for unpaid compensated absences, plus the related FICA, is reported in the government-wide statements in the period in which it is incurred. Accrued compensated absences, plus the related FICA, for proprietary funds are reported as a liability in the proprietary fund statements and the government-wide statements in the period in which it is incurred.

L. Deferred Outflows of Resources

Decreases in net position or fund equity that relate to future periods are reported as deferred outflows of resources in a separate section of the County's government–wide and proprietary funds statements of net position or governmental fund balance sheet. The County has two types of deferred outflow of resources. The first relates to pension expense recognized in future periods. The other relates to bond refunding. A deferred charge on refunding arises from the advance refunding of debt. The deferred amount is the difference between the cost of securities placed in trust for future payments of the refunded debt and the net carrying value of that debt. This is amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

M. Deferred Inflows of Resources

The County's governmental activities and governmental fun financial statement element reflects an increase in net position or fund equity that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has three types of items which occur related to revenue recognition. One occurs because property tax receivables are recorded in the current year but the revenue will be recorded in the subsequent year since it is not available by fiscal year end. The other occurs as various other receivables are recorded for which the revenue will be recorded in the fund statements when it becomes available in the subsequent year. The third type of deferred inflow of resources relates to the pension liability and income that will be recognized in future periods.

NOTE 2 – RECONCILIATION OF FUND STATEMENTS TO GOVERNMENT-WIDE STATEMENTS

A. Governmental Funds to Governmental Activities

A reconciliation is provided with the governmental funds balance sheet (Exhibit III-a) to explain the difference between fund balances in the governmental funds and net position in governmental activities on the government-wide statement of net position. The major differences are as follows:

- capital assets are not reported in governmental funds,
- investment in the equity of joint ventures is not reported in governmental funds,
- assets and liabilities of internal service funds related to governmental activities are not reported in governmental funds,
- receivables and payables arising from the full accrual of revenues and expenses are not reported in governmental funds under the modified accrual basis of accounting,
- long term liabilities including future compensated absences are not reported in governmental funds, and
- net pension liability and net deferred outflows related to pensions are not reported in governmental funds

A reconciliation is provided with the governmental funds statement of revenues, expenditures and changes in fund balances (Exhibit IV-a) to explain the difference between the change in fund balances in the governmental funds and the change in net position for governmental activities on the government-wide statement of activities. The major differences are as follows:

- capital outlay expenditures are not reported in the government-wide statement, while depreciation expense and gains/losses on disposal of capital assets are not reported in governmental funds;
- the change in investment in the equity of joint ventures is not reported in governmental funds;
- the net revenue/expense of internal service funds related to governmental activities is not reported in governmental funds;
- full accrual of revenues and expenses are not reported in governmental funds under the modified accrual basis of accounting;
- debt proceeds, debt principal repayments and payments to a bond refunding escrow agent are not reported in the government-wide statement; while bond premium and additional costs of reacquisition of refunded bonds are deferred and amortized over the life of the debt on the government-wide statement; and
- pension expense is not included in the governmental funds.

B. Enterprise Funds to Business-Type Activities

Enterprise funds and the government-wide statements follow the same measurement focus and basis of accounting, so the enterprise fund financial information flows essentially unchanged from the fund financial statements to the business-type activities on the government-wide financial statements. The only difference (as shown on the proprietary fund financial statements, Exhibits V and VI) arises from reporting the portion of the net revenue/expense of the internal service funds that relates to the enterprise fund in the business-type activities on the government-wide statements.

NOTE 3 – BUDGETS AND BUDGETARY BASIS OF ACCOUNTING

A. Budgetary Process

County department heads submit their budget requests in the summer prior to the start of the fiscal year on January 1. The County Administrator reviews the department requests and makes recommendations to the Finance Committee of the County Board. The County holds Budget hearings during the summer months, after which the Finance Committee directs the County Administrator to make specific changes in some department budgets. The County Administrator prepares the tentative Budget document, which the County Board usually approves in September. The Finance Committee approves any subsequent changes to the Budget during meetings in the months of October and November. The County Board approves the Final Budget in November by simple majority.

NOTE 3 – BUDGETS AND BUDGETARY BASIS OF ACCOUNTING (continued)

B. Level of Budgetary Control

Formal budgetary control is employed during the year for all County funds (governmental and proprietary) except fiduciary funds (trust and agency), as required by Illinois law. The legal level of budgetary control is by personnel and non-personnel account categories within a department and fund. Department heads have the authority to create transfers between accounts in the same category. Transfers in and out of the personnel category and transfers between accounts in different departments, administered by different department heads, must be approved by the Finance Committee and then by a two-thirds majority vote of the full County Board. The County Auditor is responsible for the final processing of all transfers.

C. Amendments to the Budget

Requests for supplementary appropriations require approval from the Finance Committee and by a two-thirds majority vote of the full County Board.

D. Budgetary Basis of Accounting

All governmental funds and proprietary funds have legally adopted budgets on a modified accrual basis. Appropriations lapse 60 days after the end of the fiscal year. County ordinance provides that balances remaining in County appropriations shall be available for sixty days after the close of the fiscal year to pay for all goods or services delivered prior to the close of the fiscal year.

Because proprietary fund budgets are not on a full accrual basis and because appropriations lapse 60 days after year-end, the legally adopted budget is not on a basis strictly consistent with generally accepted accounting principles (GAAP).

E. Encumbrances

The modified accrual basis of accounting applies to encumbrances across all funds. Purchase orders are required at a departmental level for any purchase exceeding $5,000. Our normal process is to have the requested amount encumbered, provided sufficient appropriations are available) before approval of the purchase order. Department heads can make a request to re-encumber purchase orders for the following year if they do not receive the goods or services by December 31.

NOTE 4 – RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS

The County presents actual results of operations in accordance with generally accepted accounting principles (GAAP), as described in Note 1-E. For budgetary comparisons, the actual results of operations are presented on the budgetary basis as described in Note 3-D. Adjustments necessary to convert the results of operations from the budgetary basis to the GAAP basis are mostly due to appropriations lapsing 60 days after year-end and proprietary funds having budgets on the modified accrual basis, while GAAP requires the full accrual basis. There are certain reclassifications between revenues, expenditures and operating transfers that do not affect fund balance/net position, e.g. reclassifications of inter-fund reimbursements as reductions of expenditures and are not included in the detailed reconciliation. The summary below provides details of adjustments within the individual fund statements that affect the fund balance/net position:

NOTE 4 – RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS (continued

Fiscal Year Ended December 31, 2016:	Nursing Home Fund	Self-Funded Insurance Fund	General Fund	Regional Planning Com. Fund	Mental Health Fund	Other Non-Major Govt Funds
Budgetary Basis Change in Fund Balance or Net Position	$ 601,677	$ 787,660	$ (669,488)	$ 56,191	$ 196,060	$ 2,532,159
REVENUES AND OTHER SOURCES:						
Interfund transfers into escrow account recognized as other financing source when transferred rather than when spent				(14,071)		
Prepaid revenues deferred until earned			218,476			
Adjustment for timing differences - revenue recognized in the period when earned	289,918	126,555	(7,544)		(128,404)	(472,707)
Decrease (increase) in allowance for uncollectible accounts receivable and revenue write-offs						
EXPENDITURES /EXPENSES AND OTHER USES:						
Increase (decrease) in inventories and prepaid expenses	341					
Adjustment for timing differences - expenses recognized in the period when incurred	(1,751,541)		53,277	(29,354)		111,794
Decrease (increase) in bad debt allowance for uncollectible loans receivable						137,152
Capital asset acquisitions and disposals	604,289					
Depreciation expense	(776,091)					
Bad Debt expense	(1,802,394)					
Decrease (increase) in accrued compensated absences payable	27,326					
Pension expense	1,023,268					
Decrease (increase) in net OPEB liability	(11,838)					
Decrease (increase) in estimated claims payable		(65,030)				
GAAP Basis Change in Fund Balance or Net Position	$ (1,795,045)	$ 849,185	$ (405,279)	$ 12,766	$ 67,656	$ 2,308,398

NOTE 5 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the fiscal year ended December 31, 2016, there were no expenditures in excess of appropriations.

NOTE 6 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments at December 31, 2016, appears below. Resident trust accounts report money in County custody, which belongs to residents of the County Nursing Home and County Jail.

