

# **Basic Financial Statements**



**COUNTY OF CHAMPAIGN, ILLINOIS**  
**STATEMENT OF NET POSITION (EXHIBIT I)**  
**DECEMBER 31, 2019**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash	\$ 38,745,946	\$ 1,165,933	\$ 39,911,879
Investments	101,589	-	101,589
Receivables, Net of Uncollectible Amounts:			
Property Taxes	36,105,264	-	36,105,264
Intergovernmental	7,434,650	530,060	7,964,710
Program Loans--Current Portion	313,609	-	313,609
Accrued Interest	14,593	-	14,593
Other	2,264,562	332,827	2,597,389
Internal Balances	6,758,271	(6,758,271)	-
Prepaid Items	60,654	-	60,654
Resident Trust Accounts	14,887	3,355	18,242
Program Loans Receivable--Long Term Portion	5,421,784	-	5,421,784
Investment in Joint Venture	1,997,266	-	1,997,266
Capital Assets Not Being Depreciated	7,917,764	-	7,917,764
Capital Assets, Net of Accumulated Depreciation	69,542,656	-	69,542,656
Net Pension Asset	5,011,374	-	5,011,374
<b>Total Assets</b>	<b>181,704,869</b>	<b>(4,726,096)</b>	<b>176,978,773</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Related to Bond Refunding	432,044	-	432,044
Related to Total OPEB Liability	328,945	-	328,945
Related to Net Pension Liability	4,183,299	-	4,183,299
<b>Total Deferred Outflow of Resources</b>	<b>4,944,288</b>	<b>-</b>	<b>4,944,288</b>
<b>Total Assets &amp; Deferred Outflow of Resources</b>	<b>186,649,157</b>	<b>(4,726,096)</b>	<b>181,923,061</b>
<b>LIABILITIES</b>			
Accrued Salaries Payable	\$ 1,659,776	\$ -	\$ 1,659,776
Accounts Payable	3,873,719	37,943	3,911,662
Accrued Interest Payable	1,430	-	1,430
Due to Other Governments	903	-	903
Funds Held for Others	121,741	3,355	125,096
Unearned Revenue	107,683	330,000	437,683
Noncurrent Liabilities:			
Due Within One Year	2,039,704	-	2,039,704
Due in More Than One Year	22,983,361	-	22,983,361
Total OPEB Liability	3,537,645	-	3,537,645
Net Pension Liability	9,739,760	-	9,739,760
<b>Total Liabilities</b>	<b>44,065,722</b>	<b>371,298</b>	<b>44,437,020</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Subsequent Years Property Taxes	36,105,264	-	36,105,264
Related to Total OPEB Liability	133,634	-	133,634
Related to Net Pension Liability	11,965,718	-	11,965,718
<b>Total Deferred Inflow of Resources</b>	<b>48,204,616</b>	<b>-</b>	<b>48,204,616</b>
<b>NET POSITION</b>			
Net Investments in Capital Assets	59,397,831	-	59,397,831
Restricted for:			
Debt Service	910,517	-	910,517
Justice & Public Safety	5,304,856	-	5,304,856
Health & Education	8,201,988	-	8,201,988
Development & General Government	11,412,498	-	11,412,498
Highways & Bridges	8,153,750	-	8,153,750
Insurance & Fringe Benefits	1,719,718	-	1,719,718
Unrestricted (Deficit)	(722,339)	(5,097,394)	(5,819,733)
<b>Total Net Position</b>	<b>\$ 94,378,819</b>	<b>\$ (5,097,394)</b>	<b>\$ 89,281,425</b>

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

**COUNTY OF CHAMPAIGN, ILLINOIS  
STATEMENT OF ACTIVITIES (EXHIBIT II)  
DECEMBER 31, 2019**

FUNCTIONS / PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fines, Permits & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
General Government	\$ 10,999,121	\$ 5,291,560	\$ 346,855	\$ -	\$ (5,360,706)	\$ -	\$ (5,360,706)
Justice & Public Safety	36,186,848	5,074,274	4,138,231	-	(26,974,343)	-	(26,974,343)
Health	10,256,593	156,069	611,806	-	(9,488,718)	-	(9,488,718)
Education	9,812,167	-	9,387,274	-	(424,893)	-	(424,893)
Development	16,297,185	2,447,633	13,614,698	-	(234,854)	-	(234,854)
Highways & Bridges	7,223,870	433,949	3,818,867	2,069,227	(901,827)	-	(901,827)
Interest on Long-Term Debt	818,957	-	-	-	(818,957)	-	(818,957)
Total Governmental Activities	<u>91,594,741</u>	<u>13,403,485</u>	<u>31,917,731</u>	<u>2,069,227</u>	<u>(44,204,298)</u>	<u>-</u>	<u>(44,204,298)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Nursing Home	13,427,065	1,865,943	-	-	-	(11,561,122)	(11,561,122)
Total Business-Type Activities	<u>13,427,065</u>	<u>1,865,943</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,561,122)</u>	<u>(11,561,122)</u>
Total Government	<u>\$ 105,021,806</u>	<u>\$ 15,269,428</u>	<u>\$ 31,917,731</u>	<u>\$ 2,069,227</u>	<u>(44,204,298)</u>	<u>(11,561,122)</u>	<u>(55,765,420)</u>
General Revenues:							
Property Taxes					33,783,571	-	33,783,571
Public Safety Sales Taxes					4,838,075	-	4,838,075
Hotel/Motel & Auto Rental Taxes					66,949	-	66,949
Grants & Contributions Not Restricted to Specific Programs					13,314,968	-	13,314,968
Investment Earnings					798,820	25,292	824,112
Miscellaneous					587,096	-	587,096
Transfers					7,875,681	(7,875,681)	-
Total General Revenues and Transfers					<u>61,265,160</u>	<u>(7,850,389)</u>	<u>53,414,771</u>
Change in Net Position					17,060,862	(19,411,511)	(2,350,649)
Net Position - Beginning					<u>77,270,497</u>	<u>14,314,117</u>	<u>91,584,614</u>
Net Position - Ending					<u>\$ 94,331,359</u>	<u>\$ (5,097,394)</u>	<u>\$ 89,233,965</u>

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

**COUNTY OF CHAMPAIGN, ILLINOIS**  
**BALANCE SHEET – GOVERNMENTAL FUNDS (EXHIBIT III)**  
**DECEMBER 31, 2019**

	-----Major Funds-----				All Other (Non-Major) Governmental Funds	Total Governmental Funds
	General Fund	Regional Planning Comm Fund	Mental Health Fund	Early Childhood Fund		
<b>ASSETS</b>						
Cash	\$ 7,951,134	\$ 1,111,175	\$ 3,491,902	\$ 1,834,121	\$ 21,440,248	\$ 35,828,580
Investments	-	-	-	-	101,589	101,589
Receivables, Net of Uncollectible Amounts:						
Property Taxes	13,113,217	-	5,205,320	-	17,786,727	36,105,264
Intergovernmental	4,201,977	1,138,090	-	737,418	1,356,855	7,434,340
Program Loans--Current Portion	-	-	-	-	313,609	313,609
Accrued Interest	-	-	-	-	14,593	14,593
Other	348,035	98,258	-	3,165	1,813,413	2,262,871
Due From Other Funds	3,837,813	342,938	128,404	-	4,679,191	8,988,346
Prepaid Items	8,713	20,040	-	31,776	125	60,654
Resident Trust Accounts	14,887	-	-	-	-	14,887
Program Loans Receivable--Long Term	-	-	-	-	5,421,784	5,421,784
<b>Total Assets</b>	<b>\$ 29,475,776</b>	<b>\$ 2,710,501</b>	<b>\$ 8,825,626</b>	<b>\$ 2,606,480</b>	<b>\$ 52,928,134</b>	<b>\$ 96,546,517</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES &amp; FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Accrued Salaries Payable	\$ 1,064,276	\$ 199,972	\$ 15,736	\$ 240,366	\$ 139,426	\$ 1,659,776
Accounts Payable	1,196,742	333,100	227,904	229,733	1,749,136	3,736,615
Due To Other Funds	2,593,301	219,449	26,949	269,347	2,797,156	5,906,202
Due To Other Governments	-	-	-	-	903	903
Funds Held for Others	61,183	-	-	-	-	61,183
Unearned Revenue	16,632	6,136	-	-	84,915	107,683
<b>Total Liabilities</b>	<b>4,932,134</b>	<b>758,657</b>	<b>270,589</b>	<b>739,446</b>	<b>4,771,536</b>	<b>11,472,362</b>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Unavailable Revenue	1,492,335	86,862	-	9,088	476,445	2,064,730
Subsequent Years Property Taxes	13,113,217	-	5,205,320	-	17,786,727	36,105,264
<b>Total Deferred Inflow of Resources</b>	<b>14,605,552</b>	<b>86,862</b>	<b>5,205,320</b>	<b>9,088</b>	<b>18,263,172</b>	<b>38,169,994</b>
<b>FUND BALANCES (DEFICITS)</b>						
Non-spendable for Prepaid Items	8,713	20,040	-	31,776	125	60,654
Restricted	-	1,844,942	3,349,717	1,826,170	28,111,534	35,132,363
Committed	-	-	-	-	34,186	34,186
Assigned	307,427	-	-	-	3,047,176	3,354,603
Unassigned	9,621,950	-	-	-	(1,299,595)	8,322,355
<b>Total Fund Balances (Deficits)</b>	<b>9,938,090</b>	<b>1,864,982</b>	<b>3,349,717</b>	<b>1,857,946</b>	<b>29,893,426</b>	<b>46,904,161</b>
<b>Total Liabilities, Deferred Inflow of Resources &amp; Fund</b>	<b>\$ 29,475,776</b>	<b>\$ 2,710,501</b>	<b>\$ 8,825,626</b>	<b>\$ 2,606,480</b>	<b>\$ 52,928,134</b>	<b>\$ 96,546,517</b>

