

Basic Financial Statements

COUNTY OF CHAMPAIGN, ILLINOIS
STATEMENT OF NET POSITION (EXHIBIT I)
DECEMBER 31, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 86,737,878	\$ -	\$ 86,737,878
Investments	100,000	-	100,000
Receivables, Net of Uncollectible Amounts:			
Property Taxes	37,796,009	-	37,796,009
Intergovernmental	7,493,992	-	7,493,992
Program Loans--Current Portion	202,056	-	202,056
Accrued Interest	32,237	-	32,237
Other	2,010,782	-	2,010,782
Prepaid Items	971,901	-	971,901
Resident Trust Accounts	96,238	-	96,238
Program Loans Receivable--Long Term Portion	4,787,631	-	4,787,631
Investment in Joint Venture	2,692,968	-	2,692,968
Capital Assets Not Being Depreciated	8,700,978	-	8,700,978
Capital Assets, Net of Accumulated Depreciation	72,556,085	-	72,556,085
Net Pension Asset	43,165,145	-	43,165,145
Total Assets	267,343,900	-	267,343,900
DEFERRED OUTFLOW OF RESOURCES			
Related to Bond Refunding	338,414	-	338,414
Related to Total OPEB Liability	444,202	-	444,202
Related to Net Pension Liability	1,642,109	-	1,642,109
Total Deferred Outflow of Resources	2,424,725	-	2,424,725
Total Assets & Deferred Outflow of Resources	269,768,625	-	269,768,625
LIABILITIES			
Accrued Salaries Payable	\$ 664,958	\$ -	\$ 664,958
Accounts Payable	5,124,561	-	5,124,561
Due to Other Governments	8,422	-	8,422
Funds Held for Others	535,281	-	535,281
Unearned Revenue	20,052,028	-	20,052,028
Noncurrent Liabilities:			
Due Within One Year	1,971,474	-	1,971,474
Due in More Than One Year	18,979,794	-	18,979,794
Total OPEB Liability	3,384,143	-	3,384,143
Net Pension Liability	1,095,877	-	1,095,877
Total Liabilities	51,816,538	-	51,816,538
DEFERRED INFLOW OF RESOURCES			
Subsequent Years Property Taxes	37,796,009	-	37,796,009
Related to Total OPEB Liability	444,647	-	444,647
Related to Net Pension Liability	38,219,064	-	38,219,064
Total Deferred Inflow of Resources	76,459,720	-	76,459,720
NET POSITION			
Net Investments in Capital Assets	66,648,155	-	66,648,155
Restricted for:			
Debt Service	1,016,035	-	1,016,035
Justice & Public Safety	7,453,528	-	7,453,528
Health & Education	9,974,150	-	9,974,150
Development & General Government	14,329,820	-	14,329,820
Highways & Bridges	15,787,863	-	15,787,863
Retirement	43,165,145	-	43,165,145
Insurance & Fringe Benefits	2,094,802	-	2,094,802
Unrestricted (Deficit)	(18,977,131)	-	(18,977,131)
Total Net Position	\$ 141,492,367	\$ -	\$ 141,492,367

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

**COUNTY OF CHAMPAIGN, ILLINOIS
STATEMENT OF ACTIVITIES (EXHIBIT II)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

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
GOVERNMENTAL ACTIVITIES							
General Government	\$ 12,928,428	\$ 6,481,672	\$ 676,348	\$ -	\$ (5,770,408)	\$ -	\$ (5,770,408)
Justice & Public Safety	26,581,472	4,625,985	5,022,424	-	(16,933,063)	-	(16,933,063)
Health	12,561,788	131,127	2,436,428	-	(9,994,233)	-	(9,994,233)
Education	10,023,138	-	10,868,241	-	845,103	-	845,103
Development	30,596,542	1,779,096	30,020,014	-	1,202,568	-	1,202,568
Highways & Bridges	8,860,404	617,807	6,379,310	4,168,850	2,305,563	-	2,305,563
Interest on Long-Term Debt	669,534	-	-	-	(669,534)	-	(669,534)
Total Governmental Activities	102,221,306	13,635,687	55,402,765	4,168,850	(29,014,004)	-	(29,014,004)
BUSINESS-TYPE ACTIVITIES							
Nursing Home	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-	-
Total Government	\$ 102,221,306	\$ 13,635,687	\$ 55,402,765	\$ 4,168,850	(29,014,004)	-	(29,014,004)
General Revenues:							
Property Taxes					37,324,083	-	37,324,083
Public Safety Sales Taxes					5,873,781	-	5,873,781
Hotel/Motel & Auto Rental Taxes					59,306	-	59,306
Grants & Contributions Not Restricted to Specific Programs					16,070,354	-	16,070,354
Investment Earnings					450,654	-	450,654
Miscellaneous					2,300,248	-	2,300,248
Total General Revenues					62,078,426	-	62,078,426
Change in Net Position					33,064,422	-	33,064,422
Net Position - Beginning, as Restated					108,427,945	-	108,427,945
Net Position - Ending					\$ 141,492,367	\$ -	\$ 141,492,367

