BASIC FINANCIAL STATEMENTS

COUNTY OF CHAMPAIGN, ILLINOIS
STATEMENT OF NET POSITION
NOVEMBER 30, 2013

Exhibit I

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	$36,818,072	$369,614	$37,187,686
Investments	0	0	0
Receivables, Net of Uncollectible Amounts:			
Patient Accounts	0	2,596,947	2,596,947
Property Taxes	28,425,884	1,097,873	29,523,757
Intergovernmental	7,350,493	508,719	7,859,212
Program Loans--Current Portion	446,005	0	446,005
Accrued Interest	12,579	0	12,579
Other	213,668	0	213,668
Internal Balances	360,327	(360,327)	0
Inventories	0	11,739	11,739
Prepaid Expenses	0	20,251	20,251
Deferred Charges	452,166	0	452,166
Resident Trust Accounts	6,421	8,964	15,385
Program Loans Receivable--Long Term Portion	3,817,018	0	3,817,018
Investment in Joint Venture	1,744,532	0	1,744,532
Capital Assets Not Being Depreciated	3,887,055	0	3,887,055
Capital Assets, Net of Accumulated Depreciation	70,787,510	20,002,304	90,789,814
Total Assets	154,321,730	24,256,084	178,577,814
LIABILITIES			
Accrued Salaries Payable	665,341	157,381	822,722
Accounts Payable	2,858,464	1,184,148	4,042,612
Accrued Interest Payable	1,554,306	0	1,554,306
Funds Held for Others	319,759	8,964	328,723
Unearned Revenue	28,464,533	1,097,873	29,562,406
Compensated Absences Payable	3,034,342	316,931	3,351,273
Noncurrent Liabilities:			
Due Within One Year	3,791,117	0	3,791,117
Due in More Than One Year	44,902,893	165,188	45,068,081
Total Liabilities	85,590,755	2,930,485	88,521,240
NET POSITION			
Net Investment in Capital Assets	44,332,971	20,002,304	64,335,275
Restricted for:			
Capital Projects, Net of Related Debt	714	0	714
Debt Service	4,554,146	0	4,554,146
Justice & Public Safety	3,514,814	0	3,514,814
Health & Education	6,804,050	0	6,804,050
Development & General Government	8,704,650	0	8,704,650
Highways & Bridges	8,432,155	0	8,432,155
Insurance & Fringe Benefits	1,443,499	0	1,443,499
Unrestricted (Deficit)	(9,056,024)	1,323,295	(7,732,729)
Total Net Position	68,730,975	21,325,599	90,056,574

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

COUNTY OF CHAMPAIGN, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

Exhibit II

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
FUNCTIONS / PROGRAMS	Expenses	Fines, Permits & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:							
General Government	$10,505,835	$3,745,124	$125,967	$0	($6,634,744)	$0	($6,634,744)
Justice & Public Safety	31,309,294	5,218,444	3,637,693	0	(22,453,157)	0	(22,453,157)
Health	10,177,646	186,625	1,647,061	0	(8,343,960)	0	(8,343,960)
Education	6,462,831	76,531	6,605,338	0	219,038	0	219,038
Social Services	50,618	41,636	0	0	(8,982)	0	(8,982)
Development	11,851,253	526,319	10,646,634	26,400	(651,900)	0	(651,900)
Highways & Bridges	5,893,484	236,212	2,944,410	4,327,809	1,614,947	0	1,614,947
Interest on Long-Term Debt	2,771,322	0	0	0	(2,771,322)	0	(2,771,322)
Total Governmental Activities	79,022,283	10,030,891	25,607,103	4,354,209	(39,030,080)	0	(39,030,080)
BUSINESS-TYPE ACTIVITIES:							
Nursing Home	15,277,835	13,545,359	0	0	0	(1,732,476)	(1,732,476)
Total Business-Type Activities	15,277,835	13,545,359	0	0	0	(1,732,476)	(1,732,476)
Total Government	94,300,118	23,576,250	25,607,103	4,354,209	(39,030,080)	(1,732,476)	(40,762,556)
General Revenues:							
Property Taxes					27,765,286	1,052,169	28,817,455
Public Safety Sales Taxes					4,619,739	0	4,619,739
Hotel/Motel & Auto Rental Taxes					60,775	0	60,775
Grants & Contributions Not Restricted to Specific Programs					11,399,918	0	11,399,918
Investment Earnings					22,144	563	22,707
Miscellaneous					821,604	9,448	831,052
Gain on Disposal of Capital Assets					0	0	0
Transfers					(23,052)	23,052	0
Total General Revenues and Transfers					44,666,414	1,085,232	45,751,646
Change in Net Position					5,636,334	(647,244)	4,989,090
Net Position - Beginning					63,094,641	21,972,843	85,067,484
Net Position - Ending					68,730,975	21,325,599	90,056,574

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

COUNTY OF CHAMPAIGN, ILLINOIS
GOVERNMENTAL FUNDS
BALANCE SHEET
NOVEMBER 30, 2013

Exhibit III

	Major Funds: General Fund	Major Funds: Mental Health Fund	Major Funds: Developmental Disability Fund	Major Funds: Illinois Municipal Retirement Fund	Major Funds: Regional Planning Comm Fund	All Other (Non-Major) Governmental Funds	Total Governmental Funds
ASSETS							
Cash	$3,523,822	$2,088,697	$1,622,999	$1,876,034	$307,007	$23,700,908	$33,119,467
Investments	0	0	0	0	0	0	0
Receivables, Net of Uncollectible Amounts:							
Property Taxes	8,953,575	4,030,508	3,514,820	3,209,257	0	8,717,724	28,425,884
Intergovernmental	3,727,288	57,422	0	2,960	1,041,631	2,564,938	7,394,239
Program Loans--Current Portion	0	0	0	0	0	446,005	446,005
Accrued Interest	0	0	0	0	0	12,579	12,579
Other	76,807	0	0	0	10,603	82,504	169,914
Due From Other Funds	957,148	0	0	308,943	79,966	2,016,550	3,362,607
Inventories	0	0	0	0	0	0	0
Resident Trust Accounts	6,421	0	0	0	0	0	6,421
Advances to Other Funds	0	0	0	0	75,000	0	75,000
Program Loans Receivable--Long Term	0	0	0	0	0	3,817,018	3,817,018
Total Assets	17,245,061	6,176,627	5,137,819	5,397,194	1,514,207	41,358,226	76,829,134
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accrued Salaries Payable	430,626	7,163	0	0	106,970	120,582	665,341
Accounts Payable	496,579	6,739	0	641,283	460,630	1,138,941	2,744,172
Due To Other Funds	293,657	10,181	0	0	210,728	2,819,668	3,334,234
Funds Held for Others	32,343	0	0	216,338	0	1,025	249,706
Unearned Revenues	9,951,286	4,087,930	3,514,820	3,209,257	177,275	9,108,592	30,049,160
Advances from Other Funds	0	0	0	0	0	75,000	75,000
Total Liabilities	11,204,491	4,112,013	3,514,820	4,066,878	955,603	13,263,808	37,117,613
FUND BALANCES (DEFICITS):							
Restricted	311,977	2,064,614	1,622,999	1,330,316	558,604	28,481,439	34,369,949
Committed	0	0	0	0	0	66,647	66,647
Assigned	0	0	0	0	0	1,322,883	1,322,883
Unassigned	5,728,593	0	0	0	0	(1,776,551)	3,952,042
Total Fund Balances (Deficits)	6,040,570	2,064,614	1,622,999	1,330,316	558,604	28,094,418	39,711,521
Total Liabilities & Fund Balances	17,245,061	6,176,627	5,137,819	5,397,194	1,514,207	41,358,226	76,829,134

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
NOVEMBER 30, 2013

Exhibit III-a

Fund Balances (Deficits) - Total Governmental Funds (See Exhibit III)	39,711,521
Capital assets, net of depreciation, used in governmental activities	74,674,565
Investment in Joint Ventures related to governmental activities	1,744,532
Assets and liabilities of internal service funds related to governmental activities, including estimated claims payable long term liability	2,055,904
Receivables for revenue accruals related to governmental activities	1,584,627
Payables for expense accruals related to governmental activities	(1,554,306)
Liability for compensated absences accruals related to governmental activities	(3,034,342)
Deferred bond issuance costs related to governmental activities	452,166
Long term liabilities related to governmental activities, other than estimated claims payable from internal service funds	(46,903,692)
Net Position of Governmental Activities (See Exhibit I)	68,730,975

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

COUNTY OF CHAMPAIGN, ILLINOIS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