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 (EXHIBIT III-A)**  
**DECEMBER 31, 2019**

Fund Balances - Total Governmental Funds (See Exhibit III)	46,904,161
Capital assets, net of depreciation, used in governmental activities	77,460,420
Investment in Joint Ventures related to governmental activities	1,997,266
Assets and liabilities of internal service funds related to governmental activities, including estimated claims payable long term liability	2,724,923
Reverse unavailable revenues related to governmental activities	2,064,730
Payables for expense accruals related to governmental activities	(1,430)
Liability for compensated absences accruals related to governmental activities	(2,794,869)
Long term liabilities related to governmental activities, other than estimated claims payable from internal service funds	(18,123,243)
Total OPEB Liability related to governmental activities	(3,537,645)
Net Pension Liability/Asset related to governmental activities	(4,728,386)
Deferred Outflows of Resources related to Pension Liability	4,183,299
Deferred Outflows of Resources related to OPEB Liability	328,945
Deferred Inflows of Resources related to OPEB Liability	(133,634)
Deferred Inflows of Resources related to Pension Liability	<u>(11,965,718)</u>
Net Position of Governmental Activities (See Exhibit I)	<u>\$ 94,378,819</u>

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**COUNTY OF CHAMPAIGN, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (EXHIBIT IV)**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

	-----Major Funds-----				All Other (Non-Major) Governmental Funds	Total Governmental Funds
	General Fund	Regional Planning Comm Fund	Mental Health Fund	Early Childhood Fund		
<b>REVENUES</b>						
Property Taxes	\$ 13,015,202	\$ -	\$ 4,826,753	\$ -	\$ 15,941,616	\$ 33,783,571
Public Safety Sales Taxes	-	-	-	-	4,863,990	4,863,990
Hotel/Motel & Auto Rental Taxes	66,949	-	-	-	-	66,949
Intergovernmental Revenue	17,267,204	10,537,469	309,175	9,495,036	8,198,697	45,807,581
Fines & Forfeitures	761,816	-	-	-	65,590	827,406
Licenses & Permits	1,581,432	-	-	-	402,322	1,983,754
Charges for Services	4,603,639	2,106,436	-	76,320	2,492,508	9,278,903
Rents and Royalties	1,160,772	-	-	-	21,676	1,182,448
Interest on Program Loans	-	-	-	-	130,974	130,974
Investment Earnings	118,321	19,211	40,082	29,757	398,338	605,709
Miscellaneous	153,775	78,987	147,929	15,790	190,615	587,096
<b>Total Revenues</b>	<b>38,729,110</b>	<b>12,742,103</b>	<b>5,323,939</b>	<b>9,616,903</b>	<b>32,706,326</b>	<b>99,118,381</b>
<b>EXPENDITURES</b>						
Current: General Government	\$ 9,577,713	\$ -	\$ -	\$ -	\$ 2,011,904	\$ 11,589,617
Justice & Public Safety	24,494,341	-	-	-	9,405,763	33,900,104
Health	-	-	4,807,860	-	5,423,596	10,231,456
Education	-	-	-	9,859,894	-	9,859,894
Development	483,167	12,297,767	-	-	3,512,423	16,293,357
Highways & Bridges	-	-	-	-	9,429,326	9,429,326
Debt Service: Principal Retirement	4,785,401	-	-	-	5,665,821	10,451,222
Interest & Fiscal Charges	110,630	-	-	-	1,133,473	1,244,103
Mortgage Principal	-	-	-	-	398,002	398,002
Mortgage Interest	-	-	-	-	10,771	10,771
<b>Total Expenditures</b>	<b>39,451,252</b>	<b>12,297,767</b>	<b>4,807,860</b>	<b>9,859,894</b>	<b>36,991,079</b>	<b>103,407,852</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(722,142)</b>	<b>444,336</b>	<b>516,079</b>	<b>(242,991)</b>	<b>(4,284,753)</b>	<b>(4,289,471)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from Refunding Bonds	865,000	-	-	-	-	865,000
Proceeds from Promissory Note	1,980,400	-	-	-	-	1,980,400
Transfers In	5,770,107	360,437	100,000	-	7,454,393	13,684,937
Transfers Out	(1,973,102)	(305,898)	(406,505)	-	(3,123,751)	(5,809,256)
<b>Net Other Financing Sources (Uses)</b>	<b>6,642,405</b>	<b>54,539</b>	<b>(306,505)</b>	<b>-</b>	<b>4,330,642</b>	<b>10,721,081</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>5,920,263</b>	<b>498,875</b>	<b>209,574</b>	<b>(242,991)</b>	<b>45,889</b>	<b>6,431,610</b>
Fund Balances--Beginning of Year	4,017,827	1,366,107	3,140,143	2,100,937	29,847,537	40,472,551
<b>FUND BALANCES--End of Year</b>	<b>\$ 9,938,090</b>	<b>\$ 1,864,982</b>	<b>\$ 3,349,717</b>	<b>\$ 1,857,946</b>	<b>\$ 29,893,426</b>	<b>\$ 46,904,161</b>

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 (EXHIBIT IV-A)**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

Net Change in Fund Balances - Total Governmental Funds (See Exhibit IV)	\$ 6,431,610
Remove expenditures for acquisition of capital assets	7,491,028
Include revenue for capital assets acquired through gift or grant	2,069,227
Include gain (loss) on disposal of capital assets	(48,525)
Include depreciation expense	(5,781,816)
Include change in investment in joint ventures	193,111
Include the net revenue (expense) of internal service funds used to charge the costs of risk financing and employee health benefits to governmental activities	1,008,294
Remove revenue for debt issuance proceeds	(2,845,400)
Recognize revenues earned but not available in the current period	(600,797)
Remove expenditures related to prior periods; include expenses incurred but not expected to be liquidated with expendable available financial resources in the current period	(91,678)
Amortize bond premium and deferred amount on refunding against debt interest expense	435,917
Remove debt principal repayment expenditures	10,849,224
Net Pension Liability/Asset	21,318,205
Deferred Outflow of Resources Related to Pensions	(13,718,350)
Deferred Inflow of Resources Related to Pensions	(9,473,934)
Total OPEB Liability	(476,159)
Deferred Outflow of Resources Related to Other Post-Employment Benefits	328,945
Deferred Inflow of Resources Related to Other Post-Employment Benefits	19,420
Change in Net Position of Governmental Activities (See Exhibit II)	<u>\$ 17,108,322</u>

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



**COUNTY OF CHAMPAIGN, ILLINOIS**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS (EXHIBIT V)**  
**DECEMBER 31, 2019**

	Business-Type Activities Enterprise Fund <u>Nursing Home Fund</u>	Governmental Activities <u>Internal Service Funds</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash	\$ 1,165,933	\$ 2,917,366
Receivables, Net of Uncollectible Amounts:		
Intergovernmental	530,060	310
Other	332,827	1,691
Due From Other Funds	35,456	4,313,850
Resident Trust Accounts	3,355	-
Total Assets	<u>2,067,631</u>	<u>7,233,217</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES:		
Accounts Payable	\$ 37,943	\$ 137,104
Due To Other Funds	6,793,727	637,723
Funds Held For Others	3,355	60,558
Unearned Revenue	330,000	-
Estimated Claims Payable	-	1,264,864
Total Current Liabilities	<u>7,165,025</u>	<u>2,100,249</u>
NONCURRENT LIABILITIES:		
Estimated Claims Payable	-	2,408,045
Total Liabilities	<u>7,165,025</u>	<u>4,508,294</u>
<b>NET POSITION</b>		
Unrestricted	<u>(5,097,394)</u>	<u>2,724,923</u>
TOTAL NET POSITION	<u>\$ (5,097,394)</u>	<u>\$ 2,724,923</u>