DEPOSITS 12/31/2016	Asset Account Carrying Amounts (Reported as:) Cash	Investments	Resident Trust	Total	Bank Balances
Demand Deposits	$ 14,883,426	$ 0	$ 31,779	$ 14,915,205	$ 13,405,057
Money Market / Savings	0	255,346	0	255,346	255,346
Certificates of Deposit:					
Up to 3 months maturity	0	378,842	0	378,842	378,842
Over 3 mos. up to 12 mos. maturity	0	100,489	0	100,489	100,489
Over 12 mos. up to 24 mos. maturity	0	1,002,374	0	1,002,374	1,002,374
Total Deposits	$ 14,883,426	$ 1,737,051	$ 31,779	$ 16,652,256	$ 15,142,108

INVESTMENTS 12/31/2016	Asset Account Carrying Amounts (Reported as:) Cash	Investments	Resident Trust	Total	Fair Value
State Treasurer Investment Pool	$ 26,827,130	$ 0	$ 0	$ 26,827,130	$ 26,827,130
Repurchase Agreements	0	0	0	0	0
Total Investments	$ 26,827,130	$ 0	$ 0	$ 26,827,130	$ 26,827,130

INVESTMENTS 12/31/2016	Fair Value	Investment Maturities (in Years) Less Than 1	1 - 2	Percent of Total
State Treasurer Investment Pool	$ 26,827,130	$ 26,827,130	$ -	100.00%
Repurchase Agreements	0	0	0	0.00%
Total Investments	26,827,130	26,827,130	0	100.00%
Percent of Total	100.00%	100.00%	0.00%	

Custodial Credit Risk. Deposits are subject to custodial credit risk if uninsured and uncollateralized or covered by collateral that is not in the County's name. It is County policy to require collateral at 110% of market value for deposit balances beyond FDIC/NCUSIF insurance coverage. At December 31, 2016, no deposits were uninsured or uncollateralized.

Investment pools and mutual funds are not subject to custodial credit risk, because they are not evidenced by securities that exist in physical or book entry form.

Other investments are subject to custodial credit risk if the securities are uninsured and unregistered and held by the financial institution's trust department or agent, but not in the County's name. None of the County's investments at December 31, 2016 were exposed to this risk.

NOTE 7 – PROPERTY TAX CYCLE

A. *Assessments*

Each year, property is assessed by elected township assessors at one-third of the market value as of January 1. This is the date, called the lien date, on which property taxes “attach” to the property. The township assessors submit their assessments to the County Supervisor of Assessments by June 1, at which point the County Supervisor of Assessments applies individual township multipliers. On April 19, 2012, the County Board adopted Resolution No.8100 establishing the division of Champaign County into four assessment Districts 1 through 4 with quadrennial years starting in 2016. The Board of Review, a three-member panel appointed by the County Board, takes action on assessment complaints and may apply the individual township multipliers to township properties where, upon review, the assessment was not at one-third market value This process equalizes the average ratio of assessments to market value among townships. The Illinois Department of Revenue analyzes the work of the Board of Review and may assign a countywide multiplier to bring the entire county’s ratio into line with other counties throughout the state.

B. *Taxpayer Appeals*

Taxpayers may file a complaint with the Board of Review if they feel their assessments are too high, and, if not satisfied, they may further appeal to the state Property Tax Appeals Board. However, tax levies are determined by local governments, not by assessors.

C. *Property Tax Levies*

The property tax levy for the year ended December 31, 2016 was adopted by the County Board on November 19, 2015, within the statutory deadline (the third Tuesday in December) for all taxing districts. The County reports property tax levies as receivables and deferred inflows of resources in the year of adoption while revenue recognition occurs in the immediate subsequent year for which the levy applies.

D. *Tax Bills*

Illinois statutes require payment of property taxes in two installments, due June 1 and September 1, and require that tax bills be mailed 30 days prior to the first installment. In 2016, tax bills were mailed on April 29 with the due dates of June 1 and September 1. Property tax bills mailed in 2016 were based on equalized assessed value as of January 1, 2015 and on tax levies set in November 2015.

E. *Tax Judgment Date and Sale Date*

The judgment date is the date at which taxing authorities have a right to take and hold or sell property for nonpayment of taxes. Under Illinois law, the judgment date fluctuates, but is generally the third week in October. The date is set by a judge of the circuit court, after all of the requirements are met for advertising and publishing the delinquent tax list. Statutes require the tax sale to be within five business days following the judgment date. In 2016, the judgment date was October 20 and the tax sale was held October 21.

F. *Tax Distributions*

The County Treasurer, who also serves as the County Collector, handles the collection and distribution of property taxes for all taxing bodies in the county. The Collector generally distributes taxes to the taxing bodies shortly after taxes are collected. The County may not keep tax receipts on behalf of other units of local government beyond thirty days. Interest earned on taxes before distribution must go to the local governments and may not be kept by the County. In 2016, all property taxes were distributed by November 15.

NOTE 8 – PROPERTY TAXES RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES

Property taxes receivable consist of property taxes levied in 2016 for which a legal claim exists in 2016. The revenue associated with the 2016 levy is deferred until the fiscal year ending December 31, 2017 on the government-wide and the proprietary fund statements, because that is the period for which the taxes are levied. Property tax revenues are also deferred inflows of resources on the governmental fund statements, because the taxes are not available (collectible within thirty days of the fiscal year-end). The receivable for the 2016 tax levy has been reduced by an estimated allowance for uncollectible taxes of 0.52%, which is based on an average of the previous ten years. A summary by fund type of property taxes receivable at December 31, 2016 is below.

Fund Type	Property Taxes Levied	Allowance for Uncollectible	Property Taxes Receivable	Deferred Inflows of Resources
Governmental:				
General	$ 11,327,775	$ (58,904)	$ 11,268,871	$ 11,268,871
Special Revenue	19,338,044	(100,559)	19,237,485	19,237,485
Capital Projects	0	0	0	0
Debt Service	1,440,575	(7,491)	1,433,084	1,433,084
Subtotal Governmental	32,106,394	(166,954)	31,939,440	31,939,440
Proprietary:				
Enterprise	1,250,370	(6,502)	1,243,868	1,243,868
Total	$ 33,356,764.00	$ (173,456.00)	$ 33,183,308.00	$ 33,183,308.00

NOTE 9 – PATIENT ACCOUNTS RECEIVABLE AND CHARGES FOR SERVICES

Patient accounts receivable and charges for services in the enterprise fund as of December 31, 2016 have been reduced by allowances for uncollectible amounts, determined by an analysis of individual patient accounts.

	Receivable	Revenue
Gross patient accounts receivable / revenue	$ 2,987,129	$13,155,598
Allowance for uncollectible amounts	$ (1,768,334)	$ (1,802,394)
Patient accounts receivable / revenue, net of uncollectible amounts	$ 1,218,795	$11,353,204

NOTE 10 – ECONOMIC DEVELOPMENT AND REHABILITATION LOANS RECEIVABLE

The County, through its Regional Planning Commission Loan Funds, has various grant programs to administer economic development and housing rehabilitation loans to qualified businesses and individuals. The primary purpose of the economic development loan programs is to create new jobs. Principal repayments on loans may be used for any grant eligible purpose. At December 31, 2016, loans outstanding were as follows:

Program Loans Receivable (Net of Uncollectible Amounts)	12/31/15 Balance	Additions	Deductions	12/31/16 Balance	Current Receivable
Economic Development Loans Receivable:					
Community Services Block Grant Loans	$ 334,580	$ 0	$ (168,600)	$ 165,980	$ 29,079
Comm. Serv. Block Grant Recovery Act Loans	38,266	81,255	(79,683)	39,838	39,838
Community Development Recaptured Loans	1,182,464	400,000	(143,537)	1,438,927	149,406
USDA Iintermediary Relending Loans Receivable	411,556	510,000	(82,818)	838,738	73,798
Housing Rehabilitation Loans Receivable:					
County Housing Rehab Loans	78,907	0	(9,688)	69,219	0
HUD H.O.M.E. Program Loans	623,261	0	0	623,261	0
Total Loans Receivable	$ 2,669,034	$ 991,255	$ (484,326)	$ 3,175,963	$ 292,121

