
*County of Champaign,
Illinois*

Annual Financial Report

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*Fiscal Year Ended  
November 30, 2004*

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*Presented by:
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1776 E. Washington
Urbana, IL 61802*



OFFICE OF THE AUDITOR
CHAMPAIGN COUNTY, ILLINOIS

June 1, 2005

To the County Board and the Citizens of Champaign County:

The Comprehensive Annual Financial Report (CAFR) of the County of Champaign, Illinois for the fiscal year ended November 30, 2004 is submitted herewith. The CAFR is management's annual financial report to its taxpayers, governing board, oversight bodies, investors and creditors.

This report consists of management's representations concerning the finances of the County of Champaign. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Bray, Drake, Liles & Richardson LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended November 30, 2004, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principals used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of the report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Incorporated in 1833, Champaign County is located about 135 miles south of Chicago, at the crossroads of Interstates 57, 72, and 74 in the heart of East Central Illinois. The County is nearly 1000 square miles in area, with a population of 179,669 (2000 census) who live in two cities, 24 incorporated villages, and on rural home sites.

The economic base of Champaign County is comprised largely of education, farming, and medicine. Home to the University of Illinois, the County enjoys the benefits of both urban and rural life, with abundant cultural and athletic events ranging from performing arts and museums to Big Ten Sports. Champaign County is a regional medical center with two large clinic/hospital complexes. Nearly 90% of Champaign County's land is farmed. The principal crops are corn and soybeans.

There are 27 elected County Board members, 3 from each of 9 districts. The board members elect a chairman for a two-year term from among the members. In 1998, the County Board appointed two county co-administrators, who share the responsibility of service to the board.

Illinois law determines the functions and services of county government. The largest portion of the County's General Government expenditures are for the administration of justice and public safety, including the State's Attorney, Public Defender, Circuit Clerk, Circuit Court, Court Services (adult and juvenile probation and juvenile detention center), and the Sheriff's functions (road patrol and the county correctional center).

Other functions mandated by state statute include the construction and maintenance of county highways and bridges, the maintenance of the property tax system, voter registration and the election system, maintaining vital records such as birth, marriage, and death certificates, and the recording of deeds and other real estate records.

The County also operates a nursing home, primarily from patient fees and Medicare/Medicaid reimbursements. Voters approved special property taxes in 1972 to fund mental health services, in 1995 to fund a Cooperative Extension Service, in 1996 to fund public health services for all county residents, in 2002 to fund social security and retirement contributions for Nursing Home employees, and in 2004 to fund services for the developmentally disabled.

The Champaign County Board created the Regional Planning Commission (RPC) in 1966 under state-enabling legislation allowing counties to create planning commissions for the welfare of County residents. Over the past thirty-five years the RPC has expanded its

scope beyond land use planning, and has been involved extensively in community development and economic development, distribution of federal community services block grant funds, housing programs, job and police training, transportation planning, senior and social services. In 1994, RPC began the operation of the Champaign County Head Start pre-school program.

Illinois has more taxing districts than any other state. There are 187 taxing districts in Champaign County. The County Treasurer is the tax collector for all these districts. In addition, the County Board is responsible for appointing the boards of special districts such as cemetery districts, mass transit, and forest preserve districts. The districts are not considered part of county government since they are independent in setting taxes and budgets.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates

Local economy. Champaign County continues to maintain a very stable economic environment. The University of Illinois dominates the local economy with over 20,000 jobs. The Champaign area is a regional healthcare center with Carle Foundation Hospital and Provena Covenant Medical Center, and two large clinics, Carle Clinic and Christie Clinic. The remaining commercial base of the economy is primarily comprised of retail, food, service, and agriculture. This stability and growth have maintained the local unemployment rate around 4.6% for 2004 as compared to the State average of 6.2% and national average of 5.5%.

While economic activity in Champaign County has remained relatively strong, the State of Illinois has continued to experience budgetary problems. A decrease in state revenues resulted in a corresponding decrease in the local share of the State Income Tax received by Champaign County for several years. 2004 saw only a \$405 increase in State Income Tax from 2003. As a percentage of general governmental revenues, state support has fallen from 36% of total County revenues in 1995 to 28% in 2004.

In addition, State of Illinois support for the University of Illinois budget has been stagnant, which dampens the local economy. The general state of the national economy has shown signs of improvement, but state support for local government has not grown with the increase in demand for services. Growth in non-personnel budgets, which have been cut or remained flat for the last three years, will have to come from growth in local sources.

Long term financial planning. Unreserved fund balance for the general fund (14% of total general fund expenditures) falls within the policy guidelines set by the County Board for budgetary and planning purposes.

In November 2002 voters of Champaign County approved a bond issuance to fund construction of a new \$20 million nursing home facility to replace the existing facility at 1701 E. Main St. in Urbana. The bonds are to be repaid by a property tax levy. Construction has begun and is expect to be completed in spring of 2006. The County believes that construction of a new facility will result in significant efficiencies in staffing and utilities that will reverse budget deficits of the last several years.

The County has approved construction of a new Highway Maintenance/Fleet Maintenance facility that is estimated to cost \$3 million dollars. Money has been saved for many years for this facility and the County does not anticipate the need to issue bonds. The County has entered into many intergovernmental, fringe-road agreements with the Cities of Champaign, Urbana, and Savoy that have committed much of anticipated Motor Fuel Tax dollars for years to come. The Board is discussing ideas for funding of repairs to county roads with expected limited resources.

The County Board has to find funding for the cost of replacing voting equipment. Estimates of cost are approximately \$1 million and replacement is required by federal law by 2006.

Cash management policies and practices. The County's investment policy is to minimize risk while maintaining a competitive yield. Cash temporarily idle during the year was invested in certificates of deposit, obligations of the U.S. Treasury, Treasury mutual funds, commercial paper, money market funds, and the State Treasurer's investment pool. Total investment income increased from \$720,037 in FY2003 to \$837,766 in FY 2004. County government is restricted in its investment options by state law, and will remain in conservative investment portfolios.

Most of the County's fund balances are adequate. Some of those dependent on property taxes, such as Social Security and IMRF, may require short-term, inter-fund loans. Most other inter-fund borrowing was for federal grants.

As of November 30, 2004 the County had \$62,911,020 in cash on hand, demand deposits, and various investment instruments. Details of the County's deposits and investments are explained in Note 6 of the Notes to the Financial Statements.

Risk management. The County maintains two self-funded insurance funds for worker's compensation insurance and liability and auto insurance. The County's risk retention for the worker's compensation fund is \$300,000 per individual per claim and for liability and auto insurance is \$250,000 per year. Commercial insurance has been purchased for claims in excess of this retention. Additional information on the County's risk management activity can be found in Note 16 of the Notes to the Financial Statements.

Pension benefits. The County provides pension benefits for its employees through a state-wide plan managed by the Illinois Municipal Retirement Fund. The County has no obligation in connection with employee benefits offered through this plan beyond its

annual payments to IMRF. Additional information on the County's pension arrangements can be found in Note 21 of the Notes to the Financial Statements.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Champaign for its CAFR for the fiscal year ended November 30, 2003. This was the twenty-third consecutive year that the County has received this award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

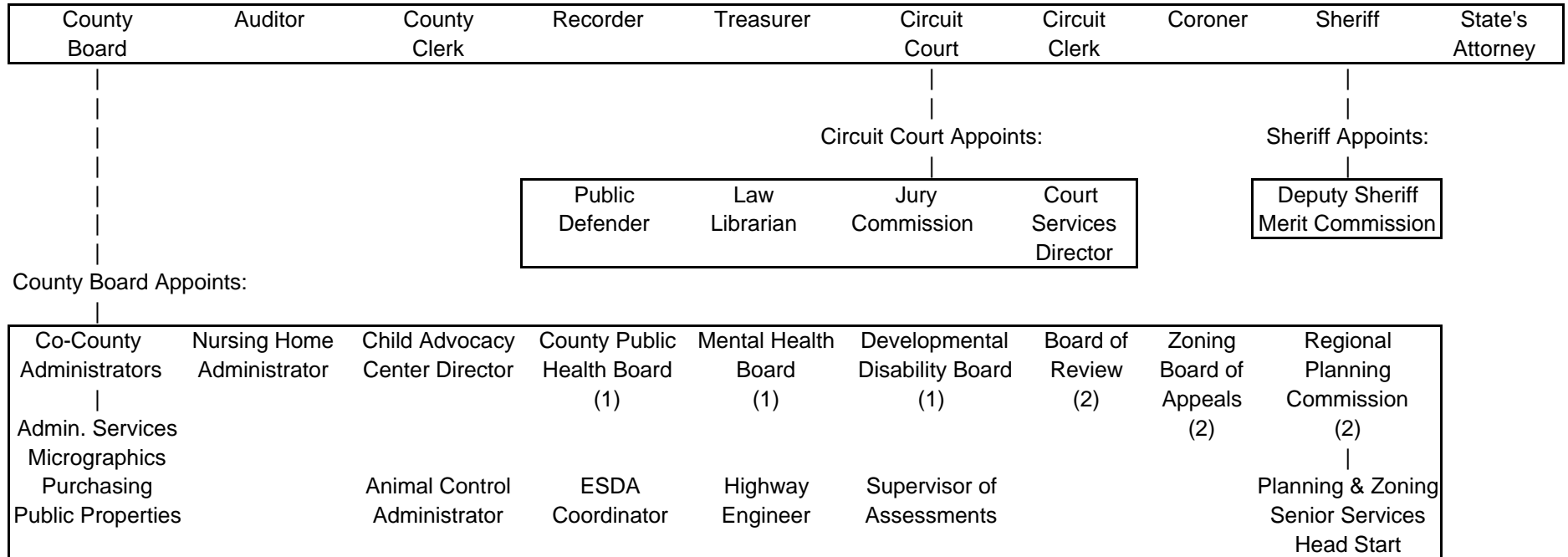
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Auditor's office. We would like to express our sincere appreciation to all members of the department who assisted and contributed to the preparation of this report. It is primarily the work of the Accounting Manager, Carol Wadleigh, who prepared the statements and schedules in the financial and single audit sections. Carol coordinated the work with the outside auditors and deserves the credit for maintaining the accounting system throughout the year as well as the annual financial reporting system. Credit also must be given to the County Board for their support for maintaining the highest standards of professionalism in the management of the County's finances.

Respectfully submitted,

Michael Frerichs
CHAMPAIGN COUNTY AUDITOR

CHAMPAIGN COUNTY
ORGANIZATION CHART
November 30, 2004

VOTERS ELECT:



(1) Appointed boards operate with different degrees of independence. The Mental Health Board, County Public Health Board and Developmental Disability Board were approved by voters in 1972, 1996 and 2004, respectively. The County Board appoints their Boards. Their budgets and tax levies require County Board approval, but their expenditures do not.

(2) The Board of Review, Zoning Board of Appeals and Regional Planning Commission have budgets and expenditures approved by the County Board. The Board of Review and Zoning Board of Appeals are independent in performing their service to the public, while the Regional Planning Commission is under the jurisdiction of the County Board. The County Board has allowed the Commission to establish its own personnel policies. The Commission consists of two members of the County Board and the Chairman of the County Board (an ex-officio member), plus the Mayors of Champaign, Urbana, and Rantoul, plus a second representative appointed by Champaign and Urbana. One additional member, elected by the RPC Commission members, serves as Minority Representative.

County of Champaign, Illinois
Principal Officials: Elected
November, 2004

Auditor

Michael Frerichs

State's Attorney

John Piland

Circuit Clerk

Linda Frank

Treasurer / Collector

Daniel Welch

Circuit Judges

Arnold Blockman

Harold Clem

Thomas Difanis

Michael Q. Jones

Heidi Ladd

Vacant

Coroner

Roger Swaney

County Clerk

Mark Shelden

Recorder

Barbara Frasca

Sheriff / Public Safety Director

Daniel Walsh

County Board Members

Patricia Avery, Chair

Janet Anderson

J. Steven Beckett

Thomas Betz

Kevin Brumback

Patricia Busboom

Lloyd Carter, Jr.

Lorraine Cowart

Don Crozier

Chris Doenitz

Tony Fabri

Deborah Frank Feinen

Nancy Greenwalt

LaShunda Hambrick

John D. Jay

Robert Kirchner

Greg Knott

Ralph Langenheim

W. Stephen Moser

Stanley "Steve" O'Connor

Jennifer Putman

Lawrence Sapp

Jonathan Schroeder

Steven Shoemaker

Louis Smith

Scott Tapley

Barbara Wysocki

County of Champaign, Illinois
Principal Officials: Appointed
November, 2004

Animal Control Administrator

Marc Klarman

Court Services Director

Joseph Gordon

Associate Circuit Judges

Holly Clemons

Jeffrey Ford

John Kennedy

Chase Leonhard

Brian McPheters

Emergency Services and
Disaster Agency Coordinator

William Keller

Mental Health Board

Executive Director

Peter Tracy

Board of Review Chairman

Stanley Jenkins

Nursing Home Administrator

Jeremy Maupin

Child Advocacy Center

Executive Director

Michael Williams

Public Defender

Randall Rosenbaum

County Administrators and
Administrative Services Directors

Debra Busey

Dennis Inman

Regional Planning Commission

Executive Director

John Dimit

County Highway Engineer

Jeffrey Blue

Supervisor of Assessments

Curtis Deedrich

County of Champaign, Illinois
General Information
November, 2004

DATE OF INCORPORATION: February 20, 1833

FORM OF GOVERNMENT: 27-member County Board, 3 representatives from each of nine districts

COUNTY EMPLOYEES: 801 full-time, 55 part-time

COUNTY SEAT: Urbana (which, with its twin city of Champaign, is the urban center of the County)

LAND AREA: 997 square miles (637,956 acres)

| | | | |
|-------------|-------------|------|---------|
| POPULATION: | U.S. Census | 1950 | 106,100 |
| | | 1960 | 132,436 |
| | | 1970 | 163,281 |
| | | 1980 | 168,392 |
| | | 1990 | 173,025 |
| | | 2000 | 179,669 |

COUNTY ROADS: 194 miles of paved roads under County jurisdiction.

TRANSPORTATION: Passenger airlines (3); railroad lines (1); bus lines (4);
major federal and state highways, including 3 interstate highways.

AGRICULTURE: Corn and soybeans are the major crops. Per the USDA Census of Agriculture:

| <u>Year</u> | <u>Farmland Acreage</u> | <u>Ratio of Farmland To Total Acreage</u> |
|-------------|-------------------------|---|
| 1978 | 614,544 | 96.3% |
| 1982 | 600,159 | 94.1% |
| 1987 | 594,227 | 93.1% |
| 1992 | 571,807 | 89.6% |
| 1997 | 567,697 | 89.0% |
| 2002 | 577,066 | 90.5% |

MAJOR INSTITUTIONS:

University of Illinois: The County's largest single employer, this 1,406 acre main campus of the state university employs 38,881 people--20,415 academic, 9,362 non-academic and 9,104 student employees. Student enrollment is 39,626. The University also owns and operates a 1,742 acre airport and 3,768 acres of experimental fields.

Parkland Community College: A two-year community college with 9,536 students and 1,315 employees, Parkland serves portions of twelve counties in East Central Illinois.

County of Champaign, Illinois
Fund Descriptions
November, 2004

GOVERNMENTAL FUNDS

General Corporate Fund 080: The principal operating fund of the County finances most activities for which there is no specific tax levy or user fee. The General Corporate property tax rate limit is .25%, Illinois Compiled Statutes 55 ILCS 5/5-1024. An additional property tax for cooperative extension education, passed by referendum in November, 1995, has a limit of .03%, 505 ILCS 45/8(b).

Special Revenue Funds

Accelerated Dispositions Grant Fund 678: Federally funded grant to the State's Attorney to ease county jail overcrowding and reduce probation caseloads. A prosecutor is dedicated to moving pre-trial detainees, who are facing drug or violence-related charges, through the system in a greatly accelerated fashion and to filing petitions to revoke probation promptly upon receiving notice of probation violations by anyone sentenced for a violent or drug-related crime.

Animal Control Fund 091: Dog license fees to finance the registration of dogs, impoundment of strays, and rabies control.

Arrestees' Medical Costs Fund 659: Court fee for the Sheriff to defray the cost of medical expenses for persons under arrest.

Capital Equipment Replacement Fund 105: Fund started in FY 2000 to accumulate resources for the planned replacement of capital equipment for General Corporate Fund departments.

Child Advocacy Center Fund 679: State and local funding for the operation of a child advocacy center to provide abuse prevention education, compassionate support to abused children and coordination of the investigation and prosecution of abuse cases.

Child Support Services Fund 617: Fee for the Circuit Clerk to administer the collection and distribution of child support payments.

Community Gun Violence Prosecution Grant Fund 683: Federal grant funding the salary of an Assistant State's Attorney to prosecute cases of violent crime involving the use of a firearm.

County Bridge Fund 084: Property tax for the construction and maintenance of county bridges. Also provides 50% of the cost of bridge construction in rural townships. Rate limit .05%, Illinois Compiled Statutes 605 ILCS 5/5-602.

County Clerk Death Certificate Surcharge Fund 611: Fee collected by the County Clerk for the State Department of Public Health to implement a statewide electronic death certificate system.

County Clerk's Automation Fund 670: Fee for automating the County Clerk's vital records storage system.

County of Champaign, Illinois
Fund Descriptions
November, 2004

Special Revenue Funds (continued)

County Highway Fund 083: Property tax for maintenance of county highways. Rate limit .10%, Illinois Compiled Statutes 605 ILCS 5/5-601.

County Motor Fuel Tax Fund 085: State shared revenue from motor fuel taxes for construction and maintenance of county highways.

County Public Health Fund 089: Property tax to provide community health services, such as immunizations and restaurant inspections. Rate limit .10% by referendum November, 1996, Illinois Compiled Statutes 55 ILCS 5/5-25003.

Court Document Storage Fund 671: Fee to defray the cost of establishing and maintaining a document storage system for county court records, administered by the Circuit Clerk.

Court Services Drug Forfeitures Fund 672: Forfeitures from drug cases distributed by the Illinois Attorney General for the Court Services Department to use in the enforcement of laws governing controlled substances.

Court's Automation Fund 613: Fee for automating court records, administered by the Circuit Clerk.

Defense Services Grant Fund 684: Federally funded grant providing the Public Defender with an additional attorney to defend drug and violent crime cases.

Developmental Disability Fund 108: Property tax to provide funding for the care and treatment of persons with a developmental disability. Rate limit .10% by referendum November, 2004, Illinois Compiled Statutes 55 ILCS 105/1.

Domestic Violence Prosecution Fund 673: Federally funded grant for the State's Attorney to combat domestic violence through aggressive prosecution, training of law enforcement personnel and court officers, computerized tracking of offenders through the criminal justice process, and distribution of cameras and recorders to aid in gathering evidence.

Election Assistance / Accessibility Grant Fund 628: Federal grants to improve voter accessibility at election polling sites, administered by the County Clerk.

Geographic Information System Fund 107: Fee collected by the County Recorder for the County Board to create and maintain a county-wide map through a geographic information system.

Head Start Program Fund 104: Federally funded education and development program for low-income pre-school children and their families.

Highway Federal Aid Matching Fund 103: Property tax to pay for engineering and right-of-way costs, utility relocations and the County's share of construction on specific federal highway projects. Rate limit .05%, Illinois Compiled Statutes 605 ILCS 5/5-603.

County of Champaign, Illinois
Fund Descriptions
November, 2004

Special Revenue Funds (continued)

Illinois Municipal Retirement Fund 088: Property tax for employer's share of IMRF retirement for County employees. No rate limit, Illinois Compiled Statutes 40 ILCS 5/22-403.

Interagency Task Force Fund 665: Clerical staff for the State Task Force X, a joint government agency to coordinate the investigation of drug related crimes. Salaries and fringe benefits are funded by the State of Illinois.

Jail Commissary Fund 658: Accounts for the purchase and sale of sundries to prisoners in the Correctional Center.

Juvenile Delinquency Prevention Board Grant Fund 677: Pass-through federal grant to Court Services for the purpose of establishing a local delinquency prevention policy board to assess community risk factors, local resources and protective factors and then to develop a community-based delinquency prevention implementation plan.

Juvenile Information Sharing System Grant Fund 681: Federal grant to the Juvenile Detention Center to purchase equipment and set up an integrated county-wide data collection system for juveniles processed through the criminal justice system.

Juvenile Justice System Improvement Grant Fund 680: Federal grant to the Juvenile Detention Center to spend on equipment and services to assist in behavior management, radio and security equipment to enhance safety conditions, computer equipment to improve record keeping, a computer lab for the youth and staff training and development.

Juvenile Offender Equipment Grant Fund 682: Federal grant to the Juvenile Detention Center for the purchase of equipment to assist in holding juvenile offenders accountable for their behavior.

Law Library Fund 092: Court fees to maintain the law library in the courthouse.

Mental Health Fund 090: Property tax to provide funding to mental health agencies. Rate limit originally .10% by referendum November, 1972, later revised by a legislative change to .15%, Illinois Compiled Statutes 405 ILCS 20/4.

Probation Services Fund 618: Court fees to be used for purchasing services from hospitals and not-for-profit agencies for probationers with special needs and for purchasing equipment for use by the County's Court Services Department.

Property Tax Interest Fee Fund 627: Fee on properties sold at tax sales to be used by the County Treasurer to pay interest and costs on property tax sales in error.

Public Safety Sales Tax Fund 106: One-quarter percent special retailer's occupation tax for public safety imposed by the County Board upon approval by the voters in November 1998, Illinois Compiled Statutes 55 ILCS 5/5-1006.5. This special sales tax has been designated to repay bonds issued to finance construction of public safety facilities and to support other public safety programs, such as juvenile delinquency prevention and courts technology.

County of Champaign, Illinois
Fund Descriptions
November, 2004

Special Revenue Funds (continued)

Recorder's Automation Fund 614: Fee for automating records in the Recorder's Office.

Regional Planning Commission Fund 075: Federal and state grants for economic development, community services, senior services, transportation engineering and police training, plus local contracts for planning and other technical assistance.

Regional Planning Commission Economic Development Loan Fund 475: Federal money for low interest loans to new or expanding businesses, or for rehabilitating rental/housing properties. Loan repayments are used to fund loans to new applicants.

Sheriff Drug Forfeitures Fund 612: Forfeitures from drug cases distributed by the Illinois Attorney General for the Sheriff to use in the enforcement of laws governing controlled substances.

Social Security Fund 188: Property tax for employer's share of social security (FICA) for County employees. No rate limit, Illinois Compiled Statutes 40 ILCS 5/21-110.

Solid Waste Management Fund 676: Costs related to implementing a solid waste management plan addressing waste disposal methods, such as recycling, yard waste composting and landfilling.

State's Attorney Drug Forfeitures Fund 621: Forfeitures from drug cases distributed by the Illinois Attorney General for the State's Attorney to use in the enforcement of laws governing narcotics activity.

Tax Sale Automation Fund 619: Fee for the automation of property tax collections and delinquent property tax sales.