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

**COUNTY OF CHAMPAIGN, ILLINOIS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION –**  
**PROPRIETARY FUNDS (EXHIBIT VI)**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities Enterprise Fund Nursing Home Fund	Governmental Activities Internal Service Funds
<b>OPERATING REVENUES</b>		
Charges for Services (Net of Uncollectible)	\$ 1,850,277	\$ 9,511,628
Miscellaneous	15,666	27,698
	1,865,943	9,539,326
<b>OPERATING EXPENSES</b>		
Salaries	1,609,626	18,991
Fringe Benefits	959,259	6,493,722
Commodities	243,771	135
Services	1,774,063	2,843,400
Depreciation	184,227	-
	4,770,946	9,356,248
<b>OPERATING INCOME (LOSS)</b>	<b>(2,905,003)</b>	<b>183,078</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Property Tax	-	439,285
Investment Earnings	25,292	41,698
Loss on Disposal of Fixed Assets	(8,311,886)	-
	(8,286,594)	480,983
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(11,191,597)</b>	<b>664,061</b>
Transfers Out	(7,875,681)	-
<b>CHANGE IN NET POSITION</b>	<b>(19,067,278)</b>	<b>664,061</b>
Net Postition--Beginning of Year	13,969,884	2,060,862
<b>NET POSITION--END OF YEAR</b>	<b>\$ (5,097,394)</b>	<b>\$ 2,724,923</b>
Adjustment due to Consolidation of Internal Service Fund Activities related to the Enterprise Fund	(344,233)	
<b>CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES</b>	<b>\$ (19,411,511)</b>	

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

**COUNTY OF CHAMPAIGN, ILLINOIS**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (EXHIBIT VII)**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities Enterprise Fund Nursing Home Fund	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Receipts from Customers	\$ 5,443,517	\$ -
Cash Receipts from Other Funds and Employees for Services	-	8,439,277
Cash Receipts for Claims Reimbursements	-	26,927
Cash Payments to Employees for Services	(2,057,161)	(18,991)
Cash Payments to Suppliers and Other Funds for Goods and Services	(3,534,699)	(7,562,535)
Cash Payments for Claims	-	(1,269,890)
Net Cash Provided (Used) By Operating Activities	<u>(148,343)</u>	<u>(385,212)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Property Tax	-	439,285
Transfers/Loans Paid to Other Funds	(7,875,681)	-
Net Cash Provided (Used) By Non-Capital Financing Activities	<u>(7,875,681)</u>	<u>439,285</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from Sale of Capital Assets	8,879,157	-
Payments for Acquisition and Construction of Capital Assets	(31,071)	-
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>8,848,086</u>	<u>-</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Interest Received on Investments and Bank Deposits	25,292	41,698
Net Cash Provided (Used) By Investment Activities	<u>25,292</u>	<u>41,698</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	849,354	95,771
Cash and Cash Equivalents at Beginning of Period	316,579	2,821,595
Cash and Cash Equivalents at End of Period	<u>\$ 1,165,933</u>	<u>\$ 2,917,366</u>

Non-cash Investing, Capital and Financing Activities:

In fiscal year 2019, 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**  
**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING**  
**ACTIVITIES ON THE STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (EXHIBIT VII-A)**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

	Business-Type Activities Enterprise Fund <u>Nursing Home Fund</u>	Governmental Activities <u>Internal Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (2,905,003)	\$ 183,078
Adjust For Non-Cash Revenue/Expense:		
Depreciation Expense	184,227	-
Increase (Decrease) in Estimated Claims Payable	-	(413,341)
Increase (Decrease) in Net Obligation for OPEB	(67,471)	-
Decrease (Increase) in Deferred Outflows and Inflows	1,827,245	-
Increase (Decrease) in Net Pension Liability	(2,116,509)	-
Adjust For Non-Revenue/Expense Cash Flows:		
Decrease (Increase) in Receivables	1,267,175	266
Decrease (Increase) in Due From Other Funds	1,980,399	(634,103)
Decrease (Increase) in Inventories	6,014	-
Decrease (Increase) in Prepaid Items	46,757	-
Decrease (Increase) in Salaries & Compensated Absences Payable	(447,534)	-
Increase (Decrease) in Payables	(1,852,461)	(130,922)
Increase (Decrease) in Due To Other Funds	1,598,818	617,801
Increase (Decrease) in Unearned Revenue	330,000	-
Increase (Decrease) in Unremitted Payroll Withholdings	-	(7,991)
	<u>-</u>	<u>(7,991)</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ (148,343)</u>	<u>\$ (385,212)</u>

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

**COUNTY OF CHAMPAIGN, ILLINOIS**  
**STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS (EXHIBIT VIII)**  
**DECEMBER 31, 2019**

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash	\$ 1,367,184	\$ 13,524,299
Investments	-	1,148,587
Receivables:		
Intergovernmental	<u>344,813</u>	<u>209,030</u>
 Total Assets	 <u>1,711,997</u>	 <u>14,881,916</u>
 <b>LIABILITIES</b>		
Accounts Payable	\$ 8,877	\$ -
Funds Held for Others	<u>74,460</u>	<u>14,881,916</u>
 Total Liabilities	 <u>83,337</u>	 <u>14,881,916</u>
 <b>NET POSITION</b>		
Held in Trust for Other Governments	<u>\$ 1,628,660</u>	<u>\$ -</u>

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

**COUNTY OF CHAMPAIGN, ILLINOIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS (EXHIBIT IX)**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

	<u>Private Purpose Trust Funds</u>
<b>ADDITIONS</b>	
Intergovernmental Revenue	\$ 2,577,125
Investment Earnings	<u>17,720</u>
Total Additions	<u>2,594,845</u>
 <b>DEDUCTIONS</b>	
Township Road & Bridge Maintenance	<u>1,949,787</u>
Total Deductions	<u>1,949,787</u>
<b>CHANGE IN NET POSITION</b>	645,058
Net Position--Beginning of Year	<u>983,602</u>
<b>NET POSITION--END OF YEAR</b>	<u><u>\$ 1,628,660</u></u>

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

**COUNTY OF CHAMPAIGN, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**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 23 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 by 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.

**COUNTY OF CHAMPAIGN, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**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; 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; and the Early Childhood Fund, commonly known as Head Start, which provides the education and development for low-income pre-school children and is primarily funded by federal grants.

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.

*D. 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 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.



**COUNTY OF CHAMPAIGN, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

*E. 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.

*F. 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, provided they are due to be paid from expendable available financial resources. Thus, accumulated unpaid vacation, sick leave 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.

**COUNTY OF CHAMPAIGN, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

**G. 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.

**H. 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.

**I. 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.

**COUNTY OF CHAMPAIGN, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*J. 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.

*K. Capital Assets*

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

*L. 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 for 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 for which it is incurred.

*M. 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 three types of deferred outflow of resources. The first two relate to pension and Other Post-Employment benefits (OPEB) expenses 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.

*N. Deferred Inflows of Resources*

The County's governmental activities and governmental funds statement of revenues, expenses and fund balance may reflect 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 four types of deferred inflows of resources. The first relates to property tax receivables which are recorded in the current year. However, the related revenues are recognized in the subsequent year since they do not become available by fiscal year end. The second type relates to various other revenue receivables for which the revenues are recorded in the subsequent year's fund statements when they become available. The third and fourth type of deferred inflow of resources relate to pensions and OPEB income recognized in future periods.

**COUNTY OF CHAMPAIGN, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**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,
- payables arising from the full accrual of expenses are not reported in governmental funds under the modified accrual basis of accounting,
- revenues received after the County's established accrual period may be recognized under the full accrual basis but are considered unavailable under the modified accrual basis.
- long term liabilities/assets including future compensated absences are not reported in governmental funds, and
- net pension liability/asset, total OPEB liability, and deferred outflows and inflows related to pensions and OPEB 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 and OPEB expenses are not included in the governmental funds.

**COUNTY OF CHAMPAIGN, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 2 – RECONILIATION OF FUND STATEMENTS TO GOVERNMENT-WIDE STATEMENTS (CONTINUED)**

*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.

*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).