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, 2021

	-----Major Funds-----			All Other (Non-Major) Governmental Funds	Total Governmental Funds
	General Fund	Regional Planning Comm Fund	American Rescue Plan Act Fund		
ASSETS					
Cash	\$ 12,005,291	\$ 4,119,647	\$ 19,980,791	\$ 47,012,434	\$ 83,118,163
Investments	-	-	-	100,000	100,000
Receivables, Net of Uncollectible Amounts:					
Property Taxes	13,657,979	-	-	24,138,030	37,796,009
Intergovernmental	4,169,469	1,449,538	-	1,872,209	7,491,216
Program Loans--Current Portion	-	-	-	202,056	202,056
Accrued Interest	-	-	-	32,237	32,237
Other	316,040	12,879	-	1,657,690	1,986,609
Due From Other Funds	2,503,415	487,761	-	1,015,634	4,006,810
Prepaid Items	21,371	-	-	39,641	61,012
Resident Trust Accounts	96,238	-	-	-	96,238
Program Loans Receivable--Long Term	-	-	-	4,787,631	4,787,631
Total Assets	\$ 32,769,803	\$ 6,069,825	\$ 19,980,791	\$ 80,857,562	\$ 139,677,981
LIABILITIES, DEFERRED INFLOW OF RESOURCES & FUND BALANCES					
LIABILITIES:					
Accrued Salaries Payable	\$ 404,376	\$ 100,933	\$ -	\$ 159,649	\$ 664,958
Accounts Payable	876,486	776,818	-	3,205,537	4,858,841
Due To Other Funds	79,175	373,376	11,897	7,050,973	7,515,421
Due To Other Governments	2,044	-	-	6,378	8,422
Funds Held for Others	387,262	-	-	80,014	467,276
Unearned Revenue	-	-	19,957,930	67,578	20,025,508
Total Liabilities	1,749,343	1,251,127	19,969,827	10,570,129	33,540,426
DEFERRED INFLOW OF RESOURCES					
Unavailable Revenue	579,323	455,472	-	243,209	1,278,004
Subsequent Years Property Taxes	13,657,979	-	-	24,138,030	37,796,009
Total Deferred Inflow of Resources	14,237,302	455,472	-	24,381,239	39,074,013
FUND BALANCES (DEFICITS)					
Non-spendable for Prepaid Items	21,371	-	-	39,641	61,012
Restricted	-	4,363,226	10,964	45,205,659	49,579,849
Committed	-	-	-	19,575	19,575
Assigned	-	-	-	6,401,758	6,401,758
Unassigned	16,761,787	-	-	(5,760,439)	11,001,348
Total Fund Balances (Deficits)	16,783,158	4,363,226	10,964	45,906,194	67,063,542
Total Liabilities, Deferred Inflow of Resources & Fund Balances	\$ 32,769,803	\$ 6,069,825	\$ 19,980,791	\$ 80,857,562	\$ 139,677,981

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, 2021

Fund Balances (Deficits) - Total Governmental Funds (See Exhibit III)	\$ 67,063,542
Capital assets, net of depreciation, used in governmental activities	81,257,063
Investment in Joint Ventures related to governmental activities	2,692,968
Assets and liabilities of internal service funds related to governmental activities, including estimated claims payable long term liability	4,570,431
Reverse unavailable revenues related to governmental activities	1,278,004
Liability for compensated absences accruals related to governmental activities	(3,079,060)
Long term liabilities related to governmental activities, deferred outflow related to refunding, and other than estimated claims payable from internal service funds	(14,398,306)
Total OPEB Liability related to governmental activities	(3,384,143)
Net Pension Liability/Asset related to governmental activities	42,069,268
Deferred Outflows of Resources related to Pension Liability	1,642,109
Deferred Outflows of Resources related to OPEB Liability	444,202
Deferred Inflows of Resources related to OPEB Liability	(444,647)
Deferred Inflows of Resources related to Pension Liability	<u>(38,219,064)</u>
Net Position of Governmental Activities (See Exhibit I)	<u>\$ 141,492,367</u>

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

COUNTY OF CHAMPAIGN, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (EXHIBIT IV)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	-----Major Funds-----			All Other (Non-Major) Governmental Funds	Total Governmental Funds
	General Fund	Regional Planning Comm Fund	American Rescue Plan Act Fund		
REVENUES					
Property Taxes	\$ 15,104,911	\$ -	\$ -	\$ 22,219,172	\$ 37,324,083
Public Safety Sales Taxes	-	-	-	5,873,781	5,873,781
Hotel/Motel & Auto Rental Taxes	59,306	-	-	-	59,306
Intergovernmental Revenue	22,468,776	27,387,839	406,885	23,834,080	74,097,580
Fines & Forfeitures	682,194	-	-	103,830	786,024
Licenses & Permits	2,558,457	-	-	451,543	3,010,000
Charges for Services	4,069,470	1,405,727	-	2,986,098	8,461,295
Rents and Royalties	1,028,407	-	-	19,427	1,047,834
Interest on Program Loans	-	-	-	117,931	117,931
Investment Earnings	16,326	3,577	10,964	26,185	57,052
Miscellaneous	141,333	87,673	-	2,071,242	2,300,248
Total Revenues	46,129,180	28,884,816	417,849	57,703,289	133,135,134
EXPENDITURES					
Current: General Government	\$ 11,155,436	\$ -	\$ 406,885	\$ 4,069,146	\$ 15,631,467
Justice & Public Safety	24,193,268	-	-	9,551,649	33,744,917
Health	-	-	-	12,626,925	12,626,925
Education	-	-	-	11,340,663	11,340,663
Development	2,696,929	26,462,451	-	2,883,438	32,042,818
Highways & Bridges	-	-	-	7,861,177	7,861,177
Debt Service: Principal Retirement	170,000	-	-	1,650,000	1,820,000
Interest & Fiscal Charges	13,000	-	-	756,311	769,311
Total Expenditures	38,228,633	26,462,451	406,885	50,739,309	115,837,278
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,900,547	2,422,365	10,964	6,963,980	17,297,856
OTHER FINANCING SOURCES (USES)					
Transfers In	979,605	53,995	-	4,102,529	5,136,129
Transfers Out	(3,571,836)	(156,654)	-	(1,407,639)	(5,136,129)
Net Other Financing Sources (Uses)	(2,592,231)	(102,659)	-	2,694,890	-
NET CHANGE IN FUND BALANCES	5,308,316	2,319,706	10,964	9,658,870	17,297,856
Fund Balances--Beginning of Year, as Restated	11,474,842	2,043,520	-	36,247,324	49,765,686
FUND BALANCES--End of Year	\$ 16,783,158	\$ 4,363,226	\$ 10,964	\$ 45,906,194	\$ 67,063,542

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, 2021

Net Change in Fund Balances - Total Governmental Funds (See Exhibit IV)	\$ 17,297,856
Remove expenditures for acquisition of capital assets	5,425,942
Include revenue for capital assets acquired through gift or grant	4,168,850
Include gain (loss) on disposal of capital assets	(116,149)
Include depreciation expense	(6,201,491)
Include change in investment in joint ventures	393,602
Include the net revenue (expense) of internal service funds used to charge the costs of risk financing and employee health benefits to governmental activities	766,302
Recognize revenues earned but not available in the current period	(2,411,858)
Remove expenditures related to prior periods; include expenses incurred but not expected to be liquidated with expendable available financial resources in the current period	(4,320)
Amortize bond premium and deferred amount on refunding against debt interest expense	99,777
Remove debt principal repayment expenditures	1,820,000
Net Pension Liability/Asset	29,977,340
Deferred Outflow of Resources Related to Pensions	(2,625,611)
Deferred Inflow of Resources Related to Pensions	(15,474,812)
Total OPEB Liability	(60,725)
Deferred Outflow of Resources Related to Other Post-Employment Benefits	(72,809)
Deferred Inflow of Resources Related to Other Post-Employment Benefits	82,528
Change in Net Position of Governmental Activities (See Exhibit II)	<u>\$ 33,064,422</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, 2021