Tort Immunity Fund 076: Property tax (no rate limit, Illinois Compiled Statutes 745 ILCS 10/9-103 and 10/9-107) to pay for property insurance, liability insurance, workers' compensation insurance, unemployment insurance, and judgments against the County.

Victim Advocacy Grant Fund 675: Federally funded grant to provide services to victims of violent crime, including juvenile crime and offenses, through a Victim Advocacy Program Director in the State's Attorney's Office.

Working Cash Fund 610: Property tax (1976 and 1977 only) to provide working cash to avoid issuance of tax anticipation notes or warrants. Fund balance is to be held constant at \$377,714. Rate limit .025%, Illinois Compiled Statutes 55 ILCS 5/6-29003.

Debt Service Funds

1995 Series Jail Bond Debt Service Fund 071: Property tax (no rate limit) for repayment of bonds issued in 1995 to finance construction of the satellite jail. Bonds are scheduled for retirement through 2010. This property tax is expected to be abated each year from 2001 on, since the public safety sales tax is being used to repay the jail bonds.

County of Champaign, Illinois
Fund Descriptions
November, 2004

Debt Service Funds (continued)

2003 Series Nursing Home Bond Debt Service Fund 074: Property tax (no rate limit) for repayment of bonds issued in 2003 to finance construction of a nursing home facility. Bonds are scheduled for retirement through 2022.

Capital Projects Funds

Administration Building Construction Fund 301: To account for the purchase and remodeling of the Brookens Administration Building, financed with economic development loans from the RPC Loan Fund, general obligation bonds and general revenues.

Court Complex Construction Fund 303: To account for the construction of a new court facility and the remodeling of the old courthouse, financed through alternative revenue source bonds issued in 1999 and 2000, backed by a 1/4 cent public safety sales tax approved by voters in November 1998.

Jail Construction Fund 078: To account for the construction of the satellite jail and remodeling of the existing correctional center. The project was financed with general obligation bonds issued in 1995.

Juvenile Detention Center Construction Fund 302: To account for the construction of a new juvenile detention facility, partially funded through a federal grant. The remaining funding was through alternative revenue source bonds issued in 1999, backed by a 1/4 cent public safety sales tax approved by voters in November 1998.

Nursing Home Construction Fund 070: To account for the construction of a nursing home facility, financed with general obligation bonds issued in 2003.

PROPRIETARY FUNDS

Enterprise Fund

Nursing Home Fund 081: Operating fund for the County Nursing Home.

Internal Service Funds

Employee Health Insurance Fund 620: Accounts for premiums paid for health and life insurance benefits provided for employees. Employee payroll deductions and billings to the various County funds provide a pool from which premiums are paid.

Self-funded Insurance Fund 476: Accounts for risk financing activities. Billings to the various County funds and to the property-tax-funded Tort Immunity Fund provide a pool from which auto, liability and workers compensation claims are paid, and from which auto, liability and workers compensation premiums for stop-loss insurance are paid. Commercial insurance is also purchased through this fund for certain other exposures, such as property damage and public official bonds.

County of Champaign, Illinois
Fund Descriptions
November, 2004

FIDUCIARY FUNDS

Private Purpose Trust Funds

Township Bridge Fund 087: State funding for construction of township bridges over 20 feet in length, administered by the County Highway Engineer in a trustee capacity on behalf of the various townships. This funding is not available to support County programs.

Township Motor Fuel Tax Fund 086: State funding from motor fuel taxes for township road maintenance and construction, administered by the County Highway Engineer in a trustee capacity on behalf of the various townships. This funding is not available to support County programs.

Agency Funds

Circuit Clerk Fund: Court fees and fines which are collected by the Circuit Clerk and disbursed to the County Treasurer and other local governments.

County Clerk Fund: Tax redemptions collected and remitted to the persons who bought property at the tax sale, when the original owner later redeems his/her taxes. This fund also includes all fees collected by the County Clerk before they are deposited with the County Treasurer.

County Collector Fund: Collection and distribution of property taxes for all local taxing districts.

Court Services Fund: Restitution for victims of crime plus public service worker activities administered by the Court Services Director.

Estate Fund 097: Unclaimed estates held by the County until disposition is determined by court order.

Garnishments Fund 699: Court-ordered wage garnishments withheld from County employees.

Inheritance Tax Fund 095: Inheritance taxes collected by the County Treasurer and remitted to the State of Illinois.

Property Condemnations Fund 667: Deposits held by the County Treasurer until the court determines just compensation for condemned property.

Section 125 Cafeteria Plan Fund 096: Employee pre-tax contributions held for payment of qualifying medical and dependent child care expenses.

County of Champaign, Illinois
Department Descriptions
November, 2004

Administrative Services - Provides information processing and records management/retention for County departments through computer and micrographic technology. Acts as the personnel office; handles job classification and salary administration. Administers liability, workers' compensation, unemployment and employee health insurance. Prepares the annual budget for County Board approval. The Purchasing Division secures prices, issues purchase orders and maintains a stores inventory for other County offices.

Animal Control - Enforces Animal Control Act and county ordinances requiring rabies vaccination and dog registration. Investigates animal bites and claims made for livestock killed by dogs.

Auditor - Internal auditor and chief accountant for the County. Administers Illinois Municipal Retirement, bi-weekly payroll and the payment of all County bills. Audits for compliance with County Board policy and state and federal law. Maintains centralized accounting system, generating weekly and monthly accounting reports for all County funds. Prepares the County's Comprehensive Annual Financial Report.

Board of Health - Eight member board appointed by the County Board to provide community health services, such as immunizations and restaurant inspections. This board was created pursuant to a referendum passed by voters in November, 1996.

Board of Review - Three person board appointed by the County Board to revise assessments of real property and assess all real property not assessed by a township assessor. Acts on written complaints of incorrectly assessed property and applications for property to be declared exempt. Signs certificates of error and distributes copies to County Clerk and County Collector. Delivers one set of completed assessment books to the County Clerk, who then certifies the abstract of assessments to the Illinois Department of Revenue.

Child Advocacy Center – Provides child abuse prevention education, compassionate support to abused children and coordination of the investigation and prosecution of abuse cases.

Circuit Clerk - Handles all court records of Champaign County. Produces all appeal records, issues passports and juror's vouchers. Is represented by a clerk at all jury trials. Accepts payment of and disburses court ordered fines and fees.

Circuit Clerk Support Enforcement - Contract with the State of Illinois Department of Public Aid for federal and state reimbursement of expenditures in connection with ensuring that child support payments are made.

Circuit Court - The Circuit Court is the court of general jurisdiction in the State of Illinois. Champaign County is in the Sixth Judicial Circuit, along with five other neighboring counties. The six Circuit Judges in Champaign County are elected by the voters in the Circuit. The five Associate Judges are appointed by the Circuit Judges for four year terms. All judges are paid by the state.

Cooperative Extension Service - Cooperative extension education property tax levied by the County and turned over to the University of Illinois Cooperative Extension Service. Cooperative Extension Service programs include 4-H, youth and adult education programs.

County of Champaign, Illinois
Department Descriptions
November, 2004

Coroner - Investigates all deaths where the decedent was not attended by a licensed physician, and is responsible for determining the manner and cause of each death to decide if an inquest is necessary; prepares and conducts inquests. The Coroner has the same powers as the Sheriff and should the Office of the Sheriff be vacant, the Coroner performs all the duties as required by law to be performed by the Sheriff, and retains those powers until another Sheriff is appointed or elected.

Correctional Center - This department accounts for most expenditures related to the operations of the County Jail and Satellite Jail. Utility costs are included under Public Properties. The Satellite Jail, completed in 1996, is the main intake/release facility for the county.

County Board - Coordinates and implements actions of the County Board and performs duties required by state statutes. Prepares weekly committee calendar and committee minutes.

County Clerk - Ex-Officio Clerk of the County Board; records County Board minutes; issues county licenses (marriage, liquor, motel); keeps records and issues certificates of vital statistics (birth, death, marriage); registers voters; conducts elections; files campaign disclosures and statements of economic interest; computes property tax extensions and mobile home privilege tax; keeps county maps on file.

Court Services/Probation - Juvenile Division makes recommendations to the Court on petitions concerning minors. Should the minor be placed on probation or under court supervision, the probation officer provides counseling, supervision and referral to appropriate community resources. Adult Division conducts pre-sentence investigations and prepares pre-sentence reports for the courts. If a defendant is sentenced to probation, the probation officer provides rehabilitative counseling and endeavors to see that the conditions of probation are carried out.

Deputy Sheriff Merit Commission - Three member commission which certifies persons as eligible to serve as sworn deputies. Handles major disciplinary actions and discharge of sworn personnel. Members of commission are appointed by County Board upon recommendation of County Sheriff.

Developmental Disability Board - Three member board appointed by the County Board to administer services for persons with a developmental disability. This board was created pursuant to a referendum passed by voters in November, 2004.

Emergency Services and Disaster Agency - Trains volunteers and acts to protect persons and property in the event of a disaster.

General County - This department accounts for General Corporate revenues and expenditures that are not allocated to specific General Corporate departments. Revenues include property, sales and income taxes. Expenditures include health insurance, independent audit, grants to local agencies and Regional Planning Commission membership dues.

Head Start Program - Early childhood education and development program funded by federal grants from the Department of Health and Human Services and administered in Champaign County by the Regional Planning Commission.

County of Champaign, Illinois
Department Descriptions
November, 2004

Highway - Supervises the construction and maintenance of all County highways within the County. Prepares plans, specifications and estimates for County bridges and culverts and supervises their construction.

Jury Commission - Three person commission appointed by the Circuit Court to compile a list of potential jurors based on registered voters. Illinois law also provides that holders of Illinois driver's licenses may be eligible for jury duty; however, Champaign County uses only registered voters.

Juvenile Detention Center - Operates a secure, locked facility for minors apprehended by law enforcement agencies.

Law Library - Provides law reference materials for the use of all members of the public, but used mainly by local attorneys and judges.

Mental Health Board - Nine member board appointed by the County Board to provide funding to mental health agencies.

National Voter Registration Act - segregates the cost of implementing the federal law requiring expanded voter registration for federal elections.

Nursing Home - The 243-bed Nursing Home is licensed to provide skilled, intermediate and shelter care. Other care options include a special unit for Alzheimers and Related Disorders, an Adult Day Care Program, and a Respite Care Program. In 1990, a child day care center was added for children of County employees. The Nursing Home has 250 employees.

Public Defender - Court-appointed attorneys to represent indigent persons charged with crimes in Champaign County, involving every type of crime from murder to traffic offenses. Gives the same legal representation that defendants would receive from private counsel.

Public Properties - Provides custodial and maintenance services for all County buildings. In October, 1995, this department was placed under the direction of the County Administrator as a division of the Administrative Services Department.

Recorder - Responsible for the recording of various instruments including deeds, mortgages, affidavits, plats, mechanic liens, corporation papers, surveys, and military discharges. These instruments are indexed and microfilmed. Handles Illinois Revenue Stamps for sales of property.

Regional Office of Education - Pays Champaign County's portion of certain administrative costs incurred by the Champaign/Ford Counties Regional Office of Education.

Regional Planning Commission - A nine member advisory body created by the County Board to supply information and technical assistance to local government officials in the areas of zoning, subdivision, land use, housing, transportation engineering, public administration, community and economic development. Has expanded into the areas of police training and community service grants, including the Senior Services Program transferred from the Office on Aging in 1996.

County of Champaign, Illinois
Department Descriptions
November, 2004

Sheriff - Patrols the rural areas and unincorporated towns and villages. Investigates crimes and serves civil papers (lawsuits, divorces, small claims, subpoenas, court orders and notices). Operates the two county jails and takes prisoners to court for arraignment and trial. Attends court and is responsible for court security. Transports prisoners to the state penitentiary. Handles mental cases and transports them as necessary.

Sheriff's D.A.R.E. and Explorers Programs - Anti-drug education program and Boy Scout Explorers Program sponsored by the Sheriff and funded with donations.

State's Attorney - Prosecutes all actions, civil and criminal, in the Circuit Court. Commences and prosecutes all actions and proceedings brought by any County Officer and defends actions and proceedings brought against the County or against County Officers. Gives opinions to any County officer upon questions of law relating to the County.

State's Attorney Support Enforcement - Contract with the State of Illinois Department of Public Aid for federal and state reimbursement of expenditures in connection with enforcing court-ordered child support payments.

Supervisor of Assessments - Maintains tax maps, property record cards and exemption certificates. Keeps current list of property owners. Issues certificates of error, publishes assessments in newspapers, sends notices of assessment changes to taxpayers. Instructs, consults and assists township assessors and has the statutory power to make assessments.

Treasurer - Responsible for the receipt of County revenue and for the investment and disbursement of County funds. As County Collector, collects and distributes property and mobile home taxes for all taxing districts in the County. Bills and collects drainage assessment taxes. Supervises the sale of delinquent real estate taxes.

Zoning - Reviews applications and issues zoning use permits. Inspects to ensure compliance with the zoning ordinance and investigates alleged violations. Since June, 1990, the County Board has contracted with the Regional Planning Commission to provide these services. This department still exists within the General Corporate Fund to account for the cost of this contract and the per diems of the Zoning Board of Appeals, which is a six member board appointed by the County Board.

County of Champaign, Illinois

Management's Discussion and Analysis

November 30, 2004

As management of the County of Champaign, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the County of Champaign for the fiscal year ended November 30, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2-6 of this report.

Financial Highlights

- The assets of the County of Champaign exceeded its liabilities at the close of the most recent fiscal year by \$87,830,455 (*net assets*). Of this amount, \$7,783,749 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$94,845.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$57,297,162, a decrease of \$6,468,544 in comparison with the prior year. The vast majority of this amount, \$53,197,988, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$3,560,220, or 14% of total general fund expenditures.
- Champaign County's total debt decreased by \$1,581,911 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Champaign County's basic financial statements. Champaign County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Champaign County's finances, in a manner similar to a private-sector business.

- The *statement of net assets* presents information on all of Champaign County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Champaign County is improving or deteriorating.
- The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County of Champaign include general government, justice and public safety, health, education, social services, development, and highways and bridges. The business-type activities of the County of Champaign include the Champaign County Nursing Home. The government-wide financial statements do not include funds classified as Fiduciary Funds (discussed further below), because the resources of those funds are not available to support the County's programs.

The government-wide financial statements can be found on pages 32-33 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Champaign, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County of Champaign can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County of Champaign maintains fifty-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Mental Health Fund, County Motor Fuel Tax Fund and Nursing Home Construction Fund, all of which are considered to be major funds. Data from the other fifty governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County of Champaign adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 34-38 of this report.

Proprietary funds. The County of Champaign maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County of Champaign uses one enterprise fund to account for its Nursing Home. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County of Champaign uses internal service funds to account for its self-funded insurance and employee health insurance. Because both of these services predominately benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the County Nursing Home, which is considered to be a major fund of the County of Champaign. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 39-42 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County of Champaign's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 43-44 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45-75 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County of Champaign's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 69 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County of Champaign, assets exceeded liabilities by \$87,830,455 at the close of the most recent fiscal year.

The largest portion of the County of Champaign's net assets (52 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County of Champaign uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County of Champaign's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The table **County of Champaign's Net Assets** reflects the condensed Statement of Net Assets.

An additional portion of the County of Champaign's net assets (40%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$7,783,749) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The government's net assets increased by \$94,845 during the current fiscal year. Increases in net assets for governmental activities (\$832,306) were nearly offset by decreases in net assets for business-type activities (\$737,461).

County of Champaign's Net Assets
(in thousands of dollars)

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------|-------------------------|------------|--------------------------|----------|------------|------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Current and Other Assets | \$ 99,407 | \$ 88,016 | \$ 2,659 | \$ 3,025 | \$ 102,065 | \$ 91,041 |
| Capital Assets | 67,776 | 74,583 | 1,890 | 2,207 | 69,666 | 76,791 |
| Total Assets | \$ 167,183 | \$ 162,599 | \$ 4,549 | \$ 5,232 | \$ 171,731 | \$ 167,832 |
| Long-term Liabilities | 56,575 | 58,026 | 287 | 218 | 56,862 | 58,244 |
| Other Liabilities | 26,010 | 20,808 | 1,029 | 1,045 | 27,039 | 21,853 |
| Total Liabilities | \$ 82,585 | \$ 78,834 | \$ 1,316 | \$ 1,263 | \$ 83,901 | \$ 80,097 |
| Net Assets: | | | | | | |
| Invested in Capital Assets | 43,145 | 40,626 | 2,133 | 2,207 | 45,278 | 42,833 |
| Restricted | 34,769 | 37,600 | - | - | 34,769 | 37,600 |
| Unrestricted | 6,685 | 5,540 | 1,099 | 1,763 | 7,784 | 7,303 |
| Total Net Assets | 84,599 | 83,766 | 3,232 | 3,970 | 87,831 | 87,736 |

Governmental Activities. Governmental activities increased Champaign County's net assets by \$832,306. For the most part, increases in expenses and revenues closely paralleled inflation and growth in the demand for services. One noteworthy exception, however, was the \$6,106,034 (63%) decrease in grants and contributions for highways and bridges. A similar amount was given to the County in FY 2003 as compensation for transferring responsibility for a State Highway to the County of Champaign (County Highway 25). The revenue in FY 2003 was a one-time payment for improvements and maintenance of the road. This money was not received in FY 2004 and revenues for this year reflect a return to normal levels of support.

Business-type Activities. Business-type activities decreased Champaign County's net assets by \$737,461. This represents a 20% decline in net assets. While general revenues increased in line with inflation, charges for services decreased by \$105,536 and expenses increased by \$702,855.

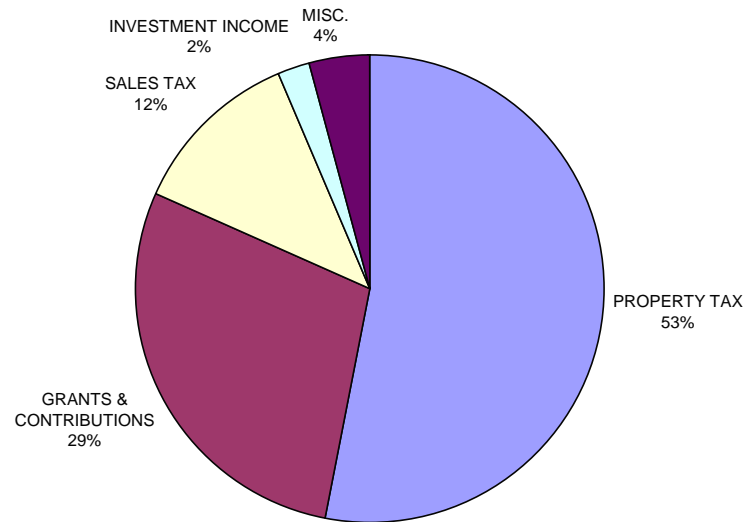
The following table summarizes the revenues and expenses of the County's activities:

County of Champaign's Changes in Net Assets

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|--------------|--------------------------|--------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Revenues: | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 8,174,668 | \$ 7,856,808 | \$ 9,331,326 | \$ 9,436,862 | \$ 17,505,994 | \$ 17,293,670 |
| Operating Grants & Contributions | 14,824,949 | 20,833,489 | 153 | 129 | 14,825,102 | 20,833,618 |
| General Revenues: | | | | | | |
| Property Taxes | 17,236,668 | 16,386,877 | 709,715 | 679,634 | 17,946,383 | 17,066,511 |
| Public Safety Sales Taxes | 3,862,564 | 3,672,341 | - | - | 3,862,564 | 3,672,341 |
| Hotel/Motel & Auto Rental Taxes | 25,690 | 33,013 | - | - | 25,690 | 33,013 |
| Grants & Contributions Not Restricted to Specific Programs | 9,322,562 | 8,759,254 | - | - | 9,322,562 | 8,759,254 |
| Investment Earnings | 733,910 | 638,316 | 14,756 | 11,879 | 748,666 | 650,195 |
| Miscellaneous | 1,205,793 | 1,111,636 | 19,587 | 14,211 | 1,225,380 | 1,125,847 |
| Gain on Sale of Capital Assets | - | 22,601 | - | - | - | 22,601 |
| Change in Investment in Joint Venture | 125,971 | 254,384 | - | - | 125,971 | 254,384 |
| Total Revenues | 55,512,775 | 59,568,719 | 10,075,537 | 10,142,715 | 65,588,312 | 69,711,434 |
| Expenses: | | | | | | |
| General Government | 8,409,851 | 7,960,184 | - | - | 8,409,851 | 7,960,184 |
| Justice & Public Safety | 24,822,961 | 23,075,833 | - | - | 24,822,961 | 23,075,833 |
| Health | 3,961,545 | 4,262,633 | - | - | 3,961,545 | 4,262,633 |
| Education | 4,630,462 | 4,729,201 | - | - | 4,630,462 | 4,729,201 |
| Social Services | 122,859 | 39,445 | - | - | 122,859 | 39,445 |
| Development | 3,441,329 | 2,563,954 | - | - | 3,441,329 | 2,563,954 |
| Highways & Bridges | 6,805,328 | 8,779,912 | - | - | 6,805,328 | 8,779,912 |
| Interest on Long-Term Debt | 2,442,084 | 2,419,292 | - | - | 2,442,084 | 2,419,292 |
| Nursing Home | - | - | 10,857,012 | 10,154,157 | 10,857,012 | 10,154,157 |
| Total Expenses | 54,636,419 | 53,830,454 | 10,857,012 | 10,154,157 | 65,493,431 | 63,984,611 |
| Increase in Net Assets Before Transfers | 876,356 | 5,738,265 | (781,475) | (11,442) | 94,881 | 5,726,823 |
| Transfers | (44,014) | (40,407) | 44,014 | 40,407 | - | - |
| Increase in Net Assets | 832,342 | 5,697,858 | (737,461) | 28,965 | 94,881 | 5,726,823 |
| Beginning Net Assets | 83,765,516 | 78,067,658 | 3,970,094 | 3,941,129 | 87,735,610 | 82,008,787 |
| Ending Net Assets | 84,597,822 | 83,765,516 | 3,232,633 | 3,970,094 | 87,830,455 | 87,735,610 |

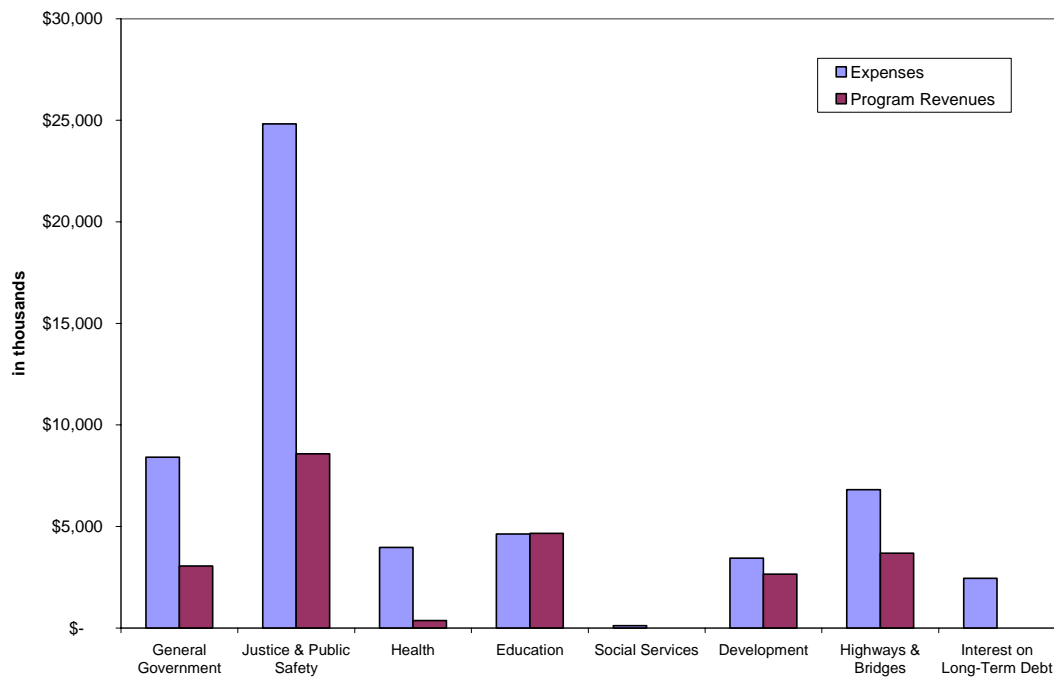
Revenues for the County are generated from a number of different sources and for the most part are dependent on different financial factors. The majority of revenue is derived from property taxes, as illustrated in the following chart, which provides long-term stability.