**COUNTY OF CHAMPAIGN, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 3 – BUDGETS AND BUDGETARY BASIS OF ACCOUNTING (CONTINUED)***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:

Fiscal Year Ended December 31, 2019:	Nursing Home Fund	Self-Funded Insurance Fund	Employee Health Insurance	General Fund	Regional Planning Com. Fund	Other Non-Major Govt Funds
Budgetary Basis Change in Fund Balance or Net Position	\$ (1,880,112)	\$ (245,604)	\$ 194,559	\$ 4,890,464	\$ 330,592	\$ 494,656
REVENUES AND OTHER SOURCES:						
Interfund transfers into escrow account recognized as other financing source when transferred rather than when spent	-	-	-	-	(23,917)	-
Adjustment for timing differences - revenue recognized in the period when earned	624,311	1,131,784	(281,742)	485,000	-	(756,674)
EXPENDITURES /EXPENSES AND OTHER USES:						
Increase (decrease) in inventories and prepaid expenses	(6,014)	-	-	-	-	-
Adjustment for timing differences - expenses recognized in the period when incurred	(2,478,996)	(411,951)	(136,326)	544,799	192,200	307,907
Capital asset acquisitions and disposals	(17,159,972)	-	-	-	-	-
Depreciation expense	(184,227)	-	-	-	-	-
Decrease (increase) in accrued compensated absences payable	(168,626)	-	-	-	-	-
Pension expense	2,116,509	-	-	-	-	-
Decrease (increase) in total OPEB liability	69,849	-	-	-	-	-
Decrease (increase) in estimated claims payable	-	413,341	-	-	-	-
GAAP Basis Change in Fund Balance or Net Position	<u>\$ (19,067,278)</u>	<u>\$ 887,570</u>	<u>\$ (223,509)</u>	<u>\$ 5,920,263</u>	<u>\$ 498,875</u>	<u>\$ 45,889</u>

**COUNTY OF CHAMPAIGN, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 5 – EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The County controls expenditures at the department level. As of December 31, 2019, the Treasury department experienced expenditures which exceeded appropriations. Unapproved salaries and fringe benefits at the department level for the Tax Sale Automation Fund and General Corporate Fund exceeded the approved budget by \$9,715 and \$13,173 respectively.

**NOTE 6 – DEPOSITS AND INVESTMENTS**

A summary of deposits and investments at December 31, 2019, appears below. Resident Trust accounts report money held in County custody, which belongs to residents of the County Nursing Home and County Jail.

	Asset Account Carrying Amounts (Reported as:)			Total	Bank Balances
	Cash	Investments	Resident Trust		
<b>DEPOSITS</b>					
Demand Deposits	\$ 16,924,651		\$ 18,242	\$ 16,942,893	\$ 22,443,426
Money Market / Savings	-	36,181	-	36,181	36,181
Certificates of Deposit	-	1,213,995	-	1,213,995	1,213,995
<b>Total Deposits</b>	<b>\$ 16,924,651</b>	<b>\$ 1,250,176</b>	<b>\$ 18,242</b>	<b>\$ 18,193,069</b>	<b>\$ 23,693,602</b>
					Fair Value
<b>INVESTMENTS</b>					
State Treasurer Investment Pool	\$ 37,874,411	\$ -	\$ -	\$ 37,874,411	\$ 37,874,411
<b>Total Investments</b>	<b>\$ 37,874,411</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,874,411</b>	<b>\$ 37,874,411</b>
<b>Subtotal Deposits / Investments</b>	<b>\$ 54,799,062</b>	<b>\$ 1,250,176</b>	<b>\$ 18,242</b>	<b>\$ 56,067,480</b>	<b>\$ 61,568,013</b>
<b>CASH ON HAND</b>	<b>\$ 4,300</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,300</b>	
<b>GRAND TOTAL</b>	<b>\$ 54,803,362</b>	<b>\$ 1,250,176</b>	<b>\$ 18,242</b>	<b>\$ 56,071,780</b>	<b>\$ 61,568,013</b>

The County has \$37,874,411 invested with The Illinois Funds. The Illinois Funds is an investment pool managed by the state of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. The Illinois Funds is a GASB No. 79 qualified external investment pool that measures, for financial reporting purposes, all its investments at amortized cost. There are no limitations or restrictions on withdrawals from the pool.

*Custodial Credit Risk- Deposits.*

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. 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, 2019, no deposits were uninsured or uncollateralized.

**COUNTY OF CHAMPAIGN, ILLINOIS**  
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**NOTE 6 – DEPOSITS AND INVESTMENTS (CONTINUED)**

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, 2019 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, 2019 was adopted by the County Board on November 27, 2018, 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 2019, tax bills were mailed on May 29 with the due dates of July 1 and September 3. Property tax bills mailed in 2019 were based on equalized assessed value as of January 1, 2018 and on tax levies set in November 2018.

*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 2019, the judgment date was December 5 and the tax sale date was December 6, 2019.



**COUNTY OF CHAMPAIGN, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 7 – PROPERTY TAX CYCLE (CONTINUED)**

*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 2019, all property taxes were distributed by February 29<sup>th</sup>.

**NOTE 8 – PROPERTY TAXES RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES**

Property taxes receivable consist of property taxes levied in 2019 for which a legal claim exists in 2019. The revenue associated with the 2019 levy is deferred until the fiscal year ending December 31, 2020 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 2019 tax levy has been reduced by an estimated allowance for uncollectible taxes of 0.65%, which is based on an average of the previous ten years. A summary by fund type of property taxes receivable at December 31, 2019 is below.

Fund Type	Property Taxes Levied	Allowance for Uncollectible	Property Taxes Receivable	Deferred Inflows of Resources
Governmental:				
General	\$ 13,198,846	\$ (85,629)	\$ 13,113,217	\$ 13,113,217
Special Revenue	23,142,185	(150,138)	22,992,047	22,992,047
Total	<u>\$ 36,341,031</u>	<u>\$ (235,767)</u>	<u>\$ 36,105,264</u>	<u>\$ 36,105,264</u>

**NOTE 9 – PATIENT ACCOUNTS RECEIVABLE AND CHARGES FOR SERVICES**

Patient accounts receivable and charges for services in the enterprise fund as of December 31, 2019 have been reduced by allowances for uncollectible amounts, determined by an analysis of individual patient accounts.

	Receivable	Revenue
Gross patient accounts receivable / revenue	\$ -	\$ 3,749,290
Allowance for uncollectible amounts	-	(1,899,013)
Patent accounts receivable / revenue, net of uncollectible amounts	<u>\$ -</u>	<u>\$ 1,850,277</u>

**COUNTY OF CHAMPAIGN, ILLINOIS**  
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**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, 2019, loans outstanding were as follows:

Program Loans Receivable (Net of Uncollectible Amounts)	12/31/2018 Balance	Additions	Deductions	12/31/2019 Balance	Current Receivable
Economic Development Loans Receivable:					
Community Services Block Grant Loans	\$ 57,980	-	(13,892)	\$ 44,088	\$ 13,884
Community Development Recaptured Loans	1,314,931	2,300,000	(148,356)	3,466,575	187,012
Facilities Loan Program	1,324,555	-	(46,300)	1,278,255	40,018
USDA Intermediary Relending Loans Receivable	656,332	-	(71,150)	585,182	72,695
Housing Rehabilitation Loans Receivable:					
County Housing Rehab Loans	40,064	-	(11,056)	29,008	-
HUB H.O.M.E. Program Loans	466,912	-	(134,627)	332,285	-
Total Loans Receivable	<u>\$ 3,860,774</u>	<u>\$ 2,300,000</u>	<u>\$ (425,381)</u>	<u>\$ 5,735,393</u>	<u>\$ 313,609</u>

**NOTE 11 – CAPITAL ASSETS**

Governmental Activities	12/31/2018 Balance	Additions	Deductions	12/31/2019 Balance
Assets Not Being Depreciated:				
Land	\$ 2,027,080	\$ -	\$ -	\$ 2,027,080
Construction in Progress	1,948,858	7,547,045	(3,605,219)	5,890,684
Assets Being Depreciated:				
Infrastructure	86,749,994	3,591,141	-	90,341,135
Buildings and Improvements	76,887,831	923,513	-	77,811,344
Equipment	16,102,023	1,103,775	(341,800)	16,863,998
Assets Subtotal	<u>183,715,786</u>	<u>13,165,474</u>	<u>(3,947,019)</u>	<u>192,934,241</u>
Accumulated Depreciation:				
Infrastructure	(51,088,821)	(3,086,088)	-	(54,174,909)
Buildings and Improvements	(45,356,776)	(1,673,771)	-	(47,030,547)
Equipment	(13,539,683)	(1,021,957)	293,275	(14,268,365)
Accum. Depreciation Subtotal	<u>(109,985,280)</u>	<u>(5,781,816)</u>	<u>293,275</u>	<u>(115,473,821)</u>
Net Total	<u>\$ 73,730,506</u>	<u>\$ 7,383,658</u>	<u>\$ (3,653,744)</u>	<u>\$ 77,460,420</u>

**COUNTY OF CHAMPAIGN, ILLINOIS**  
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**NOTE 11 – CAPITAL ASSETS (CONTINUED)**

A summary of capital assets related to business-type activities (Nursing Home) for the year ended December 31, 2019 follows:

	12/31/2018		12/31/2019	
Business-Type Activities	Balance	Additions	Deductions	Balance
Assets Being Depreciated:				
Buildings and Improvements	\$ 24,626,119	\$ -	\$ (24,626,119)	\$ -
Equipment	1,680,358	-	(1,680,358)	-
Assets Subtotal	<u>26,306,477</u>	<u>-</u>	<u>(26,306,477)</u>	<u>-</u>
Accumulated Depreciation:				
Buildings and Improvements	(7,512,054)	(165,804)	7,677,858	-
Equipment	(1,450,224)	(18,423)	1,468,647	-
Accum. Depreciation Subtotal	<u>(8,962,278)</u>	<u>(184,227)</u>	<u>9,146,505</u>	<u>-</u>
Net Total	<u>\$ 17,344,199</u>	<u>\$ (184,227)</u>	<u>\$ (17,159,972)</u>	<u>\$ -</u>

Current year depreciation expense was charged to the following functions:

Function	Governmental Activities	Business-Type Activities
General Government	\$ 304,420	\$ -
Justice and Public Safety	1,623,258	-
Health	34,227	-
Education	51,199	-
Social Services	-	184,227
Development	92,435	-
Highways and Bridges	<u>3,676,277</u>	<u>-</u>
Total Depreciation Expense	<u>\$ 5,781,816</u>	<u>\$ 184,227</u>

**COUNTY OF CHAMPAIGN, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES**

A summary of Interfund receivables and payables at December 31, 2019 is provided below:

Due To/From Other Funds:	Receivable	Payable
Major Governmental Funds:		
General Corporate	\$ 3,837,813	\$ 2,593,301
Regional Planning Commission	342,938	219,449
Mental Health	128,404	26,949
Early Childhood	-	269,347
Subtotal Major Governmental	<u>4,309,155</u>	<u>3,109,046</u>
Major Enterprise Fund:		
Nursing Home	<u>35,456</u>	<u>6,793,727</u>
Subtotal Major Enterprise	35,456	6,793,727
Internal Service Funds:		
Self-Funded Insurance	3,857,126	-
Employee Health Insurance	<u>456,724</u>	<u>637,723</u>
Subtotal Internal Service	4,313,850	637,723

**COUNTY OF CHAMPAIGN, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)**

Due To/From Other Funds:	Receivable	Payable
Non-Major Governmental Funds:		
2003 Nursing Home Bond	43,310	43,310
Tort Immunity	46,693	1,326,013
County Highway	77,362	89,130
County Bridge	35,019	-
Illinois Municipal Retirement	974,530	-
County Public Health	33,165	-
Animal Control	-	15,870
Foreclosure Mediation	-	51
Highway Federal Aid Matching	2,836	-
Capital Asset Replacement	2,871,614	27,000
Public Safety Sales Tax	-	820,196
Geographic Information Systems	54,639	-
Development Disability	115,407	-
Workforce Development	924	315,852
Social Security	333,163	-
RPC USDA Loans	-	43
RPC Economic Development Loans	-	20,475
Working Cash	-	6,627
Court's Automation Fund	-	36,782
Recorder's Automation	32,584	3,398
Child Support Services	-	254
Tax Sale Automation Fund	-	190
State's Attorney Drug Forfeitures	-	9,000
Property Tax Interest Fee	-	47,167
Election Assistance/Accessibility	-	5,272
Circuit Clerk Operations & Administration	-	1,341
Jail Commissary	982	-
County Jail Medical Costs	-	18,880
Court Document Storage	-	681
Victim Advocacy Grant	-	5,243
Child Advocacy Center Grant	-	4,043
Specialty Courts	56,963	338
Subtotal Non-Major Governmental	4,679,191	2,797,156
Total - All Funds	\$ 13,337,652	\$ 13,337,652

Of the \$13,337,652 Due To / From Other Funds at December 31, 2019, \$901,970 represented inter-fund loans to cover temporary cash flow shortfalls. The remainder represented unpaid routine inter-fund billings or transfers.

**COUNTY OF CHAMPAIGN, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 13 – INTERFUND TRANSFERS AND RPC ESCROW ACCOUNT**

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Corporate	\$ 5,770,107	\$ 1,973,102
Regional Planning Commission	360,437	305,898
Mental Health Board	100,000	406,505
Major Enterprise Fund:		
Nursing Home	-	7,875,681
Non-Major Governmental Funds (aggregate)	<u>7,454,393</u>	<u>3,123,751</u>
Total - All Funds	<u><u>\$ 13,684,937</u></u>	<u><u>\$ 13,684,937</u></u>

In FY2019, total inter-fund transfers in, \$13,684,937, equal total transfers out, \$13,684,937. 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 2019, transfers of \$23,917 were subtracted from the Regional Planning Commission Fund.

Inter-fund transfers in/out might include grant matches, inter-fund subsidies and transfers into debt service funds. Significant transfers in fiscal year 2019 include the following:

- \$3.9 million from the Enterprise Fund to the General Corporate Fund to pay outstanding bills for external vendors and to repay outstanding Nursing Home bonds.
- \$1.5 million from the Public Safety Sales Tax Fund to the General Corporate Fund to partially cover utility costs for the public safety buildings;
- \$639,975 from the Public Safety Sales Tax Fund to the Capital Asset Replacement Fund to set aside money for future capital expenditures; and,
- \$1.8 million from the General Fund to the Capital Replacement Fund to cover current asset replacement.

**COUNTY OF CHAMPAIGN, ILLINOIS**  
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**NOTE 14 – ON-BEHALF PAYMENTS FOR SALARIES**

The State of Illinois paid salary stipends totaling \$45,500 to various County officials during FY2019 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, 2019 are as follows:

	12/31/2018 Balance	Additions	Deductions	12/31/2019 Balance	Expected To Be Paid Within 1 Year
Governmental Activities	\$ 2,697,620	\$ 3,083,887	\$ (2,986,638)	\$ 2,794,869	\$ 374,457
Business-Type Activities	168,626	-	(168,626)	-	-

**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, 2019, net of insurance reimbursements, were \$480,367. A liability for claims payable must be reported if the liability is both probable and estimable. The independent plan administrator estimates the total 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 June 2019, the projected liability for estimated (undiscounted) claims payable including IBNR at December 31, 2019 was \$1,704,325. 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
2018	\$ 2,326,573	\$ 711,048	\$ (819,115)	\$ 2,218,506	\$ 892,109
2019	2,218,506	(33,814)	(480,367)	1,704,325	807,439

**COUNTY OF CHAMPAIGN, ILLINOIS  
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**NOTE 16 – RISK FINANCING (CONTINUED)****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, 2019, net of insurance reimbursements, were \$1,012,916. A liability for claims payable must be reported if the liability is both probable and estimable. Per an actuarial study completed in June 2019, the projected liability for estimated (undiscounted) claims payable (including IBNR) at December 31, 2019 was \$1,968,584. 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
2018	\$ 1,728,308	\$ 812,695	\$ (673,259)	\$ 1,867,744	\$ 406,041
2019	1,867,744	1,113,756	(1,012,916)	1,968,584	457,425

**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.

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 – 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, 2018	\$4,850,000
Bond interest payments made in 2019	\$400,125
Bond principal payments made in 2019	\$1,015,000
Balance outstanding at December 31, 2019	\$3,835,000

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, 2018	\$990,000
Debt interest payments made in 2019	\$44,885
Debt principal payments made in 2019	\$990,000
Balance outstanding at December 31, 2019	\$0



**COUNTY OF CHAMPAIGN, ILLINOIS**  
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**NOTE 17 – 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, 2018	\$4,255,000
Bond interest payments made in 2019	\$161,717
Bond principal payments made in 2019	\$4,255,000
Balance outstanding at December 31, 2019	\$0

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, 2018	\$9,795,000
Bond interest payments made in 2019	\$489,750
Bond principal payments made in 2019	\$0
Balance outstanding at December 31, 2019	\$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, 2018	\$1,815,000
Bond interest payments made in 2019	\$65,546
Bond principal payments made in 2019	\$1,815,000
Balance outstanding at December 31, 2019	\$0

2016 Series public Safety Refunding Bonds: \$3,775,000; due in 10 annual installments 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, 2018	\$3,085,000
Bond interest payments made in 2019	\$56,687
Bond principal payments made in 2019	\$360,000
Balance outstanding at December 31, 2019	\$2,725,000

2019 Series public Safety Refunding Bonds: \$865,000; due in 5 annual installments from 2021 to 2025; interest rate 1.750%; \$20,750 bond issuance costs treated as period costs; \$0 deferred charge on refunding;

Balance outstanding at December 31, 2018	\$0
Bond interest payments made in 2019	\$0
Bonds issued in 2019	\$865,000
Bond principal payments made in 2019	\$0
Balance outstanding at December 31, 2019	\$865,000

## 2019 Bond Transactions – Governmental Activities

Bonds outstanding at December 31, 2018	\$24,790,000
Bond interest payments made in 2019	\$1,218,710
Bonds issued in 2019	\$865,000
Bonds retired in 2019	\$8,435,000
Bonds payable at December 31, 2019	\$17,220,000

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**NOTE 17 – LONG TERM DEBT (CONTINUED)**Annual Debt Service Requirements for Bonds

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

Year	Governmental Activities		Total Debt Service Requirement
	Public Safety Sales Tax Fund		
	Principal	Interest	
2020	\$ 370,000	\$ 462,139	\$ 832,139
2021	1,680,000	816,077	2,496,077
2022	1,830,000	706,639	2,536,639
2023	1,985,000	585,377	2,570,377
2024	1,900,000	483,323	2,383,323
2025-2029	9,455,000	1,145,118	10,600,118
	<u>\$ 17,220,000</u>	<u>\$ 4,198,673</u>	<u>\$ 21,418,673</u>

At December 31, 2019, \$208,160 was available in restricted fund balance in the Public Safety Sales Tax Special Revenue Fund to meet debt service requirements.

