

BASIC FINANCIAL STATEMENTS

COUNTY OF CHAMPAIGN, ILLINOIS
STATEMENT OF NET POSITION
DECEMBER 31, 2014

Exhibit I

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$31,647,710	\$705,187	\$32,352,897
Investments	100,419	0	100,419
Receivables, Net of Uncollectible Amounts:			
Patient Accounts	0	3,850,165	3,850,165
Property Taxes	29,284,739	1,134,954	30,419,693
Intergovernmental	5,740,131	1,048,241	6,788,372
Program Loans--Current Portion	449,092	0	449,092
Accrued Interest	10,913	0	10,913
Other	1,509,070	1,820	1,510,890
Internal Balances	(148,698)	148,698	0
Inventories	0	5,765	5,765
Prepaid Expenses	722,244	10,267	732,511
Resident Trust Accounts	6,917	20,720	27,637
Program Loans Receivable--Long Term Portion	3,246,330	0	3,246,330
Investment in Joint Ventures	1,688,787	0	1,688,787
Capital Assets Not Being Depreciated	5,112,131	0	5,112,131
Capital Assets, Net of Accumulated Depreciation	68,781,342	19,311,400	88,092,742
Total Assets	148,151,127	26,237,217	174,388,344
<u>LIABILITIES</u>			
Accrued Salaries Payable	965,102	195,802	1,160,904
Accounts Payable	2,679,359	1,501,887	4,181,246
Accrued Interest Payable	48,975	0	48,975
Funds Held for Others	130,373	20,720	151,093
Unearned Revenue	234,353	0	234,353
Compensated Absences Payable	2,965,750	351,941	3,317,691
Tax Anticipation Notes Payable	0	971,120	971,120
Due To Other Governments	0	650,470	650,470
Noncurrent Liabilities:			
Due Within One Year	3,747,205	0	3,747,205
Due in More Than One Year	39,311,914	190,814	39,502,728
Total Liabilities	50,083,031	3,882,754	53,965,785
<u>DEFERRED INFLOW OF RESOURCES</u>			
Subsequent Years Property Taxes	29,284,739	1,134,954	30,419,693
Total Deferred Inflow of Resources	29,284,739	1,134,954	30,419,693
<u>NET POSITION</u>			
Net Investments in Capital Assets	46,546,939	19,311,400	65,858,339
Restricted for:			
Debt Service	1,653,517	0	1,653,517
Justice & Public Safety	4,030,097	0	4,030,097
Health & Education	7,044,230	0	7,044,230
Development & General Government	8,993,516	0	8,993,516
Highways & Bridges	6,928,997	0	6,928,997
Insurance & Fringe Benefits	1,429,012	0	1,429,012
Unrestricted (Deficit)	(7,842,951)	1,908,109	(5,934,842)
Total Net Position	68,783,357	21,219,509	90,002,866

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

COUNTY OF CHAMPAIGN, ILLINOIS
STATEMENT OF ACTIVITIES

FOR THE THIRTEEN MONTHS ENDED DECEMBER 31, 2014

Exhibit II

FUNCTIONS / PROGRAMS	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Fines, Permits & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities
GOVERNMENTAL ACTIVITIES:						
General Government	\$11,956,965	\$4,316,399	\$218,809	\$0	(\$7,421,757)	(\$7,421,757)
Justice & Public Safety	35,059,679	5,759,706	4,225,062	0	(25,074,911)	(25,074,911)
Health	10,433,218	57,855	1,437,700	0	(8,937,663)	(8,937,663)
Education	7,379,670	97,910	7,619,988	0	338,228	338,228
Social Services	109,796	0	0	0	(109,796)	(109,796)
Development	13,486,948	531,928	12,684,591	0	(270,429)	(270,429)
Highways & Bridges	7,114,912	135,113	3,684,471	0	(3,295,328)	(3,295,328)
Interest on Long-Term Debt	2,955,501	0	0	0	(2,955,501)	(2,955,501)
Total Governmental Activities	88,496,689	10,898,911	29,870,621	0	(47,727,157)	(47,727,157)
BUSINESS-TYPE ACTIVITIES:						
Nursing Home	16,794,783	15,890,140	0	0	0	(904,643)
Total Business-Type Activities	16,794,783	15,890,140	0	0	0	(904,643)
Total Government	105,291,472	26,789,051	29,870,621	0	(47,727,157)	(48,631,800)
General Revenues:						
Property Taxes					29,130,875	30,227,866
Public Safety Sales Taxes					5,178,925	5,178,925
Hotel/Motel & Auto Rental Taxes					68,591	68,591
Grants & Contributions Not Restricted to Specific Programs					12,786,626	12,786,626
Investment Earnings					51,311	51,753
Miscellaneous					707,712	716,497
Transfers					307,665	307,665
Total General Revenues and Transfers					48,231,705	49,030,258
Change in Net Position					504,548	398,458
Net Position - Beginning (As restated)					68,278,809	89,604,408
Net Position - Ending					68,783,357	90,002,866

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

COUNTY OF CHAMPAIGN, ILLINOIS
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2014

	Major Funds			All Other (Non-Major) Governmental Funds	Total Governmental Funds
	General Fund	Mental Health Fund	Regional Planning Comm Fund		
ASSETS					
Cash	\$3,632,321	\$1,972,891	\$450,977	\$23,415,502	\$29,471,691
Investments	0	0	0	100,419	100,419
Receivables, Net of Uncollectible Amounts:					
Property Taxes	9,577,462	4,166,953	0	15,540,324	29,284,739
Intergovernmental	1,980,447	0	671,003	1,042,134	3,693,584
Program Loans--Current Portion	0	0	0	449,092	449,092
Accrued Interest	0	0	0	10,913	10,913
Other	170,393	23,418	17,718	827,162	1,038,691
Due From Other Funds	501,058	0	200,897	1,523,704	2,225,659
Inventories	0	0	0	0	0
Prepaid Expenses	4,942	0	0	625	5,567
Resident Trust Accounts	6,917	0	0	0	6,917
Advances to Other Funds	0	0	40,000	0	40,000
Program Loans Receivable--Long Term	0	0	0	3,246,330	3,246,330
Total Assets	15,873,540	6,163,262	1,380,595	46,156,205	69,573,602
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accrued Salaries Payable	642,748	11,756	95,943	214,655	965,102
Accounts Payable	426,604	2,809	331,739	1,386,425	2,147,577
Due To Other Funds	952,621	10,508	185,960	2,878,271	4,027,360
Funds Held for Others	43,378	0	0	0	43,378
Unearned Revenues	107,091	0	40,658	69,575	217,324
Advances from Other Funds	0	0	0	40,000	40,000
Total Liabilities	2,172,442	25,073	654,300	4,588,926	7,440,741
DEFERRED INFLOW OF RESOURCES					
Subsequent Years Property Taxes	9,577,462	4,166,953	0	15,540,324	29,284,739
Total Deferred Inflow of Resources	9,577,462	4,166,953	0	15,540,324	29,284,739
FUND BALANCES (DEFICITS):					
Restricted	100,701	1,971,236	726,295	26,336,272	29,134,504
Committed	0	0	0	67,583	67,583
Assigned	0	0	0	1,501,462	1,501,462
Unassigned	4,022,935	0	0	(1,878,362)	2,144,573
Total Fund Balances (Deficits)	4,123,636	1,971,236	726,295	26,026,955	32,848,122
Total Liabilities & Fund Balances	15,873,540	6,163,262	1,380,595	46,156,205	69,573,602