Revenues by Source - Governmental Activities



Justice and Public Safety expenses constituted the largest single category of expense within governmental activities totaling \$24,822,961, or 45% of total expenses of \$54,636,419. General Government expenses were next largest at \$8,409,851 or 15% of total expenses. A breakdown by program of expenses and program revenues follows.

Expenses and Program Revenues - Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, the County of Champaign uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County of Champaign's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County of Champaign's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County of Champaign's governmental funds reported combined ending fund balances of \$57,297,162, a decrease of \$6,468,544 in comparison with the prior year. 93 percent of this amount constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for debt service (\$1,136,589) and long-term receivables (\$2,962,585).

The general fund is the chief operating fund of the County of Champaign. At the end of the current fiscal year, unreserved fund balance and total fund balance of the general fund was \$3,560,220 as there was no amount held in reserve. Unreserved fund balance represents 14 percent of total general fund expenditures.

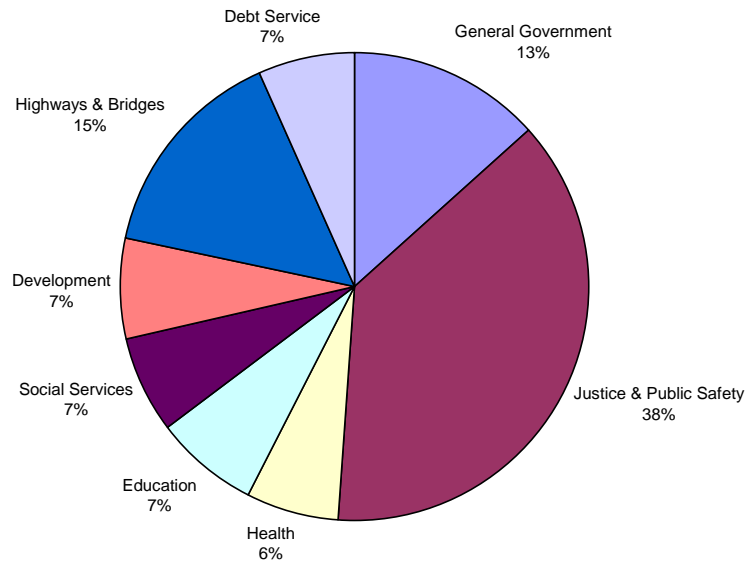
The fund balance of Champaign County's general fund increased by \$710,699 during the current fiscal year. Key factors in this growth include increases in Intergovernmental Revenue of \$578,467 and charges for services of \$622,573.

The County Motor Fuel Tax Fund decreased \$2,693,874 during the current fiscal year. This reflects a decision to address deteriorating infrastructure with increased road improvement projects. The fund balance increased by over \$6 million in the previous fiscal year.

The Nursing Home Construction Fund decreased by \$3,861,195 as construction began in the current fiscal year. The fund is expected to see decreases in its fund balance until construction is completed.

The chart below illustrates the breakdown of expenditures by program for all governmental funds:

Expenditures by Program



Proprietary funds. The only County of Champaign proprietary fund is the Champaign County Nursing Home. This fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Champaign County Nursing Home at the end of the year amounted to \$1,140,846 (\$3,274,268 Total Net Assets, including investment in Capital Assets, net of related debt). The total decrease in net assets of business-type activities was \$737,461 (18%).

General Fund Budgetary Highlights

During the year there was a \$1,504,296 increase in appropriations between the original and final amended budget. Following are the main components of the increase:

- \$593,338 added for Federal Homeland Security Grant for emergency response
- \$90,000 added for emergency compressor repair at the satellite jail
- \$400,000 added for document stamps for Recorder's office
- \$60,000 added for gas and electric service

The increase was possible because of additional resources. Those revenues included an increase in intergovernmental revenue of \$638,653 and licenses and permits of \$630,000. At the end of the year there was an excess of revenues over expenditures of \$430,304. After Other Financing Sources were added, \$710,699 was added to the fund balance.

Capital Asset and Debt Administration

Capital assets. The County of Champaign's investment in capital assets for its governmental and business-type activities as of November 30, 2004, amounts to \$69,666,186 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, roads, highways, and bridges. The total increase in the County of Champaign's investment in capital assets for the current fiscal year was \$5,130,956 (7% increase). Following is a Comparative Statement of Capital Assets, net of depreciation (in thousands):

| | Governmental Activities | | Business-type activities | | Total | |
|----------------------------|----------------------------|-----------|-----------------------------|----------|-----------|-----------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Land | \$ 1,765 | \$ 1,757 | | | \$ 1,765 | \$ 1,757 |
| Construction in Progress | 10,247 | 1,510 | 243 | 170 | 10,490 | 1,680 |
| Infrastructure | 24,228 | 26,088 | | | 24,228 | 26,088 |
| Buildings and Improvements | 39,435 | 40,356 | 1,610 | 1,758 | 41,045 | 42,114 |
| Equipment | 4,113 | 4,873 | 280 | 279 | 4,393 | 5,152 |
| Total | \$ 79,788 | \$ 74,584 | \$ 2,133 | \$ 2,207 | \$ 81,921 | \$ 76,791 |

Additional information on the County of Champaign's capital assets can be found in Note 11 in the Notes to Financial Statements of this report.

Long-term debt. At the end of the current fiscal year, the County of Champaign had total bonded debt outstanding of \$56,862,352. The entire amount is backed by the full faith and credit of the County of Champaign. Following is a comparative statement of outstanding debt (in thousands):

| | Governmental Activities | | Business-type activities | | Total | |
|---------------------------|-------------------------|-----------|--------------------------|--------|-----------|-----------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| General Obligation Bonds | \$ 53,443 | \$ 54,914 | \$ - | \$ - | \$ 53,443 | \$ 54,914 |
| Intergovernmental Loans | 602 | 654 | - | - | 602 | 654 |
| Capital Lease Obligations | 101 | 160 | - | - | 101 | 160 |
| Estimated Claims Payable | 722 | 717 | - | - | 722 | 717 |
| Compensated Absences | 1,707 | 1,581 | 287 | 218 | 1,994 | 1,799 |
| Total | \$ 56,575 | \$ 58,026 | \$ 287 | \$ 218 | \$ 56,862 | \$ 58,244 |

The County of Champaign's total debt decreased by \$1,381,538 (2%) during the current fiscal year. Additional information on the County's long-term debt can be found in Note 17 in the Notes to Financial Statements of this report.

Economic Factors and Next Year's Budgets and Rates

The main campus of the University of Illinois lies in the center of Champaign County and it provides a great deal of stability to the area's economy, as the University is the area's largest employer (with over 20,000 employees), and is a major purchaser of various goods and services, and has several new buildings under construction. This stability helps make Champaign County's revenues more stable than many other counties'.

The equalized assessed value (EAV) of taxable property in the County for 2003 levy year was \$2,463,518,814, which represents one-third market value. Residential properties make up 62% of the EAV for the 2003 levy year. Commercial development constitutes 38%. Construction activity has been strong, but could be adversely affected by rising interest rates.

One of the County's largest sources of revenue is from the State. As the State continues to have budgetary problems it appears that their contributions to the County, as a percentage of total revenues, will continue to decline. If this continues, the County will have to consider the possibility of enhancing revenue from local sources or committing to expenditure reductions.

Requests for Information

This financial report is designed to provide a general overview of the County of Champaign's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Auditor, 1776 E. Washington, Urbana, IL 61802.

COUNTY OF CHAMPAIGN, ILLINOIS
STATEMENT OF NET ASSETS
NOVEMBER 30, 2004

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|--------------------|
| <u>ASSETS</u> | | | |
| Cash | \$11,647,335 | \$1,012,356 | \$12,659,691 |
| Investments | 46,235,182 | 26,020 | 46,261,202 |
| Receivables, Net of Uncollectible Amounts: | | | |
| Patient Accounts | 0 | 807,378 | 807,378 |
| Property Taxes | 19,814,435 | 735,788 | 20,550,223 |
| Intergovernmental | 4,608,670 | 0 | 4,608,670 |
| Program Loans--Current Portion | 351,174 | 0 | 351,174 |
| Accrued Interest | 43,016 | 0 | 43,016 |
| Other | 89,577 | 0 | 89,577 |
| Internal Balances | 237,185 | (237,185) | 0 |
| Inventories | 28,625 | 51,337 | 79,962 |
| Prepaid Expenses | 0 | 5,838 | 5,838 |
| Deferred Charges | 266,432 | 0 | 266,432 |
| Resident Trust Accounts | 7,099 | 13,898 | 20,997 |
| Program Loans Receivable--Long Term Portion | 2,741,614 | 0 | 2,741,614 |
| Investment in Joint Venture | 1,323,889 | 0 | 1,323,889 |
| Capital Assets Not Being Depreciated | 12,012,287 | 243,389 | 12,255,676 |
| Capital Assets, Net of Accumulated Depreciation | 67,776,152 | 1,890,034 | 69,666,186 |
| Total Assets | 167,182,672 | 4,548,853 | 171,731,525 |
| <u>LIABILITIES</u> | | | |
| Accrued Salaries Payable | 820,169 | 167,073 | 987,242 |
| Accounts Payable | 4,550,099 | 112,238 | 4,662,337 |
| Accrued Interest Payable | 674,816 | 0 | 674,816 |
| Intergovernmental Payable | 2,529 | 0 | 2,529 |
| Funds Held for Others | 147,673 | 13,898 | 161,571 |
| Unearned Revenue | 19,814,435 | 735,788 | 20,550,223 |
| Non-current Liabilities: | | | |
| Due Within One Year | 4,326,895 | 287,223 | 4,614,118 |
| Due in More Than One Year | 52,248,234 | 0 | 52,248,234 |
| Total Liabilities | 82,584,850 | 1,316,220 | 83,901,070 |
| <u>NET ASSETS</u> | | | |
| Invested In Capital Assets, Net of Related Debt | 43,144,523 | 2,133,423 | 45,277,946 |
| Restricted for: | | | |
| Capital Projects, Net of Related Debt | 0 | 0 | 0 |
| Debt Service | 2,054,591 | 0 | 2,054,591 |
| Other Purposes | 32,714,169 | 0 | 32,714,169 |
| Unrestricted (Deficit) | 6,684,539 | 1,099,210 | 7,783,749 |
| Total Net Assets | 84,597,822 | 3,232,633 | 87,830,455 |

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

COUNTY OF CHAMPAIGN, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2004

Exhibit II

| FUNCTIONS / PROGRAMS | Expenses | Program Revenues | | | Net (Expenses) Revenues and Changes in Net Assets | | |
|--|-------------|---|--|--------------------------------------|--|---------------------------------|---------------|
| | | Fines, Permits & Charges for Services | Operating Grants & Contributions | Capital Grants & Contributions | Governmental Activities | Business- Type Activities | Total |
| GOVERNMENTAL ACTIVITIES: | | | | | | | |
| General Government | \$8,409,851 | \$2,855,363 | \$195,140 | \$0 | (\$5,359,348) | \$0 | (\$5,359,348) |
| Justice & Public Safety | 24,822,961 | 4,454,213 | 4,122,803 | 0 | (16,245,945) | 0 | (16,245,945) |
| Health | 3,961,545 | 174,501 | 195,914 | 0 | (3,591,130) | 0 | (3,591,130) |
| Education | 4,630,462 | 37,783 | 4,626,799 | 0 | 34,120 | 0 | 34,120 |
| Social Services | 122,859 | 0 | 0 | 0 | (122,859) | 0 | (122,859) |
| Development | 3,441,329 | 545,231 | 2,107,898 | 0 | (788,200) | 0 | (788,200) |
| Highways & Bridges | 6,805,328 | 107,577 | 3,576,395 | 0 | (3,121,356) | 0 | (3,121,356) |
| Interest on Long-Term Debt | 2,442,084 | 0 | 0 | 0 | (2,442,084) | 0 | (2,442,084) |
| Total Governmental Activities | 54,636,419 | 8,174,668 | 14,824,949 | 0 | (31,636,802) | 0 | (31,636,802) |
| BUSINESS-TYPE ACTIVITIES: | | | | | | | |
| Nursing Home | 10,857,012 | 9,331,326 | 153 | 0 | 0 | (1,525,533) | (1,525,533) |
| Total Business-Type Activities | 10,857,012 | 9,331,326 | 153 | 0 | 0 | (1,525,533) | (1,525,533) |
| Total Government | 65,493,431 | 17,505,994 | 14,825,102 | 0 | (31,636,802) | (1,525,533) | (33,162,335) |
| General Revenues: | | | | | | | |
| Property Taxes | | | | | 17,236,668 | 709,715 | 17,946,383 |
| Public Safety Sales Taxes | | | | | 3,862,564 | 0 | 3,862,564 |
| Hotel/Motel & Auto Rental Taxes | | | | | 25,690 | 0 | 25,690 |
| Grants & Contributions Not Restricted to Specific Programs | | | | | 9,322,526 | 0 | 9,322,526 |
| Investment Earnings | | | | | 733,910 | 14,756 | 748,666 |
| Miscellaneous | | | | | 1,205,793 | 19,587 | 1,225,380 |
| Change in Investment in Joint Venture | | | | | 125,971 | 0 | 125,971 |
| Transfers | | | | | (44,014) | 44,014 | 0 |
| Total General Revenues and Transfers | | | | | 32,469,108 | 788,072 | 33,257,180 |
| Change in Net Assets | | | | | 832,306 | (737,461) | 94,845 |
| Net Assets - Beginning | | | | | 83,765,516 | 3,970,094 | 87,735,610 |
| Net Assets - Ending | | | | | 84,597,822 | 3,232,633 | 87,830,455 |

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

COUNTY OF CHAMPAIGN, ILLINOIS
GOVERNMENTAL FUNDS
BALANCE SHEET
NOVEMBER 30, 2004

Exhibit III

| | Major Funds | | | | All Other (Non-Major) Governmental Funds | Total Governmental Funds |
|--|-------------------|--------------------------|----------------------------------|--------------------------------------|---|--------------------------------|
| | General Fund | Mental Health Fund | County Motor Fuel Tax Fund | Nursing Home Construction Fund | | |
| ASSETS | | | | | | |
| Cash | \$3,045,040 | \$387,411 | \$693,574 | \$132,102 | \$6,871,259 | \$11,129,386 |
| Investments | 1,000,000 | 1,100,000 | 11,868,582 | 16,656,236 | 15,610,364 | 46,235,182 |
| Receivables, Net of Uncollectible Amounts: | | | | | | |
| Property Taxes | 6,489,240 | 2,696,331 | 0 | 0 | 10,628,864 | 19,814,435 |
| Intergovernmental | 839,017 | 0 | 202,394 | 0 | 968,601 | 2,010,012 |
| Program Loans--Current Portion | 0 | 0 | 0 | 0 | 351,174 | 351,174 |
| Accrued Interest | 0 | 1,111 | 8,658 | 0 | 33,247 | 43,016 |
| Other | 58,882 | 112 | 0 | 0 | 23,239 | 82,233 |
| Due From Other Funds | 171,801 | 7,298 | 0 | 0 | 917,194 | 1,096,293 |
| Inventories | 28,625 | 0 | 0 | 0 | 0 | 28,625 |
| Resident Trust Accounts | 7,099 | 0 | 0 | 0 | 0 | 7,099 |
| Advances to Other Funds | 0 | 0 | 0 | 0 | 220,971 | 220,971 |
| Program Loans Receivable--Long Term Portion | 0 | 0 | 0 | 0 | 2,741,614 | 2,741,614 |
| Total Assets | 11,639,704 | 4,192,263 | 12,773,208 | 16,788,338 | 38,366,527 | 83,760,040 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| LIABILITIES: | | | | | | |
| Accrued Salaries Payable | 652,200 | 6,813 | 2,591 | 0 | 158,565 | 820,169 |
| Accounts Payable | 462,937 | 100,872 | 912,903 | 1,232,134 | 1,127,277 | 3,836,123 |
| Intergovernmental Payable | 0 | 0 | 0 | 0 | 2,529 | 2,529 |
| Due To Other Funds | 467,983 | 8,222 | 0 | 0 | 1,180,368 | 1,656,573 |
| Funds Held for Others | 7,124 | 0 | 0 | 0 | 104,954 | 112,078 |
| Deferred Revenues | 6,489,240 | 2,696,331 | 0 | 0 | 10,628,864 | 19,814,435 |
| Advances from Other Funds | 0 | 0 | 0 | 0 | 220,971 | 220,971 |
| Total Liabilities | 8,079,484 | 2,812,238 | 915,494 | 1,232,134 | 13,423,528 | 26,462,878 |
| FUND BALANCES (DEFICITS): | | | | | | |
| Reserved for Debt Service | 0 | 0 | 0 | 0 | 1,136,589 | 1,136,589 |
| Reserved for Long Term Receivables | 0 | 0 | 0 | 0 | 2,962,585 | 2,962,585 |
| Unreserved, Reported in: | | | | | | |
| General Fund | 3,560,220 | 0 | 0 | 0 | 0 | 3,560,220 |
| Special Revenue Funds | 0 | 1,380,025 | 11,857,714 | 0 | 17,802,459 | 31,040,198 |
| Debt Service Funds | 0 | 0 | 0 | 0 | 1,301,105 | 1,301,105 |
| Capital Projects Funds | 0 | 0 | 0 | 15,556,204 | 1,740,261 | 17,296,465 |
| Total Fund Balances (Deficits) | 3,560,220 | 1,380,025 | 11,857,714 | 15,556,204 | 24,942,999 | 57,297,162 |
| Total Liabilities & Fund Balances | 11,639,704 | 4,192,263 | 12,773,208 | 16,788,338 | 38,366,527 | 83,760,040 |

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 ASSETS FOR GOVERNMENTAL ACTIVITIES
NOVEMBER 30, 2004

Exhibit III-a

| | |
|---|--------------------------|
| Fund Balances (Deficits) - Total Governmental Funds (See Exhibit III) | 57,297,162 |
| Capital assets, net of depreciation, used in governmental activities | 79,788,439 |
| Investment in Joint Ventures related to governmental activities | 1,323,889 |
| Assets and liabilities of internal service funds related to governmental activities, including estimated claims payable long term liability | 270,714 |
| Receivables for revenue accruals related to governmental activities | 2,597,693 |
| Payables for expense accruals related to governmental activities | (1,093,720) |
| Deferred bond issuance costs related to governmental activities | 266,432 |
| Long term liabilities related to governmental activities, other than estimated claims payable from internal service funds | <u>(55,852,787)</u> |
| Net Assets of Governmental Activities (See Exhibit I) | <u><u>84,597,822</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 BALANCES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2004

Exhibit IV

| | Major Funds ----- | | | | All Other (Non-Major) Governmental Funds | Total Governmental Funds |
|--|-------------------|--------------------------|----------------------------------|--------------------------------------|---|--------------------------------|
| | General Fund | Mental Health Fund | County Motor Fuel Tax Fund | Nursing Home Construction Fund | | |
| REVENUES: | | | | | | |
| Property Taxes | \$6,793,077 | \$2,598,486 | \$0 | \$0 | \$7,845,105 | \$17,236,668 |
| Public Safety Sales Taxes | 0 | 0 | 0 | 0 | 3,833,504 | 3,833,504 |
| Hotel/Motel & Auto Rental Taxes | 28,192 | 0 | 0 | 0 | 0 | 28,192 |
| Intergovernmental Revenue | 12,224,915 | 175 | 3,387,021 | 0 | 7,805,952 | 23,418,063 |
| Fines & Forfeitures | 845,677 | 0 | 0 | 0 | 36,484 | 882,161 |
| Licenses & Permits | 1,584,484 | 0 | 0 | 0 | 339,781 | 1,924,265 |
| Charges for Services | 3,681,351 | 0 | 813 | 0 | 2,486,407 | 6,168,571 |
| Interest on Program Loans | 0 | 0 | 0 | 0 | 111,041 | 111,041 |
| Investment Earnings | 77,297 | 13,645 | 193,061 | 194,616 | 248,106 | 726,725 |
| Miscellaneous | 814,945 | 14,564 | 132 | 80,270 | 325,737 | 1,235,648 |
| Total Revenues | 26,049,938 | 2,626,870 | 3,581,027 | 274,886 | 23,032,117 | 55,564,838 |
| EXPENDITURES: | | | | | | |
| Current: General Government | 6,990,495 | 0 | 0 | 0 | 1,262,307 | 8,252,802 |
| Justice & Public Safety | 17,833,807 | 0 | 0 | 0 | 5,648,275 | 23,482,082 |
| Health | 0 | 2,822,324 | 0 | 0 | 1,127,623 | 3,949,947 |
| Education | 0 | 0 | 0 | 0 | 4,561,113 | 4,561,113 |
| Social Services | 26,500 | 0 | 0 | 4,136,081 | 0 | 4,162,581 |
| Development | 370,134 | 0 | 0 | 0 | 3,793,026 | 4,163,160 |
| Highways & Bridges | 0 | 0 | 6,274,901 | 0 | 3,084,112 | 9,359,013 |
| Debt Service: Principal Retirement | 306,571 | 0 | 0 | 0 | 1,395,388 | 1,701,959 |
| Interest & Fiscal Charges | 18,375 | 0 | 0 | 0 | 2,459,632 | 2,478,007 |
| Total Expenditures | 25,545,882 | 2,822,324 | 6,274,901 | 4,136,081 | 23,331,476 | 62,110,664 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 504,056 | (195,454) | (2,693,874) | (3,861,195) | (299,359) | (6,545,826) |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Sale of Refunding Bonds | 0 | 0 | 0 | 0 | 6,300,000 | 6,300,000 |
| Premium on Refunding Bonds | 0 | 0 | 0 | 0 | 78,484 | 78,484 |
| Payment to Bond Refunding Escrow Agent | 0 | 0 | 0 | 0 | (6,291,202) | (6,291,202) |
| Transfers In | 657,036 | 0 | 0 | 0 | 2,520,977 | 3,178,013 |
| Transfers Out | (450,393) | 0 | 0 | 0 | (2,737,620) | (3,188,013) |
| Net Other Financing Sources (Uses) | 206,643 | 0 | 0 | 0 | (129,361) | 77,282 |
| NET CHANGE IN FUND BALANCES | 710,699 | (195,454) | (2,693,874) | (3,861,195) | (428,720) | (6,468,544) |
| FUND BALANCES--Beginning of Year | 2,849,521 | 1,575,479 | 14,551,588 | 19,417,399 | 25,371,719 | 63,765,706 |
| FUND BALANCES--End of Year | 3,560,220 | 1,380,025 | 11,857,714 | 15,556,204 | 24,942,999 | 57,297,162 |