NOTE 11 – CAPITAL ASSETS

December 31, 2016 is presented below:

Governmental Activities	12/31/15 Balance	Additions	Deductions	12/31/16 Balance
Assets Not Being Depreciated:				
Land	$ 1,977,270	$ 0	$ 0	$ 1,977,270
Construction in Progress	2,110,116	464,299	0	2,574,415
Assets Being Depreciated:				
Infrastructure	74,263,633	0	0	74,263,633
Buildings and Improvements	75,497,428	501,658	0	75,999,086
Equipment	15,342,375	1,350,447	(686,022)	16,006,800
Assets Subtotal	169,190,822	2,316,404	(686,022)	170,821,204
Accumulated Depreciation:				
Infrastructure	(45,706,506)	(2,382,602)	0	(48,089,108)
Buildings and Improvements	(38,591,387)	(2,451,741)	0	(41,043,128)
Equipment	(13,074,708)	(1,018,402)	686,022	(13,407,088)
Accum. Depreciation Subtotal	(97,372,601)	(5,852,745)	686,022	(102,539,324)
Net Total	$ 71,818,221	$ (3,536,341)	$ 0	$ 68,281,880

NOTE 11 – CAPITAL ASSETS (continued)

December 31, 2016 follows:

Business-Type Activities	12/31/15 Balance	Additions	Deductions	12/31/16 Balance
Assets Being Depreciated:				
Buildings and Improvements	$ 23,962,405	$ 598,604	$ 0	$ 24,561,009
Equipment	1,599,143	5,685	0	1,604,828
Assets Subtotal	25,561,548	604,289	0	26,165,837
Accumulated Depreciation:				
Buildings and Improvements	(5,521,867)	(651,989)	0	(6,173,856)
Equipment	(1,121,183)	(124,102)	0	(1,245,285)
Accum. Depreciation Subtotal	(6,643,050)	(776,091)	0	(7,419,141)
Net Total	$ 18,918,498	$ (171,802)	$ 0	$ 18,746,696

C. Current year depreciation expense was charged to the following functions:

Function	Governmental Activities	Business-Type Activities
General Government	$ 331,303	$ 0
Justice and Public Safety	2,505,274	0
Health	33,222	0
Education	61,155	0
Social Services	0	776,091
Development	37,670	0
Highways and Bridges	2,884,121	0
Total Depreciation Expense	$ 5,852,745	$ 776,091

NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES

A summary of Interfund receivables and payables at December 31, 2016 is provided below.

Due To/From Other Funds:	Receivable	Payable
Major Governmental Funds:		
General Corporate	$1,220,340	$ 1,679,829
Regional Planning Commission	228,057	167,701
Mental Health	159,891	34,302
Major Enterprise Fund:		
Nursing Home	35,456	982,920
Non-Major Governmental Funds:		
2003 Nursing Home Bond	43,310	0
Tort Immunity	47,065	1,524,985
County Highway	157,140	106,935
County Bridge	35,019	0
Illinois Municipal Retirement	197,964	0
County Public Health	33,165	0
Animal Control	0	18,133
Law Library	0	404
Highway Federal Aid Matching	2,836	0
Early Childhood	0	193,631
Capital Asset Replacement	916,168	0
Public Safety Sales Tax	0	318,857
Geographic Information Systems	62,395	0
Development Disability	119,331	31,487
Workforce Development	0	231,228
Social Security	151,216	0
RPC USDA Loans	0	143
RPC Economic Development Loans	0	14,518
Working Cash	0	59
Sheriff's Drug Forfeitures	0	138
Court's Automation	64,356	1,223
Recorder's Automation	44,377	3,309
Child Support Services	0	21,694
Probation Services	0	14,389
Tax Sale Automation	0	25
State's Attorney Drug Forfeitures	34,232	9,000
Property Tax Interest Fee	0	67,108
Circuit Clerk Operations & Administration	0	28,574
County Jail Medical Costs	0	20,533
County Clerk's Automation	8,586	0
Court Document Storage	0	18,777
Victim Advocacy Grant	21,250	34,232
Child Advocacy Center Grant	0	3,406
Specialty Courts	58,677	565
Subtotal Non-Major Governmental	1,997,087	2,663,353

NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES (continued)

Due To/From Other Funds (continued)	Receivable	Payable
Internal Service Funds:		
Self-Funded Insurance	1,929,966	19,085
Employee Health Insurance	6,047	29,654
Subtotal Internal Service	1,936,013	48,739
Total – All Funds	$ 5,576,844	$ 5,576,844

Of the $5,576,844 Due To/From Other Funds at December 31, 2016, $1,003,650 represented inter-fund loans to cover temporary cash flow shortfalls. The remainder represented unpaid routine inter-fund billings or transfers.

In FY1995, the RPC Loan Fund used $150,000 of existing escrow funds (see Note 13 below) from the Regional Planning Commission Fund plus $450,000 of future payments into escrow to loan $600,000 to the County for part of the cost of purchasing and remodeling the Brookens Administration Building, which the RPC offices would occupy. The County classified the amount due back to the Regional Planning Commission Fund from the RPC Loan Fund as an inter-fund advance, since we were making monthly payments over a long period. The County fully paid off this advance during 2016.

NOTE 13 – INTERFUND TRANSFERS AND RPC ESCROW ACCOUNT

	Transfers In	Transfers Out
Major Governmental Funds:		
General Corporate	$ 976,684	$ 1,051,692
Regional Planning Commission	376,234	282,799
Mental Health Board	0	185,391
Major Enterprise Fund:		
Nursing Home	0	285,814
Non-Major Governmental Funds (aggregate)	1,641,638	1,188,860
Internal Service Funds (aggregate)	0	0
Total – All Funds	$ 2,994,556	$ 2,994,556

In FY2016, total inter-fund transfers in, $2,994,556, equal total transfers out, $2,994,556. Under the budgetary basis, transfers in and out are not equal due to the deferral of a portion of the transfer into the Regional Planning Commission Fund from the Regional Planning Commission Economic Development Loans Fund. CDAP and CSBG grant provisions require that the County create an escrow account that is a combination of investment interest earned and a portion of loan repayments received under certain loan programs. The Regional Planning Commission uses the escrow funds to pay for the administration of the loan programs. Transfers out of the RPC Economic Development Loan Fund places the money into escrow. A transfer occurs from the escrow account into the Regional Planning Commission Fund to cover the administrative costs incurred. Therefore, the discrepancy between transfers in and transfers out is due to the amount remaining in escrow (deferred) until there are administrative costs against which to match it. Under the budgetary basis of accounting, the escrow account will continue to show a difference between the transfers in and out. However, this difference is eliminated when preparing the GAAP basis statements. In Fiscal Year 2016, there was a $14,701 reduction of transfers into the Regional Planning Commission Fund.

NOTE 13 – INTERFUND TRANSFERS AND RPC ESCROW ACCOUNT (continued)

Inter-fund transfers in/out might include grant matches, inter-fund subsidies and transfers into debt service funds. Significant transfers in fiscal year 2016 include the following:

- $285,814 from the Nursing Home Fund to the General Corporate Fund to cover bond principal and interest payments;
- $95,150 from the General Corporate Fund, and $107,138 from the County Highway Fund, to the Highway Facility Bond Debt Service Fund to cover bond principal and interest payments;
- $441,616 from the Public Safety Sales Tax Fund to the General Corporate Fund to partially cover utility costs for the public safety buildings;
- $532,261 from the General Fund to the Capital Asset Replacement Fund to set aside money for future capital expenditures;
- $274,172 from the General Fund to the Capital Replacement Fund to cover repairs required under the American Disabilities Act (ADA);
- $124,718 in fund balance from the Mental Health Fund to the MHB/DDB CILA (Community Integrated Living Arrangement) Project Fund that was previously a department in the Mental Health Fund.

NOTE 14 – ON-BEHALF PAYMENTS FOR SALARIES

The State of Illinois paid salary stipends totaling $45,000 to various County officials during FY2016 on behalf of the County. The County recorded these payments as intergovernmental revenues and salaries expenditures in the General Fund.