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

COUNTY OF CHAMPAIGN, ILLINOIS
 RECONCILIATION OF THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION FOR GOVERNMENTAL ACTIVITIES
 DECEMBER 31, 2014

Fund Balances (Deficits) - Total Governmental Funds (See Exhibit III)	\$32,848,122
Capital assets, net of depreciation, used in governmental activities	73,893,473
Investment in Joint Ventures related to governmental activities	1,688,787
Assets and liabilities of internal service funds related to governmental activities, including estimated claims payable long term liability	1,982,652
Receivables for revenue accruals related to governmental activities	2,515,066
Payables for expense accruals related to governmental activities	(48,975)
Liability for compensated absences accruals related to governmental activities	(2,965,750)
Long term liabilities related to governmental activities, other than estimated claims payable from internal service funds	<u>(41,130,018)</u>
Net Position of Governmental Activities (See Exhibit I)	<u><u>68,783,357</u></u>

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 THIRTEEN MONTHS ENDED DECEMBER 31, 2014

	Major Funds			All Other (Non-Major) Governmental Funds	Total Governmental Funds
	General Fund	Mental Health Fund	Regional Planning Comm Fund		
REVENUES:					
Property Taxes	\$9,560,788	\$4,046,052	\$0	\$15,524,035	\$29,130,875
Public Safety Sales Taxes	0	0	0	5,101,042	5,101,042
Hotel/Motel & Auto Rental Taxes	68,591	0	0	0	68,591
Intergovernmental Revenue	15,855,778	337,536	10,434,346	15,509,634	42,137,294
Fines & Forfeitures	1,102,460	0	0	36,284	1,138,744
Licenses & Permits	1,476,050	0	0	361,120	1,837,170
Charges for Services	4,284,085	0	1,295,592	2,670,605	8,250,282
Rents and Royalties	1,127,106	0	0	0	1,127,106
Interest on Program Loans	0	0	0	165,085	165,085
Investment Earnings	8,023	1,016	184	39,991	49,214
Miscellaneous	366,268	113,911	44,869	226,450	751,498
Total Revenues	33,849,149	4,498,515	11,774,991	39,634,246	89,756,901
EXPENDITURES:					
Current: General Government	9,862,666	0	0	2,021,327	11,883,993
Justice & Public Safety	24,558,495	0	0	8,045,938	32,604,433
Health	0	4,591,893	0	6,174,283	10,766,176
Education	0	0	0	7,279,568	7,279,568
Social Services	109,796	0	0	109,796	109,796
Development	393,491	0	11,698,875	2,296,476	14,388,842
Highways & Bridges	0	0	0	9,391,169	9,391,169
Debt Service: Principal Retirement	666,875	0	0	5,438,284	6,105,159
Interest & Fiscal Charges	294,370	0	0	4,243,293	4,537,663
Total Expenditures	35,885,693	4,591,893	11,698,875	44,890,338	97,066,799
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,036,544)	(93,378)	76,116	(5,256,092)	(7,309,898)
OTHER FINANCING SOURCES (USES):					
Sale of Refunding Bonds	0	0	0	9,795,000	9,795,000
Premium on Refunding Bonds	0	0	0	1,968,593	1,968,593
Payment to Refunded Bond Escrow Agent	0	0	0	(11,624,759)	(11,624,759)
Transfers In	1,089,628	0	373,741	1,491,067	2,954,436
Transfers Out	(970,018)	0	(282,166)	(1,394,587)	(2,646,771)
Net Other Financing Sources (Uses)	119,610	0	91,575	235,314	446,499
NET CHANGE IN FUND BALANCES	(1,916,934)	(93,378)	167,691	(5,020,778)	(6,863,399)
FUND BALANCES--Beginning of Year	6,040,570	2,064,614	558,604	31,047,733	39,711,521
FUND BALANCES--End of Year	4,123,636	1,971,236	726,295	26,026,955	32,848,122

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 THIRTEEN MONTHS ENDED DECEMBER 31, 2014

Net Change in Fund Balances - Total Governmental Funds (See Exhibit IV)	(\$6,863,399)
Remove expenditures for acquisition of capital assets	5,174,588
Include gain (loss) on disposal of capital assets	(192,071)
Include depreciation expense	(5,763,609)
Include change in investment in joint ventures	(55,745)
Include the net revenue (expense) of internal service funds used to charge the costs of risk financing and employee health benefits to governmental activities	(73,252)
Remove revenues related to prior periods; include revenues earned but not available in the current period	930,439
Remove expenditures related to prior periods; include expenses incurred but not expected to be liquidated with expendable available financial resources in the current period	1,304,441
Remove debt proceeds and payment to bond refunding escrow agent	(138,834)
Amortize bond premium and deferred amount on refunding against debt interest expense	76,831
Remove debt principal repayment expenditures	<u>6,105,159</u>
Change in Net Position of Governmental Activities (See Exhibit II)	<u><u>504,548</u></u>

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

COUNTY OF CHAMPAIGN, ILLINOIS
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 DECEMBER 31, 2014

Exhibit V

	<u>Business-Type Activities</u> <u>Enterprise Fund</u> <u>Nursing Home</u> <u>Fund</u>	<u>Governmental</u> <u>Activities</u> <u>Internal</u> <u>Service Funds</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$705,187	\$2,176,019
Receivables, Net of Uncollectible Amounts:		
Patient Accounts	3,850,165	0
Property Taxes	1,134,954	0
Intergovernmental	1,048,241	232
Other	1,820	1,628
Due From Other Funds	0	2,062,551
Inventories	5,765	0
Prepaid Expenses	10,267	716,677
Resident Trust Accounts	20,720	0
Total Current Assets	6,777,119	4,957,107
NONCURRENT ASSETS:		
Capital Assets:		
Buildings and Improvements	23,768,952	0
Equipment	1,455,699	0
Less Accumulated Depreciation	(5,913,251)	0
Total Noncurrent Assets	19,311,400	0
Total Assets	26,088,519	4,957,107
<u>LIABILITIES</u>		
CURRENT LIABILITIES:		
Accrued Salaries Payable	195,802	0
Accounts Payable	1,501,887	531,782
Due To Other Funds	224,851	35,999
Funds Held For Others	20,720	86,995
Unearned Revenue	0	17,029
Compensated Absences Payable	351,941	0
Estimated Claims Payable	0	669,213
Tax Anticipation Notes Payable	971,120	0
Due To Other Governments	650,470	0
Total Current Liabilities	3,916,791	1,341,018
NONCURRENT LIABILITIES:		
Estimated Claims Payable	0	1,259,888
Net Obligation for Other Post-Employment Benefits	190,814	0
Total Noncurrent Liabilities	190,814	1,259,888
Total Liabilities	4,107,605	2,600,906
<u>DEFERRED INFLOW OF RESOURCES</u>		
Subsequent Years Property Taxes	1,134,954	0
Total Deferred Inflow of Resources	1,134,954	0
<u>NET POSITION</u>		
Invested in Capital Assets	19,311,400	0
Unrestricted	1,534,560	2,356,201
TOTAL NET POSITION	20,845,960	2,356,201
Adjustment due to consolidation of internal service fund activities related to enterprise funds	373,549	
NET POSITION OF BUSINESS TYPE ACTIVITIES	21,219,509	

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 THIRTEEN MONTHS ENDED DECEMBER 31, 2014