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

COUNTY OF CHAMPAIGN, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES FOR GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES FOR GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2004

Exhibit IV-a

| | |
|---|-----------------------|
| Net Change in Fund Balances - Total Governmental Funds (See Exhibit IV) | (\$6,468,544) |
| Remove expenditures for acquisition of capital assets | 14,093,794 |
| Include loss on disposal of capital assets | (1,060,066) |
| Include depreciation expense | (7,828,759) |
| Include change in investment in joint ventures | 125,971 |
| Include the net revenue (expense) of internal service funds used to charge the costs of risk financing and employee health benefits to governmental activities | (50,262) |
| Remove revenues related to prior periods; include revenues earned but not available in the current period | 757,430 |
| Remove expenditures related to prior periods; include expenses incurred but not expected to be liquidated with expendable available financial resources in the current period | (386,152) |
| Remove debt proceeds and payment to bond refunding escrow agent | (87,282) |
| Amortize bond premium and deferred amount on refunding against debt interest expense | (32,766) |
| Remove debt issuance costs and amortize over the life of the debt | 66,983 |
| Remove debt principal repayment expenditures | <u>1,701,959</u> |
| Change in Net Assets of Governmental Activities (See Exhibit II) | <u><u>832,306</u></u> |

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

COUNTY OF CHAMPAIGN, ILLINOIS
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--ACTUAL AND BUDGET
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2004

Exhibit V

| | ----- General Fund ----- | | | ----- Mental Health Fund ----- | | | ----- County Motor Fuel Tax Fund ----- | | |
|--|--------------------------------|-------------------|----------------------|--------------------------------|-------------------|----------------------|--|-------------------|----------------------|
| | Actual (Budgetary Basis) | Budget (Final) | Budget (Original) | Actual (Budgetary Basis) | Budget (Final) | Budget (Original) | Actual (Budgetary Basis) | Budget (Final) | Budget (Original) |
| REVENUES: | | | | | | | | | |
| Property Taxes | \$6,793,077 | \$6,632,712 | \$6,632,712 | \$2,598,486 | \$2,623,283 | \$2,623,283 | \$0 | \$0 | \$0 |
| Public Safety Sales Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hotel/Motel & Auto Rental Taxes | 28,192 | 44,413 | 44,413 | 0 | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental Revenue | 12,224,915 | 12,611,473 | 11,972,820 | 175 | 1,135 | 1,135 | 3,387,021 | 3,231,983 | 3,231,983 |
| Fines & Forfeitures | 845,677 | 1,056,750 | 1,056,750 | 0 | 0 | 0 | 0 | 0 | 0 |
| Licenses & Permits | 1,584,484 | 1,587,000 | 957,000 | 0 | 0 | 0 | 0 | 0 | 0 |
| Charges for Services | 3,681,351 | 3,710,840 | 3,710,840 | 0 | 0 | 0 | 813 | 0 | 0 |
| Interest on Program Loans | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment Earnings | 77,297 | 105,500 | 105,500 | 13,645 | 20,000 | 20,000 | 193,061 | 200,000 | 200,000 |
| Miscellaneous | 814,945 | 881,530 | 835,857 | 14,564 | 14,204 | 0 | 132 | 0 | 0 |
| Total Revenues | 26,049,938 | 26,630,218 | 25,315,892 | 2,626,870 | 2,658,622 | 2,644,418 | 3,581,027 | 3,431,983 | 3,431,983 |
| EXPENDITURES: | | | | | | | | | |
| Current: General Government | 7,048,247 | 7,181,889 | 6,556,426 | 0 | 0 | 0 | 0 | 0 | 0 |
| Justice & Public Safety | 17,849,807 | 19,185,502 | 18,331,743 | 0 | 0 | 0 | 0 | 0 | 0 |
| Health | 0 | 0 | 0 | 2,822,324 | 2,838,003 | 2,808,799 | 0 | 0 | 0 |
| Education | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Social Services | 26,500 | 26,996 | 35,459 | 0 | 0 | 0 | 0 | 0 | 0 |
| Development | 370,134 | 391,888 | 358,351 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highways & Bridges | 0 | 0 | 0 | 0 | 0 | 0 | 6,274,901 | 10,395,709 | 10,395,709 |
| Debt Service: Principal Retirement | 306,571 | 306,573 | 306,523 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest & Fiscal Charges | 18,375 | 18,508 | 18,558 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 25,619,634 | 27,111,356 | 25,607,060 | 2,822,324 | 2,838,003 | 2,808,799 | 6,274,901 | 10,395,709 | 10,395,709 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 430,304 | (481,138) | (291,168) | (195,454) | (179,381) | (164,381) | (2,693,874) | (6,963,726) | (6,963,726) |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | |
| Transfers In | 730,788 | 751,962 | 751,962 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers Out | (450,393) | (454,384) | (454,384) | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Other Financing Sources (Uses) | 280,395 | 297,578 | 297,578 | 0 | 0 | 0 | 0 | 0 | 0 |
| NET CHANGE IN FUND BALANCES | 710,699 | (183,560) | 6,410 | (195,454) | (179,381) | (164,381) | (2,693,874) | (6,963,726) | (6,963,726) |
| FUND BALANCES--Beginning of Year | 2,849,521 | 2,849,521 | 2,849,521 | 1,575,479 | 1,575,479 | 1,575,479 | 14,551,588 | 14,551,588 | 14,551,588 |
| FUND BALANCES--End of Year | 3,560,220 | 2,665,961 | 2,855,931 | 1,380,025 | 1,396,098 | 1,411,098 | 11,857,714 | 7,587,862 | 7,587,862 |

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

COUNTY OF CHAMPAIGN, ILLINOIS
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 NOVEMBER 30, 2004

Exhibit VI

| | <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 | \$1,012,356 | \$517,949 |
| Investments | 26,020 | 0 |
| Receivables, Net of Uncollectible Amounts: | | |
| Patient Accounts | 807,378 | 0 |
| Property Taxes | 735,788 | 0 |
| Intergovernmental | 0 | 965 |
| Other | 0 | 7,344 |
| Due From Other Funds | 0 | 756,942 |
| Inventories | 51,337 | 0 |
| Prepaid Expenses | 5,838 | 0 |
| NONCURRENT ASSETS: | | |
| Resident Trust Accounts | 13,898 | 0 |
| Capital Assets: | | |
| Buildings and Improvements | 6,384,240 | 0 |
| Construction in Progress | 243,389 | 0 |
| Equipment | 2,081,795 | 0 |
| Less Accumulated Depreciation | <u>(6,576,001)</u> | <u>0</u> |
| Total Assets | <u>4,786,038</u> | <u>1,283,200</u> |
| <u>LIABILITIES</u> | | |
| CURRENT LIABILITIES: | | |
| Accrued Salaries Payable | 167,073 | 0 |
| Accounts Payable | 112,238 | 295,072 |
| Due To Other Funds | 195,549 | 1,113 |
| NONCURRENT LIABILITIES: | | |
| Funds Held For Others | 13,898 | 35,595 |
| Deferred Revenues | 735,788 | 0 |
| Compensated Absences Payable | 287,223 | 0 |
| Estimated Claims Payable | <u>0</u> | <u>722,342</u> |
| Total Liabilities | <u>1,511,769</u> | <u>1,054,122</u> |
| <u>NET ASSETS</u> | | |
| Invested in Capital Assets, Net of Related Debt | 2,133,423 | 0 |
| Unrestricted | <u>1,140,846</u> | <u>229,078</u> |
| Total Net Assets | <u>3,274,269</u> | <u>229,078</u> |
| Adjustment due to consolidation of internal service fund activities related to enterprise funds | <u>(41,636)</u> | |
| Net assets of business-type activities | <u>3,232,633</u> | |

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 FUND NET ASSETS
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2004

| | <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 | \$9,317,915 | \$4,494,238 |
| Miscellaneous | 13,411 | 9,483 |
| Total Operating Revenues | <u>9,331,326</u> | <u>4,503,721</u> |
| OPERATING EXPENSES: | | |
| Salaries | 6,192,202 | 12,200 |
| Fringe Benefits | 1,590,281 | 4,075,397 |
| Commodities | 1,172,811 | 1,193 |
| Services | 1,643,056 | 484,251 |
| Depreciation | 246,789 | 0 |
| Total Operating Expenses | <u>10,845,139</u> | <u>4,573,041</u> |
| OPERATING INCOME (LOSS) | <u>(1,513,813)</u> | <u>(69,320)</u> |
| NON-OPERATING REVENUES (EXPENSES): | | |
| Property Tax | 709,715 | 0 |
| Intergovernmental Revenue | 153 | 0 |
| Investment Earnings | 14,756 | 7,185 |
| Donations | 19,587 | 0 |
| Net Non-Operating Revenues (Expenses) | <u>744,211</u> | <u>7,185</u> |
| INCOME (LOSS) BEFORE TRANSFERS | (769,602) | (62,135) |
| Capital Contributions | 34,014 | 0 |
| Transfers In | 10,000 | 0 |
| Transfers Out | 0 | 0 |
| CHANGE IN NET ASSETS | (725,588) | (62,135) |
| NET ASSETS--Beginning of Year | <u>3,999,857</u> | <u>291,213</u> |
| NET ASSETS--End of Year | <u><u>3,274,269</u></u> | <u><u>229,078</u></u> |
| Adjustment due to consolidation of internal service fund activities related to enterprise funds | <u>(11,873)</u> | |
| Change in net assets of business-type activities | <u><u>(737,461)</u></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 FISCAL YEAR ENDED NOVEMBER 30, 2004

| | <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> |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash Receipts from Customers | \$9,526,735 | \$0 |
| Cash Receipts from Other Funds and Employees for Services | 0 | 4,016,092 |
| Cash Receipts for Claims Reimbursements | 0 | 7,211 |
| Cash Payments to Employees for Services | (6,083,288) | (12,200) |
| Cash Payments to Suppliers and Other Funds for Goods and Services | (4,530,204) | (3,816,415) |
| Cash Payments for Claims | 0 | (707,327) |
| Net Cash Provided (Used) By Operating Activities | <u>(1,086,757)</u> | <u>(512,639)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | | |
| Property Taxes Received | 709,715 | 0 |
| Operating Grants Received | 231 | 0 |
| Gifts And Donations Received | 17,663 | 0 |
| Transfers From Other Funds | 10,000 | 0 |
| Transfers To Other Funds | 0 | 0 |
| Net Cash Provided (Used) By Non-Capital Financing Activities | <u>737,609</u> | <u>0</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Acquisition and Construction of Capital Assets (Excluding Donated and Financed Assets) | <u>(136,962)</u> | <u>0</u> |
| Net Cash Provided (Used) By Capital and Related Financing Activities | <u>(136,962)</u> | <u>0</u> |
| CASH FLOWS FROM INVESTMENT ACTIVITIES: | | |
| Interest on Investments and Bank Deposits | <u>14,756</u> | <u>7,185</u> |
| Net Cash Provided (Used) By Investment Activities | <u>14,756</u> | <u>7,185</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (471,354) | (505,454) |
| Cash and Cash Equivalents at Beginning of Year | <u>1,509,730</u> | <u>1,023,403</u> |
| Cash and Cash Equivalents at End of Year | <u><u>1,038,376</u></u> | <u><u>517,949</u></u> |

Non-cash Investing, Capital and Financing Activities:

The Nursing Home Fund received donated equipment and supplies valued at \$1,924 and capital assets contributed from governmental funds valued at \$34,014. The Self-Funded Insurance and the Employee Health Insurance Internal Service Funds had no non-cash transactions.

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

COUNTY OF CHAMPAIGN, ILLINOIS
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 RECONCILIATION OF OPERATING INCOME (LOSS) TO
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2004

Exhibit VIII-a

| | <u>Business-Type Activities</u> <u>Enterprise Fund</u> Nursing Home Fund | <u>Governmental</u> <u>Activities</u> Internal Service Funds |
|---|---|---|
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | |
| Operating Income (Loss) | (\$1,513,813) | (\$69,320) |
| Adjust Out Non-Cash Revenue/Expense: | | |
| Depreciation Expense | 246,789 | 0 |
| Adjust For Non-Revenue/Expense Cash Flows: | | |
| Decrease (Increase) in Receivables | 189,509 | (5,233) |
| Decrease (Increase) in Due From Other Funds | 5,900 | (475,185) |
| Decrease (Increase) in Inventories | (20,377) | 0 |
| Decrease (Increase) in Prepaid Expenses | 164 | 0 |
| Increase (Decrease) in Payables | 25,423 | 39,237 |
| Increase (Decrease) in Due To Other Funds | (20,352) | (7,042) |
| Increase (Decrease) in Unremitted Payroll Withholdings | 0 | (672) |
| Increase (Decrease) in Estimated Claims Payable | 0 | 5,576 |
| | <u>(1,086,757)</u> | <u>(512,639)</u> |
| Net Cash Provided (Used) By Operating Activities | | |

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

COUNTY OF CHAMPAIGN, ILLINOIS
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
NOVEMBER 30, 2004

| | Private Purpose Trust Funds | Agency Funds |
|-------------------------------------|-----------------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| <u>ASSETS</u> | | |
| Cash | \$287,495 | \$1,207,540 |
| Investments | 930,000 | 1,544,095 |
| Receivables: | | |
| Intergovernmental | 187,364 | 67 |
| Accrued Interest | <u>0</u> | <u>0</u> |
| Total Assets | <u>1,404,859</u> | <u>2,751,702</u> |
| <u>LIABILITIES</u> | | |
| Accounts Payable | 0 | 0 |
| Intergovernmental Payable | 0 | 709,536 |
| Funds Held for Others | <u>0</u> | <u>2,042,166</u> |
| Total Liabilities | <u>0</u> | <u>2,751,702</u> |
| <u>NET ASSETS</u> | | |
| Held in Trust for Other Governments | <u><u>1,404,859</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 ASSETS
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2004

| | <u>Private Purpose Trust Funds</u> |
|------------------------------------|--|
| ADDITIONS: | |
| Intergovernmental Revenue | \$2,469,737 |
| Investment Earnings | 15,088 |
| Miscellaneous | <u>0</u> |
| Total Additions | <u>2,484,825</u> |
| DEDUCTIONS | |
| Township Road & Bridge Maintenance | <u>2,448,392</u> |
| Total Deductions | <u>2,448,392</u> |
| CHANGE IN NET ASSETS | 36,433 |
| NET ASSETS--Beginning of Year | <u>1,368,426</u> |
| NET ASSETS--End of Year | <u><u>1,404,859</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 definition of what constitutes the entity Champaign County is based on the guidelines set forth in Governmental Accounting Standards Board (GASB) Statement Number 14. The primary government consists of the funds and departments described on pages 11-20. 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 County Public Health Board, the Regional Planning Commission, the Board of Review and the Zoning Board of Appeals.

According to Statement No. 14, 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 is determined as follows:

- (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 excluded from the entity which met the criteria for inclusion as a component unit.

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

A joint venture is an organization that is jointly controlled by two or more participants, in which the participants retain an on-going financial interest or responsibility. The County is a member of the METCAD (Metropolitan Computer Aided Dispatch) joint venture with the City of Champaign, the City of Urbana and the University of Illinois. The County is also a member of the Geographic Information System (GIS) Consortium joint venture with the City of Champaign, the City of Urbana, the University of Illinois, the Village of Rantoul, the Village of Savoy and the Village of Mahomet. The County's equity interest in METCAD and the GIS Consortium joint ventures is reported as an investment in joint ventures in the Statement of Net Assets. See Note 22 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

(1) Government-wide Financial Statements

The government-wide financial statements (the Statement of Net Assets 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 the enterprise fund. Interfund activity is eliminated from the government-wide statements to eliminate the doubling effect it creates.

The Statement of Activities reports direct expenses related to specific functions, and then offsets those expenses with 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 reported include the General Fund, which is the principal operating fund for the County; the Mental Health Fund, which uses property taxes to fund mental health agencies; the County Motor Fuel Tax Fund, which uses state-shared motor fuel taxes to fund construction and maintenance of county highways; and the Nursing Home Construction Fund, which uses bond proceeds to construct a new nursing home facility.

The major enterprise fund reported is the Nursing Home Fund, which is the operating fund for the County Nursing Home.

The internal service funds reported provide risk financing and employee health and life insurance for other County funds, mostly related to governmental activities.

The fiduciary funds reported 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. 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, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with GASB Statement 33. Property taxes are recognized as revenue in the year for which the taxes are levied, which is the year following the year when the levy is passed. Grants are recognized as revenue when eligibility requirements are met, such as allowable costs having been incurred.

In the government-wide statements, the County has applied applicable GASB pronouncements as well as FASB statements, FASB interpretations, APB opinions and accounting research bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. FASB statements and interpretations issued after November 30, 1989 have not been applied.

(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 30 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 30 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. Exceptions include: (a) accumulated unpaid vacation, sick leave and personal leave, which are only accrued when they become currently payable; and (b) principal and interest on general long-term debt, which is recognized when due.

(3) Proprietary Funds

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In proprietary fund accounting and financial reporting, the County has applied applicable GASB pronouncements as well as FASB statements, FASB interpretations, APB opinions and accounting research bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. FASB statements and interpretations issued after November 30, 1989 have not been applied.

(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 assets. Since agency fund assets always equal liabilities, net assets are always zero, and, thus, changes in fiduciary net assets are not reported for agency funds.

E. INVESTMENTS AND CASH EQUIVALENTS

Under Illinois law (30 ILCS 235/2), county money may be invested in interest bearing deposits at federally insured banks and savings and loans, commercial paper, 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 the state treasurer's investment pool.

Deposits in banks or savings associations are valued at cost, which is equivalent to fair value. 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.

F. 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 governmental funds, advances to other funds, as well as other long term receivables, are offset by reserved fund balance, because they do not represent expendable, available financial resources. In the government-wide statements, interfund receivables and payables remaining between governmental activities and business-type activities after the elimination of interfund activity are reported as internal balances. These balances zero out in the government total column.

G. 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 General Fund consist of expendable office supplies held for consumption. Inventories in the Nursing Home Enterprise Fund consist of food and operating supplies held for consumption.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. PREPAID ITEMS

In governmental funds, prepaid expenditures, such as for 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.

I. 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 their fair market value on the date donated. Equipment valued at or above \$2,500, buildings and improvements valued at or above \$10,000, infrastructure valued at or above \$10,000 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: | | Equipment: | |
| New construction | 40 years | Furniture | 7 years |
| Improvements | 15 years | Major appliances | 7 years |
| Land Improvements | 15 years | Computers, office equipment | 5 years |
| Infrastructure: | | Voting equipment | 10 years |
| Roads | 15 years | Vehicles | 5 years |
| Bridges | 50 years | Other equipment | 5 years |

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

Nursing Home Enterprise Fund capital assets valued at \$500 or more are capitalized within the fund. This capitalization threshold follows Illinois Department of Public Aid 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: | | Equipment: | |
| New building | 40 years | Major (e.g. generator) | 20 years |
| Floors, walls, doors | 20 years | Furniture | 10-20 years |
| Cabinets (attached) | 15 years | Computers, software | 5 years |
| Wiring | 10-15 years | Vehicles | 10 years |
| Carpet | 5 years | Land Improvements | 15 years |

J. COMPENSATED ABSENCES

Accumulated unpaid vacation and personal leave (compensated absences) are accrued in governmental funds only when they become currently payable. A long-term liability for unpaid compensated absences, plus the related FICA, is reported in the government-wide statements and proprietary fund statements in the period in which it is incurred.

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

A. Governmental Funds to Governmental Activities

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

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

B. Enterprise Funds to Business-Type Activities

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

NOTE 3 – BUDGETS AND BUDGETARY BASIS OF ACCOUNTING

A. Budgetary Process

County department heads submit their budget requests in the summer prior to the start of the fiscal year on December 1. The County Administrators review the department requests and make 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 Administrators to make specific changes in some department budgets. The County Administrators prepare the Tentative Budget document, which is usually approved by the County Board in September. Additional changes are approved by the Finance Committee in October and November and incorporated into the final Budget document, which is approved by the County Board in November by a simple majority vote.

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

B. Level of Budgetary Control

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

C. Amendments to the Budget

Requests for supplementary appropriations must also be approved by the Finance Committee and by a two-thirds majority vote of the full County Board.

D. Budgetary Basis of Accounting

All governmental funds and proprietary funds have legally adopted budgets on a modified accrual basis. Appropriations lapse 30 days after the end of the fiscal year. County ordinance provides that balances remaining in County appropriations shall be available for thirty 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 30 days after year-end, the legally adopted budget is not on a basis strictly consistent with generally accepted accounting principles (GAAP).

E. Encumbrances

Encumbrance accounting is used in all funds, and is also on the modified accrual basis. Purchase orders are required for any purchase exceeding \$1,000. The amount is encumbered (provided sufficient appropriations are available) before the order is approved. Encumbrances must be re-established in the following year if the goods or services were not received by November 30.

NOTE 4 – RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS

The actual results of operations are presented in accordance with generally accepted accounting principles (GAAP) as described in Note 1-D. 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 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 assets, e.g. reclassifications of interfund reimbursements as reductions of expenditures. These reclassifications which do not affect fund balance/net assets are not reported in the conversion from budgetary basis to GAAP basis. The adjustments which do affect fund balance/net assets and which are shown in the individual fund financial statements are summarized below.