NOTE 15 – COMPENSATED ABSENCES PAYABLE

It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation and personal time, which is attributable to services already rendered and is not contingent upon events outside the control of the employer or employee, such as illness. Calculations use pay rates in effect at December 31 and include the County's share of Social Security and Medicare taxes. The resulting liability and current year expense for compensated absences are recognized in the government-wide and proprietary fund financial statements. A liability for compensated absences is reported in the governmental funds only when they become currently payable through employees retiring or terminating employment. Compensated absences payable for the governmental activities are liquidated by the various governmental funds which pay employee salaries, such as the General Fund, Regional Planning Commission Fund, Early Childhood Fund, County Highway Fund, Animal Control Fund and Mental Health Fund.

Changes in compensated absences payable for the fiscal year ended December 31, 2016 are as follows:

	Dec. 31, 2015 Balance	Additions	Deductions	Dec. 31, 2016 Balance	Expected To Be Paid Within 1 Year
Governmental Activities	$ 2,867,544	$ 2,938,976	$ (3,085,488)	$ 2,721,032	$ 326,524
Business-Type Activities	293,186	409,653	(436,978)	265,861	53,172

NOTE 16 – RISK FINANCING

A. WORKERS' COMPENSATION SELF-FUNDED INSURANCE

In January 1986, the County established a self-funded workers' compensation insurance plan, which is reported in an internal service fund-the Self-Funded Insurance Fund. An independent company administers the plan and the County's risk retention is $300,000 per individual per claim. The County purchases commercial insurance for claims in excess of this retention. Settled claims have not exceeded this commercial coverage in the past three fiscal years. Actual claims paid in the fiscal year ended December 31, 2016, net of insurance reimbursements, were $623,177. A liability for claims payable must be reported if the liability is both probable and estimable. The independent plan administrator estimates the amount of unpaid claims that were incurred and reported but the plan administrator does not include incurred-but-not-reported claims (IBNR) in the calculation. Instead, based on an actuarial study completed in November 2015, the projected liability for estimated (undiscounted) claims payable including IBNR at December 31, 2015 was $2,205,585. Changes in the liability for estimated workers' compensation claims payable for the last two fiscal years are as follows:

Fiscal Year Ending Dec 31	Claims Liability Beginning of Year	Claims Incurred & Changes in Estimates	Net Claims Paid	Claims Liability End of Year	Expected To Be Paid Within 1 Year
2015	$ 1,442,130	$ 1,385,405	$ (681,463)	$ 2,146,072	$ 678,809
2016	2,146,072	682,690	(623,177)	2,205,585	751,223

B. LIABILITY/AUTO SELF-FUNDED INSURANCE

The County began self-funding general liability and auto insurance in FY94 through the Self-Funded Insurance (Internal Service) Fund. An independent company administers the plan. The County's risk retention is $250,000 per occurrence but purchases commercial insurance for claims in excess of this retention. Settled claims have not exceeded this commercial coverage in the past three fiscal years. Actual claims paid in the fiscal year ended December 31, 2016, net of insurance reimbursements, were $155,570. A liability for claims payable must be reported if the liability is both probable and estimable. Per an actuarial study completed in November 2015, the projected liability for estimated (undiscounted) claims payable (including IBNR) at December 31, 2016 was $1,439,768. Changes in the liability for estimated liability/auto claims payable for the last two fiscal years are as follows:

Fiscal Year Ending Dec. 31	Claims Liability Beginning of Year	Claims Incurred & Changes in Estimates	Net Claims Paid	Claims Liability End of Year	Expected To Be Paid Within 1 Year
2015	$ 486,971	$ 1,165,417	$ (218,137)	$ 1,434,251	$ 465,946
2016	1,434,251	161,087	(155,570)	1,439,768	421,705

C. OTHER FULLY-INSURED RISKS

The County purchases commercial insurance, with varying deductible for all other risks of loss, such as property damage, boiler and machinery, Nursing Home medical malpractice, and public official bonds. The State of Illinois fully insures Unemployment compensation. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

NOTE 16 – RISK FINANCING (continued)

The County provides employee health benefits in the form of set contributions toward medical and life insurance premiums. The employee is responsible for the balance of the premium amount as well as for any deductibles or co-payments. Risk of loss related to employee health benefits is borne by the employee and the insurance company or health maintenance organization; the County is at no risk of loss.

NOTE 17 – SHORT TERM DEBT

A. TAX ANTICIPATION WARRANTS – BUSINESS TYPE ACTIVITIES

In December 2015 and 2016, the County Nursing Home issued short-term debt in anticipation of property tax receipts during the period May-November, 2016 and 2017. The purpose for issuing this debt was to be able to pay operating expenses of the Nursing Home prior to receipt of property tax revenues.

Series 2015 Tax Anticipation Warrants $997,829; due on September 30, 2016; interest rate at 1.14%;	
Balance outstanding at December 31, 2015	$997,829
Warrants issued in 2016.	$0
Warrant interest payments made in 2016.	$6,955
Warrant principal payments made in 2016	$997,829
Balance outstanding at December 31, 2016	$0

Series 2016 Tax Anticipation Warrants $997,829; due on September 30, 2017; interest rate at 1.45%;	
Balance outstanding at December 31, 2015	$0
Warrants issued in 2016	$1,021,757
Warrant interest payments made in 2016	$0
Warrant principal payments made in 2016	$0
Balance outstanding at December 31, 2016	$1,021,757

NOTE 18 – LONG TERM DEBT

A. GENERAL OBLIGATION BONDS/DEBT CERTIFICATES – GOVERNMENTAL ACTIVITIES

1999 Series Public Safety Sales Tax Bonds: $23,800,000; due in 29 annual installments from 2001 to 2029; interest rates 3.85% to 8.25%; $17,660,000 refunded (in-substance defeasance) in FY 2005; remaining annual installments due through 2023;	
Balance outstanding at December 31, 2015	$4,850,000
Bond interest payments made in 2016	$400,125
Bond principal payments made in 2016	$0
Balance outstanding at December 31, 2016	$4,850,000

2000 Series Public Safety Sales Tax Bonds: $4,997,290; due in 15 annual installments from 2004 to 2018; interest rates 5.25% to 7.125%; $1,370,000 refunded (in-substance defeasance) in FY 2004; remaining annual installments due through 2018;	
Balance outstanding at December 31, 2015	$897,566
Bond interest payments made in 2016	$809,141
Bond principal payments made in 2016	$465,859
Balance outstanding at December 31, 2016	$431,707

NOTE 18 – LONG TERM DEBT (continued)

2005A Series Nursing Home Construction Refunding Bonds: $7,425,000;
due in 14 annual installments from 2006 to 2019; interest rates 3.00% to 5.25%;
$819,046 bond premium amortized over 13 years 7 months;
$96,404 deferred charge on refunding amortized over 13 years 7 months;

Balance outstanding at December 31, 2015	$3,435,000
Bond interest payments made in 2016	$180,337
Bond principal payments made in 2016	$1,085,000
Balance outstanding at December 31, 2016	$2,350,000

2005B Series Public Safety Refunding Bonds: $18,440,000;
due in 24 annual installments from 2006 to 2029; interest rates 3.00% to 5.25%;
$526,639 bond premium amortized over 23 years 7 months;
$1,071,441 deferred charge on refunding amortized over 23 years 7 months;
$11,625,000 refunded (in-substance defeasance) in FY2014

Balance outstanding at December 31, 2015	$2,600,000
Bond interest payments made in 2016	$136,500
Bond principal payments made in 2016	$785,000
Balance outstanding at December 31, 2016	$1,815,000

2007A Series Public Safety Sales Tax Bonds: $5,955,000;
due in 19 annual installments from 2009 to 2027; interest rates 3.80% to 5.00%;
$117,468 bond premium amortized over 19 years 2 months;
$3.740,000 refunded (current refunding) in FY2016

Balance outstanding at December 31, 2015	$4,040,000
Bond interest payments made in 2016	$164,139
Bond refunded (current refunding) in 2016	3,740,000
Bond principal payments made in 2016	$300,000
Balance outstanding at December 31, 2016	$0

2007B Series Highway Facility Construction Bonds: $1,480,000;
due in 9 annual installments from 2009 to 2017; interest rate 4.25%;
$41,422 bond premium amortized over 9 years 2 months;