	<u>Business-Type Activities</u> <u>Enterprise Fund</u> <u>Nursing Home</u> <u>Fund</u>	<u>Governmental</u> <u>Activities</u> <u>Internal</u> <u>Service Funds</u>
OPERATING REVENUES:		
Charges for Services (Net of Uncollectible)	\$15,842,972	\$8,032,361
Miscellaneous	<u>47,168</u>	<u>11,099</u>
Total Operating Revenues	<u>15,890,140</u>	<u>8,043,460</u>
OPERATING EXPENSES:		
Salaries	6,701,210	47,269
Fringe Benefits	2,301,060	7,207,362
Commodities	1,251,993	378
Services	5,714,702	877,883
Depreciation	<u>807,945</u>	<u>0</u>
Total Operating Expenses	<u>16,776,910</u>	<u>8,132,892</u>
OPERATING INCOME (LOSS)	<u>(886,770)</u>	<u>(89,432)</u>
NON-OPERATING REVENUES (EXPENSES):		
Property Tax	1,096,991	0
Investment Earnings	442	2,097
Donations	8,785	0
Gain (Loss) on Disposal of Capital Assets	0	0
Interest Expense	<u>(3,790)</u>	<u>0</u>
Net Non-Operating Revenues (Expenses)	<u>1,102,428</u>	<u>2,097</u>
INCOME (LOSS) BEFORE TRANSFERS	215,658	(87,335)
Transfers In	0	0
Transfers Out	<u>(307,665)</u>	<u>0</u>
CHANGE IN NET POSITION	(92,007)	(87,335)
NET POSITION--Beginning of Year	<u>20,937,967</u>	<u>2,443,536</u>
NET POSITION--End of Year	<u>20,845,960</u>	<u>2,356,201</u>
Adjustment due to consolidation of internal service fund activities related to enterprise funds	<u>(14,083)</u>	
Change in net position of business-type activities	<u>(106,090)</u>	

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 THIRTEEN MONTHS ENDED DECEMBER 31, 2014

	<u>Business-Type Activities</u> <u>Enterprise Fund</u> Nursing Home Fund	<u>Governmental</u> <u>Activities</u> Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Receipts from Customers	\$14,095,580	\$0
Cash Receipts from Other Funds and Employees for Services	0	6,720,675
Cash Receipts for Claims Reimbursements	0	10,031
Cash Payments to Employees for Services	(6,627,779)	(47,269)
Cash Payments to Suppliers and Other Funds for Goods and Services	(9,219,123)	(7,739,889)
Cash Payments for Claims	0	(468,231)
Net Cash Provided (Used) By Operating Activities	<u>(1,751,322)</u>	<u>(1,524,683)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Property Taxes Received	1,096,991	0
Gifts And Donations Received	8,785	0
Cash Received from Tax Anticipation Borrowing	1,909,005	0
Tax Anticipation Borrowing Repaid	(937,885)	0
Cash Received from Intergovernmental Borrowing	438,053	0
Interest Paid on Tax Anticipation Borrowing	(3,790)	0
Transfers/Loans Paid To Other Funds	(307,665)	0
Net Cash Provided (Used) By Non-Capital Financing Activities	<u>2,203,494</u>	<u>0</u>
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	(117,041)	0
Net Cash Provided (Used) By Capital and Related Financing Activities	<u>(117,041)</u>	<u>0</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Interest Received on Investments and Bank Deposits	442	2,097
Net Cash Provided (Used) By Investment Activities	<u>442</u>	<u>2,097</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	335,573	(1,522,586)
Cash and Cash Equivalents at Beginning of Period	<u>369,614</u>	<u>3,698,605</u>
Cash and Cash Equivalents at End of Period	<u><u>705,187</u></u>	<u><u>2,176,019</u></u>

Non-cash Investing, Capital and Financing Activities:

In fiscal year 2014, the Nursing Home Enterprise Fund did not receive any non-cash donations.

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

COUNTY OF CHAMPAIGN, ILLINOIS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 RECONCILIATION OF OPERATING INCOME (LOSS) TO
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES
 FOR THE THIRTEEN MONTHS ENDED DECEMBER 31, 2014

	<u>Business-Type Activities</u>	<u>Governmental</u>
	<u>Enterprise Fund</u>	<u>Activities</u>
	Nursing Home	Internal
	<u>Fund</u>	<u>Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	(\$886,770)	(\$89,432)
Adjust For Non-Cash Revenue/Expense:		
Depreciation Expense	807,945	0
Bad Debt Expense	311,984	
Increase (Decrease) in Estimated Claims Payable	0	138,783
Increase (Decrease) in Net Obligation for OPEB	25,626	0
Adjust For Non-Revenue/Expense Cash Flows:		
Decrease (Increase) in Receivables	(1,567,022)	(1,852)
Decrease (Increase) in Intergovernmental Receivables	(539,522)	0
Decrease (Increase) in Due From Other Funds	0	(1,310,902)
Decrease (Increase) in Inventories	5,974	0
Decrease (Increase) in Prepaid Expenses	9,984	(716,677)
Increase (Decrease) in Payables	391,170	417,490
Increase (Decrease) in Due To Other Govts	212,417	0
Increase (Decrease) in Due To Other Funds	(523,108)	3,936
Increase (Decrease) in Unearned Revenue	0	17,029
Increase (Decrease) in Unremitted Payroll Withholdings	<u>0</u>	<u>16,942</u>
Net Cash Provided (Used) By Operating Activities	<u><u>(1,751,322)</u></u>	<u><u>(1,524,683)</u></u>

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

COUNTY OF CHAMPAIGN, ILLINOIS
 FIDUCIARY FUNDS
 FIDUCIARY STATEMENT OF NET POSITION
 DECEMBER 31, 2014

	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Cash	\$1,744,368	\$1,643,788
Investments	0	979,918
Receivables:		
Other	0	0
Intergovernmental	196,402	61,986
Accrued Interest	<u>0</u>	<u>0</u>
Total Assets	<u>1,940,770</u>	<u>2,685,692</u>
<u>LIABILITIES</u>		
Accounts Payable	0	0
Due to Other Funds	0	0
Funds Held for Others	<u>0</u>	<u>2,685,692</u>
Total Liabilities	<u>0</u>	<u>2,685,692</u>
<u>NET POSITION</u>		
Held in Trust for Other Governments	<u><u>1,940,770</u></u>	<u><u>0</u></u>

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

COUNTY OF CHAMPAIGN, ILLINOIS
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE THIRTEEN MONTHS ENDED DECEMBER 31, 2014

	<u>Private Purpose Trust Funds</u>
ADDITIONS:	
Intergovernmental Revenue	\$3,354,180
Investment Earnings	4,620
Miscellaneous	<u>0</u>
Total Additions	<u>3,358,800</u>
DEDUCTIONS:	
Township Road & Bridge Maintenance	<u>2,886,173</u>
Total Deductions	<u>2,886,173</u>
CHANGE IN NET POSITION	472,627
NET POSITION--Beginning of Year	<u>1,468,143</u>
NET POSITION--End of Year	<u><u>1,940,770</u></u>

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. THE ENTITY

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

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

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

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

A joint venture is an organization that is jointly controlled by two or more participants, in which the participants retain an on-going financial interest or responsibility. The County is a member of the METCAD (Metropolitan Computer Aided Dispatch) joint venture with the City of Champaign, the City of Urbana and the University of Illinois. The County is also a member of the Geographic Information System (GIS) Consortium joint venture with the City of Champaign, the City of Urbana, the University of Illinois, the Village of Rantoul, the Village of Savoy and the Village of Mahomet. The County's equity interest in METCAD and the GIS Consortium joint ventures is reported as an investment in joint ventures in the Statement of Net Position. See Note 26 on joint ventures.