**B. Promissory Note**

On February 1, 2019, the County extended a 3.36% Taxable General Obligation Promissory Note, Series 2019, to the amount of \$1,980,400 with Hickory Point Bank. The Note is structured with a fixed interest rate with a maturity date of February 1, 2021. Annual installments of principal repayments are due on February 1 each year.

This Note is issued by the County for the purpose of financing certain outstanding operating expenses relating to the County's nursing home, pursuant to and in all respects in compliance with the applicable provisions of the Counties Code of the State of Illinois, as amended, and in compliance with an ordinance, which has been duly adopted by the County Board of the County on the 24<sup>th</sup> day of January, 2019, in all respects as by law required.

As of December 31, 2019, the entire issued amount was paid and there was no outstanding balance on the promissory note.

**C. 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, 2018	\$398,003
Note interest payments made in 2019	\$10,771
Note principal payments made in 2019	\$398,003
Balance outstanding at December 31, 2019	\$-0-

**COUNTY OF CHAMPAIGN, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 17 – LONG TERM DEBT (CONTINUED)**

## D. 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, 2018	\$66,204
Lease interest payments made in 2019	\$961
Lease principal payments made in 2019	\$35,821
Balance outstanding at December 31, 2019	\$30,383

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 Capital Asset Replacement Fund:

Governmental Activities			
Year	General Corporate Fund Principal	Interest	Total Debt Service Requirement
2020	30,383	269	30,652

## E. Summary of Changes in Long Term Liabilities

	12/31/2018 Balance	Additions	Deductions	12/31/2019 Balance	Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 24,790,000	\$ 865,000	\$ (8,435,000)	\$ 17,220,000	\$ 370,000
Unamortized Bond Premium	1,826,669	-	(521,765)	1,304,904	-
Total Bonds Payable	26,616,669	865,000	(8,956,765)	18,524,904	370,000
Promissory Note	-	1,980,400	(1,980,400)	-	-
Debenture Note	398,003	-	(398,003)	-	-
Capital Lease Obligation	66,204	-	(35,821)	30,383	30,383
Compensated Absences	2,697,620	3,083,887	(2,986,638)	2,794,869	374,457
Estimated Claims Payable	4,086,250	1,079,942	(1,493,283)	3,672,909	1,264,864
Total Governmental Activities	\$ 33,864,746	\$ 7,009,229	\$ (15,850,910)	\$ 25,023,065	\$ 2,039,704
<u>Business-Types Activities:</u>					
Compensated Absences	\$ 168,626	\$ -	\$ (168,626)	\$ -	\$ -
Total Business-Type Activities	\$ 168,626	\$ -	\$ (168,626)	\$ -	\$ -

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. Liabilities for Compensated absences will be liquidated within those funds in which the expenses occur.

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**NOTE 17 – LONG TERM DEBT (CONTINUED)**

## F. Current Refunding

On November 27, 2019, the County issued \$865,000 in general obligation (limited tax) debt certificates with a coupon rate of 1.75% to refund \$845,000 of outstanding 2010A general obligation (limited tax) debt certificates with a coupon rate ranging from 2.00% to 4.90%. The County refunded these bonds to reduce its total debt service payments over the next 5 years by \$56,185. This transaction resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$54,074.

**NOTE 18 – OPERATING LEASES**

The County has several non-cancelable operating leases for the use of various facilities. During the fiscal year ended December 31, 2019, the total expenditure for these leases was \$415,988. The future minimum lease payments are shown below:

<u>Fiscal year</u>	<u>Lease Payments</u>
2020	\$ 374,654
2021	307,106
2022	146,552
2023	131,496
2024	96,368
2025-2042	<u>1,654,310</u>
	<u>\$ 2,710,486</u>

**NOTE 19 – FUND EQUITY**

## A. Deficit Fund Equity

As of December 31, 2019, the following funds had deficit fund equity:

- Tort Immunity Special Revenue Fund (\$1,019,383), and
- Workforce Development Special Revenue Fund (\$274,083)
- Tax Sale Automation Fund (\$756)
- Election Assistance/Accessibility Grant Fund (\$5,373)

The Champaign County Board Resolution No.2020-143 provided authorization for the partial restoration of the Tort and Workforce deficit through the use of inter-fund loans. Future deficit fund equity will be 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.

**COUNTY OF CHAMPAIGN, ILLINOIS**  
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**NOTE 19 – 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	Early Childhood Fund	Non-Major Governmental Funds	Total Governmental Funds	Full Accrual Adjustments	Total Governmental Activities
Restricted by State Statutes, Grant/Donor Stipulations, or Debt Covenants:								
For Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 643,853	\$ 643,853	\$ 266,664	\$ 910,517
For Justice & Public Safety	-	-	-	-	5,107,672	5,107,672	197,184	5,304,856
For Health & Education	-	-	3,349,717	1,826,170	3,012,931	8,188,818	13,170	8,201,988
For Development	-	1,844,942	-	-	8,186,279	10,031,221	93,946	10,125,167
For General Government	-	-	-	-	1,287,331	1,287,331	-	1,287,331
For Highways & Bridges	-	-	-	-	8,153,750	8,153,750	-	8,153,750
For Insurance and Fringes	-	-	-	-	1,719,718	1,719,718	-	1,719,718
<b>Total Restricted Fund Balance</b>	<b>\$ -</b>	<b>\$ 1,844,942</b>	<b>\$ 3,349,717</b>	<b>\$ 1,826,170</b>	<b>\$ 28,111,534</b>	<b>\$ 35,132,363</b>	<b>\$ 570,964</b>	<b>\$ 35,703,327</b>
Committed by County Board Resolution:								
To Solid Waste Management	-	-	-	-	34,186	34,186	-	34,186
Assigned by County Officials:								
To Capital Projects	-	-	-	-	3,047,176	3,047,176	-	3,047,176
To Future Tax Liability	307,427	-	-	-	-	307,427	-	307,427

**NOTE 20 – GOVERNMENT-WIDE STATEMENT OF NET POSITION**

The government-wide statement of net position includes a restricted portion totaling \$35,697,323 as shown in the schedule above. Of this amount, \$22,771,862 is externally restricted based on state statutes; \$12,014,944 is restricted through grantor/donor stipulations; and \$910,517 is restricted based on debt covenants.

**NOTE 21 - 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](http://www.imrf.org).

**COUNTY OF CHAMPAIGN, ILLINOIS**  
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**NOTE 21 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**Benefits Provided

IMRF has three benefit plans. The clear 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, 2019, the measurement date, membership of the plan was as follows:

	Regular Plan	SLEP	ECO
	_____	_____	_____
Retirees and Beneficiaries	615	122	11
Inactive, Non-Retired Members	1,109	37	-
Active Members	627	89	-
	_____	_____	_____
Total	<u>2,351</u>	<u>248</u>	<u>11</u>

**COUNTY OF CHAMPAIGN, ILLINOIS**  
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**NOTE 21 – 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 2019 was 5.92% for the Regular plan, and 19.81% for SLEP for the year ended December 31, 2019. There were no active employees on the ECO plan in 2019. For the fiscal year ended December 31, 2019, the County contributed \$3,143,276 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, 2019. 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, 2019 using the following actuarial methods and assumptions:

- **Actuarial Cost Method** - Entry Age Normal.
- **Asset Valuation Method** – Market value of assets
- **Wage Growth Rate** – 3.25%
- **Inflation Rate** - 2.50%.
- **Salary Increases** - 3.35% to 14.25%, including inflation.
- **Investment Rate of Return** - 7.25%
- **Projected Retirement Age** - Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016.
- **Mortality** – An IMRF-specific mortality table with fully generational projection scale MP-2017 (base year 2015) 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.