	Business-Type Activities Enterprise Fund	Governmental Activities
	Nursing Home Fund	Internal Service Funds
ASSETS		
CURRENT ASSETS:		
Cash	\$ -	\$ 3,619,715
Receivables, Net of Uncollectible Amounts:		
Intergovernmental	-	2,776
Other	-	24,173
Due From Other Funds	-	3,547,106
Prepaid Items	-	910,889
Total Current Assets	-	8,104,659
Total Assets	-	8,104,659
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable	\$ -	\$ 265,720
Due To Other Funds	-	38,495
Funds Held For Others	-	68,005
Unearned Revenue	-	26,520
Estimated Claims Payable	-	1,137,793
Total Current Liabilities	-	1,536,533
NONCURRENT LIABILITIES:		
Estimated Claims Payable	-	1,997,695
Total Noncurrent Liabilities	-	1,997,695
Total Liabilities	-	3,534,228
NET POSITION		
Unrestricted	-	4,570,431
TOTAL NET POSITION	\$ -	\$ 4,570,431

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, 2021

	Business-Type Activities Enterprise Fund	Governmental Activities
	Nursing Home Fund	Internal Service Funds
OPERATING REVENUES		
Charges for Services (Net of Uncollectible)	\$ -	\$ 9,101,129
Miscellaneous	-	67,067
	-	9,168,196
Total Operating Revenues	-	9,168,196
OPERATING EXPENSES		
Salaries	-	19,973
Fringe Benefits	-	7,256,277
Services	-	1,127,428
	-	8,403,784
Total Operating Expenses	-	8,403,784
OPERATING INCOME (LOSS)	-	764,412
NON-OPERATING REVENUES (EXPENSES):		
Investment Earnings	-	1,890
	-	1,890
Net Non-Operating Revenues (Expenses)	-	1,890
CHANGE IN NET POSITION	-	766,302
Net Postition--Beginning of Year	-	3,804,129
	-	3,804,129
NET POSITION--END OF YEAR	\$ -	\$ 4,570,431

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, 2021

	Business-Type Activities Enterprise Fund Nursing Home Fund	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Receipts from Other Funds and Employees for Services	\$ -	\$ 9,346,536
Cash Receipts for Claims Reimbursements	-	105,328
Cash Payments to Employees for Services	-	(19,973)
Cash Payments to Suppliers and Other Funds for Goods and Services	-	(7,873,842)
Cash Payments for Claims	-	(1,490,650)
Net Cash Provided (Used) By Operating Activities	-	67,399
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Interest Received on Investments and Bank Deposits	-	1,890
Net Cash Provided (Used) By Investment Activities	-	1,890
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	69,289
Cash and Cash Equivalents at Beginning of Period	-	3,550,426
Cash and Cash Equivalents at End of Period	\$ -	\$ 3,619,715

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, 2021

	Business-Type Activities Enterprise Fund Nursing Home Fund	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ -	\$ 764,412
Adjust For Non-Cash Revenue/Expense:		
Increase (Decrease) in Estimated Claims Payable	-	(291,354)
Adjust For Non-Revenue/Expense Cash Flows:		
Decrease (Increase) in Receivables	-	12,062
Decrease (Increase) in Due From Other Funds	-	271,606
Decrease (Increase) in Prepaid Items	-	(910,889)
Increase (Decrease) in Payables	-	147,828
Increase (Decrease) in Due To Other Funds	-	38,491
Increase (Decrease) in Unremitted Payroll Withholdings	-	9,147
Increase (Decrease) in Unearned Revenue	-	26,096
	-	26,096
Net Cash Provided (Used) By Operating Activities	\$ -	\$ 67,399

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, 2021

	Custodial Funds
ASSETS	
Cash	\$ 16,340,310
Investments	1,233,092
Receivables:	
Intergovernmental	576,479
Total Assets	18,149,881
 LIABILITIES	
Funds Held for Others	9,737,456
Total Liabilities	9,737,456
 NET POSITION	
Restricted:	
Held for Other Governments	8,412,425
TOTAL NET POSITION	\$ 8,412,425

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, 2021

	<u>Custodial Funds</u>
ADDITIONS	
Property Taxes & Related Items	\$ 374,327,052
Intergovernmental	5,297,422
Investment Earnings	3,494
Fines, Fees, & Forfeitures	6,599,997
Collection of Wage Garnishments	<u>101,858</u>
 Total Additions	 <u>386,329,823</u>
 DEDUCTIONS	
Payments of Property Taxes & Related Items	374,279,962
Intergovernmental Disbursements	4,339,026
Fines, Fees, & Forfeitures Paid	6,276,342
Payment of Garnishments	<u>101,858</u>
 Total Deductions	 <u>384,997,188</u>
 NET INCREASE (DECREASE)	 1,332,635
 NET POSITION--BEGINNING OF YEAR, AS RESTATED	 <u>7,079,790</u>
 NET POSITION--END OF YEAR	 <u><u>\$ 8,412,425</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, 2021

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 23-31. 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 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, the Village of Rantoul 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, the University of Illinois, the Urbana-Champaign Sanitary District 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 19 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 custodial funds.

**COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 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 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 American Rescue Plan Act Fund, which is used to assist with the disbursement of funding in association with the American Rescue Plan Act passed by Congress on March 11, 2021.

The fiduciary funds includes custodial 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 custodial 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.

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.

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Other Postemployment Benefits Liability (OPEB Liability)

In the government-wide statement of net position, liabilities are recognized for the County's total OPEB liability as determined by an actuarial review for the healthcare coverage purchased by retirees to continue participation in the County's health plan. OPEB expense is recognized immediately for changes in the OPEB liability and changes of benefit terms or actuarial expenses.