Exhibit IV

	Major Funds					All Other	
	General Fund	Mental Health Fund	Developmental Disability Fund	Illinois Municipal Retirement Fund	Regional Planning Comm Fund	(Non-Major) Governmental Funds	Total Governmental Funds
REVENUES:							
Property Taxes	$9,098,244	$3,825,087	$3,492,656	$3,153,759	$0	$8,195,540	$27,765,286
Public Safety Sales Taxes	0	0	0	0	0	5,003,543	5,003,543
Hotel/Motel & Auto Rental Taxes	60,775	0	0	0	0	0	60,775
Intergovernmental Revenue	16,588,661	318,517	0	124,000	8,873,315	13,820,317	39,724,810
Fines & Forfeitures	925,032	0	0	0	0	124,107	1,049,139
Licenses & Permits	1,337,641	0	0	0	0	452,538	1,790,179
Charges for Services	3,952,344	0	0	137,114	1,169,008	2,261,773	7,520,239
Rents and Royalties	1,008,710	0	0	0	0	0	1,008,710
Interest on Program Loans	0	0	0	0	0	168,995	168,995
Investment Earnings	4,390	915	586	598	323	13,384	20,196
Miscellaneous	256,105	58,080	0	0	72,352	391,321	777,858
Total Revenues	33,231,902	4,202,599	3,493,242	3,415,471	10,114,998	30,431,518	84,889,730
EXPENDITURES:							
Current: General Government	8,786,058	0	0	507,726	0	1,147,975	10,441,759
Justice & Public Safety	22,226,217	0	0	2,337,425	0	5,035,278	29,598,920
Health	0	4,284,096	3,416,022	0	0	2,795,595	10,495,713
Education	0	0	0	0	0	6,629,675	6,629,675
Social Services	24,498	0	0	0	0	0	24,498
Development	366,833	0	0	35,672	10,292,789	2,014,004	12,709,298
Highways & Bridges	0	0	0	183,587	0	5,504,693	5,688,280
Debt Service: Principal Retirement	337,500	0	0	385,000	0	2,315,415	3,037,915
Interest & Fiscal Charges	207,846	0	0	30,871	0	2,637,290	2,876,007
Total Expenditures	31,948,952	4,284,096	3,416,022	3,480,281	10,292,789	28,079,925	81,502,065
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,282,950	(81,497)	77,220	(64,810)	(177,791)	2,351,593	3,387,665
OTHER FINANCING SOURCES (USES):							
Sale of General Obligation Bonds	0	0	0	0	0	0	0
Premium on General Obligation Bonds	0	0	0	0	0	0	0
Sale of Refunding Bonds	0	0	0	0	0	0	0
Premium on Refunding Bonds	0	0	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0	0	0
Transfers In	1,466,362	0	0	0	327,938	538,543	2,332,843
Transfers Out	(638,828)	0	0	0	(222,463)	(1,494,604)	(2,355,895)
Net Other Financing Sources (Uses)	827,534	0	0	0	105,475	(956,061)	(23,052)
NET CHANGE IN FUND BALANCES	2,110,484	(81,497)	77,220	(64,810)	(72,316)	1,395,532	3,364,613
FUND BALANCES--Beginning of Year	3,930,086	2,146,111	1,545,779	1,395,126	630,920	26,698,886	36,346,908
FUND BALANCES--End of Year	6,040,570	2,064,614	1,622,999	1,330,316	558,604	28,094,418	39,711,521

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

COUNTY OF CHAMPAIGN, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

Exhibit IV-a

Net Change in Fund Balances - Total Governmental Funds (See Exhibit IV)	$3,364,613
Remove expenditures for acquisition of capital assets	2,882,313
Include revenue for capital assets acquired through gift or grant	4,354,209
Include gain (loss) on disposal of capital assets	(97,006)
Include depreciation expense	(5,672,722)
Include change in investment in joint ventures	31,806
Include the net revenue (expense) of internal service funds used to charge the costs of risk financing and employee health benefits to governmental activities	944,305
Remove revenues related to prior periods; include revenues earned but not available in the current period	(2,836,027)
Remove expenditures related to prior periods; include expenses incurred but not expected to be liquidated with expendable available financial resources in the current period	(387,739)
Remove debt proceeds, debt issuance costs, and payment to bond refunding escrow agent	0
Amortize bond premium and deferred amount on refunding against debt interest expense	65,183
Amortize debt issuance costs over the life of the debt	(50,516)
Remove debt principal repayment expenditures	3,037,915
Change in Net Position of Governmental Activities (See Exhibit II)	5,636,334

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

COUNTY OF CHAMPAIGN, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
NOVEMBER 30, 2013

Exhibit V

	Business-Type Activities Enterprise Fund Nursing Home Fund	Governmental Activities Internal Service Funds
ASSETS		
CURRENT ASSETS:		
Cash	$369,614	$3,698,605
Investments	0	0
Receivables, Net of Uncollectible Amounts:		
Patient Accounts	2,596,947	0
Property Taxes	1,097,873	0
Intergovernmental	508,719	0
Other	0	8
Due From Other Funds	0	751,649
Inventories	11,739	0
Prepaid Expenses	20,251	0
Resident Trust Accounts	8,964	0
Total Current Assets	4,614,107	4,450,262
NONCURRENT ASSETS:		
Capital Assets:		
Buildings and Improvements	23,751,248	0
Construction in Progress	0	0
Equipment	1,356,362	0
Less Accumulated Depreciation	(5,105,306)	0
Total Noncurrent Assets	20,002,304	0
Total Assets	24,616,411	4,450,262
LIABILITIES		
CURRENT LIABILITIES:		
Accrued Salaries Payable	157,381	0
Accounts Payable	1,184,148	114,292
Due To Other Funds	747,959	32,063
Funds Held For Others	8,964	70,053
Deferred Revenues	1,097,873	0
Compensated Absences Payable	316,931	0
Estimated Claims Payable	0	615,295
Total Current Liabilities	3,513,256	831,703
NONCURRENT LIABILITIES:		
Estimated Claims Payable	0	1,175,023
Net Obligation for Other Post-Employment Benefits	165,188	0
Total Noncurrent Liabilities	165,188	1,175,023
Total Liabilities	3,678,444	2,006,726
NET POSITION		
Invested in Capital Assets	20,002,304	0
Unrestricted	935,663	2,443,536
Total Net Position	20,937,967	2,443,536
Adjustment due to consolidation of internal service fund activities related to enterprise funds	387,632	
Net assets of business-type activities	21,325,599	

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

COUNTY OF CHAMPAIGN, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

	Business-Type Activities Enterprise Fund Nursing Home Fund	Governmental Activities Internal Service Funds
OPERATING REVENUES:		
Charges for Services (Net of Uncollectible)	$13,515,163	$7,226,676
Miscellaneous	30,196	0
Total Operating Revenues	13,545,359	7,226,676
OPERATING EXPENSES:		
Salaries	6,394,652	42,208
Fringe Benefits	2,272,469	5,382,531
Commodities	1,409,505	621
Services	4,348,517	617,520
Bad Debt Expense	345,944	0
Depreciation	743,935	0
Total Operating Expenses	15,515,022	6,042,880
OPERATING INCOME (LOSS)	(1,969,663)	1,183,796
NON-OPERATING REVENUES (EXPENSES):		
Property Tax	1,052,169	0
Intergovernmental Revenue	0	0
Investment Earnings	563	1,948
Donations	9,448	0
Gain (Loss) on Disposal of Capital Assets	0	0
Interest Expense	(4,252)	0
Net Non-Operating Revenues (Expenses)	1,057,928	1,948
INCOME (LOSS) BEFORE TRANSFERS	(911,735)	1,185,744
Capital Contributions	0	0
Transfers In	333,142	0
Transfers Out	(310,090)	0
CHANGE IN NET POSITION	(888,683)	1,185,744
NET POSITION--Beginning of Year	21,826,650	1,257,792
NET POSITION--End of Year	20,937,967	2,443,536
Adjustment due to consolidation of internal service fund activities related to enterprise funds	241,439	
Change in net position of business-type activities	(647,244)	

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

COUNTY OF CHAMPAIGN, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

	Business-Type Activities Enterprise Fund Nursing Home Fund	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Receipts from Customers	$13,436,026	$0
Cash Receipts from Other Funds and Employees for Services	0	7,453,850
Cash Receipts for Claims Reimbursements	0	0
Cash Payments to Employees for Services	(6,406,088)	(42,208)
Cash Payments to Suppliers and Other Funds for Goods and Services	(8,102,268)	(6,503,289)
Cash Payments for Claims	0	(591,326)
Net Cash Provided (Used) By Operating Activities	(1,072,330)	317,027
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Property Taxes Received	1,052,169	0
Operating Grants Received	0	0
Gifts And Donations Received	3,716	0
Cash Received from Tax Anticipation Borrowing	914,000	0
Tax Anticipation Borrowing Repaid	(914,000)	0
Interest Paid on Tax Anticipation Borrowing	(4,252)	0
Transfers/Loans Received From Other Funds	0	0
Transfers/Loans Paid To Other Funds	(310,090)	0
Net Cash Provided (Used) By Non-Capital Financing Activities	741,543	0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Received from Sale of Capital Assets	0	0
Payments for Acquisition and Construction of Capital Assets	(101,044)	0
Net Cash Provided (Used) By Capital and Related Financing Activities	(101,044)	0
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Interest Received on Investments and Bank Deposits	563	1,948
Net Cash Provided (Used) By Investment Activities	563	1,948
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(431,268)	318,975
Cash and Cash Equivalents at Beginning of Period	800,882	3,379,630
Cash and Cash Equivalents at End of Period	369,614	3,698,605

Non-cash Investing, Capital and Financing Activities:
The Nursing Home Enterprise Fund received donated assets and supplies valued at $5,732. The Self-Funded Insurance and the Employee Health Insurance Internal Service Funds had no non-cash transactions.