**COUNTY OF CHAMPAIGN, ILLINOIS  
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**NOTE 21 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

- **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:

Asset Class	Target Allocation	One-Year Arithmetic	Ten-Year Geometric
Equities	37%	7.05%	5.75%
International Equities	18%	8.10%	6.50%
Fixed Income	28%	3.70%	3.25%
Real Estate	9%	6.35%	5.20%
Alternatives:	7%		
Private Equity		11.30%	7.60%
Hedge Funds		N/A	N/A
Commodities		4.65%	3.60%
Cash Equivalents	1%	1.85%	1.85%

Discount Rate

A Single Discount Rate of 7.25% 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 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.25%.

The prior year rate was 7.25% for the Regular, SLEP and ECO Plans.



**COUNTY OF CHAMPAIGN, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 21 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**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 7.25%, 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:

	1% Decrease	Current Discount Rate	1% Increase
Regular - Primary Government			
Total Pension Liability	\$ 166,445,193	\$ 148,297,837	\$ 133,514,057
Plan Fiduciary Net Pension	153,309,211	153,309,211	153,309,211
Net Pension Liability/(Asset)	<u>\$ 13,135,982</u>	<u>\$ (5,011,374)</u>	<u>\$ (19,795,154)</u>
Regular - GIS:			
Total Pension Liability	\$ 1,438,701	\$ 1,281,841	\$ 1,154,055
Plan Fiduciary Net Pension	1,339,119	1,339,119	1,339,119
Net Pension Liability/(Asset)	<u>\$ 99,582</u>	<u>\$ (57,278)</u>	<u>\$ (185,064)</u>
Regular - Total:			
Total Pension Liability	\$ 167,883,894	\$ 149,579,678	\$ 134,668,112
Plan Fiduciary Net Pension	154,648,330	154,648,330	154,648,330
Net Pension Liability/(Asset)	<u>\$ 13,235,564</u>	<u>\$ (5,068,652)</u>	<u>\$ (19,980,218)</u>
SLEP:			
Total Pension Liability	\$ 96,786,306	\$ 85,444,910	\$ 76,151,134
Plan Fiduciary Net Pension	77,512,061	77,512,061	77,512,061
Net Pension Liability/(Asset)	<u>\$ 19,274,245</u>	<u>\$ 7,932,849</u>	<u>\$ (1,360,927)</u>
ECO:			
Total Pension Liability	\$ 4,983,685	\$ 4,594,494	\$ 4,259,255
Plan Fiduciary Net Pension	2,787,583	2,787,583	2,787,583
Net Pension Liability/(Asset)	<u>\$ 2,196,102</u>	<u>\$ 1,806,911</u>	<u>\$ 1,471,672</u>

**COUNTY OF CHAMPAIGN, ILLINOIS**  
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**NOTE 21 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**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, 2019 were as follows:

	Increase/(Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A-B)
<b>Regular - Total:</b>			
Balance at December 31, 2018	\$ 145,237,120	\$ 134,383,227	\$ 10,853,893
Service Cost	2,938,844		2,938,844
Interest on Total Pension Liability	10,358,714		10,358,714
Differences Between Expected and Actual Experience of the Total Pension Liability	(1,299,533)		(1,299,533)
Change of Assumptions	-		-
Benefit Payments, Including Refunds of Employee Contributions	(7,655,467)	(7,655,467)	-
Contributions - Employer		1,677,959	(1,677,959)
Contributions - Employee		1,301,749	(1,301,749)
Net Investment Income		25,219,771	(25,219,771)
Other (Net Transfer)		(278,909)	278,909
Balance at December 31, 2019	<u>\$ 149,579,678</u>	<u>\$ 154,648,330</u>	<u>\$ (5,068,652)</u>
Balance at December 31, 2019 - County			<u>\$ (5,011,376)</u>
Balance at December 31, 2019 - GIS			<u>\$ (57,276)</u>
<b>SLEP:</b>			
Balance at December 31, 2018	\$ 81,801,051	\$ 66,559,609	\$ 15,241,442
Service Cost	1,293,342		1,293,342
Interest on Total Pension Liability	5,827,558		5,827,558
Differences Between Expected and Actual Experience of the Total Pension Liability	658,184		658,184
Benefit Payments, Including Refunds of Employee Contributions	(4,135,225)	(4,135,225)	-
Contributions - Employer		1,281,880	(1,281,880)
Contributions - Employee		497,414	(497,414)
Net Investment Income		13,086,678	(13,086,678)
Other (Net Transfer)		221,705	(221,705)
Balance at December 31, 2019	<u>\$ 85,444,910</u>	<u>\$ 77,512,061</u>	<u>\$ 7,932,849</u>

**COUNTY OF CHAMPAIGN, ILLINOIS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 21 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**Changes in Net Pension Liability/(Asset) (continued)

	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(A)	(B)	(A-B)
ECO:			
Balance at December 31, 2018	\$ 4,625,495	\$ 2,445,935	\$ 2,179,560
Service Cost	-		-
Interest on Total Pension Liability	318,524		318,524
Differences Between Expected and Actual Experience of the Total Pension Liability	114,600		114,600
Benefit Payments, Including Refunds of Employee Contributions	(464,125)	(464,125)	-
Contributions - Employer		183,437	(183,437)
Contributions - Employee		-	-
Net Investment Income		529,488	(529,488)
Other (Net Transfer)		92,848	(92,848)
Balance at December 31, 2019	<u>\$ 4,594,494</u>	<u>\$ 2,787,583</u>	<u>\$ 1,806,911</u>

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

For the year ended December 31, 2019, the County of Champaign recognized pension expense of \$1,946,704, \$2,634,805 and \$153,466 for the Regular, SLEP, and ECO plans respectively. Total pension expense for the County and GIS were \$4,712,977 and \$21,988, respectively. At December 31, 2019, 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	\$ -	\$ 1,199,945
Changes of Assumptions	1,608,486	823,466
Net difference between projected and actual earnings on pension plan investments	-	6,316,752
Contributions subsequent to the measurement date	-	-
Total	<u>\$ 1,608,486</u>	<u>\$ 8,340,163</u>

**COUNTY OF CHAMPAIGN, ILLINOIS  
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**NOTE 21 – 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	\$ -	\$ 13,714
Changes of Assumptions	18,384	9,412
Net difference between projected and actual earnings on pension plan investments	-	72,195
Contributions subsequent to the measurement date	-	-
Total	\$ 18,384	\$ 95,321
Regular - Total:		
Difference between expected and actual experience	\$ -	\$ 1,213,659
Changes of Assumptions	1,626,870	832,878
Net difference between projected and actual earnings on pension plan investments	-	6,388,947
Contributions subsequent to the measurement date	-	-
Total	\$ 1,626,870	\$ 8,435,484

**COUNTY OF CHAMPAIGN, ILLINOIS**  
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**NOTE 21 – 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
SLEP:		
Difference between expected and actual experience	\$ 1,277,609	\$ -
Changes of Assumptions	1,297,204	281,238
Net difference between projected and actual earnings on pension plan investments	-	3,182,328
Contributions subsequent to the measurement date		
<b>Total</b>	<b>\$ 2,574,813</b>	<b>\$ 3,463,566</b>
ECO:		
Difference between expected and actual experience	\$ -	\$ -
Changes of Assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	161,989
Contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 161,989</b>

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:

Year Ending December 31,	Regular			SLEP	ECO
	Primary Government	GIS	Total		
2020	\$ (2,113,929)	\$ (24,160)	\$ (2,138,089)	\$ 64,097	\$ (46,959)
2021	(2,003,456)	(22,898)	(2,026,354)	(71,595)	(51,086)
2022	481,642	5,505	487,147	786,441	7,851
2023	(3,095,934)	(35,384)	(3,131,318)	(1,667,696)	(71,795)
<b>Total</b>	<b>\$ (6,731,677)</b>	<b>\$ (76,937)</b>	<b>\$ (6,808,614)</b>	<b>\$ (888,753)</b>	<b>\$ (161,989)</b>

**COUNTY OF CHAMPAIGN, ILLINOIS  
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**NOTE 22 – 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 fiscal year 2010, retirees over age 65 could choose the same health plans available to younger retirees and active employees. Starting in fiscal year 2010, 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. Retirees pay the full amount of the blended premiums, as determined by the group health insurance company. The retiree contribution rates for 2019 ranged from \$804 to \$1,737 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.

Plan Membership

As of December 31, 2019, the measurement date, membership of the plan was as follows:

Active Members	701
Retirees and Beneficiaries	39
	<hr/>
Total	740
	<hr/> <hr/>

Total OPEB Liability

The County's net pension liability was measured as of December 31, 2019. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated January 1, 2019. There have been no significant changes between the valuation date and the County's fiscal year-end.