Balance outstanding at December 31, 2015	$195,000
Bond interest payments made in 2016	$8,287
Bond principal payments made in 2016	$195,000
Balance outstanding at December 31, 2016	$0

2010A Series Art Bartell Building Construction Debt Certificates: $1,995,000;
due in 14 annual installments from 2012 to 2025; interest rates 2.00% to 4.90%;
$9,475 bond premium amortized over 13 years 11 months;

Balance outstanding at December 31, 2015	$1,395,000
Debt interest payments made in 2016	$61,590
Debt principal payments made in 2016	$130,000
Balance outstanding at December 31, 2016	$1,265,000

NOTE 18 – LONG TERM DEBT (continued)

2011 Series Nursing Home Construction Refunding Bonds: $4,355,000;
due in 1 installment in 2012 plus 3 annual installments from 2020 to 2022;
interest rates 1.00% to 4.00%;
$268,253 bond premium amortized over 10 years 5 months;
$201,962 deferred charge on refunding amortized over 10 years 5 months;

Balance outstanding at December 31, 2015	$4,255,000
Bond interest payments made in 2016	$170,200
Bond principal payments made in 2016	$0
Balance outstanding at December 31, 2016	$4,255,000

2014 Series Public Safety Refunding Bonds: $9,795,000;
due in 6 annual installments from 2024 to 2029; interest rate 5.00%;
$1,968,593 bond premium amortized over 14 years 1 month;
$138,834 bond issuance costs treated as period costs;
$0 deferred charge on refunding;

Balance outstanding at December 31, 2015	$9,795,000
Bond interest payments made in 2016	$489,750
Bond principal payments made in 2016	$0
Balance outstanding at December 31, 2016	$9,795,000

2015 Series Alternate Revenue Refunding Bonds: $2,535,000;
due in 10 annual installments from 2016 to 2025;
interest rates 0.65% to 2.55%;
$30,105 bond issuance costs treated as period costs;
$0 deferred charge on refunding;

Balance outstanding at December 31, 2015	$2,535,000
Bond interest payments made in 2016	$44,029
Bond principal payments made in 2016	$240,000
Balance outstanding at December 31, 2016	$2,295,000

2016 Series public Safety Refunding Bonds: $3,775,000;
due in 10 annual instalments from 2017 to 2026; interest rate 1.838%;
$36,084 bond issuance costs treated as period costs;
$0 deferred charge on refunding:

Balance outstanding at December 31, 2015	$0
Bonds issued in 2016	$3,775,000
Bond interest payments made in 2016	$8,671
Bond principal payments made in 2016	$0
Balance outstanding at December 31, 2016	$3,775,000

2016 Bond Transactions – Governmental Activities

Bonds payable December 31, 2015	$33,997,566
Bonds issued in 2016	$3,775,000
Bonds retired in 2016	$3,200,859
Bonds refunded in 2016	$3,740,000
Bonds payable December 31, 2016	$30,831,707

Annual Debt Service Requirements for Bonds

The schedule below provides the required annual bond debt service listed by the funds from which we make the payments:

	Governmental Activities						
	Debt Service Funds		Public Safety Sales Tax Fund		General Corporate Fund		Total Debt Service
Year	Principal	Interest	Principal	Interest	Principal	Interest	Requirement
2017	$ 1,145,000	$ 293,575	$ 1,631,707	$ 1,896,491	$ 375,000	$ 99,060	$ 5,440,833
2018	1,205,000	233,463	1,305,000	1,002,960	380,000	91,188	4,217,611
2019	1,365,000	170,200	1,375,000	946,562	390,000	82,660	4,329,422
2020	1,415,000	115,600	1,510,000	856,210	405,000	72,946	4,374,756
2021	1,475,000	59,000	1,650,000	755,358	415,000	62,206	4,416,564
2022	--	--	1,805,000	643,283	430,000	50,187	2,928,470
2023	--	--	1,720,000	519,058	440,000	37,129	2,716,187
2024	--	--	1,840,000	445,392	455,000	22,538	2,762,930
2025	--	--	1,965,000	365,884	270,000	6,885	2,607,769
2026	--	--	2,100,000	280,284	--	--	2,380,284
2027	--	--	1,815,000	188,250	--	--	2,003,250
2028	--	--	1,950,000	97,500	--	--	2,047,500
2029	--	--	--	--	--	--	--
	$ 6,605,000	$ 871,838	$ 20,666,707	$ 7,997,232	$ 3,560,000	$ 524,799	$ 40,225,576

At December 31, 2016, $429,058 was available in restricted fund balance in the Debt Service Funds; $942,864 was available in restricted fund balance in the Public Safety Sales Tax Special Revenue Fund; and $233,210 was available in restricted fund balance in the General Corporate Fund to meet debt service requirements.

B. DEBENTURE NOTE PAYABLE – GOVERNMENTAL ACTIVITIES

2015 Line of Credit provided by PNC Bank: $551,250;
with the primary purpose of purchasing two single family dwellings as part of a Community Integrated Living Arrangement (CILA) included in the MHB/DDB CILA Fund. The maximum line of credit is $1,000,000 and the outstanding credit is secured by the Mortgage on the dwellings. Interest is at 3.903% from January 2015 to January 2025.

Balance outstanding at December 31, 2015	$551,250
Note issued in 2016	$0
Note interest payments made in 2016	$222
Note principal payments made in 2016	$53747
Balance outstanding at December 31, 2016	$497,503

NOTE 18 – LONG TERM DEBT (continued)

Annual Debt Service Requirements for Debenture Note

The Schedule below provides the required annual debt service for the Debenture Note paid through the MHB/DDB CILA Fund:

Governmental Activities			
	MHB/DDB CILA Fund		Total Debt Service
Year	Principal	Interest	Requirement
2017	$ 49,750	$ 19,199	$ 68,949
2018	49,751	17,230	66,981
2019	49,750	15,262	65,012
2020	49,750	13,328	63,078
2021	49,751	11,324	61,075
2022	49,750	9,356	59,106
2023	49,750	7,387	57,137
2024	49,750	5,432	55,182
2025	99,501	1,650	101,151
	$ 497,503	$ 100,168	$ 597,671

C. CAPITAL LEASE OBLIGATION- GOVERNMENTAL ACTIVITIES

2016 Capital Lease with IBM Credit, LLC: $141,728;
for the purpose of providing hardware, software and maintenance for the AS400;
to be repaid over 48 months in monthly payments of $3,065
at 1.92% interest from November 2016 through October 2020.

Balance outstanding at December 31, 2015	$0
Lease issued in 2016	$141,728
Lease interest payments made in 2016	$222
Lease principal payments made in 2016	$5,909
Balance outstanding at December 31, 2016	$135,819

NOTE 18 – LONG TERM DEBT (continued)

Annual Debt Service Requirements for Capital Lease

The Schedule below provides the required annual debt service for the Capital Lease Obligation paid through the Information Technology Department in the General Fund:

Governmental Activities			
	General Corporate Fund		Total Debt Service
Year	Principal	Interest	Requirement
2017	$ 34,475	$ 2,307	$ 36,782
2018	35,140	1,642	36,782
2019	35,821	961	36,782
2020	30,383	269	30,652
	$ 135,819	$ 5,179	$ 140,998

D. INTERGOVERNMENTAL LOANS PAYABLE – GOVERNMENTAL ACTIVITIES

1995 loan from the Regional Planning Commission: $1,050,000;
for the purpose of buying and remodeling the Brookens Administration Building;
to be repaid over 20 years in monthly payments of $4,375
at 0% interest from June 1996 through June 2016;

Balance outstanding at December 31, 2015	$19,688
Loan principal payments made in 2016	$19,688
Balance outstanding at December 31, 2016	$0

2016 Intergovernmental Loan Transactions – Governmental Activities

Loans payable December 31, 2015	$19,688
New loans incurred in 2016	$0
Loan principal payments made in 2016	$19,688
Loans payable December 31, 2016	$0

NOTE 18 – LONG TERM DEBT (continued)