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

COUNTY OF CHAMPAIGN, ILLINOIS
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
RECONCILIATION OF OPERATING INCOME (LOSS) TO
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

	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)	($1,969,663)	$1,183,796
Adjust For Non-Cash Revenue/Expense:		
Depreciation Expense	743,935	0
Bad Debt Expense	345,944	
Increase (Decrease) in Estimated Claims Payable	0	(736,899)
Increase (Decrease) in Net Obligation for OPEB	21,001	0
Adjust For Non-Revenue/Expense Cash Flows:		
Decrease (Increase) in Receivables	(151,362)	1,678
Decrease (Increase) in Intergovernmental Receivables	41,971	0
Decrease (Increase) in Due From Other Funds	58	225,496
Decrease (Increase) in Inventories	5,269	0
Decrease (Increase) in Prepaid Expenses	(11,657)	0
Increase (Decrease) in Payables	(255,460)	(388,633)
Increase (Decrease) in Due To Other Funds	157,634	31,999
Increase (Decrease) in Unremitted Payroll Withholdings	0	(410)
Net Cash Provided (Used) By Operating Activities	(1,072,330)	317,027

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

COUNTY OF CHAMPAIGN, ILLINOIS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
NOVEMBER 30, 2013

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash	$1,146,695	$1,019,099
Investments	0	1,561,587
Receivables:		
Other	0	112,761
Intergovernmental	321,448	6,860
Accrued Interest	0	0
Total Assets	1,468,143	2,700,307
LIABILITIES		
Accounts Payable	0	0
Due to Other Funds	0	0
Funds Held for Others	0	2,700,307
Total Liabilities	0	2,700,307
NET POSITION		
Held in Trust for Other Governments	1,468,143	0

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

Exhibit IX

COUNTY OF CHAMPAIGN, ILLINOIS
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2013

	Private Purpose Trust Funds
ADDITIONS:	
Intergovernmental Revenue	$2,706,805
Investment Earnings	695
Miscellaneous	0
Total Additions	2,707,500
DEDUCTIONS:	
Township Road & Bridge Maintenance	2,742,671
Total Deductions	2,742,671
CHANGE IN NET POSITION	(35,171)
NET POSITION--Beginning of Year	1,503,314
NET POSITION--End of Year	1,468,143

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. THE ENTITY

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

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

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

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

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

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

B. FUND ACCOUNTING

The accounts of the County are organized on the basis of various individual funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government monies are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent. Funds are classified into several categories and types. Governmental funds include the general fund, special revenue funds, debt service funds and capital projects funds. Proprietary funds include enterprise funds and internal service funds. Fiduciary funds include private-purpose trust funds and agency funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(1) Government-wide Financial Statements

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

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

(2) Fund Financial Statements

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

Major governmental funds include the General Fund, which is the principal operating fund for the County; the Mental Health Fund, which uses property taxes to fund mental health agencies; the Developmental Disability Fund, which uses property taxes to provide for the care and treatment of persons with a developmental disability; the Illinois Municipal Retirement Fund, which uses property taxes to fund employer contributions to the IMRF pension plan for County employees; and the Regional Planning Commission Fund, which uses intergovernmental grants and contracts to provide housing/home energy assistance, community services, senior services, economic development assistance, transportation planning and police training.

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Beginning with fiscal year 2013, the County implemented GASB Statement No.63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

Net position represents the difference between assets and liabilities. 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. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

(1) Government-wide Financial Statements

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

(2) Governmental Funds

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (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. In the enterprise fund, this means Nursing Home patient revenue, including Medicaid, Medicare and other insurance payments received for patient accounts. Operating expenses are those incurred in providing patient care. In the internal service funds, operating revenue includes interfund billings for insurance coverage and claims. Operating expenses are expenses incurred in providing the services, such as insurance premiums and claims expenses.

(4) Fiduciary Funds

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

F. INVESTMENTS AND CASH EQUIVALENTS

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

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

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

G. RECEIVABLES AND PAYABLES

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. INVENTORIES

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

I. PREPAID ITEMS

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

J. CAPITAL ASSETS

(1) Governmental Activities

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

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

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

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

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

K. COMPENSATED ABSENCES

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

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

A. Governmental Funds to Governmental Activities

A reconciliation is provided with the governmental funds balance sheet (Exhibit III-a) to explain the difference between fund balances in the governmental funds and net position in governmental activities on the government-wide statement of net position. The major differences are: (1) capital assets are not reported in governmental funds, (2) investment in the equity of joint ventures is not reported in governmental funds, (3) assets and liabilities of internal service funds related to governmental activities are not reported in governmental funds, (4) receivables and payables arising from the full accrual of revenues and expenses are not reported in governmental funds under the modified accrual basis of accounting, and (5) long term liabilities and deferred bond issuance costs are not reported in governmental funds.

A reconciliation is provided with the governmental funds statement of revenues, expenditures and changes in fund balances (Exhibit IV-a) to explain the difference between the change in fund balances in the governmental funds and the change in net position for governmental activities on the government-wide statement of activities. The major differences are: (1) capital outlay expenditures are not reported in the government-wide statement, while depreciation expense and gains/losses on disposal of capital assets are not reported in governmental funds; (2) the change in investment in the equity of joint ventures is not reported in governmental funds; (3) the net revenue/expense of internal service funds related to governmental activities is not reported in governmental funds; (4) full accrual of revenues and expenses are not reported in governmental funds under the modified accrual basis of accounting; and (5) debt proceeds, debt principal repayments and payments to a bond refunding escrow agent are not reported in the government-wide statement; while bond premium, bond issuance costs and additional costs of reacquisition of refunded bonds are deferred and amortized over the life of the debt on the government-wide statement.

B. Enterprise Funds to Business-Type Activities

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

NOTE 3 – BUDGETS AND BUDGETARY BASIS OF ACCOUNTING

A. Budgetary Process

County department heads submit their budget requests in the summer prior to the start of the fiscal year on December 1. The County Administrator reviews the department requests and makes recommendations to the Finance Committee of the County Board. Budget hearings are held 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 is usually approved by the County Board in September. Additional changes are approved by the Finance Committee in October and November and incorporated into the final Budget document, which is approved by the County Board in November by a simple majority vote.

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

B. Level of Budgetary Control

Formal budgetary control is employed during the year for all County funds (governmental and proprietary) except fiduciary funds (trust and agency), as required by Illinois law. The legal level of budgetary control is by personnel and non-personnel account categories within a department within a fund. Transfers within departments between accounts in the same category are made by written request of the department to the County Auditor. 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.

C. Amendments to the Budget

Requests for supplementary appropriations must also be approved by 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 goods or services that were 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

Encumbrance accounting is used in all funds, and is also on the modified accrual basis. Purchase orders are required for any purchase exceeding $5,000. The amount is encumbered (provided sufficient appropriations are available) before the order is approved. Encumbrances must be re-established in the following year if the goods or services were not received by November 30.

NOTE 4 – RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS

The actual results of operations are presented 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 also reclassifications between revenues, expenditures and operating transfers which do not affect fund balance/net position, e.g. reclassifications of interfund reimbursements as reductions of expenditures. These reclassifications which do not affect fund balance/net position are not reported in the conversion from budgetary basis to GAAP basis. The adjustments which do affect fund balance/net position and which are shown in the individual fund financial statements are summarized below.