F. Pensions

For purposes of measuring the net pension liability (asset), 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.

G. 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.

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(3) Proprietary Funds**

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

Proprietary funds operating revenues consist of charges for services and miscellaneous revenue resulting from the provision of services to users.

(4) Fiduciary Funds

The measurement focus for fiduciary funds is the flow of economic resources. All fiduciary funds are accounted for using the accrual basis method of accounting. Fiduciary funds do not report revenues or expenditures, but rather report additions and deletions in net position.

The County's fiduciary funds are custodial funds. Custodial funds are used to account for assets held by the County as a fiscal agent for various districts and entities; for various taxes and assessments; fines and fees collected for the benefit and distributed to other governments.

H. 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.

I. 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.

J. Inventories

Inventories are valued at cost on a first in, first out (FIFO) basis, and are accounted for by the consumption method.

**COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items in governmental funds is recorded as an expenditure when consumed rather than purchased.

L. 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

M. 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.

N. 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 financial statements.

O. 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, 2021**

NOTE 2 – 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).

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. The County's 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.

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 – 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, 2021:	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	\$ 17,631	\$ (38,753)	\$ 5,630,316	\$ 2,321,484	\$ 29,992,179
REVENUES AND OTHER SOURCES:					
Interfund transfers into escrow account recognized as other financing source when transferred rather than when spent	-	-	-	(254,541)	-
Adjustment for timing differences - revenue recognized in the period when earned	(206,253)	-	-	-	(23,407,658)
EXPENDITURES /EXPENSES AND OTHER USES:					
Adjustment for timing differences - expenses recognized in the period when incurred	702,323	-	(322,000)	252,763	3,074,349
Decrease (increase) in estimated claims payable	291,354	-	-	-	-
GAAP Basis Change in Fund Balance or Net Position	<u>\$ 805,055</u>	<u>\$ (38,753)</u>	<u>\$ 5,308,316</u>	<u>\$ 2,319,706</u>	<u>\$ 9,658,870</u>

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments at December 31, 2021, appears below. Resident Trust accounts report money held in County custody, which belongs to residents of the County Jail.

	Asset Account Carrying Amounts (Reported as:)			Total	Bank Balances
	Cash	Investments	Resident Trust		
DEPOSITS					
Demand Deposits	\$ 35,062,716		\$ 96,238	\$ 35,158,954	\$ 35,559,177
Money Market / Savings	-	600,861	-	600,861	700,861
Certificates of Deposit	-	732,231	-	732,231	632,231
Total Deposits	\$ 35,062,716	\$ 1,333,092	\$ 96,238	\$ 36,492,046	\$ 36,892,269
					Fair Value
INVESTMENTS					
State Treasurer Investment Pool	\$ 67,971,939	\$ -	\$ -	\$ 67,971,939	\$ 67,971,939
Total Investments	\$ 67,971,939	\$ -	\$ -	\$ 67,971,939	\$ 67,971,939
Subtotal Deposits / Investments	\$ 103,034,655	\$ 1,333,092	\$ 96,238	\$ 104,463,985	\$ 104,864,208
CASH ON HAND	\$ 43,533	\$ -	\$ -	\$ 43,533	
GRAND TOTAL	\$ 103,078,188	\$ 1,333,092	\$ 96,238	\$ 104,507,518	\$ 104,864,208

The County has \$67,971,939 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. Illinois Funds has earned the highest investment grade rating (AAAmf) for a government-managed money market fund. The rating is based on Fitch's analysis of the pool's credit quality, market price exposure and management.

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 fair value for deposit balances beyond FDIC/NCUSIF insurance coverage. At December 31, 2021, no deposits were uninsured or uncollateralized.

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

Other investments are subject to custodial credit risk if the securities are uninsured and unregistered and held by the financial institution's trust department or agent, but not in the County's name. None of the County's investments at December 31, 2021 were exposed to this risk.

**COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 – 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, 2021 was adopted by the County Board on November 23, 2020, 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. Property tax bills mailed in 2021 were based on equalized assessed value as of January 1, 2020 and on tax levies set in December 2020.

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 2021, the judgment date was October 21 and the tax sale date was October 22, 2021.

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.

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 – 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, 2021, loans outstanding were as follows:

Program Loans Receivable (Net of Uncollectible Amounts)	12/31/2020 Balance	Additions	Deductions	12/31/2021 Balance	Current Receivable
Economic Development Loans Receivable:					
Community Services Block Grant Loans	\$ 31,034	-	(27,704)	\$ 3,330	\$ 1,727
Community Development Recaptured Loans	3,295,477	-	(166,265)	3,129,212	77,346
Facilities Loan Program	1,234,516	-	(46,087)	1,188,429	41,910
USDA Intermediary Relending Loans Receivable	655,942	30,000	(46,234)	639,708	81,073
Housing Rehabilitation Loans Receivable:					
County Housing Rehab Loans	29,008	-	-	29,008	-
Total Loans Receivable	\$ 5,245,977	\$ 30,000	\$ (286,290)	\$ 4,989,687	\$ 202,056

NOTE 7 – CAPITAL ASSETS

Governmental Activities	12/31/2020 Balance	Additions	Deductions	12/31/2021 Balance
Assets Not Being Depreciated:				
Land	\$ 2,070,199	\$ 13,320	\$ -	\$ 2,083,519
Construction in Progress	3,143,910	8,360,179	(4,886,630)	6,617,459
Assets Being Depreciated:				
Infrastructure	96,899,167	4,886,630	-	101,785,797
Buildings and Improvements	79,547,114	102,422	(204,966)	79,444,570
Equipment	16,506,891	1,118,871	(101,428)	17,524,334
Assets Subtotal	198,167,281	14,481,422	(5,193,024)	207,455,679
Accumulated Depreciation:				
Infrastructure	(57,443,921)	(3,578,586)	-	(61,022,507)
Buildings and Improvements	(48,657,253)	(1,688,069)	88,817	(50,256,505)
Equipment	(14,086,196)	(934,836)	101,428	(14,919,604)
Accum. Depreciation Subtotal	(120,187,370)	(6,201,491)	190,245	(126,198,616)
Net Total	\$ 77,979,911	\$ 8,279,931	\$ (5,002,779)	\$ 81,257,063