E. SUMMARY OF CHANGES IN LONG TERM LIABILITIES

	Dec. 31, 2015 Balance	Additions	Deductions	Dec. 31, 2016 Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 33,997,566	$ 3,775,000	$ (6,940,859)	$ 30,831,707	$ 3,151,707
Unamortized Bond Premium	2,653,674	0	(277,256)	2,376,418	0
Total Bonds Payable	36,651,240	3,775,000	(7,218,115)	33,208,125	3,151,707
Debenture Note	551,250	0	(53,747)	497,503	49,750
Capital Lease Obligation	0	141,728	(5,909)	135,819	34,475
Intergovernmental Loans	19,688	0	(19,688)	0	0
Net OPEB Liability	2,180,880	394,135	(237,620)	2,337,395	0
Compensated Absences	2,867,544	2,938,976	(3,085,488)	2,721,032	326,524
Estimated Claims Payable	3,580,323	1,484,823	(1,419,793)	3,645,353	1,172,928
Total Governmental Activities	$ 45,850,925	$ 8,734,662	$ (12,040,360)	$ 42,545,227	$ 4,735,384
Business-Type Activities:					
Net OPEB Liability	$ 212,537	$ 12,477	$ (639)	$ 224,375	$ 0
Compensated Absences	293,186	409,652	(436,978)	265,860	53,172
Total Business-Type Activities	$ 505,723	$ 422,129	$ (437,617)	$ 490,235	$ 53,172

Long-term liabilities for estimated claims payable are liquidated by the Self-Funded Insurance (Internal Service) Fund. The internal service funds primarily serve the governmental funds, and, thus, the related long-term liabilities are included with the governmental activities above.

NOTE 19 – REFUNDING BONDS

On November 16, 2016, $3,775,000 in general obligation bonds with an interest rate of 1.8375% were issued to refund $3,740,000 in 2007A general obligation bonds with interest rates of 3.8% to 4.1% and which were callable on January 1, 2017. The net proceeds of the refunding bonds were placed in an irrevocable trust with an escrow agent to meet the debt service requirements of the 2007A Bonds on January 1, 2017. As a result, the 2007A bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position. The County completed this current refunding to reduce its total debt service payment over the next 10 years by $441,849 and to achieve an economic gain of $401,020.

NOTE 20 – OPERATING LEASES

The County has entered into non-cancelable operating leases for the use of various facilities. During the fiscal year ended December 31, 2016, the total expenditure for these leases was $258,020. The future minimum lease payments are shown below:

Fiscal Year	Lease Payments
2017	$ 192,416
2018	103,580
2019	73,532
2020	51,466
2021	49,460
2022-2023	82,433
	$ 552,887

NOTE 21 – FUND EQUITY

A. DEFICIT FUND EQUITY

As of December 31, 2016, the following funds had deficit fund equity:

- Tort Immunity Special Revenue Fund ($1,531,799)
- Workforce Development Special Revenue Fund ($190,879), and
- Victim Advocacy Special Revenue Fund ($4,343)

The Champaign County Board Resolution No.9959 provided authorization for the partial restoration of these three deficit funds through the use of inter-fund loans. Any future deficit fund equity will addressed by the Champaign County Board through the vehicle of the annual budget with special emphasis on the equity deficit in the Tort Immunity Fund.

NOTE 21 – FUND EQUITY (continued)

B. FUND BALANCE CLASSIFICATIONS – GOVERNMENTAL FUNDS

Fund balances of governmental funds may be restricted, committed or assigned to specific purposes. The County reports the total of the restricted, committed and assigned fund balances on the basic and combining statements of net position. The schedule below shows the major purposes of those restrictions, commitments and assignments.

	General Fund	Regional Planning Comm Fund	Mental Health Fund	Non-Major Governmental Funds	Total Governmental Funds	Full Accrual Adjustments	Total Governmental Activities
Restricted by State Statutes, Grantor/Donor Stipulations, or Debt Covenants:							
For Debt Service	$ 233,210	$ 0	$ 0	$ 1,371,922	$ 1,605,132	$ 309,811	$ 1,914,943
For Justice & Public Safety	0	0	0	4,325,814	4,325,814	184,315	4,510,129
For Health & Education	0	0	2,656,306	5,272,940	7,929,246	396,270	8,325,516
For Development	0	714,509	0	6,977,130	7,691,639	229,485	7,921,124
For General Government	0	0	0	1,495,015	1,495,015	0	1,495,015
For Highw ays & Bridges	0	0	0	9,748,622	9,748,622	0	9,748,622
For Insurance & Fringes	0	0	0	1,815,329	1,815,329	0	1,815,329
Total Restricted Fund Balance	233,210	714,509	2,656,306	31,006,772	34,610,797	1,119,881	35,730,678
Committed by County Board Resolution:							
To Solid Waste Management	0	0	0	47,954	47,954	0	47,954
Assigned by County Officials:							
To Capital Projects	0	0	0	1,471,752	1,471,752	0	1,471,752
To FutureTax Liability	307,427	0	0	45,383	352,810	0	352,810

NOTE 22 – GOVERNMENT-WIDE STATEMENT OF NET POSITION

The government-wide statement of net position includes a restricted portion totaling $35,730,678 as shown in the schedule above. Of this amount, $22,498,372 is externally restricted based on state statutes; $11,317,363 is restricted through grantor/donor stipulations; and $1,914,943 is restricted based on debt covenants.

NOTE 23 - DEFINED BENEFIT PENSION PLAN

IMRF Plan Description

The County of Champaign's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multi-employer plan. We have provided a summary of IMRF's pension benefits in the "Benefits Provided" paragraph below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan, limited to officials elected prior to August 8, 2011.

All three IMRF benefit plans have two tiers. Employees hired ***before*** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees become vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 vested employees, who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) are entitled to an annual retirement benefit, payable monthly for life. This benefit is equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired ***on or after*** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating vested employees who retire at age 62 (at reduced benefits) or, after age 67 (at full benefits) are entitled to an annual retirement benefit, payable monthly for life. This benefit is equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership

As of December 31, 2016, the measurement date, membership of the plan was as follows:

	Regular Plan	SLEP	ECO
Retirees and Beneficiaries	542	104	10
Inactive, Non-Retired Members	957	33	0
Active Members	758	99	1
Total	2,257	236	11

NOTE 23 - DEFINED BENEFIT PENSION PLAN (continued)

Contributions

As set by statute, the County of Champaign's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual contribution rate for calendar year 2016 was 8.91% for the Regular plan, 23.10% for SLEP and 153.0% for ECO. For the fiscal year ended 12/31/2016, the County contributed $4,415,723 to the plan. The County also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. The IMRF Board of Trustees set the contribution rates for disability and death benefits, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liabilities for the Regular, SLEP and ECO plans were determined by actuarial valuations performed as of December 31, 2016 using the following actuarial methods and assumptions:

- **Actuarial Cost Method** - Entry Age Normal.
- **Asset Valuation Method** - 5-year smoothed Market ; 20% corridor
- **Wage Growth Rate** - 3.50%
- **Inflation Rate** - 2.75%.
- **Salary Increases** - 3.75% to 14.50%, including inflation.
- **Investment Rate of Return** - 7.50%
- **Projected Retirement Age** - Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- **Mortality –** An IMRF-specific mortality table with fully generational projection scale MP-2014 (base year 2012) was used. For **non-disabled retirees,** IMRF developed specific rates using the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For **disabled retirees**, the IMRF developed specific rates using the RP-2014 Disabled Retirees Mortality Table with the same adjustments applied for non-disabled lives. For **active members**, the IMRF developed specific rates using the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- **Long-Term expected real rate of return** – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage, and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

NOTE 23 - DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions (continued)

		Projected Returns/Risks	
	Target	One-Year	Ten-Year
Asset Class	Allocation	Arithmetic	Geometric
Equities	38%	8.30%	6.85%
International Equities	17%	8.45%	6.75%
Fixed income	27%	3.05%	3.00%
Real Estate	8%	6.90%	5.75%
Alternatives:	9%		
Private Equity		12.45%	7.35%
Hedge Funds		5.35%	5.25%
Commodities		4.25%	2.65%
Cash Equivalents	1%	2.25%	2.25%

Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liabilities for the Regular, SLEP, and ECO plans. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions would be made at the current contribution rate, and that employer contributions would be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate is based on an index of 20-year general obligation bonds with an average AA credit rating (published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%.