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

B. FUND ACCOUNTING

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(1) Government-wide Financial Statements

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

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

(2) Fund Financial Statements

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

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

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

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

D. FUND BALANCE/NET POSITION REPORTING

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Beginning with the thirteen months ended December 31, 2014, the County implemented GASB Statement No.65, *Items Previously Reported as Assets and Liabilities*. The objective of this statement is to provide financial reporting guidance for proper classification of items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. Implementation of this statement resulted in a restatement of Fiscal Year 2013 Net Position.

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, inter-fund receivables and payables remaining between governmental activities and business-type activities after the elimination of inter-fund activity are reported as internal balances. These internal balances net to zero in the government total column.

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

J. CAPITAL ASSETS

(1) Governmental Activities

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

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

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

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

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

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 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. DEFERRED OUTFLOWS OF RESOURCES

The County reports decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position or governmental funds balance sheets. No deferred outflows of resources are reported in these financial statements in the current year.

M. DEFERRED INFLOWS OF RESOURCES

The County's governmental activities and governmental funds financial statements report a separate section of deferred inflows of resources. This separate financial statement element reflects an increase in net position or fund equity that applies to a future period. The County will not recognize the related revenue until a future event occurs. The County has recorded deferred inflows which are related to property taxes that will be recorded as revenue in a future period.

N. FISCAL YEAR CHANGE

Effective for the calendar year beginning January 1, 2015, the County will change from a fiscal year end of November 30 to December 31. A thirteen-month fiscal transition period from December 1, 2013, through December 31, 2014, precedes the start of the new calendar-year cycle.

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 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 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. Change of Fiscal Year

On March 21, 2013, the County Board approved Resolution 8468 which changed the County's old fiscal year of December 1st through November 30th, to a fiscal year based on the calendar year, namely January 1st through December 31st. In order to implement this change to a calendar year, the County Board also resolved that the 2014 annual budget should be adopted for a thirteen (13) month period from December 1st, 2013 through December 31st, 2014.

B. Budgetary Process

County department heads submit their budget requests in the summer prior to the start of the fiscal year on January 1. The County Administrator reviews the department requests and makes recommendations to the Finance Committee of the County Board. 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. These

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

changes are then incorporated into the Final Budget document which is then approved by the County Board in November in simple majority.

C. 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.

D. 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.

E. 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).

F. 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 December 31.

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.

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

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

	Nursing Home Fund	Self-Funded Insurance Fund	General Fund	Regional Planning Com. Fund	Other Non-Major Govt Funds
Thirteen Months Ended December 31, 2014:					
Budgetary Basis Change in Fund Balance or Net Position	\$534,707	\$139,329	(\$1,775,519)	\$289,561	(\$1,604,163)
REVENUES AND OTHER SOURCES:					
Interfund transfers into escrow account recognized as other financing source when transferred rather than when spent				(91,283)	
Prepaid revenues deferred until earned			(107,091)		
Adjustment for timing differences - revenue recognized in the period when earned	738,324		(57,425)		(43,581)
Decrease (increase) in allowance for uncollectible accounts receivable and revenue write-offs					
EXPENDITURES /EXPENSES AND OTHER USES:					
Increase (decrease) in inventories and prepaid expenses	(8,458)				
Adjustment for timing differences - expenses recognized in the period when incurred	(293,056)	(64,376)	23,101	(30,587)	(101,870)
Decrease (increase) in bad debt allowance for uncollectible loans receivable					(276,796)
Capital asset acquisitions and disposals	117,041				
Depreciation expense	(807,945)				
Bad debt expense	(311,984)				
Decrease (increase) in accrued compensated absences payable	(35,010)				
Decrease (increase) in net OPEB liability	(25,626)				
Decrease (increase) in estimated claims payable		(138,783)			
GAAP Basis Change in Fund Balance or Net Position	<u>(92,007)</u>	<u>(63,830)</u>	<u>(1,916,934)</u>	<u>167,691</u>	<u>(2,026,410)</u>

NOTE 5 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the thirteen month period ended December 31, 2014, there were no expenditures in excess of appropriations.

NOTE 6 – DEPOSITS AND INVESTMENTS

A summary of deposits and investments at December 31, 2014 is shown below. Resident trust accounts report money in County custody, which belongs to residents of the County Nursing Home and County Jail.

<u>DEPOSITS 12/31/2014</u>	Asset Account Carrying Amounts (Reported as:)			Total	Bank Balances
	Cash	Investments	Resident Trust		
Demand Deposits	\$28,471,089	\$0	\$27,625	\$28,498,714	\$30,110,638
Money Market / Savings	0	579,918	0	579,918	579,918
Certificates of Deposit:					
Up to 3 months maturity	0	0	0	0	0
Over 3 mos. up to 12 mos. maturity	0	500,419	0	500,419	500,419
Over 12 mos. up to 24 mos. maturity	0	0	0	0	0
Total Deposits	28,471,089	1,080,337	27,625	29,579,051	31,190,975

<u>INVESTMENTS 12/31/2014</u>	Asset Account Carrying Amounts (Reported as:)			Total	Fair Value
	Cash	Investments	Resident Trust		
State Treasurer Investment Pool	\$7,264,074	\$0	\$0	\$7,264,074	\$7,264,074
Repurchase Agreements	0	0	0	0	0
Total Investments	7,264,074	0	0	7,264,074	7,264,074

<u>INVESTMENTS 12/31/2014</u>	Fair Value	Investment Maturities (in Years)		Percent of Total
		Less Than 1	1 - 2	
State Treasurer Investment Pool	\$7,264,074	\$7,264,074	\$0	100.00%
Repurchase Agreements	0	0	0	0.00%
Total Investments	7,264,074	7,264,074	0	100.00%
Percent of Total	100.00%	100.00%	0.00%	

Custodial Credit Risk. Deposits are subject to custodial credit risk if uninsured and uncollateralized or covered by collateral that is not in the County's name. It is County policy to require collateral at 110% of market value for deposit balances beyond FDIC/NCUSIF insurance coverage. At December 31, 2014, no deposits were uninsured or uncollateralized.

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

Other investments are subject to custodial credit risk if the securities are uninsured and unregistered and held by the financial institution's trust department or agent, but not in the County's name. None of the County's investments at December 31, 2014 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 the thirteen months ended December 31, 2014 was adopted by the County Board on November 21, 2013, within the statutory deadline (the third Tuesday in December) for all taxing districts. Property tax levies are reported as receivables and deferred inflow of resources 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 2014, tax bills were mailed on May 2 with the due dates of June 2 and September 2. Property tax bills mailed in 2014 were based on equalized assessed value as of January 1, 2013, and on tax levies set in November 2013.

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 2014, the judgment date was October 23 and the tax sale was held October 24.

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 2014, all property taxes were distributed by November 18.

NOTE 8 – PROPERTY TAXES RECEIVABLE AND DEFERRED INFLOW OF RESOURCES

Property taxes receivable consist of property taxes levied in 2014, for which a legal claim exists in 2014. The revenue associated with the 2014 levy is deferred until the fiscal year ending December 31, 2015 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 2014 tax levy has been reduced by an estimated allowance for uncollectible taxes of 0.66%, which is based on an average of the previous ten years. A summary by fund type of property taxes receivable at December 31, 2014 is below.