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – CAPITAL ASSETS (CONTINUED)

Current year depreciation expense was charged to the following functions:

Function	Governmental Activities
General Government	\$ 288,308
Justice and Public Safety	1,555,129
Health	34,227
Education	101,126
Development	108,459
Highways and Bridges	4,114,242
Total Depreciation Expense	\$ 6,201,491

NOTE 8 – INTERFUND RECEIVABLES AND PAYABLES

A summary of Interfund receivables and payables at December 31, 2021 is provided below:

Due To/From Other Funds:	Receivable	Payable
Major Governmental Funds:		
General Corporate	\$ 2,503,415	\$ 79,175
Regional Planning Commission	487,761	373,376
American Rescue Plan Act	-	11,897
Subtotal Major Governmental	2,991,176	464,448
Internal Service Funds:		
Self-Funded Insurance	3,547,106	38,474
Employee Health Insurance	-	21
Subtotal Internal Service	3,547,106	38,495

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 – INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

Due To/From Other Funds:	Receivable	Payable
Non-Major Governmental Funds:		
Tort Immunity	1,219	1,078,283
Nursing Home Post-Closure	-	4,721,237
County Highway	41,139	129,529
County Bridge	-	2,813
County Motor Fuel Tax	-	37,738
Illinois Municipal Retirement	59,684	-
County Public Health	-	3,624
Mental Health	6,303	56,007
Animal Control	-	33,101
Law Library	-	631
Foreclosure Mediation	-	81
Early Childhood	-	233,909
Capital Asset Replacement	743,675	-
Public Safety Sales Tax	-	107,672
Geographic Information Systems	38,637	-
Development Disability	17,232	6,303
Workforce Development	793	483,922
Social Security	71,463	-
RPC USDA Loans	-	1,246
RPC Economic Development Loans	-	2,173
Working Cash	-	507
Recorder's Automation	27,833	3,455
Tax Sale Automation Fund	-	17
Property Tax Interest Fee	-	65,595
Election Assistance/Accessibility	-	64,753
Circuit Clerk Operations & Administration	-	955
County Jail Medical Costs	-	12,122
Court Document Storage	-	736
Child Advocacy Center Grant	-	4,161
Specialty Courts	7,656	403
Subtotal Non-Major Governmental	1,015,634	7,050,973
Total - All Funds	\$ 7,553,916	\$ 7,553,916

Of the \$7,553,916 Due To / From Other Funds at December 31, 2021, \$493,504 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
DECEMBER 31, 2021**

NOTE 9 – INTERFUND TRANSFERS AND RPC ESCROW ACCOUNT

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Corporate	\$ 979,605	\$ 3,571,836
Regional Planning Commission	53,995	156,654
Non-Major Governmental Funds (aggregate)	<u>4,102,529</u>	<u>1,407,639</u>
Total - All Funds	<u>\$ 5,136,129</u>	<u>\$ 5,136,129</u>

In FY2021, total inter-fund transfers in, \$5,136,129, equal total transfers out, \$5,136,129. 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 2021, transfers of \$43,482 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 2021 include the following:

- \$901,381 from the Public Safety Sales Tax Fund to the General Corporate Fund to partially cover utility costs for the public safety buildings;
- \$241,307 from the Public Safety Sales Tax Fund to the Capital Asset Replacement Fund to set aside money for future capital expenditures; and,
- \$2.5 million from the General Fund to the Capital Replacement Fund to cover current asset replacement.
- \$1.0 million from the General Fund to the Nursing Home Post-Closure Fund to assist with closure of nursing home operations

NOTE 10 – ON-BEHALF PAYMENTS FOR SALARIES

The State of Illinois paid salary stipends totaling \$45,500 to various County officials during fiscal year 2021 on behalf of the County. The County recorded these payments as intergovernmental revenues and salaries expenditures in the General Fund.

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11 – 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, 2021 are as follows:

	12/31/2020			12/31/2021	Expected
	Balance	Additions	Deductions	Balance	To Be Paid
					Within 1 Year
Governmental Activities	\$ 3,074,740	\$ 3,097,773	\$ (3,093,453)	\$ 3,079,060	\$ 448,681

NOTE 12 – 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, 2021, net of insurance reimbursements, were \$377,912. 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 2021, the projected liability for estimated (undiscounted) claims payable including IBNR at December 31, 2021 was \$1,739,553. Changes in the liability for estimated workers' compensation claims payable for the last two fiscal years are as follows:

Fiscal Year	Claims Liability	Claims Incurred	Net	Claims Liability	Expected
Ending	Beginning	& Changes	Claims	End of Year	To Be Paid
Dec 31	of Year	in Estimates	Paid		Within 1 Year
2020	\$ 1,704,325	\$ 379,006	\$ (464,148)	\$ 1,619,183	\$ 733,438
2021	1,619,183	497,484	(377,912)	1,738,755	734,254

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12 – RISK FINANCING (CONTINUED)**B. Liability/Auto Self-Funded Insurance**

The County began self-funding general liability and auto insurance in fiscal year 1994 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, 2021, net of insurance reimbursements, were \$1,243,101. A liability for claims payable must be reported if the liability is both probable and estimable. Per an actuarial study completed in June 2021, the projected liability for estimated (undiscounted) claims payable (including IBNR) at December 31, 2021 was \$1,396,733. 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
2020	\$ 1,968,584	\$ 720,641	\$ (881,566)	\$ 1,807,659	\$ 422,445
2021	1,807,659	832,175	(1,243,101)	1,396,733	403,539

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, 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 13 – 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, 2020	\$2,695,000
Bond interest payments made in 2021	\$223,288
Bond principal payments made in 2021	\$1,275,000
Balance outstanding at December 31, 2021	\$1,420,000

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

Balance outstanding at December 31, 2020	\$9,795,000
Bond interest payments made in 2021	\$489,750
Bond principal payments made in 2021	\$0
Balance outstanding at December 31, 2021	\$9,795,000

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 13 – LONG TERM DEBT (CONTINUED)

2016 Series Public Safety Refunding Bonds (Direct Placement): \$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, 2020	\$2,355,000
Bond interest payments made in 2021	\$43,273
Bond principal payments made in 2021	\$375,000
Balance outstanding at December 31, 2021	\$1,980,000