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

Fiscal Year Ended November 30, 2013:	Nursing Home Fund	Self-Funded Insurance Fund	General Fund	Regional Planning Com. Fund	Other Non-Major Govt Funds
Budgetary Basis Change in Fund Balance or Net Position	($552,545)	$542,115	$1,652,095	($141,520)	$945,216
REVENUES AND OTHER SOURCES:					
Interfund transfers into escrow account recognized as other financing source when transferred rather than when spent				(18,652)	
Recognition of prepaid revenues deferred until earned			418,000		31,667
Adjustment for timing differences - revenue recognized in the period when earned	(1,402)		60,117		44,000
Decrease (increase) in allowance for uncollectible accounts receivable and revenue write-offs					
EXPENDITURES /EXPENSES AND OTHER USES:					
Increase (decrease) in inventories and prepaid expenses	4,620				
Adjustment for timing differences - expenses recognized in the period when incurred	647,675		(19,728)	87,856	354,200
Decrease (increase) in bad debt allowance for uncollectible loans receivable					(1)
Capital asset acquisitions and disposals	101,044				
Depreciation expense	(743,935)				
Bad Debt expense	(345,944)				
Decrease (increase) in accrued compensated absences payable	22,805				
Decrease (increase) in net OPEB liability	(21,001)				
Decrease (increase) in estimated claims payable		736,899			
GAAP Basis Change in Fund Balance or Net Position	(888,683)	1,279,014	2,110,484	(72,316)	1,375,082

NOTE 5 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the fiscal year ended November 30, 2013, there were no expenditures in excess of appropriations.

NOTE 6 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments at November 30, 2013 is shown below. Resident trust accounts report money in County custody, which belongs to residents of the County Nursing Home and County Jail.

	Asset Account Carrying Amounts (Reported as:)				Bank
DEPOSITS 11/30/2013	Cash	Investments	Resident Trust	Total	Balances
Demand Deposits	$10,914,003	$0	$15,385	$10,929,388	$11,854,127
Money Market / Savings	0	961,587	0	961,587	964,478
Certificates of Deposit:					
Up to 3 months maturity	0	0	0	0	0
Over 3 mos. up to 12 mos. maturity	0	600,000	0	600,000	600,000
Over 12 mos. up to 24 mos. maturity	0	0	0	0	0
Total Deposits	10,914,003	1,561,587	15,385	12,490,975	13,418,605

	Asset Account Carrying Amounts (Reported as:)				Fair
INVESTMENTS 11/30/2013	Cash	Investments	Resident Trust	Total	Value
State Treasurer Investment Pool	$28,433,812	$0	$0	$28,433,812	$31,595,067
Repurchase Agreements	0	0	0	0	0
Total Investments	28,433,812	0	0	28,433,812	31,595,067

		Investment Maturities (in Years)		Percent
INVESTMENTS 11/30/2013	Fair Value	Less Than 1	1 - 2	of Total
State Treasurer Investment Pool	$28,433,812	$28,433,812	$0	100.00%
Repurchase Agreements	0	0	0	0.00%
Total Investments	28,433,812	28,433,812	0	100.00%
Percent of Total	100.00%	100.00%	0.00%	

Custodial Credit Risk. Deposits are subject to custodial credit risk if uninsured and uncollateralized or covered by collateral that is not in the County's name. It is County policy to require collateral at 110% of market value for deposit balances beyond FDIC/NCUSIF insurance coverage. At November 30, 2013, 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 November 30, 2013 were exposed to this risk.

NOTE 7 – PROPERTY TAX CYCLE

A. Assessments

Property is assessed by elected township assessors at one-third the market value as of January 1 each year. This is the date, called the lien date, on which property taxes “attach” to the property. The township assessors' books are turned in to the County Supervisor of Assessments by June 1 in quadrennial assessment years and April 15 in other years. (2011 was the last quadrennial assessment year.) The Board of Review, a three-member panel appointed by the County Board, takes action on assessment complaints and applies individual township multipliers to those townships which they determine have not been assessed at one-third. 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 county-wide 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 fiscal year 2013 was adopted by the County Board on November 27, 2012, within the statutory deadline (the third Tuesday in December) for all taxing districts. Property tax levies are reported as receivables and deferred (unearned) revenue in the year in which they are adopted. They are recognized as revenue in the year for which they are levied, which is the following year.

D. Tax Bills

Illinois statutes require payment of property taxes in two installments, due June 1 and September 1, and require that tax bills be mailed 30 days prior to the first installment. In 2013, tax bills were mailed on May 3 with the due dates of June 3 and September 3. Property tax bills mailed in 2013 were based on equalized assessed value as of January 1, 2012, and on tax levies set in November 2012.

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 2013, the judgment date was October 24 and the tax sale was held October 25.

F. Tax Distributions

The County Treasurer is also the County Collector who handles the collection and distribution of property taxes for all taxing bodies in the county. The Collector generally distributes taxes to the taxing bodies shortly after taxes are collected. The County may not keep tax receipts on behalf of other units of local government beyond thirty days. Interest earned on taxes before distribution must go to the local governments and may not be kept by the County. In 2013, all property taxes were distributed by November 15.

NOTE 8 – PROPERTY TAXES RECEIVABLE AND UNEARNED REVENUE

Property taxes receivable consist of property taxes levied in 2013, for which a legal claim exists in 2013. The revenue associated with the 2013 levy is deferred until the fiscal year ending November 30, 2014 on the government-wide and the proprietary fund statements, because that is the period for which the taxes are levied. Property tax revenue is also deferred on the governmental fund statements, because the taxes are not available (collectible within thirty days of the fiscal year-end). The receivable for the 2013 tax levy has been reduced by an estimated allowance for uncollectible taxes of 0.50%, which is based on an average of the previous ten years. A summary by fund type of property taxes receivable at November 30, 2013 is below.

Fund Type	Property Taxes Levied	Allowance for Uncollectible	Property Taxes Receivable	Unearned Property Tax Revenue
Governmental:				
General	$8,998,568	($44,993)	$8,953,575	$8,953,575
Special Revenue	18,133,797	(90,669)	18,043,128	18,043,128
Capital Projects	0	0	0	0
Debt Service	1,436,363	(7,182)	1,429,181	1,429,181
Subtotal Governmental	28,568,728	(142,844)	28,425,884	28,425,884
Proprietary:				
Enterprise	1,103,390	(5,517)	1,097,873	1,097,873
Total	29,672,118	(148,361)	29,523,757	29,523,757

NOTE 9 – PATIENT ACCOUNTS RECEIVABLE AND CHARGES FOR SERVICES

Patient accounts receivable and charges for services in the enterprise fund as of November 30, 2013 have been reduced by an allowance for uncollectible amounts, determined by an analysis of individual patient accounts.

	Receivable	Revenue
Gross patient accounts receivable / revenue	$2,740,907	$13,659,123
Allowance for uncollectible amounts	($143,960)	($143,960)
Patient accounts receivable / revenue, net of uncollectible amounts	$2,596,947	$13,515,163

NOTE 10 – ECONOMIC DEVELOPMENT AND REHABILITATION LOANS RECEIVABLE

The County, through its Regional Planning Commission Loan Funds, has various grant programs to administer economic development and housing rehabilitation loans to qualified businesses and individuals. The primary purpose of the economic development loan programs is to create new jobs. Principal repayments on loans may be used for any grant eligible purpose. At November 30, 2013, loans outstanding were as follows:

Program Loans Receivable (Net of Uncollectible Amounts)	11/30/12 Balance	FY 2013 Additions	FY 2013 Deductions	11/30/13 Balance	Current Receivable
Economic Development Loans Receivable:					
Community Services Block Grant Loans	$824,413	$150,000	($216,402)	$758,011	$149,998
Comm. Serv. Block Grant Recovery Act Loans	311,247	0	(67,361)	243,886	49,035
Comm. Serv. Block Grant Pass-Through Loans	8,336	0	0	8,336	8,336
Community Development Recaptured Loans	1,932,003	600,950	(221,065)	2,311,888	198,729
USDA Iintermediary Relending Loans Receivable	0	40,000	(3,048)	36,952	5,298
Housing Rehabilitation Loans Receivable:					
County Housing Rehab Loans	267,116	0	(33,900)	233,216	34,609
HUD H.O.M.E. Program Loans	670,734	0	0	670,734	0
Total Loans Receivable	4,013,849	790,950	(541,776)	4,263,023	446,005

NOTE 11 – CAPITAL ASSETS

A. A summary of capital assets related to governmental activities is presented below:

Governmental Activities	11/30/12 Balance	FY 2013 Additions	FY 2013 Deductions	11/30/13 Balance
Assets Not Being Depreciated:				
Land	$1,749,092	$0	$0	$1,749,092
Construction in Progress	649,550	6,424,472	(4,936,059)	2,137,963
Assets Being Depreciated:				
Infrastructure	67,141,195	4,846,809	(2,870,251)	69,117,753
Buildings and Improvements	74,734,819	0	0	74,734,819
Equipment	14,449,056	901,300	(714,770)	14,635,586
Assets Subtotal	158,723,712	12,172,581	(8,521,080)	162,375,213
Accumulated Depreciation:				
Infrastructure	(42,587,361)	(2,237,160)	2,788,286	(42,036,235)
Buildings and Improvements	(31,276,773)	(2,481,076)	0	(33,757,849)
Equipment	(11,651,806)	(954,486)	699,728	(11,906,564)
Accum. Depreciation Subtotal	(85,515,940)	(5,672,722)	3,488,014	(87,700,648)
Net Total	73,207,772	6,499,859	(5,033,066)	74,674,565