Prior year rates were 7.49% for the Regular Plan, 7.48% for the SLEP Plan and 7.14% for the ECO Plan.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1 percentage point lower or 1 percentage point higher:

NOTE 23 - DEFINED BENEFIT PENSION PLAN (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (continued)

	1% Decrease	Current Discount rate	1% Increase
Regular - Primary Government:			
Total Pension Liability	$ 150,707,644	$ 133,130,252	$ 118,907,593
Plan Fiduciary Net Position	125,155,687	125,155,687	125,155,687
Net Pension Liability/(Asset)	$ 25,551,957	$ 7,974,565	$ (6,248,094)
Regular - GIS:			
Total Pension Liability	$ 1,255,006	$ 1,108,633	$ 990,194
Plan Fiduciary Net Position	1,025,640	1,025,640	1,025,640
Net Pension Liability/(Asset)	$ 229,366	$ 82,993	$ (35,446)
Regular - Total:			
Total Pension Liability	$ 151,962,650	$ 134,238,885	$ 119,897,787
Plan Fiduciary Net Position	126,181,327	126,181,327	126,181,327
Net Pension Liability/(Asset)	$ 25,781,323	$ 8,057,558	$ (6,283,540)
SLEP:			
Total Pension Liability	$ 82,405,904	$ 72,369,575	$ 64,178,346
Plan Fiduciary Net Position	62,719,101	62,719,101	62,719,101
Net Pension Liability/(Asset)	$ 19,686,803	$ 9,650,474	$ 1,459,245
ECO:			
Total Pension Liability	$ 5,044,002	$ 4,612,556	$ 4,243,440
Plan Fiduciary Net Position	2,488,218	2,488,218	2,488,218
Net Pension Liability/(Asset)	$ 2,555,784	$ 2,124,338	$ 1,755,222

Changes in Net Pension Liability/(Asset)

The changes in net pension liabilities/(assets) for the Regular, SLEP, and ECO plans for the calendar year ended December 31,2016 were as follows;

Changes in Net Pension Liability/(Asset) (continued)

	Increase/ (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A-B)
Regular - Primary Government:			
Balances at December 31, 2015	$ 126,680,303	$ 118,189,506	$ 8,490,797
Service Cost	2,855,617		2,855,617
Interest on Total Pension Liability	9,357,461		9,357,461
Difference between expected and actual experience of the Total Pension Liability	181,259		181,259
Changes of assumptions	(181,055)		(181,055)
Benefit payments, including refunds of employee contributions	(5,763,333)	(5,763,333)	-
Contributions - employer		2,571,016	(2,571,016)
Contributions - employee		1,315,639	(1,315,639)
Net investment income		8,005,001	(8,005,001)
Other (net transfer)		837,858	(837,858)
Balances at December 31, 2016	$ 133,130,252	$ 125,155,687	$ 7,974,565
Regular - GIS:			
Balances at December 31, 2015	$ 1,021,615	$ 953,141	$ 68,474
Service Cost	29,719		29,719
Interest on Total Pension Liability	97,385		97,385
Difference between expected and actual experience of the Total Pension Liability	1,886		1,886
Changes of assumptions	18,008		18,008
Benefit payments, including refunds of employee contributions	(59,980)	(59,980)	-
Contributions - employer		26,757	(26,757)
Contributions - employee		13,692	(13,692)
Net investment income		83,310	(83,310)
Other (net transfer)		8,720	(8,720)
Balances at December 31, 2016	$ 1,108,633	$ 1,025,640	$ 82,993

Changes in Net Pension Liability/(Asset) (continued)

	Increase/ (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A-B)
Regular - Total:			
Balances at December 31, 2015	$ 127,701,918	$ 119,142,647	$ 8,559,271
Service Cost	2,885,336		2,885,336
Interest on Total Pension Liability	9,454,846		9,454,846
Difference between expected and actual experience of the Total Pension Liability	183,145		183,145
Changes of assumptions	(163,047)		(163,047)
Benefit payments, including refunds of employee contributions	(5,823,313)	(5,823,313)	-
Contributions - employer		2,597,773	(2,597,773)
Contributions - employee		1,329,331	(1,329,331)
Net investment income		8,088,311	(8,088,311)
Other (net transfer)		846,578	(846,578)
Balances at December 31, 2016	$ 134,238,885	$ 126,181,327	$ 8,057,558
SLEP:			
Balances at December 31, 2015	$ 68,698,893	$ 55,435,239	$ 13,263,654
Service Cost	1,333,114		1,333,114
Interest on Total Pension Liability	5,071,574		5,071,574
Difference between expected and actual experience of the Total Pension Liability	601,651		601,651
Changes of assumptions	(185,333)		(185,333)
Benefit payments, including refunds of employee contributions	(3,150,324)	(3,150,324)	-
Contributions - employer		1,549,762	(1,549,762)
Contributions - employee		518,028	(518,028)
Net investment income		6,558,565	(6,558,565)
Other (net transfer)		1,807,831	(1,807,831)
Balances at December 31, 2016	$ 72,369,575	$ 62,719,101	$ 9,650,474

NOTE 23 - DEFINED BENEFIT PENSION PLAN (continued)

Changes in Net Pension Liability/(Asset) (continued)

	Increase/ (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A-B)
ECO:			
Balances at December 31, 2015	$ 4,353,857	$ 2,267,282	$ 2,086,575
Service Cost	58,235		58,235
Interest on Total Pension Liability	301,682		301,682
Difference between expected and actual experience of the Total Pension Liability	362,176		362,176
Changes of assumptions	(147,931)		(147,931)
Benefit payments, including refunds of employee contributions	(315,463)	(315,463)	-
Contributions - employer		268,188	(268,188)
Contributions - employee		22,407	(22,407)
Net investment income		151,991	(151,991)
Other (net transfer)		93,813	(93,813)
Balances at December 31, 2016	$ 4,612,556	$ 2,488,218	$ 2,124,338

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the County of Champaign recognized pension expense of $4,474,154, $3,429,634, and $321,317 for the Regular, SLEP, and ECO plans respectively. At December 31, 2016, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Regular- Primary Government:		
Difference between expected and actual experience	$ 146,191	$ 73,556
Changes of Assumptions	629,134	114,113
Net difference between projected and actual earnings on pension plan investments	6,266,007	0
Contributions subsequent to the measurement date	0	0
Total	$ 7,041,332	$ 187,669

NOTE 23 - DEFINED BENEFIT PENSION PLAN (continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Regular- Geographic Information Systems:		
Difference between expected and actual experience	$ 1,521	$ 766
Changes of Assumptions	6,548	1,188
Net difference between projected and actual earnings on pension plan investments	65,212	0
Contributions subsequent to the measurement date	0	0
Total	$ 73,281	$ 1,954
Regular- Total:		
Difference between expected and actual experience	$ 147,712	$ 74,322
Changes of Assumptions	635,682	115,301
Net difference between projected and actual earnings on pension plan investments	6,331,219	0
Contributions subsequent to the measurement date	0	0
Total	$ 7,114,613	$ 189,623
SLEP:		
Difference between expected and actual experience	$ 598,690	$ 0
Changes of Assumptions	504,472	149,119
Net difference between projected and actual earnings on pension plan investments	3,030,321	0
Contributions subsequent to the measurement date	0	0
Total	$ 4,133,483	$ 149,119
ECO:		
Difference between expected and actual experience	$ 1,551	$ 0
Changes of Assumptions	120,076	633
Net difference between projected and actual earnings on pension plan investments	0	0
Contributions subsequent to the measurement date	0	0
Total	$ 121,627	$ 633

NOTE 23 - DEFINED BENEFIT PENSION PLAN (continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

	Regular Plan				
Year Ending December 31,	Primary Government	GIS	Total	SLEP	ECO
2017	$ 2,694,146	$ 28,038	$ 2,722,184	$ 1,363,027	$ 41,492
2018	2,173,714	22,622	2,196,336	1,363,029	40,574
2019	1,825,862	19,002	1,844,864	1,082,934	34,799
2020	159,941	1,665	161,606	165,801	4,129
Thereafter	0	0	0	9,573	0
Total	$ 6,853,663	$ 71,327	$ 6,924,990	$ 3,984,364	$ 120,994

NOTE 24 – OTHER POST-EMPLOYMENT BENEFITS

The County provides post-employment benefits other than pensions through a single-employer defined-benefit OPEB plan offering continuing coverage under the County's group health insurance plan for retirees and their dependents. The retirees pay the entire amount of their premiums for this coverage; however, the premiums are blended rates based on the cost of healthcare benefits for younger active employees along with retirees. Thus, the premiums paid by retirees are lower than the true cost of their healthcare benefits, resulting in the retirees receiving an "implicit rate subsidy." Prior to FY2010, retirees over age 65 could choose the same health plans available to younger retirees and active employees. Starting in FY2010, retirees over age 65 were restricted to Medicare supplemental plans with community-rated premiums, so there is no implicit rate subsidy for them.