2019 Series Public Safety Refunding Bonds (Direct Placement): \$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 change on refunding;

Balance outstanding at December 31, 2020	\$700,000
Bond interest payments made in 2021	\$13,000
Bond principal payments made in 2021	\$170,000
Balance outstanding at December 31, 2021	\$530,000

2021 Bond Transactions – Governmental Activities

Bonds outstanding at December 31, 2020	\$15,545,000
Bond interest payments made in 2021	\$769,311
Bonds retired in 2021	\$1,820,000
Bonds payable at December 31, 2021	\$13,725,000

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
	Direct Placement		Direct Placement		Public Safety Sales Tax Fund		
	General Corporate Fund		Public Safety Sales Tax Fund		Public Safety Sales Tax Fund		
	Principal	Interest	Principal	Interest	Principal	Interest	
2022	\$ -	\$ 4,638	\$ 385,000	\$ 36,382	\$ -	\$ 303,450	\$ 729,470
2023	175,000	7,744	390,000	29,308	1,420,000	548,325	2,570,377
2024	175,000	4,681	395,000	22,142	1,330,000	456,500	2,383,323
2025	180,000	1,575	400,000	14,884	1,445,000	387,125	2,428,584
2026	-	-	410,000	7,534	1,565,000	311,875	2,294,409
2027-2029	-	-	-	-	5,455,000	422,125	5,877,125
	\$ 530,000	\$ 18,638	\$ 1,980,000	\$ 110,250	\$ 11,215,000	\$ 2,429,400	\$ 16,283,288

At December 31, 2021, \$601,341 was available in restricted fund balance in the Public Safety Sales Tax Special Revenue Fund to meet debt service requirements.

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 13 – LONG TERM DEBT (CONTINUED)

B. Summary of Changes in Long Term Liabilities

	12/31/2020			12/31/2021	Due Within
	Balance	Additions	Deductions	Balance	One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 12,490,000	\$ -	\$ (1,275,000)	\$ 11,215,000	\$ 385,000
Direct Placements	3,055,000	-	(545,000)	2,510,000	-
Unamortized Bond Premium	1,158,312	-	(146,592)	1,011,720	-
Total Bonds Payable	16,703,312	-	(1,966,592)	14,736,720	385,000
Compensated Absences	3,074,740	3,097,773	(3,093,453)	3,079,060	448,681
Estimated Claims Payable	3,426,842	1,329,659	(1,621,013)	3,135,488	1,137,793
Total Governmental Activities	<u>\$ 23,204,894</u>	<u>\$ 4,427,432</u>	<u>\$ (6,681,058)</u>	<u>\$ 20,951,268</u>	<u>\$ 1,971,474</u>

Long-term liabilities for estimated claims payable are liquidated by the Self-Funded Insurance (Internal Service) Fund. Liabilities for compensated absences will be liquidated within those funds in which the expenses occur.

NOTE 14 – OPERATING LEASES

The County has several non-cancelable operating leases for the use of various facilities. During the fiscal year ended December 31, 2021, the total expenditure for these leases was \$682,467. The future minimum lease payments are shown below:

Fiscal year	Lease Payments
2022	\$ 569,872
2023	400,849
2024	356,467
2025	356,467
2026	356,467
2027-2044	7,735,300
	<u>\$ 9,775,422</u>

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 15 – FUND EQUITY**A. Deficit Fund Equity**

As of December 31, 2021, the following funds had deficit fund equity:

- Tort Immunity Special Revenue Fund (\$997,492),
- Nursing Home Post-Closure Special Revenue Fund (\$4,468,851),
- Workforce Development Special Revenue Fund (\$229,086), and
- Election Assistance/Accessibility Grant Special Revenue Fund (\$65,010)

The Champaign County Board continues to monitor and address the future fund equity deficits through the vehicle of the annual budget with special emphasis on the equity deficit in the Tort Immunity Fund. Reallocation of the former Nursing Home operating property tax levy was made under Property Tax Extension Law to fulfill outstanding obligations under the Nursing Home Post-Closure Fund in future years.

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:

	Regional Planning Comm Fund	American Rescue Plan Act	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	\$ -	\$ -	\$ 1,016,035	\$ 1,016,035	\$ -	\$ 1,016,035
For Justice & Public Safety	-	-	7,067,001	7,067,001	386,527	7,453,528
For Health & Education	-	-	9,748,509	9,748,509	225,641	9,974,150
For Development	4,363,226	-	7,967,184	12,330,410	464,181	12,794,591
For General Government	-	10,964	1,524,265	1,535,229	-	1,535,229
For Highways & Bridges	-	-	15,787,863	15,787,863	-	15,787,863
For Retirement	-	-	-	-	43,165,145	43,165,145
For Insurance and Fringes	-	-	2,094,802	2,094,802	-	2,094,802
Total Restricted Fund Balance	\$ 4,363,226	\$ 10,964	\$ 45,205,659	\$ 49,579,849	\$ 44,241,494	\$ 93,821,343
Committed by County Board Resolution:						
To Solid Waste Management	-	-	19,575	19,575	-	19,575
Assigned by County Officials:						
To Capital Projects	-	-	6,401,758	6,401,758	-	6,401,758

NOTE 16 – GOVERNMENT-WIDE STATEMENT OF NET POSITION

The government-wide statement of net position includes a restricted portion totaling \$93,821,343 as shown in the schedule above. Of this amount, \$76,985,864 is externally restricted based on state statutes; \$15,819,444 is restricted through grantor/donor stipulations; and \$1,016,035 is restricted based on debt covenants.

**COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 17 – ILLINOIS MUNICIPAL RETIREMENT FUND

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 Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The 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, 2021, the measurement date, membership of the plan was as follows:

	Regular Plan	SLEP	ECO
Retirees and Beneficiaries	632	134	10
Inactive, Non-Retired Members	1,154	42	-
Active Members	635	76	-
Total	<u>2,421</u>	<u>252</u>	<u>10</u>

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 17 – ILLINOIS MUNICIPAL RETIREMENT FUND (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 2021 was 6.87% for the Regular plan, and 25.89% for SLEP for the year ended December 31, 2021. There were no active employees on the ECO plan in 2021. For the fiscal year ended December 31, 2021, the County contributed \$3,809,261 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 (asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability (asset) 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, 2021 using the following actuarial methods and assumptions:

- **Actuarial Cost Method** – Aggregate Entry Age Normal.
- **Asset Valuation Method** – 5-Year smoothed fair value; 20% corridor
- **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 that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
- **Mortality** – For non-disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Healthy Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP- 2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, IMRF specific mortality rates were used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 17 – ILLINOIS MUNICIPAL RETIREMENT FUND (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	39%	3.25%	1.90%
International Equities	15%	4.89%	3.15%
Fixed Income	25%	-0.50%	-0.60%
Real Estate	10%	4.20%	3.30%
Alternatives:	10%		
Private Equity		8.85%	5.50%
Hedge Funds		N/A	N/A
Commodities		2.90%	1.70%
Cash Equivalents	1%	-0.90%	-0.90%

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 1.84%, 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
DECEMBER 31, 2021

NOTE 17 – 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 (asset), 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Regular - Primary Government			
Net Pension Liability/(Asset)	<u>\$ (17,276,383)</u>	<u>\$ (35,221,193)</u>	<u>\$ (49,254,313)</u>
Regular - GIS:			
Net Pension Liability/(Asset)	<u>\$ (215,414)</u>	<u>\$ (420,573)</u>	<u>\$ (581,010)</u>
Regular - Total:			
Net Pension Liability/(Asset)	<u>\$ (17,491,797)</u>	<u>\$ (35,641,766)</u>	<u>\$ (49,835,323)</u>
SLEP:			
Net Pension Liability/(Asset)	<u>\$ 3,573,751</u>	<u>\$ (7,943,952)</u>	<u>\$ (17,411,309)</u>
ECO:			
Net Pension Liability/(Asset)	<u>\$ 1,438,039</u>	<u>\$ 1,095,877</u>	<u>\$ 799,252</u>

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 17 – 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, 2021 were as follows:

	Increase/(Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A-B)
Regular - Total:			
Balance at December 31, 2020	\$ 156,126,135	\$ 172,230,314	\$ (16,104,179)
Service Cost	2,846,767		2,846,767
Interest on Total Pension Liability	11,130,927		11,130,927
Differences Between Expected and Actual Experience of the Total Pension Liability	(2,773,188)		(2,773,188)
Change of Assumptions	-		-
Benefit Payments, Including Refunds of Employee Contributions	(8,038,995)	(8,038,995)	-
Contributions - Employer		2,071,027	(2,071,027)
Contributions - Employee		1,397,801	(1,397,801)
Net Investment Income		29,235,608	(29,235,608)
Other (Net Transfer)		(1,962,343)	1,962,343
Balance at December 31, 2021	<u>\$ 159,291,646</u>	<u>\$ 194,933,412</u>	<u>\$ (35,641,766)</u>
Balance at December 31, 2021 - County			<u>\$ (35,221,193)</u>
Balance at December 31, 2021 - GIS			<u>\$ (420,573)</u>
SLEP:			
Balance at December 31, 2020	\$ 88,947,565	\$ 86,623,604	\$ 2,323,961
Service Cost	1,132,065		1,132,065
Interest on Total Pension Liability	6,317,366		6,317,366
Differences Between Expected and Actual Experience of the Total Pension Liability	(526,621)		(526,621)
Change of Assumptions	-		-
Benefit Payments, Including Refunds of Employee Contributions	(4,755,018)	(4,755,018)	-
Contributions - Employer		1,558,423	(1,558,423)
Contributions - Employee		551,262	(551,262)
Net Investment Income		15,313,928	(15,313,928)
Other (Net Transfer)		(232,890)	232,890
Balance at December 31, 2021	<u>\$ 91,115,357</u>	<u>\$ 99,059,309</u>	<u>\$ (7,943,952)</u>

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 17 – 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, 2020	\$ 4,503,233	\$ 3,003,362	\$ 1,499,871
Service Cost	-		-
Interest on Total Pension Liability	309,804		309,804
Differences Between Expected and Actual Experience of the Total Pension Liability	(112,936)		(112,936)
Change of Assumptions	-		-
Benefit Payments, Including Refunds of Employee Contributions	(460,160)	(460,160)	-
Contributions - Employer		179,811	(179,811)
Contributions - Employee		-	-
Net Investment Income		564,271	(564,271)
Other (Net Transfer)		(143,220)	143,220
Balance at December 31, 2021	<u>\$ 4,239,941</u>	<u>\$ 3,144,064</u>	<u>\$ 1,095,877</u>

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

For the year ended December 31, 2021, the County of Champaign recognized pension expense / (income) of \$(5,999,011), \$(2,128,866) and \$(35,312) for the Regular, SLEP, and ECO plans respectively. Total pension expense / income for the County and GIS were \$(8,092,401) and \$(70,788), respectively. At December 31, 2021, the County reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts Related to Pensions		
Regular - Primary Government:		
Difference between expected and actual experience	\$ 674,264	\$ 1,914,180
Changes of assumptions	-	445,439
Net difference between projected and actual earnings on pension plan investments	-	22,539,065
Total	<u>\$ 674,264</u>	<u>\$ 24,898,684</u>

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 17 – 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	\$ 805,537	\$ 372,921
Changes of assumptions	162,308	275,364
Net difference between projected and actual earnings on pension plan investments	-	12,169,999
Total	\$ 967,845	\$ 12,818,284
ECO:		
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 502,096
Total	\$ -	\$ 502,096

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		
2022	\$ (5,768,354)	\$ (68,879)	\$ (5,837,233)	\$ (2,226,013)	\$ (114,074)
2023	(9,543,679)	(113,960)	(9,657,639)	(4,708,149)	(193,720)
2024	(5,555,331)	(66,336)	(5,621,667)	(3,088,665)	(121,924)
2025	(3,357,056)	(40,086)	(3,397,142)	(1,827,612)	(72,378)
Total	\$ (24,224,420)	\$ (289,261)	\$ (24,513,681)	\$ (11,850,439)	\$ (502,096)

**COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 18 – 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 2021 ranged from \$898 to \$1,941 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, 2021, the measurement date, membership of the plan was as follows:

Active Members	696
Retirees and Beneficiaries	30
	<hr/>
Total	726
	<hr/> <hr/>

Total OPEB Liability

The County's total OPEB liability was measured as of December 31, 2021. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated January 1, 2020. 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, 2020 using the following actuarial methods and assumptions:

- Actuarial Cost Method - Entry Age Normal.
- Discount Rate – 2.06%. 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 – 4.90%-3.90% over 53 years
- Mortality – Sheriff and Correction Officers: Pub-2010 Public Safety Mortality Table with generational projection per the MP-2019 ultimate scale, with employee rates before commencement and healthy annuitant rates after benefit commencement. This assumption includes a margin for mortality improvement beyond the valuation date. All Others: Pub-2010 Mortality Table with generational projection per the MP-2019 ultimate scale, with employee rates after benefit commencement. This assumption includes a margin for mortality improvement beyond the valuation date.