NOTE 11 – CAPITAL ASSETS (continued)

B. A summary of capital assets related to business-type activities (Nursing Home) follows:

Business-Type Activities	11/30/12 Balance	FY 2013 Additions	FY 2013 Deductions	11/30/13 Balance
Assets Not Being Depreciated:				
Construction in Progress	$0	$0	$0	$0
Assets Being Depreciated:				
Buildings and Improvements	23,693,374	57,874	0	23,751,248
Equipment	1,313,192	43,170	0	1,356,362
Assets Subtotal	25,006,566	101,044	0	25,107,610
Accumulated Depreciation:				
Buildings and Improvements	(3,592,673)	(625,252)	0	(4,217,925)
Equipment	(768,698)	(118,683)	0	(887,381)
Accum. Depreciation Subtotal	(4,361,371)	(743,935)	0	(5,105,306)
Net Total	20,645,195	(642,891)	0	20,002,304

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

Function	Governmental Activities	Business-Type Activities
General Government	$364,321	$0
Justice and Public Safety	2,515,960	0
Health	740	0
Education	63,963	0
Social Services	0	743,935
Development	85,871	0
Highways and Bridges	2,641,867	0
Total Depreciation Expense	5,672,722	743,935

NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at November 30, 2013 are summarized below.

Due To / From Other Funds:	Receivable	Payable
Major Governmental Funds:		
General Corporate	$957,148	$293,657
Mental Health	0	10,181
Illinois Municipal Retirement	308,943	0
Regional Planning Commission	79,966	210,728
Major Enterprise Fund:		
Nursing Home	0	747,959
Non-Major Governmental Funds:		
RPC Economic Development Loans	0	11,601
Geographic Information System	20,643	0
Working Cash	0	225
Recorder’s Automation	18,149	79,582
Property Tax Interest Fee	0	50,046
Animal Control	0	29,791
Law Library	0	734
Public Safety Sales Tax	1,386,026	203,295
Sheriff Drug Forfeitures	0	2,578
Court’s Automation	47,000	47,564
Child Support Services	0	7,334
Probation Services	0	3,000
State’s Attorney Drug Forfeitures	0	9,306
Circuit Clerk Operations & Administration	0	60,000
County Jail Medical Costs	0	41,000
Court Document Storage	0	45,370
Victim Advocacy Grant	15,429	23,243
Child Advocacy Center	0	2,463
Access Initiative Grant	0	8,611
Early Childhood	37	190,409
County Highway	129,757	78,661
County Motor Fuel Tax	0	52,282
Tort Immunity	2,663	1,579,700
Social Security	204,185	0
Workforce Development	0	292,593
Capital Asset Replacement	192,661	280
Subtotal Non-Major Governmental	2,016,550	2,819,668
Internal Service Funds:		
Self-Funded Insurance	751,649	5,454
Employee Health Insurance	0	26,609
Subtotal Internal Service	751,649	32,063
Total – All Funds	4,114,256	4,114,256

NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES (continued)

Advances To / From Other Funds:	Receivable	Payable
Major Governmental Fund:		
Regional Planning Commission	$75,000	$0
Non-major Governmental Fund:		
RPC Economic Development Loans	0	75,000
Total – All Funds	75,000	75,000

Of the $4,114,256 Due To/From Other Funds at November 30, 2013, $1,386,026 represented inter-fund loans to cover temporary cash flow shortfalls. The remainder represented unpaid routine inter-fund billings or transfers.

In FY1995, the RPC Loan Fund used $150,000 of existing escrow funds (see Note 13 below) from the Regional Planning Commission Fund plus $450,000 of future payments into escrow to loan $600,000 to the County for part of the cost of purchasing and remodeling the Brookens Administration Building, which the RPC offices would occupy. The amount due back to the Regional Planning Commission Fund from the RPC Loan Fund is classified as an inter-fund advance, since it is expected to be repaid through monthly payments over a long period of time. The outstanding balance of the advance from the Regional Planning Commission Fund to the RPC Loan Fund was $75,000 at November 30, 2013.

NOTE 13 – INTERFUND TRANSFERS AND RPC ESCROW ACCOUNT

	Transfers In	Transfers Out
Major Governmental Funds:		
General Corporate	$1,466,362	$638,828
Regional Planning Commission	327,938	222,463
Major Enterprise Fund:		
Nursing Home	333,142	310,090
Non-Major Governmental Funds (aggregate)	538,543	1,494,604
Internal Service Funds (aggregate)	0	0
Total – All Funds	2,665,985	2,665,985

In FY2013, total inter-fund transfers in, $2,665,985, equal total transfers out, $2,665,985. 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 Loan Fund. CDAP and CSBG grant provisions require that investment interest earned plus a portion of loan repayments received under certain loan programs are placed in escrow to be used to pay the costs of administering these loan programs. Transfers out of the RPC Economic Development Loan Fund put the money into escrow. The money is taken out of escrow and reflected as a transfer into the Regional Planning Commission Fund only as it is needed to cover actual administrative costs incurred. Thus, the discrepancy between transfers in and transfers out is due to the amount remaining in escrow (deferred) until such time as there are costs incurred against which to match it. While this escrow account will continue to be reported in this way under the budgetary basis, the GAAP basis statements have this difference adjusted out. The adjustment made for the fiscal year ended November 30, 2013 was a $18,652 decrease in the transfers into the Regional Planning Commission Fund.

Interfund transfers in/out include grant matches, inter-fund subsidies and transfers into debt service funds. Some significant transfers in 2013 include $310,090 from the Nursing Home Fund to the General Corporate Fund to cover bond principal and interest payments; $333,142 from the General Corporate Fund to the Nursing Home for the permanent forgiveness of an outstanding intercompany loan; $94,979 from the General Corporate Fund and $106,349 from the County Highway Fund to the Highway Facility Bond Debt Service Fund to cover bond principal and interest payments; $792,186 from the Public Safety Sales Tax Fund to the General Corporate Fund

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

to partially cover public facilities costs and computer programming costs; $69,383 from the Public Safety Sales Tax Fund and $123,278 from the General Corporate Fund to the Capital Asset Replacement Fund to set aside money for future capital expenditures; and $60,000 from the Circuit Clerk Operations and Administration Fund to the General Corporate Fund to help cover deficit operations.

NOTE 14 – ON-BEHALF PAYMENTS FOR SALARIES

The State of Illinois paid salary stipends to various County officials during FY2013. These payments made by the state on behalf of the County were reported as intergovernmental revenues and salaries expenditures in the General Fund in the amount of $48,500.

NOTE 15 – COMPENSATED ABSENCES PAYABLE

It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation and personal time, which is attributable to services already rendered and is not contingent upon events outside the control of the employer or employee, such as illness. Liabilities and the related expense for compensated absences payable are reported in the government-wide statements and are based on pay rates in effect at November 30 and include the County's share of Social Security and Medicare taxes. The Nursing Home Enterprise Fund recognizes expense and accrues fund liabilities for vacation and personal time benefits in the period in which they are earned. For governmental funds, the cost of these benefits and the related liabilities are recognized in the fund only when they become currently payable, pursuant to employees using benefit time 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 November 30, 2013 are as follows:

	Nov. 30, 2012 Balance	FY 2013 Additions	FY 2013 Deductions	Nov. 30, 2013 Balance	Expected To Be Paid Within 1 Year
Governmental Activities	$2,918,594	$2,711,905	($2,596,157)	$3,034,342	$3,034,342
Business-Type Activities	339,735	414,698	(437,502)	316,931	316,931

NOTE 16 – RISK FINANCING

A. WORKERS' COMPENSATION SELF-FUNDED INSURANCE

In January, 1986, the County established a self-funded workers' compensation insurance plan, which is being accounted for in an internal service fund, the Self-Funded Insurance Fund. The plan is administered by an independent company. The County's risk retention is $250,000 per individual per claim. Commercial insurance has been purchased for claims in excess of this retention. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Actual claims paid in fiscal year 2013, net of insurance reimbursements, were $446,384. A liability for claims payable must be reported if the liability is both probable and estimable. The estimated amount of unpaid claims that were incurred and reported is determined by the independent plan administrator, but the plan administrator does not include incurred-but-not-reported claims (IBNR) in the calculation. Instead, based on an actuarial study completed in May 2013, the liability for estimated (undiscounted) claims payable including IBNR at November 30, 2013 was projected to be $1,328,178.