While the County is committed to providing these benefits to retirees, there is no formal written plan and no stand-alone financial report for the plan exists.

GASB Statement No. 45 considers other post-employment benefits to be part of the compensation to employees for their services and the cost of these benefits should be recognized while the employees are providing their services, rather than after they have retired. The County first implemented GASB Statement No. 45 and began reporting the annual OPEB cost and net OPEB liability for the retiree health insurance rate subsidy for the fiscal year ended November 30, 2009.

Funding Policy. Retirees pay the full amount of the blended premiums, as determined by the group health insurance company. The retiree contribution rates for 2016 ranged from $527 to $1,139 per month, depending on coverage level chosen. The County's contribution is in the form of higher premiums paid for active employees that subsidize the cost of the retirees' health insurance. The County finances the plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The annual OPEB cost includes the cost of benefits earned in the current year plus an amortized amount for past service costs, interest accrued on any prior net OPEB obligation, and adjustments for prior underpayments. A net OPEB obligation arises when employer contributions to the plan are less than the annual OPEB cost. Based on an actuarial valuation performed in January 1, 2016, the County's annual OPEB cost for the fiscal year ended December 31, 2016 was $406,612 with $12,477 attributable to business-type activities and $394,135 attributable to governmental activities. Estimated County contributions made in FY2016 totaled $238,259 with $639 attributable to business-type activities and $237,620 attributable to governmental activities. The net OPEB obligation at December 31, 2016 was $2,561,770 with $224,375 attributable to business-type activities and $2,337,395 attributable to governmental activities.

Fiscal Year Ended December 31, 2016	Governmental Activities	Business-Type Activities	Total
Annual Required Contribution	$ 453,734	$ 18,285	$ 472,019
Interest on Prior Net OPEB Obligation	65,426	6,376	71,802
Adjustment for Prior Underpayments	(125,025)	(12,184)	(137,209)
Annual OPEB Cost	394,135	12,477	406,612
Employer Contributions	(237,620)	(639)	(238,259)
Increase (Decrease) in Net OPEB Oblig.	156,515	11,838	168,353
Beginning Net OPEB Obligation	2,180,880	212,537	2,393,417
Ending Net OPEB Obligation	$ 2,337,395	$ 224,375	$ 2,561,770

NOTE 25 – JOINT VENTURES

A. METROPOLITAN COMPUTER AIDED DISPATCH (METCAD)

On December 1, 1981, Champaign County entered into an intergovernmental agreement with the City of Champaign, the City of Urbana and the University of Illinois for the primary purpose of operating an emergency response computer-aided dispatching service (METCAD), originally created by the other three participants in 1979. Each member agency designates two representatives, an administrative representative and a public safety (police or fire department) representative, to serve on the METCAD Policy Board. In addition, the Policy Board includes two rural representatives, one from a non-member police agency and one from a non-member fire agency.

While representation on the Policy Board is equal among the member agencies, the funding of operating expenses is based on a formula which considers the proportional number of calls received for each agency. Each member agency holds an equity interest in METCAD capital assets according to the proportion of funding for METCAD operations provided by each member agency since May 1, 1979. These proportions will vary slightly from year to year. At June 30, 2016 (the latest fiscal year end for METCAD), Champaign County's equity interest share was 16.95%, or $1,472,771, which is reported in the Statement of Net Position as an investment in joint venture. The net decrease of $24,737 from the amount reported for June 30, 2015, is reported in the Statement of Activities under functional expense for Justice and Public Safety.

A copy of the separate audited financial statements for METCAD may be obtained from the City of Champaign Finance Department, 102 N. Neil Street, Champaign, IL 61820. Summary financial information for METCAD for the fiscal year ended June 30, 2016 is provided below.

Financial Position as of June 30, 2016

Total Assets & Deferred Outflows	$ 11,413,015
Total Liabilities & Deferred Inflows	2,724,100
Net Position	$ 8,688,915

Results of Operations for Fiscal Year Ending June 30, 2016

Total Revenues	$ 5,181,944
Total Expenses	5,348,784
Change in Net Position	(166,840)
Beginning Net Position	8,855,755
Ending Net Position	$ 8,688,915

NOTE 26 – CONTINGENT LIABILITIES

The County is currently involved in lawsuits brought by two corporations seeking to recover approximately $2.6 million in property taxes related to the retroactive application of the charitable property tax exemption. The County is vigorously defending its position and the outcome is not determinable but it is reasonably possible that a loss will be incurred.

The County is a defendant in several other lawsuits and notices of claims, which are being defended by the County and its insurance representatives. It is believed that the County's ultimate liability from these suits, after applicable insurance coverage, will not have a material effect on the financial statements.

NOTE 27 – COMMITMENTS

ROAD AND BRIDGE CONSTRUCTION PROJECTS

The County Highway Department has four Special Revenue Funds with December 31, 2016 fund balances totaling $9.7 million. Much of those funds are restricted to road and bridge construction projects, some of which are multiple-year projects. Current projects with significant commitments include:

Project Description	Project #	Total Commitment	Spent Through 12/31/2016	Remaining Commitment
CH55 Bridge	10-00966-00-BR	$ 350,000	$ 240,311	$ 109,689
CH1 North Bridge	12-00992-00-BR	850,000	59,202	790,798
CH1 South Bridge	12-00993-00-BR	650,000	58,211	591,789
CH1 Dewey-Fisher Road	12-00432-00-RS	3,175,000	2,123,185	1,051,815
CH9 Bridge	15-00023-00-BR	750,000	65,598	684,402
CH16 Bridge	15-00028-00-BR	450,000	62,963	387,037
CH18 Bridge (BTW Sec 7 & 18)	16-00033-00-BR	300,000	72,609	227,391
CH20 Bridge	16-00035-00-BR	400,000	25,184	374,816
CH18 Bridge (BTW Sec 10 & 15)	16-00039-00-BR	700,000	35,057	664,943
Lincoln Avenue	11-00334-01-EG/PV	1,100,000	198,597	901,403
Total		$ 8,725,000	$ 2,940,917	$ 5,784,083

NOTE 28 – GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS

The Governmental Accounting Standards Board (GASB) has issued new accounting standards that may affect portions of these financial statements in future periods. The effect of these statements on the County has not been determined. Listed below are the statements and short summary of the standard's objective.

New accounting standards effective for the financial statements of the next fiscal year include:

- GASB statement No. 81, *Irrevocable Split-Interest Agreements,* issued March 2016. The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

NOTE 28 – GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS (continued)

- GASB Statement No. 82, *Pension Issues, an amendment of GASB Statements No. 67, No 68, and No. 73*, issued March 2016. The objective of this statement is to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to GASB statements No. 67, No. 68, and No. 73.

New accounting standards effective for the financial periods beginning with FY2018 include:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued June 2015. The objective of this statement is to improve accounting and financial reporting by state and local governments for postemployments benefits other than pensions (other postemployment benefits or OPEB).

- GASB Statement No. 83, *Certain Asset Retirement Obligations*, issued November 2016. This statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's).

- GASB Statement No. 84, *Fiduciary Activities*, issued January 2017. The principal objective of this statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments.

- GASB Statement No. 85, *Omnibus 2017*, issued March 2017. The objective of this statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

- GASB Statement No. 86, *Certain Debt Extinguishment Issues*, issued May 2017. The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources--resources other than the proceeds of refunding debt--are placed in an irrevocable trust for the purpose of extinguishing debt.

- GASB statement No. 87, *Leases*, issued June 2017. The objective of this statement is to better meet the information needs of financial statement users by providing accounting and financial reporting for leases by governments.