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

| | Nursing Home Fund | Self-Funded Insur. Fund | Reg. Planning Comm. Fund |
|--|----------------------|----------------------------|-----------------------------|
| Budgetary Basis Change in Fund Balance or Net Assets | (\$638,294) | (\$57,713) | (\$63,834) |
| REVENUES AND OTHER SOURCES: | | | |
| Interfund transfers into escrow account recognized as other financing source when transferred rather than when spent | | | (68,010) |
| Allowance for uncollectible accounts adjusted at year-end | 36,004 | | |
| Capital assets contributed to enterprise fund from governmental fund | 34,014 | | |
| EXPENDITURES /EXPENSES AND OTHER USES: | | | |
| Inventories and prepaid expenses adjusted to balance at year-end | 20,337 | | |
| Capital outlay expenditures capitalized as assets | 138,762 | | |
| Depreciation expense | (246,789) | | |
| Accrued compensated absences payable adjusted to balance at year-end | (69,622) | | |
| Accrued estimated claims payable adjusted to balance at year-end | | (5,576) | |
| GAAP Basis Change in Fund Balance or Net Assets | (725,588) | (63,289) | (131,844) |

NOTE 5 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following expenditures for the fiscal year ended November 30, 2004 exceeded appropriations:

- A. The payment to the bond refunding escrow agent (other financing use) of \$1,527,446 in the Public Safety Sales Tax Special Revenue Fund was not appropriated, because the proceeds from the refunding bonds were sent directly to the escrow agent by the bond underwriter without ever flowing through the County's accounts.
- B. The payment to the bond refunding escrow agent (other financing use) of \$4,763,756 in the 1995 Series Jail Bond Debt Service Fund was not appropriated, because the proceeds from the refunding bonds were sent directly to the escrow agent by the bond underwriter without ever flowing through the County's accounts.

NOTE 6 – DEPOSITS AND INVESTMENTS

The County has demand deposits, money market accounts, savings accounts and certificates of deposit in federally insured banks, savings associations or credit unions. Deposits are reported at cost, which is equivalent to fair value.

NOTE 6 – DEPOSITS AND INVESTMENTS (continued)

Temporary cash surpluses are placed in the Illinois Funds Money Market Fund and Illinois Funds Prime Fund (investment pools) operated by the Illinois State Treasurer. Illinois Funds Money Market Fund works like a checking account, but with higher yields. Illinois Funds Prime Fund requires a minimum 30-day deposit period with a 7-day withdrawal notice. Illinois Funds invests in U.S. Treasury bills and notes, U.S. Treasury money market mutual funds, collateralized U.S. Treasury repurchase agreements, Federal Agencies' securities, collateralized Federal Agencies' securities repurchase agreements, commercial paper rated A1-P1 equivalent or better, AAA-rated money market mutual funds, and collateralized time deposits in Illinois financial institutions. The fair value of the position in the pool is the same as the value of the pool shares.

State revenue in the County Motor Fuel Tax Fund and bond proceeds related to the construction projects for the Nursing Home, Juvenile Detention Center and Courts Complex have been invested in U.S Treasury and other federal agency obligations along with commercial paper and a U.S. Treasury money market mutual fund until needed to pay project costs. These investments are reported at fair value, determined from quoted market prices for the federal obligations and commercial paper and current share price for the mutual fund. Changes in fair value of these investments are recognized as an increase or decrease to investment income on the operating statements.

Resident trust accounts are set up to account for money in County custody, which belongs to residents of the County Nursing Home and County Jail.

A summary of cash and investments at November 30, 2004 is shown below.

| Asset Account | Cash On Hand | Demand Deposits | State Treas. Investment Pool | Money Market, Savings & Cert. Deposits | Treasury Mutual Funds | U.S. Treas. & Fed. Agency Obligations | Commercial Paper | Total |
|------------------|-----------------|--------------------|------------------------------------|--|-----------------------------|---|---------------------|--------------|
| Cash | \$7,015 | \$2,151,153 | \$11,996,558 | \$0 | \$0 | \$0 | \$0 | \$14,154,726 |
| Investments | 0 | 0 | 26,020 | 26,594,095 | 100,802 | 22,014,380 | 0 | 48,735,297 |
| Resident Trust | 500 | 20,497 | 0 | 0 | 0 | 0 | 0 | 20,997 |
| Total | 7,515 | 2,171,650 | 12,022,578 | 26,594,095 | 100,802 | 22,014,380 | 0 | 62,911,020 |

Deposits and investments made by the County are summarized below by credit risk category. Investment pools and mutual funds are not categorized by risk, because the underlying securities are not separately identified with the individual participants.

| DEPOSITS | Total Carrying Amount | Total Bank Balances | (----- Bank Balances -----) | | |
|---|--------------------------|------------------------|-----------------------------|--------------|------------|
| | | | Category 1 | Category 2 | Category 3 |
| Demand Deposits | \$2,171,650 | \$3,932,451 | \$643,639 | \$3,288,812 | \$0 |
| Money Market, Savings and Cert. of Deposits | \$26,594,095 | \$26,594,095 | \$1,744,095 | \$24,850,000 | \$0 |

Category 1: Deposits covered by depository insurance or collateral held by the County or its agent in the County's name.

Category 2: Deposits covered by collateral held by the financial institution's trust department or agent in the County's name.

Category 3: Uninsured and uncollateralized deposits, including deposits covered by collateral that is not in the County's name.

NOTE 6 – DEPOSITS AND INVESTMENTS (continued)

| INVESTMENTS | Total Carrying Amount | Total Fair Value | (----- Fair Value -----) | | |
|--------------------|--------------------------|---------------------|--------------------------|--------------|------------|
| | | | Category A | Category B | Category C |
| U.S. Treas. & Fed. | | | | | |
| Agency Obligations | \$22,014,380 | \$22,014,380 | \$0 | \$22,014,380 | \$0 |
| Commercial Paper | \$0 | \$0 | \$0 | \$0 | \$0 |
| Mutual Funds | \$100,802 | \$187,802 | N/A | N/A | N/A |
| Investment Pools | \$12,022,578 | \$12,022,779 | N/A | N/A | N/A |

Category A: Insured or registered or securities held by the County or its agent in the County's name.

Category B: Uninsured and unregistered securities held by the financial institution's trust department or agent in the County's name.

Category C: Uninsured and unregistered securities held by the financial institution's trust department or agent but not in the County's name.

Mutual funds and investment pools are not categorized because they are not evidenced by securities that exist in physical or book entry form.

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 April 15. 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 are not 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 may make further appeal to the state Property Tax Appeals Board. However, tax levies are determined by local governments, not by assessors.

C. Property Tax Levies

The property tax levy for fiscal year 2004 was adopted by the County Board on November 20, 2003, within the statutory deadline (the third Tuesday in December) for all taxing districts. Property tax levies are reported as receivables and deferred (unearned) revenue in the year in which they are adopted. They are recognized as revenue in the year for which they are levied, which is the following year.

D. Tax Bills

Illinois statutes require payment of property taxes in two installments, due June 1 and September 1, and require that tax bills be mailed 30 days prior to the first installment. In 2004, tax bills were mailed on May 3 with the due dates of June 3 and September 1. Property tax bills mailed in 2004 were based on equalized assessed value as of January 1, 2003, and on tax levies set in November 2003.

NOTE 7 – PROPERTY TAX CYCLE (continued)

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 the Monday following the judgment date. In 2004, the judgment date was October 28, and the tax sale was held November 4.

F. Tax Distributions

The County Treasurer is also the County Collector and is in charge of collecting and distributing property taxes for all the taxing bodies in the County. The Collector generally distributes taxes to the taxing bodies shortly after taxes are paid. The County may not keep tax receipts on behalf of other units of local government beyond thirty days. In 2004, all property taxes were distributed by November 19. Interest earned on taxes before distribution goes to the local governments, not the County, according to a 1984 Illinois Supreme Court decision.

NOTE 8 – PROPERTY TAXES RECEIVABLE

Property taxes receivable consist of property taxes levied in 2004, for which a legal claim exists in 2004. The revenue associated with the 2004 levy is deferred until the fiscal year ending November 30, 2005 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 2004 tax levy has been reduced by an estimated allowance for uncollectible taxes of 0.76%. A summary by fund type of property taxes receivable at November 30, 2004 is below.

| <u>Fund Type</u> | <u>Property Taxes Levied</u> | <u>Allowance for Uncollectible</u> | <u>Property Taxes Receivable</u> | <u>Deferred Revenue</u> |
|-----------------------|----------------------------------|--|--------------------------------------|-----------------------------|
| Governmental: | | | | |
| General | \$6,538,936 | (\$49,696) | \$6,489,240 | \$6,489,240 |
| Special Revenue | 11,832,873 | (89,930) | 11,742,943 | 11,742,943 |
| Debt Service | 1,594,369 | (12,117) | 1,582,252 | 1,582,252 |
| Subtotal Governmental | 19,966,178 | (151,743) | 19,814,435 | 19,814,435 |
| Proprietary: | | | | |
| Enterprise | 741,423 | (5,635) | 735,788 | 735,788 |
| Total | 20,707,601 | (157,378) | 20,550,223 | 20,550,223 |

NOTE 9 – PATIENT ACCOUNTS RECEIVABLE

Patient accounts receivable in the enterprise fund as of November 30, 2004 have been reduced by an allowance for uncollectible amounts, determined by an analysis of individual patient accounts.

| | |
|---|-------------------|
| Gross receivables for patient accounts | \$843,148 |
| Allowance for uncollectible amounts | <u>(\$35,770)</u> |
| Patient accounts receivable, net of uncollectible amounts | <u>\$807,378</u> |

NOTE 10 – ECONOMIC DEVELOPMENT AND REHABILITATION LOANS RECEIVABLE

The County, through its Regional Planning Commission Loan Fund, has various grant programs to administer economic development and housing rehabilitation loans to qualified businesses and individuals. The primary purpose of the economic development loan programs is to create new jobs. Principal repayments on loans may be used for any grant eligible purpose. At November 30, 2004, loans outstanding were as follows:

| | Current | Long Term | Total |
|---|-----------|-----------|-----------|
| Economic Development Loans Receivable: | | | |
| Community Services Block Grant Loans | \$160,669 | \$636,692 | \$797,361 |
| Community Development Assist. Prog. Loans | 7,257 | 18,060 | 25,317 |
| Community Development Recaptured Loans | 166,220 | 1,232,276 | 1,398,496 |
| Housing Rehabilitation Loans Receivable: | | | |
| County Housing Rehab Loans | 17,028 | 428,556 | 445,584 |
| HUD H.O.M.E. Program Loans | 0 | 426,030 | 426,030 |
| Total Loans Receivable | 351,174 | 2,741,614 | 3,092,788 |

NOTE 11 – CAPITAL ASSETS

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

| <u>Governmental Activities</u> | Nov. 30,2003 Balance | FY 2004 Additions | FY 2004 Deductions | Nov. 30,2004 Balance |
|--------------------------------|-------------------------|----------------------|-----------------------|-------------------------|
| Not Depreciated: | | | | |
| Land | \$1,756,868 | \$7,996 | \$0 | \$1,764,864 |
| Construction in Progress | 1,509,604 | 8,746,908 | (9,089) | 10,247,423 |
| Depreciated: | | | | |
| Infrastructure | 58,828,043 | 3,644,860 | (2,537,492) | 59,935,411 |
| Buildings and Improvements | 51,994,907 | 912,413 | 0 | 52,907,320 |
| Equipment | 10,883,718 | 790,706 | (979,387) | 10,695,037 |
| Accumulated Depreciation: | | | | |
| Infrastructure | (32,740,329) | (4,510,198) | 1,542,742 | (35,707,785) |
| Buildings and Improvements | (11,638,734) | (1,833,579) | 0 | (13,472,313) |
| Equipment | (6,010,607) | (1,484,982) | 914,071 | (6,581,518) |
| Total | 74,583,470 | 6,274,124 | (1,069,155) | 79,788,439 |

NOTE 11 – CAPITAL ASSETS (continued)

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

| <u>Business-Type Activities</u> | Nov. 30,2003 Balance | FY 2004 Additions | FY 2004 Deductions | Nov. 30,2004 Balance |
|---------------------------------|-------------------------|----------------------|-----------------------|-------------------------|
| Not Depreciated: | | | | |
| Construction in Progress | \$170,406 | \$72,983 | \$0 | \$243,389 |
| Depreciated: | | | | |
| Buildings and Improvements | 6,361,202 | 23,038 | 0 | 6,384,240 |
| Equipment | 2,005,040 | 76,755 | 0 | 2,081,795 |
| Accumulated Depreciation: | | | | |
| Buildings and Improvements | (4,603,112) | (171,583) | 0 | (4,774,695) |
| Equipment | (1,726,100) | (75,206) | 0 | (1,801,306) |
| Total | 2,207,436 | (74,013) | 0 | 2,133,423 |

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

| <u>Function</u> | Governmental Activities | Business-Type Activities |
|----------------------------|----------------------------|-----------------------------|
| General Government | \$460,316 | \$0 |
| Justice and Public Safety | 2,470,432 | 0 |
| Health | 11,239 | 0 |
| Education | 99,243 | 0 |
| Social Services | 1,649 | 246,789 |
| Development | 27,499 | 0 |
| Highways and Bridges | 4,758,381 | 0 |
| Total Depreciation Expense | 7,828,759 | 246,789 |

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2004

Page 14 Exhibit XI

NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at November 30, 2004 are summarized below.

| <u>Due To / From Other Funds:</u> | <u>Receivable</u> | <u>Payable</u> |
|-----------------------------------|-------------------|----------------|
| Major Governmental Funds: | | |
| General Corporate | \$171,801 | \$467,983 |
| Mental Health | 7,298 | 8,222 |
| Major Enterprise Fund: | | |
| Nursing Home | 0 | 195,549 |
| Nonmajor Governmental Funds: | | |
| Regional Planning Commission | 71,671 | 174,161 |
| RPC Economic Development Loans | 111,464 | 5,624 |
| Geographic Information System | 27,203 | 7,616 |
| Working Cash | 0 | 4,602 |
| Recorder's Automation | 17,292 | 618 |
| Tax Sale Automation | 0 | 2 |
| County Clerk's Automation | 0 | 136 |
| Animal Control | 0 | 3,894 |
| Public Safety Sales Tax | 0 | 256,996 |
| Court's Automation | 0 | 26,229 |
| Child Support Services | 0 | 5,221 |
| State's Attorney Drug Forfeitures | 0 | 16,000 |
| Court Document Storage | 0 | 604 |
| Domestic Violence Prosecution | 0 | 78,243 |
| Victim Advocacy Grant | 0 | 10,000 |
| Child Advocacy Center | 3,090 | 8,969 |
| Defense Services Grant | 0 | 932 |
| Head Start Program | 0 | 110,196 |
| County Highway | 154 | 21,657 |
| Capital Equipment Replacement | 522,714 | 0 |
| Tort Immunity | 769 | 448,668 |
| Illinois Municipal Retirement | 67,865 | 0 |
| Social Security | 94,972 | 0 |
| Subtotal Nonmajor Governmental | 917,194 | 1,180,368 |
| Internal Service Funds: | | |
| Self-Funded Insurance | 557,590 | 1,055 |
| Employee Health Insurance | 199,352 | 58 |
| Subtotal Internal Service | 756,942 | 1,113 |
| Total – All Funds | 1,853,235 | 1,853,235 |

| <u>Advances To / From Other Funds:</u> | <u>Receivable</u> | <u>Payable</u> |
|--|-------------------|----------------|
| Nonmajor Governmental Funds: | | |
| Regional Planning Commission | \$220,971 | \$0 |
| RPC Economic Development Loans | 0 | 220,971 |
| Total – All Funds | 220,971 | 220,971 |

NOTE 12 – INTERFUND RECEIVABLES AND PAYABLES (continued)

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 interfund advance. The advance increases over time as the regular payments into escrow become due and is reduced by periodic repayments from the RPC Loan Fund to the Regional Planning Commission Fund. The outstanding balance of the advance from the Regional Planning Commission Fund to the RPC Loan Fund was \$220,971 at November 30, 2004.

NOTE 13 – INTERFUND TRANSFERS AND RPC ESCROW ACCOUNT

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|---|---------------------|----------------------|
| Major Governmental Fund: | | |
| General Corporate | \$657,036 | \$450,393 |
| Major Enterprise Fund: | | |
| Nursing Home | 10,000 | 0 |
| Nonmajor Governmental Funds (aggregate) | 2,520,977 | 2,737,620 |
| Internal Service Funds (aggregate) | 0 | 0 |
| | <hr/> | <hr/> |
| Total – All Funds | 3,188,013 | 3,188,013 |
| | <hr/> | <hr/> |

In FY2004, total interfund transfers in, \$3,188,013, equal total transfers out, \$3,188,013. 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 (Special Revenue) Fund from the Regional Planning Commission Economic Development Loan (Special Revenue) Fund. CDAP grant provisions require that investment interest earned plus 10% of loan repayments received under certain CDAP loan programs be placed in escrow to be used to pay the costs of administering these loan programs. Transfers out of the RPC Economic Development Loan Fund put the money into escrow. The money is taken out of escrow and reflected as a transfer into the Regional Planning Commission Fund only as it is needed to cover actual administrative costs incurred. Thus, the discrepancy between transfers in and transfers out is due to the amount remaining in escrow (deferred) until such time as there are costs incurred against which to match it. While this escrow account will continue to be reported in this way under the budgetary basis, the GAAP basis statements have this difference adjusted out. The adjustment made for the fiscal year ended November 30, 2004 was a \$68,010 decrease in the transfers into the Regional Planning Commission Fund.

NOTE 14 – ON-BEHALF PAYMENTS FOR SALARIES

The State of Illinois paid salary stipends to various County officials during FY2004. 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 \$42,000.

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. Long term liabilities are reported for these compensated absences payable and are based on pay rates in effect at November 30 and include the County's share of social security and medicare taxes. Enterprise funds recognize expense and accrue fund liabilities for vacation and personal time benefits in the period in which they are earned. For governmental funds, the cost of these benefits is recognized in the fund only when payments are made to employees.

Changes in compensated absences payable for the fiscal year ended November 30, 2004 are as follows:

| | Nov. 30, 2003 Balance | FY 2004 Additions | FY 2004 Deductions | Nov. 30, 2004 Balance |
|--------------------------|--------------------------|----------------------|-----------------------|--------------------------|
| Governmental Activities | \$1,581,377 | \$2,812,961 | (\$2,687,786) | \$1,706,552 |
| Business-Type Activities | 217,601 | 552,821 | (483,199) | 287,223 |

NOTE 16 – RISK FINANCING

A. WORKERS' COMPENSATION SELF-FUNDED INSURANCE

In January, 1986, the County established a self-funded workers' compensation insurance plan which was accounted for in the Tort Immunity (Special Revenue) Fund through FY92. Starting in FY93, this plan is accounted for in a separate internal service fund, the Self-Funded Insurance Fund. The plan is administered by an independent company. The County's risk retention is \$300,000 per individual per claim up to \$1,000,000 in aggregate over a two-year period. Commercial insurance has been purchased for claims in excess of this retention. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Actual claims paid in fiscal year 2004, net of insurance reimbursements, were \$512,790. GASB Statement No. 10 requires that a liability for claims be reported if the liability is both probable and estimable. Annually the liability for unpaid incurred and reported claims is determined by the independent plan administrator. The plan administrator does not estimate incurred but not reported claims (IBNR) in its calculation of estimated claims payable. However, based on an actuarial study performed as of June 30, 2003, estimated (undiscounted) claims incurred during the year ended November 30, 2004 were projected to be \$578,295 (including IBNR) and the year-end liability for unpaid claims was projected at \$586,682. Changes in the liability for estimated workers' compensation claims payable for the last two fiscal years are as follows:

| Fiscal Year Ending <u>November 30</u> | Claims Liability Beginning <u>of Year</u> | Claims Incurred & Changes in <u>Estimates</u> | Net Claims <u>Paid</u> | Claims Liability End <u>of Year</u> |
|--|--|--|------------------------------|--|
| 2003 | \$431,979 | \$611,921 | (\$522,723) | \$521,177 |
| 2004 | 521,177 | 578,295 | (512,790) | 586,682 |

NOTE 16 – RISK FINANCING (continued)

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 year. Commercial insurance has been purchased for claims in excess of this retention. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Actual claims paid in fiscal year 2004, net of insurance reimbursements, were \$280,840. GASB Statement No. 10 requires that a liability for claims be reported if the liability is both probable and estimable. Per an actuarial study performed as of June 30, 2003, estimated (undiscounted) claims incurred during the year ended November 30, 2004 were projected at \$220,911 (including IBNR) and the liability for claims payable at November 30, 2004 was estimated at \$135,660. Changes in the liability for estimated liability/auto claims payable for the last two fiscal years are as follows:

| Fiscal Year Ending <u>November 30</u> | Claims Liability Beginning <u>of Year</u> | Claims Incurred & Changes in <u>Estimates</u> | Net Claims <u>Paid</u> | Claims Liability End <u>of Year</u> |
|--|--|--|------------------------------|--|
| 2003 | \$58,125 | \$211,233 | (\$73,769) | \$195,589 |
| 2004 | 195,589 | 220,911 | (280,840) | 135,660 |

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.