<u>Fund Type</u>	<u>Property Taxes Levied</u>	<u>Allowance for Uncollectible</u>	<u>Property Taxes Receivable</u>	<u>Unearned Property Tax Revenue</u>
Governmental:				
General	\$9,641,093	(\$63,631)	\$9,577,462	\$9,577,462
Special Revenue	18,408,597	(121,498)	18,287,099	\$18,287,099
Capital Projects	0	0	0	\$0
Debt Service	1,429,613	(9,435)	1,420,178	1,420,178
Subtotal Governmental	<u>29,479,303</u>	<u>(194,564)</u>	<u>29,284,739</u>	<u>29,284,739</u>
Proprietary:				
Enterprise	<u>1,142,494</u>	<u>(7,540)</u>	<u>1,134,954</u>	<u>1,134,954</u>
Total	<u><u>30,621,797</u></u>	<u><u>(202,104)</u></u>	<u><u>30,419,693</u></u>	<u><u>30,419,693</u></u>

NOTE 9 – PATIENT ACCOUNTS RECEIVABLE AND CHARGES FOR SERVICES

Patient accounts receivable and charges for services in the enterprise fund as of December 31, 2014 have been reduced by an allowance for uncollectible amounts, determined by an analysis of individual patient accounts.

	Receivable	Revenue
Gross patient accounts receivable / revenue	\$4,125,184	\$16,429,975
Allowance for uncollectible amounts	(\$275,019)	(\$275,019)
Bad debt	<u>\$0</u>	<u>(\$311,984)</u>
Patient accounts receivable / revenue, net of uncollectible amounts	<u>\$3,850,165</u>	<u>\$15,842,972</u>

NOTE 10 – ECONOMIC DEVELOPMENT AND REHABILITATION LOANS RECEIVABLE

The County, through its Regional Planning Commission Loan Funds, has various grant programs to administer economic development and housing rehabilitation loans to qualified businesses and individuals. The primary purpose of the economic development loan programs is to create new jobs. Principal repayments on loans may be used for any grant eligible purpose. At December 31, 2014, loans outstanding were as follows:

Program Loans Receivable (Net of Uncollectible Amounts)	11/30/13 Balance	Additions	Deductions	12/31/14 Balance	Current Receivable
Economic Development Loans Receivable:					
Community Services Block Grant Loans	\$758,011	\$50,000	(\$227,656)	\$580,355	\$172,084
Comm. Serv. Block Grant Recovery Act Loans	243,886	0	(157,905)	85,981	31,875
Comm. Serv. Block Grant Pass-Through Loans	8,336	0	(8,336)	0	0
Community Development Recaptured Loans	2,311,888	0	(337,556)	1,974,332	186,107
USDA Intermediary Relending Loans Receivable	36,952	197,155	(17,370)	216,737	23,622
Housing Rehabilitation Loans Receivable:					
County Housing Rehab Loans	233,216	0	(37,527)	195,689	35,404
HUD H.O.M.E. Program Loans	670,734	0	(28,406)	642,328	0
Total Loans Receivable	4,263,023	247,155	(814,756)	3,695,422	449,092

NOTE 11 – CAPITAL ASSETS

A. A summary of capital assets related to governmental activities for the thirteen months ended December 31, 2014 is presented below:

<u>Governmental Activities</u>	11/30/13 Balance	Additions	Deductions	12/31/14 Balance
Assets Not Being Depreciated:				
Land	\$1,749,092	\$1,820	\$0	\$1,750,912
Construction in Progress	2,137,963	4,201,960	(2,978,704)	3,361,219
Assets Being Depreciated:				
Infrastructure	69,117,753	2,931,156	(554,164)	71,494,745
Buildings and Improvements	74,734,819	180,000	(147,645)	74,767,174
Equipment	14,635,586	838,356	(31,999)	15,441,943
Assets Subtotal	162,375,213	8,153,292	(3,712,512)	166,815,993
Accumulated Depreciation:				
Infrastructure	(42,036,235)	(2,283,716)	406,387	(43,913,564)
Buildings and Improvements	(33,757,849)	(2,473,968)	103,351	(36,128,466)
Equipment	(11,906,564)	(1,005,925)	31,999	(12,880,490)
Accum. Depreciation Subtotal	(87,700,648)	(5,763,609)	541,737	(92,922,520)
Net Total	74,674,565	2,389,683	(3,170,775)	73,893,473

NOTE 11 – CAPITAL ASSETS (continued)

B. A summary of capital assets related to business-type activities (Nursing Home) for the thirteen months ended December 31, 2014 follows:

<u>Business-Type Activities</u>	11/30/13 Balance	Additions	Deductions	12/31/14 Balance
Assets Not Being Depreciated:				
Construction in Progress	\$0	\$0	\$0	\$0
Assets Being Depreciated:				
Buildings and Improvements	23,751,248	17,704	0	23,768,952
Equipment	1,356,362	99,337	0	1,455,699
Assets Subtotal	<u>25,107,610</u>	<u>117,041</u>	<u>0</u>	<u>25,224,651</u>
Accumulated Depreciation:				
Buildings and Improvements	(4,217,925)	(682,941)	0	(4,900,866)
Equipment	(887,381)	(125,004)	0	(1,012,385)
Accum. Depreciation Subtotal	<u>(5,105,306)</u>	<u>(807,945)</u>	<u>0</u>	<u>(5,913,251)</u>
Net Total	<u>20,002,304</u>	<u>(690,904)</u>	<u>0</u>	<u>19,311,400</u>

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

<u>Function</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
General Government	\$373,405	\$0
Justice and Public Safety	2,512,318	0
Health	740	0
Education	83,050	0
Social Services	0	807,945
Development	89,743	0
Highways and Bridges	<u>2,704,353</u>	<u>0</u>
Total Depreciation Expense	<u>5,763,609</u>	<u>807,945</u>

COUNTY OF CHAMPAIGN, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2014

NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at December 31, 2014 are summarized below.

<u>Due To / From Other Funds:</u>	<u>Receivable</u>	<u>Payable</u>
Major Governmental Funds:		
General Corporate	\$ 501,058	\$ 952,621
Mental Health	0	10,508
Regional Planning Commission	200,897	185,960
Major Enterprise Fund:		
Nursing Home	0	224,851
Non-Major Governmental Funds:		
RPC Economic Development Loans	4,375	15,902
Geographic Information System	24,470	0
Working Cash	0	223
Recorder's Automation	21,418	2,971
Property Tax Interest Fee	0	58,300
Animal Control	0	10,878
Law Library	0	676
Public Safety Sales Tax	0	304,129
Court's Automation	90,709	73,822
Child Support Services	0	61,915
Probation Services	0	16,879
State's Attorney Drug Forfeitures	31,124	9,306
Circuit Clerk Operations & Administration	72,723	653
Court Document Storage	0	12,896
Victim Advocacy Grant	19,227	31,124
Child Advocacy Center	0	3,070
Access Initiative Grant	0	5,847
Early Childhood	0	205,533
County Highway	166,665	95,071
County Motor Fuel Tax	2	76,926
Tort Immunity	1,741	1,711,707
Social Security	85,821	0
Illinois Municipal Retirement	98,625	0
Workforce Development	0	180,441
Highway Facility Construction	0	2
Capital Asset Replacement	906,804	0
Subtotal Non-Major Governmental	1,523,704	2,878,271
Internal Service Funds:		
Self-Funded Insurance	2,051,930	6,055
Employee Health Insurance	10,621	29,944
Subtotal Internal Service	2,062,551	35,999
Total – All Funds	4,288,210	4,288,210

NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES (continued)

<u>Advances To / From Other Funds:</u>	<u>Receivable</u>	<u>Payable</u>
Major Governmental Fund:		
Regional Planning Commission	\$ 40,000	\$ 0
Non-major Governmental Fund:		
RPC Economic Development Loans	0	40,000
 Total – All Funds	40,000	40,000

Of the \$4,288,210 Due To/From Other Funds at December 31, 2014, \$1,363,870 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 \$40,000 at December 31, 2014.