Actuarial Assumptions

The total OPEB liability was determined by actuarial valuations performed as of January 1, 2019 using the following actuarial methods and assumptions:

- Actuarial Cost Method - Entry Age Normal.
- Discount Rate – 3.44%. This is based on the 20-Year Tax-Exempt Municipal Bond Yield
- Inflation Rate - 2.30%.
- Salary Increases – 2.5%, including inflation.
- Medical Trend Rate – 3.40%-3.90% over 55 years
- Mortality – Sheriff and Correction Officers: RP-2000 Combined Annuitant/Non-Annuitant Mortality Table with Blue Collar Adjustment with generationally projected mortality improvements using Scale BB. All Others: RP-2000 Combine Annuitant /Non-Annuitant Mortality Table with White Collar Adjustment with generationally projected mortality improvements using Scale BB.

**COUNTY OF CHAMPAIGN, ILLINOIS**  
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**NOTE 22 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**Change in the Total OPEB Liability/(Asset)

The change in total OPEB liability/(asset) for the calendar year ended December 31, 2019 was as follows:

Fiscal Year Ended	Governmental
December 31, 2019	Activities
Balances at December 31, 2018	\$ 3,128,957
Service Cost	114,617
Interest	128,580
Changes of Assumptions	382,645
Benefit payments	(217,154)
Balance at December 31, 2019	<u>\$ 3,537,645</u>

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

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.44%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease	Current Discount Rate	1% Increase
	2.44%	3.44%	4.44%
Total OPEB Liability - Governmental	\$ 3,853,578	\$ 3,537,645	\$ 3,251,213

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the plan's total OPEB liability, calculated using the Healthcare Cost Trend Rate as well as what the plan's OPEB liability would be if it were calculated using Healthcare Cost Trend Rates that are 1 percentage point lower or 1 percentage point higher:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability - Governmental	\$ 3,115,480	\$ 3,537,645	\$ 4,038,927

**COUNTY OF CHAMPAIGN, ILLINOIS**  
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**NOTE 22 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019 the County recognized OPEB expense of \$275,099 for Governmental Activities. At December 31, 2019, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to OPEB	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Governmental Activities:</i>		
Changes of Assumptions	\$ 328,945	\$ 133,634
Total	\$ 328,945	\$ 133,634

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

Year Ending December 31,	Governmental Activities
2020	\$ 31,902
2021	31,902
2022	31,902
2023	31,367
2024	31,017
Thereafter	37,221
Total	\$ 195,311



**COUNTY OF CHAMPAIGN, ILLINOIS**  
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**NOTE 23 – 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, 2019 (the latest fiscal year end for METCAD), Champaign County's equity interest share was 17.34%, or \$1,741,484 which is reported in the Statement of Net Position as an investment in joint venture. The net increase of \$151,654 from the amount reported for June 30, 2018, is reported in the Statement of Activities under functional revenues 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, 2019 is provided below.

Financial Position as of June 30, 2019

Total Assets & Deferred Outflows	\$ 13,712,078
Total Liabilities & Deferred Inflows	<u>3,668,920</u>
Total Net Position	<u><u>\$ 10,043,158</u></u>

Results of Operations for the Fiscal Year Ended June 30, 2019

Total Revenues	\$ 6,825,744
Total Expenses	<u>6,015,050</u>
Change in Net Position	810,694
Net Position - Beginning	<u>9,232,464</u>
Net Position - Ending	<u><u>\$ 10,043,158</u></u>

**COUNTY OF CHAMPAIGN, ILLINOIS  
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**NOTE 23 – JOINT VENTURES (CONTINUED)**

## B. Geographic Information System Consortium (GIS)

On August 20, 2002, Champaign County entered into an intergovernmental agreement 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 for the purpose of developing and operating a countywide geographic information system (GIS). The GIS Consortium's fiscal year parallels that of Champaign County as the lead agency. Therefore, its year-end is December 31, 2019. Each member agency designates one voting representative to serve on the GIS Policy Committee. In addition, the Policy Committee includes one non-voting representative of small or specialized governmental users and one non-voting representative of the non-governmental sector.

While representation on the Policy Committee is equal among the member agencies, the funding of operating expenses is based on a cost-sharing formula established by the members. Each member agency holds an equity interest in the GIS Consortium's assets in the same proportion as the funding provided by each member agency since the Consortium's inception. These proportions will vary from year to year. At December 31, 2019 Champaign County's equity interest share was 61.25%, totaling \$255,782, which is reported in the Statement of Net Position as an investment in joint venture. The net increase of \$41,457 in the County's share of equity for the fiscal year ended December 31, 2019 is reported in the Statement of Activities under functional revenue for development.

Separate audited financial statements of the GIS Consortium may be obtained from the Champaign County GIS Department, 1776 E. Washington, Urbana, IL 61802. Summary financial information for the fiscal year ended December 31, 2019 is presented below.

Financial Position as of June 30, 2019	
Total Assets & Deferred Outflows	\$ 668,189
Total Liabilities & Deferred Inflows	<u>250,599</u>
Total Net Position	<u><u>\$ 417,590</u></u>
Results of Operations for the Fiscal Year Ended June 30, 2019	
Total Revenues	\$ 570,114
Total Expenses	<u>501,935</u>
Change in Net Position	68,179
Net Position - Beginning	<u>349,411</u>
Net Position - Ending	<u><u>\$ 417,590</u></u>

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**NOTE 24 – CONTINGENT LIABILITIES**

The County has been involved in lawsuits brought by two corporations seeking to recover approximately \$2.9 million in property taxes related to the retroactive application of the charitable property tax exemption. The County has vigorously defended its position. The Sixth Judicial Circuit found for Carle in February 2020. The County consequently owes Carle \$1.5 million across all funds, including \$531,000 from the general corporate fund. As of December 31, 2019, the County has recorded the liability as accounts payable within the balance sheet of each component fund.

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 25 – COMMITMENTS**Road and Bridge Construction Projects

The County Highway Department has four Special Revenue Funds with December 31, 2019 fund balances totaling \$8.2 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:

<u>Project Description</u>	<u>Project #</u>	<u>Total Commitment</u>	<u>Spent Through 12/31/2019</u>	<u>Remaining Commitment</u>
Lincoln Avenue	11-00334-01-EG/PV	\$ 600,000	\$ 445,127	\$ 154,873
CH 1 Bridge	12-00992-00-BR	1,323,078	75,702	1,247,376
CH 1 Bridge	12-00993-00-BR	928,526	71,711	856,815
CH 16 Bridge	15-00028-00-BR	310,664	271,135	39,529
Guardrail	16-00444-00-SP	400,000	322,465	77,535
CH 13	17-00445-00-RS	350,000	15,483	334,517
Colfax Township	17-05047-00-BR	13,000	-	13,000
CH 18 Bridge	18-00060-00-BR	1,260,849	1,109,353	151,496
CH 17 Bridge	18-00061-00-BR	400,000	23,291	376,709
CH 15 Bridge	18-00062-00-BR	685,064	619,670	65,394
CH 9	18-00449-00-RS	3,230,161	2,905,564	324,597
Compromise Township	18-06058-00-BR	20,000	-	20,000
Compromise Township	18-06059-00-BR	5,000	-	5,000
Mahomet Township Bridge	18-15063-00-BR	648,209	32,453	615,756
Urbana Township Bridge	18-30057-00-BR	400,000	25,277	374,723
CH 13 Bridge	19-00077-00-BR	400,000	25,056	374,944
CH 11 Bridge	19-00080-00-BR	750,000	-	750,000
Harwood Township	19-11082-00-BR	20,000	-	20,000
Raymond Township	19-21073-00-BR	9,250	-	9,250
Tolono Township Bridge	19-29081-00-BR	150,000	42,365	107,635
<b>Total</b>		<b>\$ 11,903,801</b>	<b>\$ 5,984,652</b>	<b>\$ 5,919,149</b>

**COUNTY OF CHAMPAIGN, ILLINOIS**  
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**NOTE 26– 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. 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, was issued in January 2017 and will become effective for the County's December 31, 2020 fiscal year. The statement re-establishes criteria for reporting fiduciary activities in the governmental financial statements where certain activities previously reported as agency funds may be reclassified.
- GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, issued March 2018. The objective of this statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.
- GASB Statement No. 90, Majority Equity Interests, an amendment of GASB Statements No.14 and No. 61, issued August 2018. The objectives of this statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units.

New accounting standards effective for future financial periods beginning with FY2021 include:

- 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.
- GASB Statement No. 91, Conduit Debt Obligations, issued May 2019. The objective of this statement is to better meet the information needs of financial statement users by enhancing the comparability and consistency of conduit debt obligation reporting and reporting of related transactions and other events by state and local government issuers.
- GASB Statement No. 92, Omnibus, issued January 2020. The objective of this statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.
- GASB Statement No. 93, Replacement of Interbank Offered Rates, issued March 2020. As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR.

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**NOTE 26– GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS (CONTINUED)**

- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, issued March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs).
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements, issued May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.
- GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32., issued June 2020. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

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