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2004

Page 18 Exhibit XI

NOTE 17 – LONG TERM DEBT

A. GENERAL OBLIGATION BONDS – GOVERNMENTAL ACTIVITIES

| | |
|--|--------------|
| 1995 Series Jail Construction Bonds: \$10,000,000; due in 14 annual installments from 1997 to 2010; interest rates at 4.25% to 5.60%; | |
| Balance outstanding at November 30, 2003 | \$5,860,000 |
| Bond interest payments made in FY 2004 | \$175,038 |
| Bond principal payments made in FY 2004 | \$710,000 |
| Bond refunded (in-substance defeasance) in FY 2004 | \$4,400,000 |
| Balance outstanding at November 30, 2004 | \$750,000 |
| 1996 Administration Building Remodeling Bonds: \$1,300,000; Due in 8 annual installments from 1997 to 2004; Interest rates at 3.90% to 5.25%; | |
| Balance outstanding at November 30, 2003 | \$195,000 |
| Bond interest payments made in FY 2004 | \$10,238 |
| Bond principal payments made in FY 2004 | \$195,000 |
| Balance outstanding at November 30, 2004 | \$0 |
| 1999 Series Public Safety Sales Tax Bonds: \$23,800,000; due in 29 annual installments from 2001 to 2029; interest rates at 3.85% to 8.25%; | |
| Balance outstanding at November 30, 2003 | \$23,665,000 |
| Bond interest payments made in FY 2004 | \$1,383,815 |
| Bond principal payments made in FY 2004 | \$100,000 |
| Balance outstanding at November 30, 2004 | \$23,565,000 |
| 2000 Series Public Safety Sales Tax Bonds: \$4,997,290; due in 15 annual installments from 2004 to 2018; interest rates at 5.250% to 7.125%; | |
| Balance outstanding at November 30, 2003 | \$4,997,290 |
| Bond interest payments made in FY 2004 | \$51,187 |
| Bond principal payments made in FY 2004 | \$65,388 |
| Bond refunded (in-substance defeasance) in FY 2004 | \$1,370,000 |
| Balance outstanding at November 30, 2004 | \$3,561,902 |
| 2003 Series Nursing Home Construction Bonds: \$19,925,000; due in 19 annual installments from 2004 to 2022; interest rates at 2.000% to 5.250%; \$282,535 bond premium amortized over 19 years 3 months; \$207,535 bond issuance costs amortized over 19 years 3 months; | |
| Balance outstanding at November 30, 2003 | \$19,925,000 |
| Bond interest payments made in FY 2004 | \$800,569 |
| Bond principal payments made in FY 2004 | \$520,000 |
| Balance outstanding at November 30, 2004 | \$19,405,000 |

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2004

Page 19 Exhibit XI

NOTE 17 – LONG TERM DEBT (continued)

| | |
|---|----------------------|
| 2004A Series Jail Construction Refunding Bonds: \$4,780,000; | |
| due in 6 annual installments from 2005 to 2010; | |
| interest rates at 2.000% to 2.750%; | |
| \$50,935 bond premium amortized over 5 years 9 months; | |
| \$67,179 bond issuance costs amortized over 5 years 9 months; | |
| \$363,756 deferred charge on refunding amortized over 5 years 9 months; | |
| Balance outstanding at November 30, 2003 | \$0 |
| Bonds issued in FY 2004 | \$4,780,000 |
| Bond interest payments made in FY 2004 | \$32,926 |
| Bond principal payments made in FY 2004 | \$0 |
| Balance outstanding at November 30, 2004 | \$4,780,000 |
| 2004B Series Public Safety Refunding Bonds: \$1,520,000; | |
| due in 8 annual installments from 2005 to 2012; | |
| interest rates at 1.500% to 3.650%; | |
| \$27,549 bond premium amortized over 7 years 9 months; | |
| \$20,103 bond issuance costs amortized over 7 years 9 months; | |
| \$157,446 deferred charge on refunding amortized over 7 years 9 months; | |
| Balance outstanding at November 30, 2003 | \$0 |
| Bonds issued in FY 2004 | \$1,520,000 |
| Bond interest payments made in FY 2004 | \$14,358 |
| Bond principal payments made in FY 2004 | \$0 |
| Balance outstanding at November 30, 2004 | \$1,520,000 |
| <u>2004 Bond Transactions</u> | |
| Bonds payable November 30, 2003 | \$54,642,290 |
| Bonds issued in FY 2004 | \$6,300,000 |
| Bonds retired in FY 2004 | (\$1,590,388) |
| Bonds refunded in FY 2004 | <u>(\$5,770,000)</u> |
| Bonds payable November 30, 2004 | <u>\$53,581,902</u> |

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2004

Page 20 Exhibit XI

NOTE 17 – LONG TERM DEBT (continued)

Annual Debt Service Requirements for Bonds

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

| | Governmental Activities | | | | |
|------|-------------------------|-----------|------------------------------|------------|--------------------------------|
| | Debt Service Funds | | Public Safety Sales Tax Fund | | Total Debt Service Requirement |
| Year | Principal | Interest | Principal | Interest | |
| 2005 | 1,700,000 | 918,969 | 249,963 | 1,453,408 | 4,322,340 |
| 2006 | 1,730,000 | 872,025 | 287,278 | 1,459,171 | 4,348,474 |
| 2007 | 1,765,000 | 832,807 | 338,906 | 1,463,892 | 4,400,605 |
| 2008 | 1,810,000 | 788,213 | 392,080 | 1,470,039 | 4,460,332 |
| 2009 | 1,855,000 | 738,050 | 451,360 | 1,477,982 | 4,522,392 |
| 2010 | 1,755,000 | 684,057 | 510,558 | 1,483,514 | 4,433,129 |
| 2011 | 935,000 | 639,000 | 700,000 | 1,351,093 | 3,625,093 |
| 2012 | 975,000 | 602,578 | 1,535,000 | 1,307,206 | 4,419,784 |
| 2013 | 1,010,000 | 563,740 | 965,415 | 1,955,158 | 4,494,313 |
| 2014 | 1,050,000 | 522,792 | 1,023,322 | 1,980,875 | 4,576,989 |
| 2015 | 1,090,000 | 479,447 | 1,139,962 | 1,934,581 | 4,643,990 |
| 2016 | 1,135,000 | 427,309 | 1,180,492 | 1,940,801 | 4,683,602 |
| 2017 | 1,195,000 | 366,146 | 1,230,859 | 1,947,948 | 4,739,953 |
| 2018 | 1,260,000 | 306,428 | 1,271,707 | 1,930,161 | 4,768,296 |
| 2019 | 1,315,000 | 243,559 | 925,000 | 1,050,536 | 3,534,095 |
| 2020 | 1,385,000 | 175,800 | 1,015,000 | 984,386 | 3,560,186 |
| 2021 | 1,450,000 | 107,760 | 1,140,000 | 895,492 | 3,593,252 |
| 2022 | 1,520,000 | 36,480 | 1,275,000 | 795,874 | 3,627,354 |
| 2023 | -- | -- | 1,420,000 | 684,705 | 2,104,705 |
| 2024 | -- | -- | 1,580,000 | 583,470 | 2,163,470 |
| 2025 | -- | -- | 1,710,000 | 494,640 | 2,204,640 |
| 2026 | -- | -- | 1,850,000 | 398,520 | 2,248,520 |
| 2027 | -- | -- | 1,995,000 | 294,705 | 2,289,705 |
| 2028 | -- | -- | 2,150,000 | 182,790 | 2,332,790 |
| 2029 | -- | -- | 2,310,000 | 62,370 | 2,372,370 |
| | 24,935,000 | 9,305,160 | 28,646,902 | 29,583,317 | 92,470,379 |

At November 30, 2004, \$1,301,105 was available in the Debt Service Funds, and \$1,136,589 was available in reserved fund balance in the Public Safety Sales Tax Special Revenue Fund to meet debt service requirements.

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2004

Page 21 Exhibit XI

NOTE 17 – LONG TERM DEBT (continued)

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, 2003 | \$654,063 |
| Loan principal payments made in FY 2004 | \$52,500 |
| Balance outstanding at November 30, 2004 | \$601,563 |

2004 Intergovernmental Loan Transactions

| | |
|---|-------------------|
| Loans payable November 30, 2003 | \$654,063 |
| New loans incurred in FY 2004 | \$0 |
| Loan principal payments made in FY 2004 | <u>(\$52,500)</u> |
| Loans payable November 30, 2004 | <u>\$601,563</u> |

Annual Debt Service Requirements for Intergovernmental Loans

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

| Fiscal Year | <u>Governmental Activities</u> |
|----------------|--------------------------------|
| | General |
| | <u>Corporate Fund</u> |
| | <u>Principal</u> |
| 2005 | 52,500 |
| 2006 | 52,500 |
| 2007 | 52,500 |
| 2008 | 52,500 |
| 2009 | 52,500 |
| 2010 | 52,500 |
| 2011 | 52,500 |
| 2012 | 52,500 |
| 2013 | 52,500 |
| 2014 | 52,500 |
| 2015 | 52,500 |
| 2016 | <u>24,063</u> |
| | <u><u>601,563</u></u> |

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2004

Page 22 Exhibit XI

NOTE 17 – LONG TERM DEBT (continued)

C. CAPITAL LEASE OBLIGATIONS – GOVERNMENTAL ACTIVITIES

Admin. Services – mainframe computer: new equipment cost of \$83,832
Plus refinanced old capital lease principal remaining of \$100,007;
Contract payable in 36 monthly installments of \$5,601
Including interest at 5.90-6.32% July 2003 through June 2006;

| | |
|---|-----------|
| Principal balance outstanding November 30, 2003 | \$160,266 |
| Interest payments made in FY 2004 | \$8,137 |
| Principal payments made in FY 2004 | \$59,071 |
| Principal balance outstanding November 30, 2004 | \$101,195 |

2004 Capital Lease Transactions

| | |
|--|------------------|
| Capital lease obligation November 30, 2003 | \$160,266 |
| New leases incurred in FY 2004 | \$0 |
| Lease principal payments made in FY 2004 | (\$59,071) |
| Capital lease obligation November 30, 2004 | <u>\$101,195</u> |

Future Minimum Lease Payments

| <u>Fiscal Year</u> | <u>Governmental Activities General Corporate Fund</u> | | |
|------------------------|---|--|---------------------------------|
| | <u>Total Lease Payments</u> | | |
| 2005 | 67,209 | | |
| 2006 | 39,205 | | |
| | <hr/> 106,414 | | Total minimum lease payments |
| | (5,219) | | Amount representing interest |
| | <hr/> <u>101,195</u> | | Present value of lease payments |

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2004

Page 23 Exhibit XI

NOTE 17 – LONG TERM DEBT (continued)

D. SUMMARY OF CHANGES IN LONG TERM LIABILITIES

| | Nov. 30, 2003 Balance | FY 2004 Additions | FY 2004 Deductions | Nov. 30, 2004 Balance | Due Within One Year |
|----------------------------------|--------------------------|----------------------|-----------------------|--------------------------|------------------------|
| <u>Governmental Activities:</u> | | | | | |
| General Obligation Bonds | \$54,642,290 | \$6,300,000 | (\$7,360,388) | \$53,581,902 | \$1,949,963 |
| Unamortized Bond Premium | 271,527 | 78,484 | (22,953) | 327,058 | 0 |
| Deferred Amount on Refunding | 0 | (521,202) | 55,719 | (465,483) | 0 |
| Total Bonds Payable | 54,913,817 | 5,857,282 | (7,327,622) | 53,443,477 | 1,949,963 |
| Intergovernmental Loans | 654,063 | 0 | (52,500) | 601,563 | 52,500 |
| Capital Lease Obligations | 160,266 | 0 | (59,071) | 101,195 | 62,775 |
| Estimated Claims Payable | 716,766 | 799,206 | (793,630) | 722,342 | 555,105 |
| Compensated Absences | 1,581,377 | 2,812,961 | (2,687,786) | 1,706,552 | 1,706,552 |
| Total Governmental Activities | 58,026,289 | 9,469,449 | (10,920,609) | 56,575,129 | 4,326,895 |
| <u>Business-Type Activities:</u> | | | | | |
| Compensated Absences | \$217,601 | \$552,821 | (\$483,199) | \$287,223 | \$287,223 |
| Total Business-Type Activities | 217,601 | 552,821 | (483,199) | 287,223 | 287,223 |

Internal service funds primarily serve the governmental funds, and, thus, the related long term liabilities are included with the governmental activities above. Long term liabilities for estimated claims payable are liquidated by the Self-Funded Insurance (Internal Service) Fund. Compensated absences payable for the governmental activities are liquidated by the various governmental funds which pay employee salaries.

NOTE 18 – REFUNDING BONDS AND DEFEASED DEBT

A. REFUNDING BONDS

(1) 2004A Refunding Bonds issued to advance refund 1995 Jail Construction Bonds. On March 17, 2004, \$4,780,000 in general obligation bonds with interest rates ranging from 2.000% to 2.750% were issued to advance refund \$4,400,000 in general obligation bonds with interest rates ranging from 5.200% to 5.600%. 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 1995 bonds, resulting in the defeasance of the old debt. Defeased debt is not reported in the financial statements; only the new debt is reported. The \$363,756 difference between the amount deposited with the escrow agent and the carrying amount of the defeased debt is reported as a deduction against bonds payable and is being amortized against interest expense over the life of the new bonds, which is the same as the life of the old bonds. Cash flows required to service the new debt are \$170,221 less than what would have been required to service the old debt, resulting in an economic gain of \$145,610.

(2) 2004B Refunding Bonds issued to advance refund 2000 Public Safety Bonds. On March 17, 2004, \$1,520,000 in general obligation bonds with interest rates ranging from 1.500% to 3.650% were issued to advance refund \$1,370,000 in general obligation bonds with interest rates ranging from 5.300% to 5.350%. 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 2000 bonds, resulting in the defeasance of the old debt. Defeased debt is not reported in the financial statements; only the new debt is reported. The \$157,446 difference between the amount deposited with the escrow agent and the carrying amount of the defeased debt is reported as a deduction against bonds payable and is being amortized against interest expense over the life of the new bonds, which is the same as the life of the old bonds. Cash flows required to service the new debt are \$53,241 less than what would have been required to service the old debt, resulting in an economic gain of \$46,072.

NOTE 18 – REFUNDING BONDS AND DEFEASED DEBT (continued)

B. DEFEASED DEBT

(1) 1995 Jail Construction Bonds. In 2004, the 1995 Jail Construction Bonds were advance refunded, resulting in the defeasance of the old debt. Defeased debt is not reported in the financial statements. \$4,400,000 of defeased 1995 Jail Construction Bonds were still outstanding at November 30, 2004.

(2) 2000 Public Safety Bonds. In 2004, the 2000 Public Safety Bonds were advance refunded, resulting in the defeasance of the old debt. Defeased debt is not reported in the financial statements. \$1,370,000 of defeased 2000 Public Safety Bonds were still outstanding at November 30, 2004.

NOTE 19 – RESERVED, DESIGNATED AND DEFICIT FUND EQUITY

A. RESERVED

(1) At November 30, 2004, the Public Safety Sales Tax (Special Revenue) Fund's fund balance was reserved for debt service in the amount of \$1,136,589. The Public Safety Sales Tax Alternative Revenue Source General Obligation Bonds are being repaid out of public safety sales taxes collected monthly in this special revenue fund. The bond ordinance requires that a specified portion of the monthly sales tax receipts be set aside to cover the semi-annual bond interest and principal payments. The reserved fund balance being held in the Public Safety Sales Tax Fund represents \$1,136,589 available to meet debt service requirements.

(2) The fund balance of the Regional Planning Commission (Special Revenue) Fund was reserved at November 30, 2004 for a long term interfund advance in the amount of \$220,971. Fund balance is reserved for long term receivables in governmental funds because they are not available current financial resources.

(3) At November 30, 2004, the fund balance of the Regional Planning Commission Economic Development Loan (Special Revenue) Fund was reserved for long term program loans receivable in the amount of \$2,741,614. Fund balance is reserved in governmental funds for long term receivables that are not available current financial resources.

B. DESIGNATED

Designations of fund balance are not legally required segregations, but rather reflect managerial intent. There were no designations of fund balance as of November 30, 2004.

C. DEFICIT

As of November 30, 2004, no funds had deficit fund equity.

NOTE 20 – DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and administered by the Public Employees Benefit Services Corporation on behalf of the National Association of Counties. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Contributions to the plan are recorded on the County's books as current salaries expenditures. All assets and income of the plan are held in trust by the plan administrator for the exclusive benefit of the participants and their beneficiaries. The County does not take an active role in managing the plan assets. Therefore, in accordance with GASB Statement No. 32, the deferred compensation plan is not reported in the County's financial statements.

NOTE 21 - DEFINED BENEFIT PENSION PLAN

The most current information available is for the plan year ended December 31, 2004 and is in accordance with GASB Statement 27.

The County's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, Suite 500, 2211 York Road, Oak Brook, IL 60523.

The County participates in three separate plans under IMRF: Sheriff's Law Enforcement Personnel (SLEP), Regular (Non-SLEP) and, since 1997, Elected County Officials (ECO).

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary; Sheriff's Law Enforcement Personnel contribute 6.50%; and Elected County Officials contribute 7.50%. The member rate is established by state statute. The employer is required to contribute at an actuarially determined rate. The County's rate for calendar year 2004 was 5.55% of payroll for Regular, 14.22% of payroll for SLEP and 62.60% of payroll for ECO. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on an open basis). The amortization period at December 31, 2004 was 10 years for Regular and 28 years for SLEP and ECO.

For December 31, 2004, the County's annual pension cost of \$1,158,437 for Regular, \$838,569 for SLEP and \$194,998 for ECO was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

CHANGES IN ACTUARIAL ASSUMPTIONS

The actuarial assumptions used to determine the actuarial accrued liability for 2004 were based on the 1999-2001 experience study. Principal changes were: (a) fewer members are expected to take refunds early in their career; (b) for regular members, fewer normal and early retirements are expected to occur.

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2004

Page 26 Exhibit XI

NOTE 21 - DEFINED BENEFIT PENSION PLAN (continued)

| <u>Actuarial Valuation Date</u> | <u>Annual Pension Cost</u> | <u>% of Annual Pension Cost Contributed</u> | <u>Net Pension Obligation</u> |
|--|------------------------------------|---|---------------------------------------|
| REGULAR NON-SLEP PERSONNEL | | | |
| 12/31/04 | \$1,158,437 | 100% | \$0 |
| 12/31/03 | 755,769 | 100% | 0 |
| 12/31/02 | 615,820 | 100% | 0 |
| 12/31/01 | 881,279 | 100% | 0 |
| 12/31/00 | 362,315 | 100% | 0 |
| 12/31/99 | 1,226,429 | 100% | 0 |
| 12/31/98 | 1,182,269 | 100% | 0 |
| 12/31/97 | 1,137,540 | 100% | 0 |
| 12/31/96 | 1,093,741 | 100% | 0 |
| 12/31/95 | 1,035,107 | 100% | 0 |
| SHERIFF'S LAW ENFORCEMENT PERSONNEL | | | |
| 12/31/04 | \$838,569 | 100% | \$0 |
| 12/31/03 | 678,072 | 100% | 0 |
| 12/31/02 | 739,163 | 100% | 0 |
| 12/31/01 | 802,209 | 100% | 0 |
| 12/31/00 | 724,616 | 100% | 0 |
| 12/31/99 | 582,695 | 100% | 0 |
| 12/31/98 | 566,873 | 100% | 0 |
| 12/31/97 | 434,994 | 100% | 0 |
| 12/31/96 | 408,263 | 100% | 0 |
| 12/31/95 | 371,412 | 100% | 0 |
| ELECTED COUNTY OFFICIALS | | | |
| 12/31/04 | \$194,998 | 100% | \$0 |
| 12/31/03 | 174,116 | 100% | 0 |
| 12/31/02 | 167,820 | 100% | 0 |
| 12/31/01 | 176,691 | 100% | 0 |
| 12/31/00 | 169,333 | 100% | 0 |
| 12/31/99 | 78,843 | 100% | 0 |
| 12/31/98 | 33,246 | 100% | 0 |
| 12/31/97 | 9,432 | 100% | 0 |
| 12/31/96 | (plan not in effect) | | |
| 12/31/95 | (plan not in effect) | | |

COUNTY OF CHAMPAIGN, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2004

Page 27 Exhibit XI

NOTE 21 - DEFINED BENEFIT PENSION PLAN (continued)

| Actuarial Valuation Date | Actuarial Value of Assets (Liability) | Actuarial Accrued Liability - Entry Age - | Unfunded (Overfunded) Actuarial Accrued Liability | Funded Ratio | Annual Covered Payroll | Unfunded AAL as % of Payroll |
|------------------------------------|--|--|--|-----------------|------------------------------|---------------------------------------|
| REGULAR NON-SLEEP PERSONNEL | | | | | | |
| 12/31/04 | \$37,073,441 | \$36,743,186 | (\$330,255) | 100.90% | \$20,872,731 | -1.58% |
| 12/31/03 | 40,201,720 | 37,530,652 | (2,671,068) | 107.12% | 20,316,369 | -13.15% |
| 12/31/02 | 40,357,035 | 34,469,029 | (5,888,006) | 117.08% | 19,612,113 | -30.02% |
| 12/31/01 | 40,312,086 | 31,814,932 | (8,497,154) | 126.71% | 18,321,815 | -46.38% |
| 12/31/00 | 38,293,601 | 29,694,653 | (8,598,948) | 128.96% | 16,773,849 | -51.26% |
| 12/31/99 | 33,803,157 | 26,927,088 | (6,876,069) | 125.54% | 15,927,659 | -43.17% |
| 12/31/98 | 28,035,723 | 24,754,390 | (3,281,333) | 113.26% | 15,474,729 | -21.20% |
| 12/31/97 | 25,916,608 | 23,970,561 | (1,946,047) | 108.12% | 13,955,353 | -13.94% |
| 12/31/96 | 23,680,624 | 22,058,059 | (1,622,565) | 107.36% | 13,688,873 | -11.85% |
| 12/31/95 | 20,938,219 | 19,647,212 | (1,291,007) | 106.57% | 12,779,652 | -10.10% |

* On a market value basis, the actuarial value of assets as of December 31, 2004 was \$37,174,774. On a market basis, the funded ratio would be 101.17%.

SHERIFF'S LAW ENFORCEMENT PERSONNEL

| | | | | | | |
|----------|--------------|--------------|-------------|---------|-------------|---------|
| 12/31/04 | \$13,723,285 | \$17,162,417 | \$3,439,132 | 79.96% | \$5,897,110 | 58.32% |
| 12/31/03 | 18,035,036 | 19,427,333 | 1,392,297 | 92.83% | 5,875,838 | 23.70% |
| 12/31/02 | 17,400,081 | 18,098,436 | 698,355 | 96.14% | 5,761,212 | 12.12% |
| 12/31/01 | 16,209,883 | 15,589,147 | (620,736) | 103.98% | 5,387,568 | -11.52% |
| 12/31/00 | 13,854,458 | 14,098,206 | 243,748 | 98.27% | 4,973,341 | 4.90% |
| 12/31/99 | 12,123,688 | 12,400,116 | 276,428 | 97.77% | 4,262,584 | 6.48% |
| 12/31/98 | 9,730,747 | 11,420,594 | 1,689,847 | 85.20% | 4,317,385 | 39.14% |
| 12/31/97 | 8,465,907 | 9,758,539 | 1,292,632 | 86.75% | 3,858,892 | 33.50% |
| 12/31/96 | 8,345,762 | 9,588,829 | 1,243,067 | 87.04% | 3,430,781 | 36.23% |
| 12/31/95 | 8,133,460 | 8,421,666 | 288,206 | 96.58% | 3,160,952 | 9.12% |

* On a market value basis, the actuarial value of assets as of December 31, 2004 was \$13,766,295. On a market basis, the funded ratio would be 80.21%.

ELECTED COUNTY OFFICIALS

| | | | | | | |
|----------|----------------------|-------------|-------------|---------|-----------|----------|
| 12/31/04 | (\$976,415) | \$1,383,742 | \$2,360,157 | -70.56% | \$235,367 | 1002.76% |
| 12/31/03 | (654,093) | 1,594,853 | 2,248,946 | -41.01% | 232,831 | 965.91% |
| 12/31/02 | (250,541) | 1,935,536 | 2,186,077 | -12.94% | 350,368 | 623.94% |
| 12/31/01 | 522,167 | 3,212,151 | 2,689,984 | 16.26% | 334,009 | 805.36% |
| 12/31/00 | 385,396 | 2,194,610 | 1,809,214 | 17.56% | 315,744 | 573.00% |
| 12/31/99 | 350,907 | 2,139,021 | 1,788,114 | 16.41% | 195,689 | 913.75% |
| 12/31/98 | 308,456 | 1,301,490 | 993,034 | 23.70% | 166,231 | 597.38% |
| 12/31/97 | (236,583) | 645,719 | 882,302 | -36.64% | 215,649 | 409.14% |
| 12/31/96 | (plan not in effect) | | | | | |
| 12/31/95 | (plan not in effect) | | | | | |

* On a market value basis, the actuarial value of assets as of December 31, 2004 was (\$973,740). On a market basis, the funded ratio would be -70.37%.

NOTE 22 – 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, 2004 (the latest fiscal year end for METCAD), Champaign County's equity interest share was 17.46%, or \$1,222,602, which is reported in the Statement of Net Assets as an investment in joint venture. The net increase of \$106,833 over the amount reported for June 30, 2003, is reported in the Statement of Activities under general revenues.

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, 2004 is provided below.