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 18 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)Change in the Total OPEB Liability

The change in total OPEB liability for the calendar year ended December 31, 2021 was as follows:

Fiscal Year Ended	Governmental
December 31, 2021	<u>Activities</u>
Balances at December 31, 2020	\$ 3,323,418
Service Cost	191,516
Interest	72,185
Economic/Demographic Gains or Losses	-
Changes of Assumptions	18,199
Benefit Payments	<u>(221,175)</u>
Balance at December 31, 2021	<u><u>\$ 3,384,143</u></u>

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

The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 2.06%, 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	1% Increase
	1.06%	Discount Rate 2.06%	3.06%
	<u> </u>	<u> </u>	<u> </u>
Total OPEB Liability - Governmental	\$ 3,703,354	\$ 3,384,143	\$ 3,094,538

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	1% Increase
		Trend Rate	
	<u> </u>	<u> </u>	<u> </u>
Total OPEB Liability - Governmental	\$ 2,947,833	\$ 3,384,143	\$ 3,908,017

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 18 – 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, 2021 the County recognized OPEB expense of \$272,181. At December 31, 2021, the County reported deferred outflows or resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Amounts Related to OPEB	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ 355,367
Changes of assumptions	444,202	89,280
	<u> </u>	<u> </u>
Total	\$ 444,202	\$ 444,647
	<u> </u>	<u> </u>

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,	Net Deferred Inflows of Resources
	<u> </u>
2022	\$ 8,480
2023	8,480
2024	8,480
2025	8,480
2026	(16,333)
Thereafter	(18,032)
	<u> </u>
Total	\$ (445)
	<u> </u>

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 19 – 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, 2021 (the latest fiscal year end for METCAD), Champaign County's equity interest share was 17.34%, or \$2,272,717 which is reported in the Statement of Net Position as an investment in joint venture. The net increase of \$295,697 from the amount reported for June 30, 2021, 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, 2021 is provided below.

Financial Position as of June 30, 2021	
Total Assets & Deferred Outflows	\$ 15,915,673
Total Liabilities & Deferred Inflows	<u>2,808,887</u>
Total Net Position	<u>\$ 13,106,786</u>
Results of Operations for the Fiscal Year Ended June 30, 2021	
Total Revenues	\$ 7,254,535
Total Expenses	<u>5,477,379</u>
Change in Net Position	1,777,156
Net Position - Beginning	<u>11,329,630</u>
Net Position - Ending	<u>\$ 13,106,786</u>

**COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 19 – 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, 2021. 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, 2021 Champaign County's equity interest share was 60.97%, totaling \$420,251, which is reported in the Statement of Net Position as an investment in joint venture. The net increase of \$97,905 in the County's share of equity for the fiscal year ended December 31, 2021 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, 2021 is presented below.

Financial Position as of December 31, 2021

Total Assets & Deferred Outflows	\$ 1,149,139
Total Liabilities & Deferred Inflows	<u>459,887</u>
Total Net Position	<u>\$ 689,252</u>

Results of Operations for the Fiscal Year Ended December 31, 2021

Total Revenues	\$ 623,514
Total Expenses	<u>467,595</u>
Change in Net Position	155,919
Net Position - Beginning	<u>533,333</u>
Net Position - Ending	<u>\$ 689,252</u>

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 20 – CONTINGENT LIABILITIES

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 21 – COMMITMENTSRoad and Bridge Construction Projects

The County Highway Department has five Special Revenue Funds with December 31, 2021 fund balances totaling \$15.8 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 12/31/2021</u>	<u>Remaining Commitment</u>
Lincoln Avenue	#11-00334-01-EG/PV	\$ 600,000	\$ 506,685	\$ 93,315
CH 15	#19-00451-00-SP	1,000,000	530,640	469,360
CH 18	#20-00453-00-SP	1,000,000	54,449	945,551
CH 20	#20-00455-00-RS	3,100,000	12,996	3,087,004
CH 1 Bridge	#12-00992-00-BR	1,348,474	1,191,108	157,366
CH 1 Bridge	#12-00993-00-BR	942,362	804,869	137,493
Tolono Twp Bridge	#19-29081-00-BR	383,832	368,853	14,979
CH 11 Bridge	#19-00080-00-BR	750,000	621,372	128,628
CH 13 Bridge	#19-00077-00-BR	600,864	574,468	26,396
CH 17 Bridge	#18-00061-00-BR	400,000	314,731	85,269
CH 20	#19-00075-00-BR	700,000	42,876	657,124
CH 32	#20-00086-00-BR	100,000	19,144	80,856
Compromise Twp Bridge	#20-06095-00-BR	306,345	291,102	15,243
Pesotum Twp Bridge	#21-18110-00-BR	400,000	26	399,974
Urbana Twp Bridge	#18-30057-00-BR	1,080,000	76,134	1,003,866
Colfax Twp	#17-05047-00-BR	13,000		13,000
Compromise Twp	#18-06058-00-BR	20,000		20,000
Compromise Twp	#18-06059-00-BR	5,000		5,000
Compromise Twp	#20-06093-00-BR	12,500	10,449	2,051
Condit Twp	#21-07113-00-BR	24,100		24,100
Hensley Twp	#20-12104-00-BR	3,500		3,500
Ludow Twp	#21-14116-00-BR	23,680		23,680
Newcomb Twp	#20-16098-00-BR	6,300		6,300
Somer Twp	#21-25109-00-BR	16,400		16,400
Stanton Twp	#20-28090-00-BR	18,300		18,300
		\$ 12,854,657	\$ 5,419,901	\$ 7,434,756
Total				

This page intentionally left blank