NOTE 13 – INTERFUND TRANSFERS AND RPC ESCROW ACCOUNT

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Corporate	\$ 1,089,628	\$ 970,018
Regional Planning Commission	373,741	282,166
Major Enterprise Fund:		
Nursing Home	0	307,665
Non-Major Governmental Funds (aggregate)	1,491,067	1,394,587
Internal Service Funds (aggregate)	0	0
 Total – All Funds	2,954,436	2,954,436

In FY2014, total inter-fund transfers in, \$2,954,436, equal total transfers out, \$2,954,436. 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 thirteen months ended December 31, 2014 was a \$91,283 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 2014 include \$307,665 from the Nursing Home Fund to the General Corporate Fund to cover bond principal and interest payments; \$93,927 from the General Corporate Fund and \$104,661 from the County Highway Fund to the Highway Facility Bond Debt Service Fund to cover bond principal and interest payments; \$441,579 from the Public Safety Sales Tax Fund to the General Corporate Fund to partially cover

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

Utilities costs for the public safety buildings; \$532,261 from the General Fund to the Capital Asset Replacement Fund to set aside money for future capital expenditures; \$123,123 from the General Corporate Fund and \$128,142 from the Public Safety Fund to the Capital Replacement Fund for Technology needs; \$92,654 from the Public Safety Sales Tax Fund to offset the cost of one lieutenant; and \$83,334 from the Public Safety Sales Tax Fund for programs focusing on re-entry and/or mental health services for inmates of the Jail.

NOTE 14 – ON-BEHALF PAYMENTS FOR SALARIES

The State of Illinois paid salary stipends to various County officials during FY2014. 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 \$45,500.

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 December 31 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 thirteen months ended December 31, 2014 are as follows:

	Nov. 30, 2013			Dec. 31, 2014	Expected To Be Paid Within 1 Year
	Balance	Additions	Deductions	Balance	
Governmental Activities	\$3,034,342	\$2,940,497	(\$3,009,089)	\$2,965,750	\$2,965,750
Business-Type Activities	316,931	395,910	(360,900)	351,941	351,941

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 the thirteen months ended December 31, 2014, net of insurance reimbursements, were \$613,622. 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

NOTE 16 – RISK FINANCING (continued)

liability for estimated (undiscounted) claims payable including IBNR at December 31, 2014 was projected to be \$1,442,130.

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

Fiscal Year Ending <u>Nov 30/ Dec 31</u>	Claims Liability Beginning <u>of Year</u>	Claims Incurred & Changes <u>in Estimates</u>	Net Claims <u>Paid</u>	Claims Liability End <u>of Year</u>	Expected To Be Paid <u>Within 1 Year</u>
2013	2,033,219	(258,657)	(446,384)	1,328,178	418,131
2014	1,328,178	727,574	(613,622)	1,442,130	460,932

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 the thirteen months ended December 31, 2014, net of insurance reimbursements, were \$216,241. 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 December 31, 2014 was projected to be \$486,971. Changes in the liability for estimated liability/auto claims payable for the last two fiscal years are as follows:

Fiscal Year Ending <u>Nov. 30/Dec. 31</u>	Claims Liability Beginning <u>of Year</u>	Claims Incurred & Changes <u>in Estimates</u>	Net Claims <u>Paid</u>	Claims Liability End <u>of Year</u>	Expected To Be Paid <u>Within 1 Year</u>
2013	493,998	90,057	(121,915)	462,140	197,164
2014	462,140	241,072	(216,241)	486,971	208,281

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 2013 and 2014, the County Nursing Home issued short term debt in anticipation of property tax revenues to be received in May-November, 2013 and 2014. 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 2013A and 2013B Tax Anticipation Warrants \$937,885;
 due in 2 installments: July 15, 2014 and September 30, 2014;
 interest rate at 0.71%;

Balance outstanding at November 30, 2013	\$0
Warrants issued in 2014	\$937,885
Warrant interest payments made in 2014	\$3,791
Warrant principal payments made in 2014	\$937,885
Balance outstanding at December 31, 2014	\$0

Series 2014 Tax Anticipation Warrants \$971,120;
 due on September 30, 2015; interest rate at .55%;

Balance outstanding at November 30, 2013	\$0
Warrants issued in 2014	\$971,120
Warrant interest payments made in 2014	\$0
Warrant principal payments made in 2014	\$0
Balance outstanding at December 31, 2014	\$971,120

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, 2013	\$4,850,000
Bond interest payments made in 2014	\$600,187
Bond principal payments made in 2014	\$0
Balance outstanding at December 31, 2014	\$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, 2013	\$2,371,342
Bond interest payments made in 2014	\$1,466,718
Bond principal payments made in 2014	\$983,284
Balance outstanding at December 31, 2014	\$1,388,058

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;

NOTE 18 – LONG TERM DEBT (continued)

\$96,404 deferred charge on refunding amortized over 13 years 7 months;	
Balance outstanding at November 30, 2013	\$6,400,000
Bond interest payments made in 2014	\$449,994
Bond principal payments made in 2014	\$1,935,000
Balance outstanding at December 31, 2014	\$4,465,000

2005B Series Public Safety Refunding Bonds: \$18,440,000; due in 24 annual installments from 2006 to 2029; interest rates 3.00% to 5.25%; \$526,639 bond premium amortized over 23 years 7 months; \$1,071,441 deferred charge on refunding amortized over 23 years 7 months; \$11,625,000 refunded (in-substance defeasance) in FY2014	
Balance outstanding at November 30, 2013	
Bond interest payments made in 2014	\$16,185,000
Bond principal payments made in 2014	\$1,124,547
Bond refunded (in-substance defeasance) in 2014	\$1,245,000
Balance outstanding at December 31, 2014	\$11,625,000
	\$3,315,000

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;	
Balance outstanding at November 30, 2013	
Bond interest payments made in 2014	\$405,000
Bond principal payments made in 2014	\$10,327
Balance outstanding at December 31, 2014	\$405,000
	\$0

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;	
Balance outstanding at November 30, 2013	
Bond interest payments made in 2014	\$3,065,000
Bond principal payments made in 2014	\$187,710
Balance outstanding at December 31, 2014	\$365,000
	\$2,700,000

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;	
Balance outstanding at November 30, 2013	
Bond interest payments made in 2014	\$4,850,000
Bond principal payments made in 2014	\$294,208
Balance outstanding at December 31, 2014	\$525,000
	\$4,325,000

NOTE 18 – LONG TERM DEBT (continued)

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

Balance outstanding at November 30, 2013	
Bond interest payments made in 2014	\$725,000
Bond principal payments made in 2014	\$38,994
Balance outstanding at December 31, 2014	\$345,000
	\$380,000

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

Balance outstanding at November 30, 2013	
Debt interest payments made in 2014	
Debt principal payments made in 2014	\$1,765,000
Balance outstanding at December 31, 2014	\$105,135
	\$245,000
	\$1,520,000