Financial Position as of June 30, 2004

| | |
|-------------------|---------------------------|
| Total Assets | \$7,319,922 |
| Total Liabilities | <u>\$317,621</u> |
| Net Assets | <u><u>\$7,002,301</u></u> |

Results of Operations for Fiscal Year Ending June 30, 2004

| | |
|----------------------|---------------------------|
| Total Revenues | \$3,791,541 |
| Total Expenses | <u>\$3,136,051</u> |
| Change in Net Assets | \$655,490 |
| Beginning Net Assets | <u>\$6,346,811</u> |
| Ending Net Assets | <u><u>\$7,002,301</u></u> |

NOTE 22 – JOINT VENTURES (continued)

B. GEOGRAPHIC INFORMATION SYSTEM CONSORTIUM

On August 20, 2002, Champaign County entered into an intergovernmental agreement with the City of Champaign, the City of Urbana, the University of Illinois, the Village of Rantoul, the Village of Savoy and the Village of Mahomet for the purpose of developing and operating a countywide geographic information system (GIS). The GIS Consortium's fiscal year runs from July 1 to June 30, with Champaign County as the lead agency. Each of the seven member agencies designates one voting representative to serve on the GIS Policy Committee. In addition, the Policy Committee includes one non-voting representative of small or specialized governmental users and one non-voting representative of the non-governmental sector.

While representation on the Policy Committee is equal among the member agencies, the funding of operating expenses is based on a cost-sharing formula established by the members. Each member agency holds an equity interest in the GIS Consortium's assets in the same proportion as the funding provided by each member agency since the Consortium's inception. These proportions will vary from year to year. At June 30, 2004 (the latest year end for the GIS Consortium), Champaign County's equity interest share was 70.67%, totaling \$101,287, which is reported in the Statement of Net Assets as an investment in joint venture. The net increase of \$19,138 in the County's share of equity during the year ended June 30, 2004 is reported in the Statement of Activities.

Separate audited financial statements of the GIS Consortium may be obtained from the Champaign County Regional Planning Commission, 1776 E. Washington, Urbana, IL 61802. Summary financial information for the fiscal year ended June 30, 2004 is presented below.

Financial Position as of June 30, 2004

| | |
|-------------------|-------------------------|
| Total Assets | \$214,589 |
| Total Liabilities | <u>\$71,265</u> |
| Net Assets | <u><u>\$143,324</u></u> |

Results of Operations for Fiscal Year Ending June 30, 2004

| | |
|----------------------|-------------------------|
| Total Revenues | \$412,021 |
| Total Expenses | <u>\$380,882</u> |
| Change in Net Assets | \$31,139 |
| Beginning Net Assets | <u>\$112,185</u> |
| Ending Net Assets | <u><u>\$143,324</u></u> |

NOTE 23 – CONTINGENT LIABILITIES

The County is a defendant in several 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 24 - COMMITMENTS

A. COUNTY NURSING HOME BUILDING

In the fall of 2002, Champaign County made the commitment to build a new nursing home. The nursing home complex is estimated to cost \$20 million. The County issued \$20 million in general obligation bonds in February 2003 to fund the construction costs of the project.

The funding source to repay the bonds is a \$0.07 property tax increase, which was passed by Champaign County voters in November 2002. The new tax is expected to generate approximately \$1.6 million in new revenue annually. Income from the new tax will be used to retire the \$20 million bond issue in payments of approximately \$1.6 million annually over nineteen years.

As of May 2, 2005, the County has entered into construction contracts in the amount of \$19.5 million with \$11 million remaining in contractual obligations. The Nursing Home Construction Fund balance was \$15.6 million as of November 30, 2004.

B. COURTHOUSE COMPLEX

In the fall of 1998, Champaign County voters elected to remodel the existing courthouse and to construct a new 90,000 square foot courtroom complex next to the existing courthouse. The courthouse/courts complex was estimated to cost \$27 million, funded by bonds issued in May 1999 and February 2000. The funding source to repay the bonds is a ¼ cent sales tax for public safety that was approved by the Champaign County voters in November 1998.

Construction of the 90,000 square foot addition and remodeling of the old courthouse has been completed and departments moved in. As of May 2, 2005, the County has paid \$27 million with \$22,000 remaining in contractual obligations. The Courts Complex Construction Fund balance was \$1.7 million as of November 30, 2004.

(1) Clock Tower Renovation

In 2001, the County Board appointed a committee of private citizens and county board members to look into repair and replacement of the old courthouse clock tower. The tower had not been included in the \$27 million project. The county approved \$35,000 for an architectural and engineering study, but a group has been formed to raise private donations for the restoration of the historic courthouse feature. They have raised approximately \$600,000 of the \$1 million anticipated cost.

(2) Old Courthouse Façade

During remodeling of the old courthouse, contractors discovered extensive damage to the structure's brick, stone and mortar façade. The County has received estimates of \$3 million for repair. A contract has been signed with the architectural firm of Simpson, Gumpertz & Heger in the amount of \$350,000 with \$250,000 remaining to come from the Courts Complex Construction Fund.

NOTE 24 – COMMITMENTS (continued)

C. JUSTICE INFORMATION SYSTEMS

As part of the project to construct a new courthouse complex and juvenile detention center, the County Board also approved the creation of a capital fund for technological projects and improvements for the public safety facilities of Champaign County. In October 2002, the County entered into an agreement with Jano Justice Systems for installation of hardware and software for an integrated justice computer system for \$2.9 million. As of May 2, 2005, the County has paid \$2.5 million with \$400,000 remaining in contractual obligations.

D. MAJOR ROAD PROJECTS

The County Highway Department has 4 Special Revenue Funds with FY2005 beginning fund balances totaling \$15,617,344. Much of those funds are committed to dozens of road and bridge projects. Major projects with significant commitments as of May 2, 2005, include:

| <u>PROJECT</u> | <u>ORIGINAL COMMITMENT</u> | <u>EXPENDITURES PAID</u> | <u>OUTSTANDING COMMITMENT</u> |
|--|--------------------------------|------------------------------|-----------------------------------|
| Staley Road (C.H. 25) | \$5,160,000 | \$3,315,896 | \$1,844,104 |
| County Highways 18, 15 Widening & Resurfacing | \$5,500,000 | \$2,958,108 | \$2,541,892 |
| Lierman Avenue | \$1,000,000 | \$ 0 | \$1,000,000 |
| Curtis Road | \$1,822,406 | \$ 256,937 | \$1,565,469 |
| Prospect Avenue | \$ 583,470 | \$ 0 | \$ 583,470 |
| Ludlow Road (C.H. 9) | \$1,700,000 | \$ 0 | \$1,700,000 |

These are multiple year projects. Expenditures will be made in FY2005, FY2006, and possibly FY2007.

E. HIGHWAY MAINTENANCE/FLEET MAINTENANCE FACILITY

In March 2005 the County approved construction of a new Highway Maintenance/Fleet Maintenance Facility. The cost of the project is estimated to cost \$3 million, but as of May 2, 2005, no contracts have been signed.

F. HUMAN RESOURCE SOFTWARE MANAGEMENT

In March 2005 the County entered into an agreement with Kronos Incorporated for Human Resource Management Software in the amount of \$240,000. The County will make \$10,000 monthly lease payments for two years.

NOTE 25 – SUBSEQUENT EVENTS

On May 19, 2005 the County issued \$25,865,000 in General Obligation Refunding Bonds. These will refund 1999 Bonds and 2003 Bonds issued by the County.

| | |
|-----------------|--------------------------|
| Amount Refunded | Old Bonds |
| \$17,660,000 | 1999 Public Safety Bonds |
| \$ 8,055,000 | 2003 Nursing Home Bonds |

Proceeds of the new bonds were put in escrow to pay off the old bonds. The difference in debt service payments will be \$2,367,335 less for the new bonds than what would have been paid for the old bonds.

County of Champaign, Illinois
General Governmental Expenditures By Function
Last Ten Fiscal Years

Table I

| Fiscal Year | General Government | Justice & Public Safety | Health | Education | Social Services | Development | Highways & Bridges | Debt Service | Total |
|-------------|--------------------------|---------------------------|-------------|-------------|------------------------|-------------|------------------------|--------------|--------------|
| 1995 | \$8,047,056 ^A | \$16,064,662 ^B | \$1,797,141 | \$2,166,308 | \$165,341 | \$2,173,648 | \$3,661,682 | \$908,910 | \$34,984,748 |
| 1996 | 7,588,853 ^A | 21,295,319 ^B | 1,804,762 | 1,882,960 | 157,183 | 2,563,812 | 5,689,187 | 1,244,679 | 42,226,755 |
| 1997 | 6,682,427 | 15,790,503 | 1,815,440 | 2,098,536 | 27,335 | 2,617,140 | 3,620,164 | 2,027,843 | 34,679,388 |
| 1998 | 6,357,236 | 16,432,747 | 2,127,020 | 2,563,977 | 26,500 | 2,851,635 | 2,953,459 | 1,727,818 | 35,040,392 |
| 1999 | 6,608,174 | 20,926,414 ^C | 2,170,043 | 3,392,004 | 26,500 | 2,883,125 | 2,397,475 | 1,818,467 | 40,222,202 |
| 2000 | 6,146,891 | 25,379,429 ^C | 2,751,571 | 3,770,704 | 26,500 | 2,875,979 | 4,300,732 | 2,944,061 | 48,195,867 |
| 2001 | 7,050,728 | 31,310,568 ^C | 3,606,581 | 3,616,436 | 26,500 | 3,123,184 | 4,110,763 | 2,843,380 | 55,688,140 |
| 2002 | 8,391,656 | 30,198,497 ^C | 4,347,935 | 4,211,804 | 26,500 | 3,619,522 | 6,462,337 | 2,879,017 | 60,137,268 |
| 2003 | 8,273,413 | 26,882,714 ^C | 4,255,077 | 4,857,475 | 1,174,002 ^D | 3,245,458 | 6,183,886 | 3,606,171 | 58,478,196 |
| 2004 | 8,252,802 | 23,482,082 | 3,949,947 | 4,561,113 | 4,162,581 ^D | 4,163,160 | 9,359,013 ^E | 4,179,966 | 62,110,664 |

Note: Includes governmental funds only. Other Financing Uses are excluded.

^A General Government expenditures in 1995-1996 include the purchase/remodeling of the Brookens Administrative Center.

^B Justice & Public Safety expenditures in 1995-1996 include the construction of the satellite jail facility.

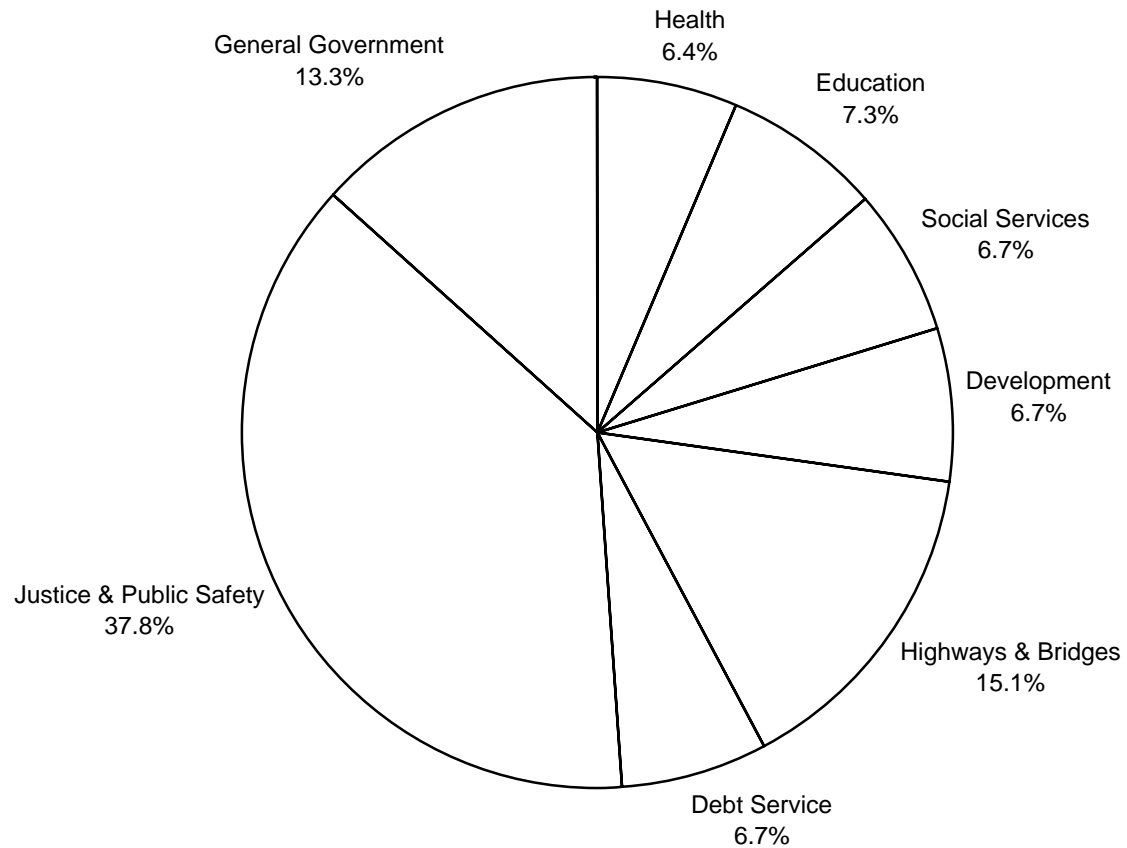
^C Justice & Public Safety expenditures in 1999-2003 include the construction of the juvenile detention facility and courts facility.

^D Social Services expenditures in 2003-2004 include the construction of the nursing home facility.

^E Highways & Bridges expenditures in 2004 include two large road construction projects funded by state revenue.

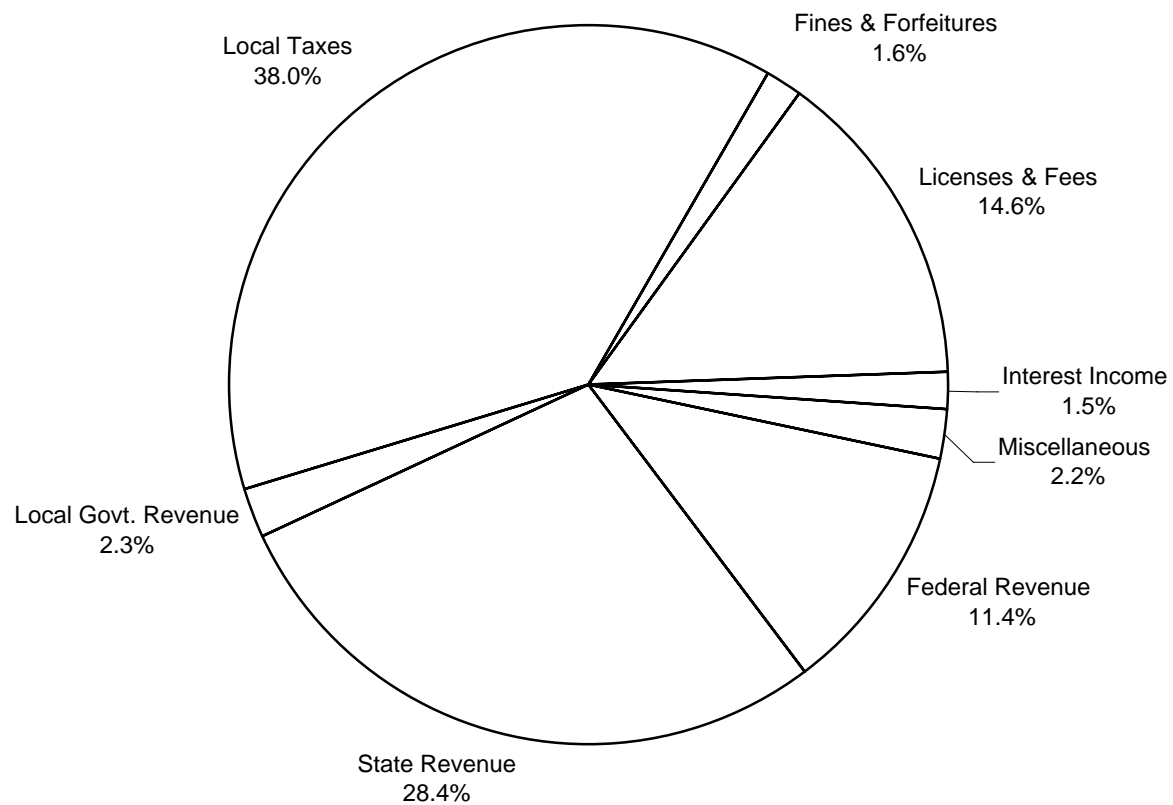
GOVERNMENTAL EXPENDITURES BY FUNCTION

Fiscal Year Ended November 30, 2004



GOVERNMENTAL REVENUES BY SOURCE

Fiscal Year Ended November 30, 2004



County of Champaign, Illinois
General Governmental Revenues By Source
Last Ten Fiscal Years

Table II

| Fiscal Year | Local Taxes | Federal Revenue | State Revenue | Local Government Revenue | Fines & Forfeitures | Licenses & Fees | Interest Income | Misc. Income | Total |
|-------------|-------------------------|------------------------|-------------------------|--------------------------|---------------------|-----------------|------------------------|--------------|--------------|
| 1995 | \$9,533,268 | \$3,051,737 | \$10,993,056 | \$481,527 | \$617,618 | \$4,354,113 | \$767,546 ^A | \$586,556 | \$30,385,421 |
| 1996 | 11,334,174 | 3,243,845 | 12,775,828 | 603,781 | 675,042 | 4,438,078 | 751,372 ^A | 625,774 | 34,447,894 |
| 1997 | 11,893,331 | 3,071,926 | 12,085,799 | 771,586 | 694,757 | 4,955,231 | 548,290 | 691,378 | 34,712,298 |
| 1998 | 12,707,264 | 3,672,446 | 13,375,315 | 793,433 | 753,119 | 5,119,765 | 652,151 | 782,160 | 37,855,653 |
| 1999 | 14,262,379 ^B | 6,109,878 ^C | 14,281,432 | 784,275 | 755,419 | 5,125,017 | 1,151,044 ^A | 836,862 | 43,306,306 |
| 2000 | 16,501,622 ^B | 4,779,313 | 15,191,711 | 775,842 | 761,585 | 5,081,640 | 3,210,786 ^A | 1,018,929 | 47,321,428 |
| 2001 | 17,119,419 | 4,873,637 | 15,845,725 | 1,508,268 | 1,014,465 | 5,569,399 | 2,746,037 ^A | 1,064,131 | 49,741,081 |
| 2002 | 17,694,431 | 6,130,794 | 15,252,503 | 1,946,568 | 1,162,915 | 6,460,684 | 807,891 | 1,039,052 | 50,494,838 |
| 2003 | 20,079,470 | 5,950,087 | 21,315,350 ^D | 2,186,635 | 1,216,238 | 7,466,264 | 720,037 ^E | 1,144,233 | 60,078,314 |
| 2004 | 21,098,364 | 6,368,074 | 15,767,567 | 1,282,422 | 882,161 | 8,092,836 | 837,766 | 1,235,648 | 55,564,838 |

NOTE: Includes governmental funds only. Excludes Other Financing Sources.

^A Interest income in 1995-1996 and 1999-2001 includes earnings on short-term investment of bond proceeds.

^B A local 1/4% public safety sales tax was implemented July 1, 1999. FY1999 includes five months of receipts, while 2000 shows the first full year of receipts.

^C Federal revenue in 1999 includes a short-term grant for juvenile detention facility construction.

^D State revenue in 2003 includes a \$6,800,000 one-time payment to cover the cost of road improvements on a state road that was transferred to the County.

^E Starting in 2003, interest income includes interest on program loans in the Regional Planning Commission Loan Fund, which was reclassified from an enterprise fund to a special revenue fund.

County of Champaign, Illinois
Tax Revenues By Source
Last Ten Fiscal Years

Table III

| Fiscal Year | (Locally Assessed) | | | | (State Shared) | | | | | | | Total Tax Revenue |
|----------------|---------------------------------------|------------------------|-----------------------|----------------------------------|------------------------|-------------------------------------|------------|------------------------|---|--------------------|-----------------------------|-------------------------|
| | ^A Real Estate Tax | Hotel- Motel Tax | Auto Rental Tax | Public Safety Sales Tax | County Sales Tax | Photo Processing Sales Tax | Use Tax | State Income Tax | Corporate Pers. Prop. Replace. Tax | Inheritance Tax | County Motor Fuel Tax | |
| 1995 | \$9,464,784 | \$54,247 | \$14,237 | \$--- | \$4,607,575 | \$60,831 | \$247,360 | \$1,812,871 | \$584,920 | \$123,639 | \$1,952,045 | \$18,922,509 |
| 1996 | 11,261,391 | 57,654 | 15,129 | --- | 4,656,474 | 61,471 | 285,308 | 2,154,611 | 580,292 | 164,659 | 1,973,066 | 21,210,055 |
| 1997 | 11,809,728 | 68,041 | 15,562 | --- | 4,733,849 | 65,161 | 312,417 | 2,225,047 | 643,027 | 154,673 | 2,009,455 | 22,036,960 |
| 1998 | 12,615,656 | 73,862 | 17,746 | --- | 4,707,067 | 69,741 | 333,671 | 2,403,470 | 704,956 | 250,352 | 2,132,963 | 23,309,484 |
| 1999 | 13,068,817 | 91,362 | 19,264 | ^B 1,082,936 | 5,325,115 | 70,744 | 389,065 | 2,505,530 | 688,619 | 293,657 | 2,506,993 | 26,042,102 |
| 2000 | 13,160,307 | 63,578 | 17,086 | ^B 3,260,651 | 4,686,709 | 75,450 | 430,854 | 2,687,095 | 764,028 | 241,183 | 2,946,187 | 28,333,128 |
| 2001 | 13,483,315 | 29,979 | 17,577 | 3,588,548 | 4,960,290 | 75,963 | 389,910 | 2,654,489 | 691,864 | 232,387 | 2,799,196 | 28,923,518 |
| 2002 | 14,120,831 | 24,435 | 16,993 | 3,532,172 | 5,040,596 | ^C 47,569 | 331,858 | 2,216,887 | 552,659 | 185,809 | 2,788,514 | 28,858,323 |
| 2003 | ^D 17,066,511 | 19,053 | 14,485 | 3,659,055 | 5,158,400 | --- | 208,445 | 2,199,295 | 558,189 | 130,119 | 2,754,441 | 31,767,993 |
| 2004 | 17,946,383 | 13,689 | 14,503 | 3,833,504 | 5,416,040 | --- | 465,280 | 2,199,700 | 624,797 | 330,011 | 2,757,003 | 33,600,910 |

^A Includes back taxes, penalties for late payments, payments in lieu of taxes and mobile home taxes.

^B Local 1/4% public safety sales tax was implemented July 1, 1999. Revenue in 1999 included five months of receipts, while 2000 shows the first full year of receipts.

^C Photo processing sales tax was ended April 30, 2002. Revenue in 2002 included the final seven months of receipts.