NOTE 16 – RISK FINANCING (continued)

Changes in the liability for estimated workers' compensation claims payable for the last two fiscal years are as follows:

Fiscal Year Ending November 30	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
2012	1,911,570	353,696	(232,047)	2,033,219	399,268
2013	2,033,219	(258,657)	(446,384)	1,328,178	418,131

B. LIABILITY/AUTO SELF-FUNDED INSURANCE

The County began self-funding liability and auto insurance in FY94 through the Self-Funded Insurance (Internal Service) Fund. The plan is administered by an independent company. The County's risk retention is $250,000 per occurrence. Commercial insurance has been purchased for claims in excess of this retention. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Actual claims paid in fiscal year 2013, net of insurance reimbursements, were $121,915. A liability for claims payable must be reported if the liability is both probable and estimable. Per an actuarial study completed in May 2013, the liability for estimated (undiscounted) claims payable (including IBNR) at November 30, 2013 was projected to be $462,140. Changes in the liability for estimated liability/auto claims payable for the last two fiscal years are as follows:

Fiscal Year Ending November 30	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
2012	455,132	262,063	(223,197)	493,998	246,314
2013	493,998	90,057	(121,915)	462,140	197,164

C. OTHER FULLY-INSURED RISKS

Commercial insurance, with varying deductible amounts, has been purchased for all other risks of loss, such as property damage, boiler and machinery, Nursing Home medical malpractice, and public official bonds. Unemployment compensation is fully insured through the State of Illinois. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

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

NOTE 17 – SHORT TERM DEBT

A. TAX ANTICIPATION WARRANTS – BUSINESS-TYPE ACTIVITIES

In December 2012, the County Nursing Home issued short term debt in anticipation of property tax revenues to be received in May-November, 2013. The purpose for issuing this debt was to be able to pay operating expenses of the Nursing Home prior to receipt of property tax revenues.

Series 2012A and 2012B Tax Anticipation Warrants $914,000;
due in 2 installments: July 15, 2013 and September 30, 2013;
interest rate at 0.75%;

Balance outstanding at November 30, 2012	$0
Warrants issued in FY2013	$914,000
Warrant interest payments made in FY 2013	$4,252
Warrant principal payments made in FY 2013	$914,000
Balance outstanding at November 30, 2013	$0

NOTE 18 – LONG TERM DEBT

A. GENERAL OBLIGATION BONDS/DEBT CERTIFICATES – GOVERNMENTAL ACTIVITIES

1999 Series Public Safety Sales Tax Bonds: $23,800,000;
due in 29 annual installments from 2001 to 2029; interest rates 3.85% to 8.25%;
$17,660,000 refunded (in-substance defeasance) in FY 2005;
remaining annual installments due through 2023;

Balance outstanding at November 30, 2012	$4,850,000
Bond interest payments made in FY 2013	$400,125
Bond principal payments made in FY 2013	$0
Balance outstanding at November 30, 2013	$4,850,000

2000 Series Public Safety Sales Tax Bonds: $4,997,290;
due in 15 annual installments from 2004 to 2018; interest rates 5.25% to 7.125%;
$1,370,000 refunded (in-substance defeasance) in FY 2004;
remaining annual installments due through 2018;

Balance outstanding at November 30, 2012	$2,841,757
Bond interest payments made in FY 2013	$689,585
Bond principal payments made in FY 2013	$470,415
Balance outstanding at November 30, 2013	$2,371,342

2005A Series Nursing Home Construction Refunding Bonds: $7,425,000;
due in 14 annual installments from 2006 to 2019; interest rates 3.00% to 5.25%;
$819,046 bond premium amortized over 13 years 7 months;
$92,642 bond issuance costs amortized over 13 years 7 months;
$96,404 deferred charge on refunding amortized over 13 years 7 months;

Balance outstanding at November 30, 2012	$7,300,000
Bond interest payments made in FY 2013	$353,662
Bond principal payments made in FY 2013	$900,000
Balance outstanding at November 30, 2013	$6,400,000

NOTE 18 – LONG TERM DEBT (continued)

2005B Series Public Safety Refunding Bonds: $18,440,000;
due in 24 annual installments from 2006 to 2029; interest rates 3.00% to 5.25%;
$526,639 bond premium amortized over 23 years 7 months;
$235,198 bond issuance costs amortized over 23 years 7 months;
$1,071,441 deferred charge on refunding amortized over 23 years 7 months;

Balance outstanding at November 30, 2012	$16,720,000
Bond interest payments made in FY 2013	$775,001
Bond principal payments made in FY 2013	$535,000
Balance outstanding at November 30, 2013	$16,185,000

2006 Series IMRF Early Retirement Obligation Taxable Bonds: $2,450,000;
due in 7 annual installments from 2008 to 2014; interest rates 4.92% to 5.10%;
$0 bond premium amortized over 7 years 11 months;
$38,151 bond issuance costs amortized over 7 years 11 months;

Balance outstanding at November 30, 2012	$790,000
Bond interest payments made in FY 2013	$30,396
Bond principal payments made in FY 2013	$385,000
Balance outstanding at November 30, 2013	$405,000

2006A Series Nursing Home Construction Bonds: $4,000,000;
due in 19 annual installments from 2008 to 2026; interest rates 3.95% to 5.50%;
$52,459 bond premium amortized over 19 years 4 months;
$52,459 bond issuance costs amortized over 19 years 4 months;

Balance outstanding at November 30, 2012	$3,235,000
Bond interest payments made in FY 2013	$133,596
Bond principal payments made in FY 2013	$170,000
Balance outstanding at November 30, 2013	$3,065,000

2007A Series Public Safety Sales Tax Bonds: $5,955,000;
due in 19 annual installments from 2009 to 2027; interest rates 3.80% to 5.00%;
$117,468 bond premium amortized over 19 years 2 months;
$72,468 bond issuance costs amortized over 19 years 2 months;

Balance outstanding at November 30, 2012	$5,095,000
Bond interest payments made in FY 2013	$210,764
Bond principal payments made in FY 2013	$245,000
Balance outstanding at November 30, 2013	$4,850,000

2007B Series Highway Facility Construction Bonds: $1,480,000;
due in 9 annual installments from 2009 to 2017; interest rate 4.25%;
$41,422 bond premium amortized over 9 years 2 months;
$21,422 bond issuance costs amortized over 9 years 2 months;

Balance outstanding at November 30, 2012	$890,000
Bond interest payments made in FY 2013	$34,319
Bond principal payments made in FY 2013	$165,000
Balance outstanding at November 30, 2013	$725,000

NOTE 18 – LONG TERM DEBT (continued)

2010A Series Art Bartell Building Construction Debt Certificates: $1,995,000;
due in 14 annual installments from 2012 to 2025; interest rates 2.00% to 4.90%;
$9,475 bond premium amortized over 13 years 11 months;
$48,514 bond issuance costs amortized over 13 years 11 months;

Balance outstanding at November 30, 2012	$1,880,000
Debt interest payments made in FY 2013	$73,240
Debt principal payments made in FY 2013	$115,000
Balance outstanding at November 30, 2013	$1,765,000

2011 Series Nursing Home Construction Refunding Bonds: $4,355,000;
due in 1 installment in 2012 plus 3 annual installments from 2020 to 2022;
interest rates 1.00% to 4.00%;
$268,253 bond premium amortized over 10 years 5 months;
$60,474 bond issuance costs amortized over 10 years 5 months;
$201,962 deferred charge on refunding amortized over 10 years 5 months;

Balance outstanding at November 30, 2012	$4,255,000
Bond interest payments made in FY 2013	$170,200
Bond principal payments made in FY 2013	$0
Balance outstanding at November 30, 2013	$4,255,000

2013 Bond Transactions – Governmental Activities

Bonds payable November 30, 2012	$47,856,757
Bonds issued in FY 2012	$0
Bonds retired in FY 2013	$2,985,415
Bonds refunded in FY 2013	$0
Bonds payable November 30, 2013	$44,871,342

NOTE 18 – LONG TERM DEBT (continued)

Annual Debt Service Requirements for Bonds

Annual bond debt service requirements, listed by fund from which repayments are made, are as follows:

	Governmental Activities								
	Debt Service Funds		Public Safety Sales Tax Fund		Illinois Municipal Retirement Fund		General Corporate Fund		Total Debt Service
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Requirement
2014	1,105,000	505,187	1,313,322	2,093,606	405,000	10,327	300,000	196,968	5,929,410
2015	1,175,000	449,481	1,439,962	2,039,314	--	--	310,000	184,793	5,598,550
2016	1,215,000	389,794	1,490,492	2,036,715	--	--	320,000	170,593	5,622,594
2017	1,280,000	326,200	1,550,859	2,030,923	--	--	340,000	156,608	5,684,590
2018	1,145,000	263,519	1,606,707	1,998,372	--	--	350,000	142,914	5,506,512
2019	1,205,000	201,831	1,275,000	1,105,250	--	--	365,000	128,668	4,280,749
2020	1,365,000	142,900	1,350,000	1,025,614	--	--	380,000	113,551	4,377,065
2021	1,415,000	87,300	1,490,000	923,276	--	--	400,000	97,438	4,413,014
2022	1,475,000	29,500	1,640,000	809,445	--	--	415,000	80,318	4,449,263
2023	--	--	1,800,000	683,376	--	--	435,000	62,199	2,980,575
2024	--	--	2,000,000	569,176	--	--	450,000	42,950	3,062,126
2025	--	--	2,140,000	469,598	--	--	470,000	22,579	3,102,177
2026	--	--	2,290,000	362,708	--	--	295,000	6,084	2,953,792
2027	--	--	2,450,000	253,136	--	--	--	--	2,703,136
2028	--	--	2,140,000	150,750	--	--	--	--	2,290,750
2029	--	--	2,280,000	51,300	--	--	--	--	2,331,300
	11,380,000	2,395,712	28,256,342	16,602,559	405,000	10,327	4,830,000	1,405,663	65,285,603

At November 30, 2013, $1,733,009 was available in restricted fund balance in the Debt Service Funds, $3,323,087 was available in restricted fund balance in the Public Safety Sales Tax Special Revenue Fund, $415,327 was available in restricted fund balance in the IMRF Special Revenue Fund, and $311,977 was available in resticted fund balance in the General Corporate Fund to meet debt service requirements.

B. INTERGOVERNMENTAL LOANS PAYABLE – GOVERNMENTAL ACTIVITIES

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

Balance outstanding at November 30, 2012	$181,563
Loan principal payments made in FY 2013	$52,500
Balance outstanding at November 30, 2013	$129,063

2013 Intergovernmental Loan Transactions – Governmental Activities

Loans payable November 30, 2012	$181,563
New loans incurred in FY 2013	$0
Loan principal payments made in FY 2013	$52,500
Loans payable November 30, 2013	$129,063

NOTE 18 – LONG TERM DEBT (continued)

Annual Debt Service Requirements for Intergovernmental Loans

Annual debt service requirements, listed by fund from which repayments are made, are as follows:

Fiscal Year	Governmental Activities General Corporate Fund Principal
2014	52,500
2015	52,500
2016	24,063
	129,063

C. SUMMARY OF CHANGES IN LONG TERM LIABILITIES

	Nov. 30, 2012 Balance	FY 2013 Additions	FY 2013 Deductions	Nov. 30, 2013 Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$47,856,757	$0	($2,985,415)	$44,871,342	$3,123,322
Unamortized Bond Premium	1,247,811	0	(137,100)	1,110,711	0
Deferred Amount on Refunding	(949,988)	0	71,917	(878,071)	0
Total Bonds Payable	48,154,580	0	(3,050,598)	45,103,982	3,123,322
Intergovernmental Loans	181,563	0	(52,500)	129,063	52,500
Net OPEB Liability	1,359,154	463,652	(152,159)	1,670,647	0
Estimated Claims Payable	2,527,217	1,366,833	(2,103,732)	1,790,318	615,295
Total Governmental Activities	52,222,514	1,830,485	(5,358,989)	48,694,010	3,791,117
Business-Type Activities:					
Net OPEB Liability	$144,187	$34,005	($13,004)	$165,188	$0
Total Business-Type Activities	144,187	34,005	(13,004)	165,188	0

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

NOTE 19 – REFUNDING BONDS AND DEFEASED DEBT

A. DEFEASED DEBT

(1) 2003 Nursing Home Construction Bonds. In 2005, $8,055,000 of the 2003 Nursing Home Construction Bonds were advance refunded, with an irrevocable trust established to provide for all future debt service payments on the old bonds, resulting in the defeasance of the old debt. Defeased debt is not reported in the financial statements. $8,055,000 of the defeased 2003 Nursing Home Construction Bonds were still outstanding at November 30, 2013.

(2) 2003 Nursing Home Construction Bonds. In 2011, another $4,355,000 of the 2003 Nursing Home Construction Bonds were advance refunded, with an irrevocable trust established to provide for all future debt service payments on the old bonds, resulting in the defeasance of the old debt. Defeased debt is not reported in the financial statements. $4,255,000 of the defeased 2003 Nursing Home Construction Bonds were still outstanding at November 30, 2013.

NOTE 20 – OPERATING LEASES

The County has entered into non-cancelable operating leases for the use of various facilities. The amount of expenditures in FY 2013 for these leases was $267,964, and future minimum lease payments are shown below:

Fiscal Year	Lease Payments
2014	229,336
2015	148,359
2016	110,609
2017	98,567
2018	73,629
2019-2022	194,768
2023-2026	32,461
	887,729

NOTE 21 – FUND EQUITY

A. DEFICIT FUND EQUITY

As of November 30, 2013, the following funds had deficit fund equity:

- Animal Control Special Revenue Fund ($22,604)
- Court's Automation Special Revenue Fund ($17,584)
- Tort Immunity Special Revenue Fund ($1,576,982)
- Victim Advocacy Special Revenue Fund ($8,827)
- Workforce Development Special Revenue Fund ($150,554)

B. FUND BALANCE CLASSIFICATIONS – GOVERNMENTAL FUNDS

Fund balances of governmental funds may be restricted, committed or assigned to specific purposes. On the basic and combining fund balance sheets, the restricted, committed and assigned fund balances are reported in the aggregate. The major purposes of those restrictions, commitments and assignments are shown below.

	General Fund	Mental Health Fund	Developmnt Disability Fund	IL Municipal Retirement Fund	Regional Planning Comm Fund	Non-Major Governmental Funds	Total Governmental Funds
Restricted by State Statutes, Grantor/Donor Stipulations, or Debt Covenants:							
For Capital Projects	$0	$0	$0	$0	$0	$21,360	$21,360
For Debt Service	311,977	0	0	415,328	0	5,056,096	5,783,401
For Justice & Public Safety	0	0	0	0	0	3,415,531	3,415,531
For Health & Education	0	2,064,614	1,622,999	0	0	3,059,015	6,746,628
For Development	0	0	0	0	558,604	6,472,669	7,031,273
For General Government	0	0	0	0	0	1,496,102	1,496,102
For Highways & Bridges	0	0	0	0	0	8,432,155	8,432,155
For Insurance & Fringes	0	0	0	914,988	0	528,511	1,443,499
Total Restricted Fund Balance	311,977	2,064,614	1,622,999	1,330,316	558,604	28,481,439	34,369,949
Committed by County Board Resolution:							
To Solid Waste Management	0	0	0	0	0	66,647	66,647
Assigned by County Officials:							
To Capital Projects	0	0	0	0	0	1,322,883	1,322,883

NOTE 22 – GOVERNMENT-WIDE STATEMENT OF NET POSITION

The government-wide statement of net position includes a restricted portion totaling $33,454,028. Of this amount, $18,954,140 is externally restricted by state statutes, $9,945,028 is restricted by grantor/donor stipulations, and $4,554,860 is restricted by debt covenants.

NOTE 23 - DEFINED BENEFIT PENSION PLAN

The most current information available is for the plan year ended December 31, 2012 and is in accordance with GASB Statement 27 as amended by GASB Statement 50.

The County's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The County participates in three separate plans under IMRF: Regular Employees (Regular), Sheriff's Law Enforcement Personnel (SLEP), and Elected County Officials (ECO). IMRF is an agent multiple-employer pension plan. Benefit provisions are established by state statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by state statute, Regular plan members are required to contribute 4.50% of their annual covered salary; Sheriff's Law Enforcement Personnel contribute 7.50%; and participating Elected County Officials contribute 7.50%. State statutes require the employer to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The County's annual required contribution rate for calendar year 2013 was 10.29% of covered payroll for Regular, 21.35% of covered payroll for SLEP and 73.90% of covered payroll for ECO. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by state statute.

Annual Pension Cost. For 2013, the County's annual pension cost of $2,796,371 for Regular, $1,595,659 for SLEP and $137,727 for ECO was equal to the County's required and actual contributions. The required contributions for 2013 were determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.0% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funding Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date:
(a) The Regular plan was 92.87% funded. The actuarial accrued liability for benefits was $62,397,278 and the actuarial value of assets was $57,949,330, resulting in an underfunded actuarial accrued liability of $4,447,948. Covered payroll for 2013 (annual payroll of active employees covered by the plan) was $27,173,600 and the ratio of the underfunded actuarial accrued liability to covered payroll was 16%.
(b) The SLEP plan was 68.91% funded. The actuarial accrued liability for benefits was $32,057,213 and the actuarial value of assets was $22,090,765, resulting in an underfunded actuarial accrued liability of $9,966,448. Covered payroll for 2013 was $7,473,813 and the ratio of the underfunded actuarial accrued liability to covered payroll was 133%.
(c) The ECO plan was -74.70% funded. The actuarial accrued liability for benefits was $1,346,807 and the actuarial value of assets (liability) was $(1,006,014), resulting in an underfunded actuarial accrued liability of $2,352,821. Covered payroll for 2013 was $179,604 and the ratio of the underfunded actuarial accrued liability to covered payroll was 1310%. The actuarial value of ECO plan assets was negative due to more being paid out for plan benefits than what was received from contributions and earnings on investments.