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;
 \$201,962 deferred charge on refunding amortized over 10 years 5 months;

Balance outstanding at November 30, 2013	
Bond interest payments made in 2014	\$4,255,000
Bond principal payments made in 2014	\$255,300
Balance outstanding at December 31, 2014	\$0
Balance outstanding at December 31, 2014	\$4,255,000

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

\$0 deferred charge on refunding;	\$0
Balance outstanding at November 30, 2013	\$9,795,000
Bonds issued in 2014	\$0
Bond interest payments made in 2014	\$0
Bond principal payments made in 2014	\$9,795,000

2014 Bond Transactions – Governmental Activities

Bonds payable November 30, 2013	\$44,871,342
Bonds issued in 2014	\$9,795,000
Bonds retired in 2014	\$6,048,284
Bonds refunded in 2014	\$11,625,000
Bonds payable December 31, 2014	\$36,993,058

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:

Year	Governmental Activities								Total Debt Service Requirement
	Debt Service Funds		Public Safety Sales Tax Fund		Illinois Municipal Retirement Fund		General Corporate Fund		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2015	1,215,000	420,762	1,490,492	2,048,635	--	--	320,000	177,830	5,672,719
2016	1,280,000	358,826	1,550,859	1,999,655	--	--	340,000	163,355	5,692,695
2017	1,145,000	293,575	1,606,707	1,967,594	--	--	350,000	149,860	5,512,736
2018	1,205,000	233,463	1,275,000	1,077,109	--	--	365,000	135,968	4,291,540
2019	1,365,000	170,200	1,350,000	1,014,640	--	--	380,000	121,368	4,401,208
2020	1,415,000	115,600	1,490,000	917,838	--	--	400,000	105,733	4,444,171
2021	1,475,000	59,000	1,640,000	809,962	--	--	415,000	89,145	4,488,107
2022	--	--	1,800,000	690,175	--	--	435,000	71,490	2,996,665
2023	--	--	1,725,000	557,825	--	--	450,000	52,908	2,785,733
2024	--	--	1,855,000	475,525	--	--	470,000	32,990	2,833,515
2025	--	--	1,990,000	386,670	--	--	295,000	12,168	2,683,838
2026	--	--	2,135,000	290,995	--	--	--	--	2,425,995
2027	--	--	1,815,000	188,250	--	--	--	--	2,003,250
2028	--	--	1,950,000	97,500	--	--	--	--	2,047,500
2029	--	--	--	--	--	--	--	--	--
	9,100,000	1,651,426	23,673,058	12,522,373	0	0	4,220,000	1,112,815	52,279,672

At December 31, 2014, \$385,049 was available in restricted fund balance in the Debt Service Funds, \$887,381 was available in restricted fund balance in the Public Safety Sales Tax Special Revenue Fund, \$0 was available in restricted fund balance in the IMRF Special Revenue Fund, and \$100,701 was available in restricted 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, 2013	\$129,063
Loan principal payments made in 2014	\$56,875
Balance outstanding at December 31, 2014	\$72,188

2014 Intergovernmental Loan Transactions – Governmental Activities

Loans payable November 30, 2013	\$129,063
New loans incurred in 2014	\$0
Loan principal payments made in 2014	\$56,875
Loans payable December 31, 2014	\$72,188

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:

<u>Fiscal Year</u>	<u>Governmental Activities General Corporate Fund Principal</u>
2015	52,500
2016	19,688
	72,188

C. SUMMARY OF CHANGES IN LONG TERM LIABILITIES

	Nov. 30, 2013 Balance	Additions	Deductions	Dec. 31, 2014 Balance	Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$44,871,342	\$9,795,000	(\$17,673,284)	\$36,993,058	\$3,025,492
Unamortized Bond Premium	1,110,711	1,968,593	(148,748)	2,930,556	0
Deferred Amount on Refunding	(878,071)	0	72,158	(805,913)	0
Total Bonds Payable	45,103,982	11,763,593	(17,749,874)	39,117,701	3,025,492
Intergovernmental Loans	129,063	0	(56,875)	72,188	52,500
Net OPEB Liability	1,670,647	448,612	(179,130)	1,940,129	0
Estimated Claims Payable	1,790,318	1,100,390	(961,607)	1,929,101	669,213
Total Governmental Activities	48,694,010	13,312,595	(18,947,486)	43,059,119	3,747,205
<u>Business-Type Activities:</u>					
Net OPEB Liability	\$165,188	\$31,782	(\$6,156)	\$190,814	\$0
Total Business-Type Activities	165,188	31,782	(6,156)	190,814	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. REFUNDING BONDS

(1) 2014 Refunding Bonds issued to advance refund 2005B Public Safety Bonds. On November 25, 2014, \$9,795,000 in general obligation bonds with interest rates of 5.00% were issued to advance refund \$11,625,000 in general obligation bonds with interest rates of 4.50% and 5.00%. The net proceeds of the refunding bonds were placed in an irrevocable trust with an escrow agent to meet the debt service requirements of the 2005B Bonds. As a result, the 2005B bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position. The County completed the advance refunding to reduce its total debt service payment over the next 14 years by \$2.4 million and to achieve an economic gain of \$1.8 million.

B. 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. \$4,465,000 of the defeased 2003 Nursing Home Construction Bonds were still outstanding at December 31, 2014.

(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 December 31, 2014.

NOTE 20 – OPERATING LEASES

The County has entered into non-cancelable operating leases for the use of various facilities. During the thirteen month period ended December 31, 2014, the total expenditure for these leases was \$257,538. The future minimum lease payments are shown below:

<u>Fiscal Year</u>	<u>Lease Payments</u>
2015	\$212,264
2016	137,876
2017	113,967
2018	73,629
2019	48,692
2020-2023	178,537
	<hr/>
	764,965

NOTE 21 – FUND EQUITY

A. DEFICIT FUND EQUITY

As of December 31, 2014, the following funds had deficit fund equity:

- Tort Immunity Special Revenue Fund (\$1,717,918)
- Victim Advocacy Special Revenue Fund (\$13,550)
- Workforce Development Special Revenue Fund (\$146,894)
- Employee Health Insurance Fund (\$20,092)

These four deficit funds were restored via interfund loans authorized by the Resolution No. 9214 of the Champaign County Board. The Champaign County Board is addressing future deficit fund equity through the yearly budget process with concentration on the Tort Immunity Special Revenue Fund.

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	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
For Debt Service	100,701	0	0	1,272,430	1,373,131
For Justice & Public Safety	0	0	0	3,857,140	3,857,140
For Health & Education	0	1,971,236	0	4,912,364	6,883,600
For Development	0	0	726,295	6,430,736	7,157,031
For General Government	0	0	0	1,505,593	1,505,593
For Highways & Bridges	0	0	0	6,928,997	6,928,997
For Insurance & Fringes	0	0	0	1,429,012	1,429,012
Total Restricted Fund Balance	100,701	1,971,236	726,295	26,336,272	29,134,504
Committed by County Board Resolution:					
To Solid Waste Management	0	0	0	67,583	67,583
Assigned by County Officials:					
To Capital Projects	0	0	0	1,501,462	1,501,462

NOTE 22 – GOVERNMENT-WIDE STATEMENT OF NET POSITION

The government-wide statement of net position includes a restricted portion totaling \$30,079,369. Of this amount, \$17,609,432 is externally restricted by state statutes, \$10,816,420 is restricted by grantor/donor stipulations, and \$1,653,517 is restricted by debt covenants.

NOTE 23 – PRIOR PERIOD ADJUSTMENT

The County adopted a new accounting standard to conform with generally accepted accounting principles. The statement adopted, requiring restatement of net position, was Governmental Accounting Standards Board (GASB) Statement 65, *Items Previously Reported as Assets and Liabilities*. With the implementation of the new GASB pronouncement, assets related to bond issuance costs that were previously being amortized are now being expensed.

Accordingly, the County's net position as of December 1, 2013 has been restated as follows:

	<u>Governmental Activities</u>
Net position , December 1, 2013 as previously reported	\$68,730,975
Adjustment to reflect implementation of GASB pronouncement	<u>(452,166)</u>
Net position , December 1, 2013 as restated	<u><u>\$68,278,809</u></u>

NOTE 24 - DEFINED BENEFIT PENSION PLAN

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 2014 was 9.92% of covered payroll for Regular, 20.87% of covered payroll for SLEP and 149.98% 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 2014, the County's annual pension cost of \$2,746,973 for Regular, \$1,477,188 for SLEP and \$270,765 for ECO was equal to the County's required and actual contributions. The required contributions for 2014 were determined as part of the December 31, 2012 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, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

Funding Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date:

- (a) The Regular plan was 91.81% funded. The actuarial accrued liability for benefits was \$68,362,059 and the actuarial value of assets was \$62,764,266, resulting in an underfunded actuarial accrued liability of \$5,597,793. Covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$27,691,259 and the ratio of the underfunded actuarial accrued liability to covered payroll was 20%.
- (b) The SLEP plan was 64.41% funded. The actuarial accrued liability for benefits was \$30,918,278 and the actuarial value of assets was \$19,914,783, resulting in an underfunded actuarial accrued liability of \$11,003,495. Covered payroll for calendar year 2014 was \$7,078,047 and the ratio of the underfunded actuarial accrued liability to covered payroll was 155%.
- (c) The ECO plan was -60.61% funded. The actuarial accrued liability for benefits was \$1,358,172 and the actuarial value of assets (liability) was \$(823,199), resulting in an underfunded actuarial accrued liability of \$2,181,371. Covered payroll for calendar year 2014 was \$180,534 and the ratio of the underfunded actuarial accrued liability to covered payroll was 1208%. 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.

COUNTY OF CHAMPAIGN, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2014

NOTE 24 - 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			
12/31/14	\$2,746,973	100%	\$0
12/31/13	\$2,796,293	100%	\$0
12/31/12	\$2,677,194	100%	\$0
SHERIFF'S LAW ENFORCEMENT PERSONNEL			
12/31/14	\$1,477,188	100%	\$0
12/31/13	\$1,595,820	100%	\$0
12/31/12	\$1,467,630	100%	\$0
ELECTED COUNTY OFFICIALS			
12/31/14	\$270,765	100%	\$0
12/31/13	\$132,727	100%	\$0
12/31/12	\$136,416	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 25 – 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 2014 ranged from \$229 to \$1,307 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, 2013, the County’s annual OPEB cost for the thirteen months ended December 31, 2014 was calculated as \$480,394 with \$31,782 attributable to business-type activities and \$448,612 attributable to governmental activities. County contributions made in FY2014 totaled \$185,286 with \$6,156 attributable to business-type activities and \$179,130 attributable to governmental activities. The net OPEB obligation at December 31, 2014 was \$2,130,943 with \$190,814 attributable to business-type activities and \$1,940,129 attributable to governmental activities.

Thirteen Months Ended December 31, 2014	Governmental Activities	Business-Type Activities	Total
Annual Required Contribution	\$489,224	\$35,797	\$525,021
Interest on Prior Net OPEB Obligation	50,119	4,956	55,075
Adjustment for Prior Underpayments	(90,731)	(8,971)	(99,702)
Annual OPEB Cost	448,612	31,782	480,394
Employer Contributions	(179,130)	(6,156)	(185,286)
Increase (Decrease) in Net OPEB Oblig.	269,482	25,626	295,108
Beginning Net OPEB Obligation	1,670,647	165,188	1,835,835
Ending Net OPEB Obligation	1,940,129	190,814	2,130,943

NOTE 25 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Three-Year Trend Information			
Year Ending	Annual OPEB Cost	% of OPEB Cost Contributed	Net OPEB Obligation
11/30/2013	\$497,657	33.19%	\$1,835,835
11/30/2011	\$461,313	32.47%	\$1,141,581
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 \$4,738,444 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 12/01/2013 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) 3.0% discount rate; (b) healthcare cost trend rates of varying amounts for future years, starting with 6.60% for 2013 and ending with 4.50% 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 26 – 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, 2014 (the latest fiscal year end for METCAD), Champaign County's equity interest share was 16.68%, or \$1,530,076, which is reported in the Statement of Net Position as an investment in joint venture. The net decrease of \$59,727 from the amount reported for June 30, 2014, 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, 2014 is provided below.

Financial Position as of June 30, 2014

Total Assets	\$9,508,427
Total Liabilities	<u>\$335,307</u>
Net Position	<u><u>\$9,173,120</u></u>

Results of Operations for Fiscal Year Ending June 30, 2014

Total Revenues	\$4,304,553
Total Expenses	<u>\$4,628,465</u>
Change in Net Position	(\$323,912)
Beginning Net Position	<u>\$9,497,032</u>
Ending Net Position	<u><u>\$9,173,120</u></u>

NOTE 26 – 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 parallels that of Champaign County as the lead agency. Therefore, in fiscal year 2014, the Consortium would also have reported a 13-month year from December 1, 2013 to December 31, 2014 due to the change in the County’s fiscal year to a calendar year. 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 December 31, 2014 Champaign County’s equity interest share was 61.58%, totaling \$158,711, which is reported in the Statement of Net Position as an investment in joint venture. The net increase of \$3,982 in the County’s share of equity for the thirteen months ended December 31, 2014 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 thirteen months ended December 31, 2014 is presented below.

Financial Position as of December 31, 2014

Total Assets	\$318,627
Total Liabilities	<u>\$60,896</u>
Net Position	<u><u>\$257,731</u></u>

Results of Operations for the Thirteen Months ended December 31, 2014

Total Revenues	\$584,618
Total Expenses	<u>\$577,785</u>
Change in Net Position	\$6,833
Beginning Net Position	<u>\$250,898</u>
Ending Net Position	<u><u>\$257,731</u></u>

NOTE 27 – 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 28 – COMMITMENTS

ROAD AND BRIDGE CONSTRUCTION PROJECTS

The County Highway Department has four Special Revenue Funds with December 31, 2014 fund balances totaling \$6.9 million. Much of those funds are restricted to road and bridge construction projects, some of which are multiple-year projects. Current projects with significant commitments include:

<u>PROJECT</u>	<u>TOTAL COMMITMENT</u>	<u>SPENT THROUGH DEC 14</u>	<u>REMAINING COMMITMENT</u>
CH16 Bridge (07-00944-00-BR)	\$450,000	\$241,475	\$208,525
CH55 Bridge (10-00966-00-BR)	\$350,000	\$27,645	\$322,355
CH1North Bridge (12-00992-00-BR)	\$850,000	\$59,202	\$790,798
CH1South Bridge (12-00993-00-BR)	\$650,000	\$58,211	\$591,789
CH11&20 Road (13-00434-00-RS)	\$2,350,000	\$1,973,717	\$376,283
CH1 Dewey-Fisher(12-00432-00-RS)	\$3,175,000	\$992,188	\$2,182,812

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