NOTE 23 - DEFINED BENEFIT PENSION PLAN (continued)

THREE-YEAR TREND INFORMATION

Year Ending	Annual Pension Cost	% of Annual Pension Cost Contributed	Net Pension Obligation
REGULAR NON-SLEP PERSONNEL			
12/31/13	$2,796,371	100%	$0
12/31/12	$2,677,194	100%	$0
12/31/11	$2,704,432	100%	$0
SHERIFF'S LAW ENFORCEMENT PERSONNEL			
12/31/13	$1,595,659	100%	$0
12/31/12	$1,467,630	100%	$0
12/31/11	$1,406,875	100%	$0
ELECTED COUNTY OFFICIALS			
12/31/13	$132,727	100%	$0
12/31/12	$136,416	100%	$0
12/31/11	$111,257	100%	$0

The schedule of funding progress presented as Required Supplementary Information in Exhibit XI shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 24 – OTHER POST-EMPLOYMENT BENEFITS

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

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

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

Funding Policy. Retirees pay the full amount of the blended premiums, as determined by the group health insurance company. The retiree contribution rates for 2013 ranged from $199 to $1,205 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 plan is financed on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The annual OPEB cost includes the cost of benefits earned in the current year plus an amortized amount for past service costs, interest accrued on any prior net OPEB obligation, and adjustments for prior underpayments. A net OPEB obligation arises when employer contributions to the plan are less than the annual OPEB cost. Based on an actuarial valuation performed in December 1, 2011, the County's annual OPEB cost for the fiscal year ended November 30, 2013 was calculated as $497,657 with $34,005 attributable to business-type activities and $463,652 attributable to governmental activities. County contributions made in FY2013 totaled $165,163 with $13,004 attributable to business-type activities and $152,159 attributable to governmental activities. The net OPEB obligation at November 30, 2013 was $1,835,835 with $165,188 attributable to business-type activities and $1,670,647 attributable to governmental activities.

Fiscal Year Ended November 30, 2013	Governmental Activities	Business-Type Activities	Total
Annual Required Contribution	$493,454	$37,167	$530,621
Interest on Prior Net OPEB Obligation	44,173	4,686	48,859
Adjustment for Prior Underpayments	(73,975)	(7,848)	(81,823)
Annual OPEB Cost	463,652	34,005	497,657
Employer Contributions	(152,159)	(13,004)	(165,163)
Increase (Decrease) in Net OPEB Oblig.	311,493	21,001	332,494
Beginning Net OPEB Obligation	1,359,154	144,187	1,503,341
Ending Net OPEB Obligation	1,670,647	165,188	1,835,835

NOTE 24 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Three-Year Trend Information

Year Ending	Annual OPEB Cost	% of OPEB Cost Contributed	Net OPEB Obligation
11/30/2011	$461,313	32.47%	$1,141,581
11/30/2010	- - - - - Not Available - - - - -		
11/30/2009	$748,836	32.50%	$505,434

Funding Status and Funding Progress. Plan benefits are paid on a pay-as-you-go basis. The entire actuarial accrued liability of $4,752,027 is unfunded. Actuarial accrued liability is different from net OPEB Obligation in that it includes the present value of accrued benefits under the plan and not just the accumulated unpaid annual costs since the implementation of GASB Statement No. 45.

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of amounts and assumptions about future events that are subject to continual revision over time. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and the plan members to that point. Actuarial calculations reflect a long-term perspective.

The actuarial cost method used for the 11/30/2011 valuation is the projected unit credit cost method. The unfunded accrued liability is being amortized on a closed basis over 30 years using the level dollar method. (To recognize the significant change in the plan effective December 1, 2009 regarding retirees over age 65, the initial accrued liability from December 1, 2008 was re-amortized over 29 years.) Significant assumptions used in the valuation were: (a) 3.25% discount rate; (b) healthcare cost trend rates of varying amounts for future years, starting with 6.10% for 2013 and ending with 4.70% for 2082 and later; (c) 25% of active participants retiring before age 65 will elect coverage; and (d) 30% of active participants will elect spouse coverage at retirement. Health insurance plans for retirees over age 65 (eligible for Medicare) have community-rated premiums, so there is no implicit rate subsidy for these retirees.

The schedule of funding progress presented as Required Supplementary Information in Exhibit XI shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 25 – JOINT VENTURES

A. METROPOLITAN COMPUTER AIDED DISPATCH (METCAD)

On December 1, 1981, Champaign County entered into an intergovernmental agreement with the City of Champaign, the City of Urbana and the University of Illinois for the purpose of operating an emergency response computer aided dispatching service (METCAD), which had been created by the other three participants in 1979. Each of the four member agencies designates 2 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, 2013 (the latest fiscal year end for METCAD), Champaign County's equity interest share was 16.74%, or $1,589,803, which is reported in the Statement of Net Position as an investment in joint venture. The net decrease of $64,891 from the amount reported for June 30, 2013, is reported in the Statement of Activities under functional expense for Justice and Public Safety.

A copy of the separate audited financial statements for METCAD may be obtained from the City of Champaign Finance Department, 102 N. Neil Street, Champaign, IL 61820. Summary financial information for METCAD for the fiscal year ended June 30, 2013 is provided below.

Financial Position as of June 30, 2013

Total Assets	$9,782,057
Total Liabilities	$285,025
Net Position	$9,497,032

Results of Operations for Fiscal Year Ending June 30, 2013

Total Revenues	$4,010,161
Total Expenses	$4,356,639
Change in Net Position	($346,478)
Beginning Net Position	$9,843,510
Ending Net Position	$9,497,032

NOTE 25 – JOINT VENTURES (continued)

B. GEOGRAPHIC INFORMATION SYSTEM CONSORTIUM

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 runs from December 1 to November 30, with Champaign County as the lead agency. Each of the seven member agencies 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 November 30, 2013 Champaign County's equity interest share was 61.67%, totaling $154,729, which is reported in the Statement of Net Position as an investment in joint venture. The net increase of $96,697 in the County's share of equity for the year ended November 30, 2013 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 November 30, 2013 is presented below.

Financial Position as of November 30, 2013

Total Assets	$322,937
Total Liabilities	$72,039
Net Position	$250,898

Results of Operations for Fiscal Year Ending November 30, 2013

Total Revenues	$567,481
Total Expenses	$409,613
Change in Net Position	$157,868
Beginning Net Position	$93,030
Ending Net Position	$250,898

NOTE 26 – CONTINGENT LIABILITIES

The County is currently involved in lawsuits brought by two corporations seeking to recover approximately $2.4 million in property taxes related to the retroactive application of the charitable property tax exemption. The County is vigorously defending its position and the outcome is not determinable but it is reasonably possible that a loss will be incurred.

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

NOTE 27 – COMMITMENTS

ROAD AND BRIDGE CONSTRUCTION PROJECTS

The County Highway Department has four Special Revenue Funds with November 30, 2013 fund balances totaling $8.3 million. Much of those funds are restricted to road and bridge construction projects, some of which are multiple-year projects. Current projects with significant commitments include:

PROJECT	TOTAL COMMITMENT	SPENT THROUGH FY13	REMAINING COMMITMENT
Curtis Road (00-00374-00/01-PV)	$3,996,465	$2,570,604	$1,425,861
CH16 Bridge (07-00944-00-BR)	$450,000	$241,475	$208,525
CH55 Bridge (10-00966-00-BR)	$350,000	$23,457	$326,543
CH22 Bridge (12-00990-00-BR)	$1,000,000	$97,116	$902,884
CH01 Bridge (12-00992/3-00-BR)	$850,000	$58,503	$791,496
CH11 &20 Road (13-00434-00-RS)	$2,350,000	$0	$2,350,000
Ch11 Bridge (13-05989-00-BR)	$750,000	$35,129	$714,871

NOTE 28 - GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS

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

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

- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, issued March 2012. The objective of this statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

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

- GASB Statement No. 66, *Technical Corrections – 2012* – an amendment of GASB Statements No. 10 and No. 62, issued March 2012. The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

New accounting standards effective for the financial statements beginning with FY2015 include:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27, issued June 2012. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

- GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, issued January 2013. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations.

- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*- amends Paragraph 137 of GASB 68 providing clarification in the determination of deferred pension inflows & outflows. This is effective simultaneously with the provisions of GASB No. 68