^D Starting in 2003, real estate taxes include property taxes levied for the Nursing Home enterprise fund. All other property taxes are for governmental funds.

County of Champaign, Illinois
Property Tax Levies and Collections
Last Ten Fiscal Years

Table IV

| Fiscal Year | ^A Total Tax Levy Extension | Current Taxes Collected | Current Collections as % of Levy | Delinquent Taxes Collected | Total Taxes Collected | Total Collections as % of Levy | Current Year Uncollected Taxes | ^B Uncollected Taxes as % of Levy |
|-------------|--|-------------------------------|---|----------------------------------|-----------------------------|---|---|---|
| 1995 | \$9,314,073 | \$9,189,479 | 98.7% | \$16,343 | \$9,205,822 | 98.8% | \$124,594 | 1.3% |
| 1996 | 11,044,402 | 10,963,011 | 99.3% | 22,017 | 10,985,028 | 99.5% | 81,391 | 0.7% |
| 1997 | 11,547,385 | 11,495,214 | 99.5% | 2,345 | 11,497,559 | 99.6% | 52,171 | 0.5% |
| 1998 | 12,374,219 | 12,278,822 | 99.2% | 20,793 | 12,299,615 | 99.4% | 95,397 | 0.8% |
| 1999 | 12,809,787 | 12,743,625 | 99.5% | 2,419 | 12,746,044 | 99.5% | 66,162 | 0.5% |
| 2000 | 12,898,243 | 12,824,134 | 99.4% | 1,872 | 12,826,006 | 99.4% | 74,109 | 0.6% |
| 2001 | 13,206,329 | 13,092,895 | 99.1% | 9,456 | 13,102,351 | 99.2% | 113,434 | 0.9% |
| 2002 | 13,827,008 | 13,739,152 | 99.4% | 5,490 | 13,744,642 | 99.4% | 87,856 | 0.6% |
| 2003 | 16,654,145 | 16,517,243 | 99.2% | 0 | 16,517,243 | 99.2% | 136,902 | 0.8% |
| 2004 | 17,417,705 | 17,348,514 | 99.6% | 18,995 | 17,367,509 | 99.7% | 69,191 | 0.4% |

^A Tax levies are shown for the year in which they are received by the County, rather than the assessment year.

^B Uncollected taxes include: taxes unpaid at the tax sale (forfeitures), taxes paid under protest (escrow), and changes made to the tax bills after they are sent out (certificates of error and Property Tax Appeals Board rulings).

County of Champaign, Illinois
Assessed Valuations, Tax Levies and Tax Rates
(Per \$100 of Assessed Valuation)
Last Five Fiscal Years

Table V

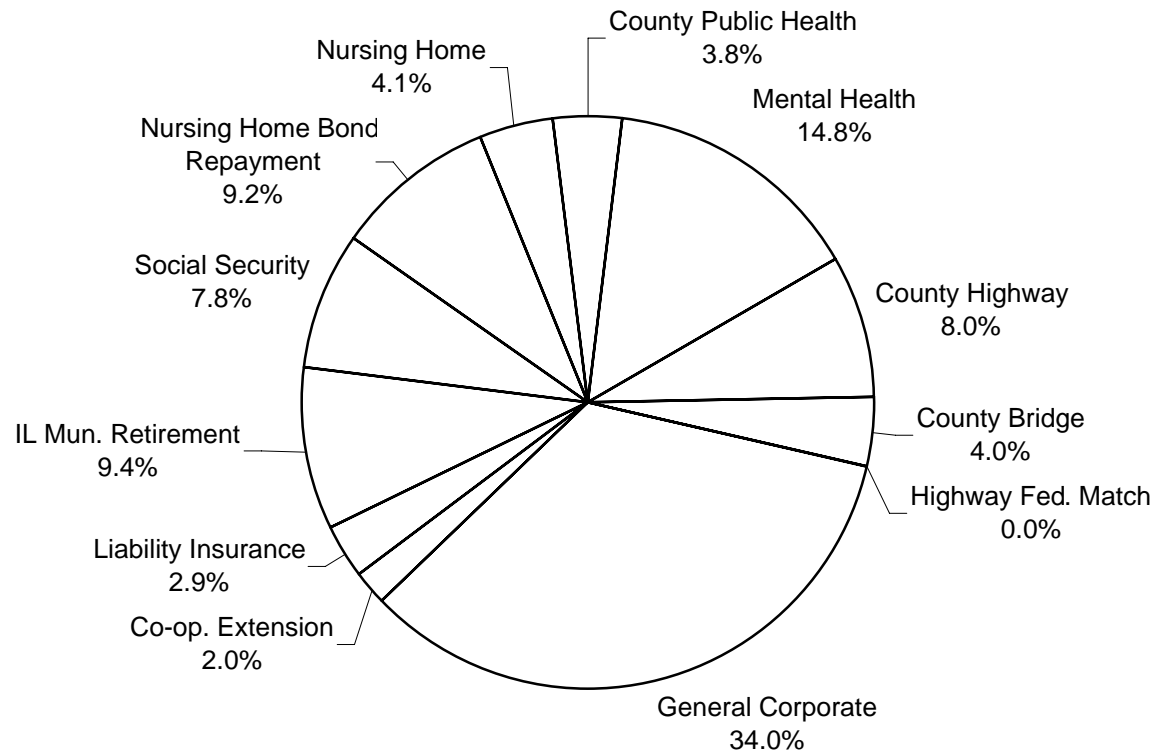
| FISCAL YEAR ^A | <u>2 0 0 4</u> | | <u>2 0 0 3</u> | | <u>2 0 0 2</u> | | <u>2 0 0 1</u> | | <u>2 0 0 0</u> | |
|---------------------------------|------------------------|--------------|------------------------|--------------|------------------------|--------------|------------------------|--------------|------------------------|--------------|
| ASSESSED VALUATION ^B | <u>\$2,463,518,814</u> | | <u>\$2,331,253,331</u> | | <u>\$2,223,911,599</u> | | <u>\$2,123,681,806</u> | | <u>\$2,001,989,746</u> | |
| | <u>Levy</u> | <u>Rate</u> | <u>Levy</u> | <u>Rate</u> | <u>Levy</u> | <u>Rate</u> | <u>Levy</u> | <u>Rate</u> | <u>Levy</u> | <u>Rate</u> |
| GENERAL FUND: | | | | | | | | | | |
| General Corporate | \$5,912,604 | .2397 | \$5,678,233 | .2436 | \$5,420,326 | .2437 | \$4,891,794 | .2303 | \$4,663,700 | .2330 |
| Cooperative Extension Education | 353,408 | .0143 | 334,950 | .0144 | 323,086 | .0145 | 306,524 | .0144 | 291,948 | .0146 |
| SPECIAL REVENUE FUNDS: | | | | | | | | | | |
| Mental Health | 2,618,083 | .1042 | 2,485,604 | .1050 | 2,390,473 | .1059 | 2,259,188 | .1049 | 2,157,142 | .1061 |
| County Public Health | 660,186 | .0268 | 626,010 | .0269 | 603,542 | .0271 | 571,220 | .0269 | 532,657 | .0266 |
| County Highway | 1,392,000 | .0564 | 1,392,169 | .0597 | 1,391,503 | .0626 | 1,391,503 | .0655 | 1,390,732 | .0695 |
| County Bridge | 705,000 | .0286 | 704,980 | .0302 | 704,112 | .0317 | 704,112 | .0332 | 703,857 | .0352 |
| Highway Federal Aid Match | 4,730 | .0002 | 6,672 | .0003 | 7,375 | .0003 | 125,000 | .0059 | 125,000 | .0062 |
| Tort Immunity | 499,300 | .0203 | 420,319 | .0180 | 421,167 | .0189 | 445,000 | .0210 | 465,537 | .0233 |
| Illinois Municipal Retirement | 1,634,152 | .0662 | 1,386,700 | .0595 | 1,293,800 | .0582 | 1,369,911 | .0645 | 1,099,000 | .0549 |
| Social Security | 1,350,000 | .0547 | 1,325,670 | .0569 | 1,269,800 | .0571 | 1,135,500 | .0535 | 1,145,000 | .0572 |
| DEBT SERVICE FUNDS: | | | | | | | | | | |
| Jail Bond Repayment | -- | -- | -- | -- | -- | -- | -- | -- | 323,210 | .0159 |
| Nursing Home Bond Repayment | 1,611,323 | .0646 | 1,610,303 | .0680 | -- | -- | -- | -- | -- | -- |
| ENTERPRISE FUND: | | | | | | | | | | |
| Nursing Home | 709,512 | .0288 | 680,000 | .0292 | -- | -- | -- | -- | -- | -- |
| TOTAL ALL FUNDS | <u>17,450,298</u> | <u>.7048</u> | <u>16,651,610</u> | <u>.7117</u> | <u>13,825,184</u> | <u>.6200</u> | <u>13,199,752</u> | <u>.6201</u> | <u>12,897,783</u> | <u>.6425</u> |

^A Assessed valuation, tax levies and tax rates are reported for the fiscal year in which related taxes are collected by the County.

^B The assessed valuation shown is the value on which the tax rates are calculated.

CHAMPAIGN COUNTY TAX LEVY

For Taxes Payable in 2004



County of Champaign, Illinois
Assessed and Estimated Actual Value of Taxable Real Property
Last Ten Fiscal Years

TABLE VI

| (A) Fiscal Year | BEFORE EXEMPTIONS, TIFS, AND ABATEMENTS (B) | | AFTER EXEMPTIONS, TIFS, AND ABATEMENTS (C) | | EXEMPTIONS, TIFS, AND ABATEMENTS (D) | |
|-----------------------|--|------------------------------|---|------------------------------|---|------------------------------|
| | Gross Equalized Assessed Value | Estimated Actual Value | Taxing Equalized Assessed Value | Estimated Actual Value | Equalized Assessed Value | Estimated Actual Value |
| 1995 | \$1,697,813,113 | \$5,093,439,339 | \$1,521,626,622 | \$4,564,879,866 | \$176,186,491 | \$528,559,473 |
| 1996 | 1,792,214,099 | 5,376,642,297 | 1,610,376,866 | 4,831,130,598 | 181,837,233 | 545,511,699 |
| 1997 | 1,887,715,738 | 5,663,147,214 | 1,700,820,555 | 5,102,461,665 | 186,895,183 | 560,685,549 |
| 1998 | 1,986,001,747 | 5,958,005,241 | 1,787,750,810 | 5,363,252,430 | 198,250,937 | 594,752,811 |
| 1999 | 2,097,237,274 | 6,291,711,822 | 1,887,017,183 | 5,661,051,549 | 210,220,091 | 630,660,273 |
| 2000 | 2,226,809,710 | 6,680,429,130 | 2,001,989,746 | 6,005,969,238 | 224,819,964 | 674,459,892 |
| 2001 | 2,367,736,755 | 7,103,210,265 | 2,123,681,806 | 6,371,045,418 | 244,054,949 | 732,164,847 |
| 2002 | 2,479,413,361 | 7,438,240,083 | 2,223,911,599 | 6,671,734,797 | 255,501,762 | 766,505,286 |
| 2003 | 2,598,005,675 | 7,794,017,025 | 2,331,253,331 | 6,993,759,993 | 266,752,344 | 800,257,032 |
| 2004 | 2,755,106,306 | 8,265,318,918 | 2,463,518,814 | 7,390,556,442 | 291,587,492 | 874,762,476 |

(A) Assessed value is reported for the year in which related taxes are received by the County. The property is actually assessed in the previous year.

(B) Gross equalized assessed value is the value of property determined by county and state assessment officials. This value includes residential, commercial and farm home properties, all at one-third market value. It also includes farmland and farm buildings assessed based on productivity or "agricultural economic value". Champaign County consistently achieves the statutory goal of assessing property at one-third of market value.

(C) After property has been valued by local assessment officials, deductions are then made for homestead and other exemptions, tax increment financing districts, and enterprise zone abatements. This assessed value is the value on which tax bills are calculated.

(D) The value of property removed from the tax base through exemptions and abatements has steadily increased over the past ten years.

Table VII

County of Champaign, Illinois
Computation of Legal Debt Margin
November 30, 2004

| | |
|--|----------------------|
| Taxing Equalized Assessed Valuation | \$2,463,518,814 |
| Add Back Exemptions, Tax Increment Financing, and Enterprise Zone Abatements | 291,587,492 |
| Gross Equalized Assessed Valuation | <u>2,755,106,306</u> |
| Debt Limit: 5.75% of Assessed Valuation (Illinois Compiled Statutes 55 ILCS 5/5-1012) | \$158,418,613 |
| Amount of Debt Applicable to Debt Limit: | |
| General Obligation Bonds | (53,581,902) |
| Intergovernmental Loans | (601,563) |
| Capital Leases | (101,195) |
| Legal Debt Margin | <u>104,133,953</u> |

County of Champaign, Illinois
Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Expenditures
Last Ten Fiscal Years

Table VIII

| Fiscal Year | Principal | Interest | Agent Fees | Total Bond Debt Service | ^A Total General Expenditures | Ratio of Debt Service to General Expenditures |
|----------------|-----------|-----------|---------------|-------------------------------|--|--|
| 1995 | \$500,000 | \$250 | \$1,051 | \$501,301 | \$34,984,748 | 1.43% |
| 1996 | -- | 525,123 | -- | 525,123 | 42,226,755 | 1.24% |
| 1997 | 630,000 | 579,512 | 370 | 1,209,882 | 34,679,388 | 3.49% |
| 1998 | 680,000 | 526,525 | -- | 1,206,525 | 35,040,392 | 3.44% |
| 1999 | 715,000 | 495,993 | 721 | 1,211,714 | 40,222,202 | 3.01% |
| 2000 | 750,000 | 1,990,970 | 795 | 2,741,765 | 48,195,867 | 5.69% |
| 2001 | 795,000 | 1,891,445 | 1,284 | 2,687,729 | 55,688,140 | 4.83% |
| 2002 | 870,000 | 1,852,087 | 1,278 | 2,723,365 | 60,137,268 | 4.53% |
| 2003 | 940,000 | 2,424,210 | 1,279 | 3,365,489 | 58,478,196 | 5.76% |
| 2004 | 1,590,388 | 2,468,131 | 1,739 | 4,060,258 | 62,110,664 | 6.54% |

^A Includes governmental funds only. Excludes other financing uses. (See Table I.)

County of Champaign, Illinois
Ratio of Net General Bonded Debt To Assessed Value
and Net Bonded Debt Per Capita
Last Ten Fiscal Years

Table IX

| Fiscal Year | Population ^A | Equalized Assessed Value ^B | Gross Bonded Debt ^C | Less Debt Service Funds Available ^D | Net Bonded Debt | Ratio of Net Bonded Debt To Assessed Value | Net Bonded Debt Per Capita |
|-------------|-------------------------|---------------------------------------|--------------------------------|--|-----------------|--|----------------------------|
| 1995 | 173,025 | \$1,521,626,622 | \$10,000,000 | \$35,102 | \$9,964,898 | 0.65% | \$57.59 |
| 1996 | 173,025 | 1,610,376,866 | 11,300,000 | 818,330 | 10,481,670 | 0.65% | 60.58 |
| 1997 | 173,025 | 1,700,820,555 | 10,670,000 | 852,917 | 9,817,083 | 0.58% | 56.74 |
| 1998 | 173,025 | 1,787,750,810 | 9,990,000 | 886,631 | 9,103,369 | 0.51% | 52.61 |
| 1999 | 173,025 | 1,887,017,183 | 33,075,000 | 2,555,599 | 30,519,401 | 1.62% | 176.39 |
| 2000 | 179,669 | 2,001,989,746 | 37,322,290 | 1,823,946 | 35,498,344 | 1.77% | 197.58 |
| 2001 | 179,669 | 2,123,681,806 | 36,527,290 | 919,552 | 35,607,738 | 1.68% | 198.19 |
| 2002 | 179,669 | 2,223,911,599 | 35,657,290 | 948,791 | 34,708,499 | 1.56% | 193.18 |
| 2003 | 179,669 | 2,331,253,331 | 54,642,290 | 2,046,065 | 52,596,225 | 2.26% | 292.74 |
| 2004 | 179,669 | 2,463,518,814 | 53,581,902 | 2,437,694 | 51,144,208 | 2.08% | 284.66 |

^A Population for 1995-1999 is per the 1990 U.S. Census. Population for 2000-2004 is per the 2000 U.S. Census.

^B Assessed value is reported for the year in which related taxes are received by the County. The equalized assessed value is after multipliers and deductions have been applied, i.e. the value on which the tax bills are computed.

^C Gross bonded debt includes long-term portion of general obligation bond principal outstanding at year end.

^D Amount available for repayment of general obligation bonds includes the fund balances in the Debt Service Funds and the reserved fund balance in the Public Safety Sales Tax Fund.

County of Champaign, Illinois
Computation of Direct and Overlapping Debt
November 30, 2004

Table X

| Taxing Districts With Outstanding Debt | ^A Net Debt Outstanding | City of Champaign | | City of Urbana | | Ayers Township | |
|---|---|-------------------------|---------------------|-------------------------|---------------------|-------------------------|------------------|
| | | ^B Percent | Amount | ^B Percent | Amount | ^B Percent | Amount |
| Direct: | | | | | | | |
| Champaign County | <u>\$51,144,208</u> | 39.54% | <u>\$20,222,420</u> | 15.53% | <u>\$7,942,696</u> | 0.33% | <u>\$168,776</u> |
| Overlapping: | | | | | | | |
| City of Champaign | 17,646,124 | 100.00% | 17,646,124 | -- | -- | -- | -- |
| Champaign School District 4 | 21,127,883 | 73.85% | 15,602,942 | -- | -- | -- | -- |
| Champaign Park District | 483,823 | 99.89% | 483,291 | -- | -- | -- | -- |
| Urbana School District 116 | 30,741,156 | -- | -- | 81.87% | 25,167,784 | -- | -- |
| Urbana Park District | 1,155,411 | -- | -- | 97.66% | 1,128,374 | -- | -- |
| Heritage School District 8 | 1,675,457 | -- | -- | -- | -- | 14.66% | 245,622 |
| Total Overlapping Debt | <u>\$72,829,854</u> | | <u>\$33,732,357</u> | | <u>\$26,296,158</u> | | <u>\$245,622</u> |
| Total Direct and Overlapping Debt | <u>\$123,974,062</u> | | <u>\$53,954,777</u> | | <u>\$34,238,854</u> | | <u>\$414,398</u> |

NOTE: There are 187 taxing districts within Champaign County, many of which have outstanding debt. Due to this large number, three jurisdictions have been chosen to demonstrate instances of overlapping debt in the County. The first two jurisdictions are urban areas, while the third is a rural area.

^A Net debt outstanding is equal to general obligation bonds outstanding (principal only) less the fund balance in the related debt service funds. It excludes revenue bonds, special assessment bonds, and debts of one year or less. Figures for each taxing district are from their fiscal year 2004 financial reports, even though they have different year ends than the County's.

^B The percent applied is the portion of the total assessed valuation of the taxing district base which lies within Champaign, Urbana or Ayers Township.

County of Champaign, Illinois
Property Tax Rates - Direct and Overlapping Governments
(per \$100 of Assessed Value)
Last Ten Fiscal Years

Table XI

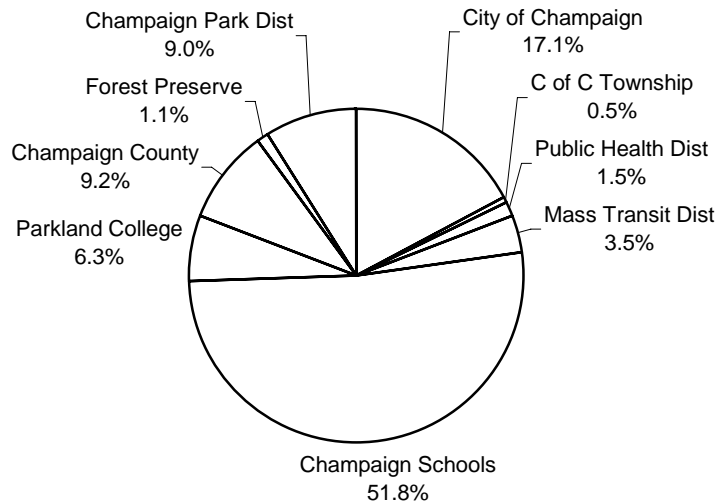
| | ^A <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> | <u>1996</u> | <u>1995</u> |
|----------------------------|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <u>CITY OF CHAMPAIGN</u> | | | | | | | | | | |
| Champaign County | .7048 | .7117 | .6200 | .6201 | .6425 | .6768 | .6904 | .6773 | .6835 | .6105 |
| CC Forest Preserve | .0840 | .0850 | .0859 | .0855 | .0885 | .0922 | .0959 | .0977 | .0982 | .1055 |
| Parkland College No. 505 | .4838 | .4652 | .4556 | .4469 | .4659 | .4692 | .4602 | .4622 | .4777 | .4942 |
| C-U Public Health District | .1135 | .1152 | .1172 | .1170 | .1206 | .1300 | .1438 | .1596 | .1594 | .1607 |
| U & C Sanitary District | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Mass Transit District | .2695 | .2728 | .2772 | .2764 | .2813 | .2839 | .2854 | .2868 | .2167 | .1877 |
| Unit 4 School District | 3.9645 | 4.0214 | 4.1098 | 4.1330 | 4.2437 | 4.3037 | 4.3653 | 4.4097 | 4.2804 | 4.2708 |
| Champaign Corp. | 1.3120 | 1.3120 | 1.3030 | 1.2879 | 1.3120 | 1.3120 | 1.2748 | 1.3013 | 1.2837 | 1.3130 |
| Champaign Park District | .6843 | .6754 | .6627 | .6395 | .6263 | .6349 | .6419 | .6540 | .6136 | .5951 |
| City of Champaign Township | <u>.0387</u> | <u>.0397</u> | <u>.0243</u> | <u>.0400</u> | <u>.0470</u> | <u>.0552</u> | <u>.0665</u> | <u>.0689</u> | <u>.0694</u> | <u>.0704</u> |
| TOTAL | <u>7.6551</u> | <u>7.6984</u> | <u>7.6557</u> | <u>7.6463</u> | <u>7.8278</u> | <u>7.9579</u> | <u>8.0242</u> | <u>8.1175</u> | <u>7.8826</u> | <u>7.8079</u> |
| <u>CITY OF URBANA</u> | | | | | | | | | | |
| Champaign County | .7048 | .7117 | .6200 | .6201 | .6425 | .6768 | .6904 | .6773 | .6835 | .6105 |
| CC Forest Preserve | .0840 | .0850 | .0859 | .0855 | .0885 | .0922 | .0959 | .0977 | .0982 | .1055 |
| Parkland College No. 505 | .4838 | .4652 | .4556 | .4469 | .4659 | .4692 | .4602 | .4622 | .4777 | .4942 |
| C-U Public Health District | .1135 | .1152 | .1172 | .1170 | .1206 | .1300 | .1438 | .1596 | .1594 | .1607 |
| U & C Sanitary District | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Mass Transit District | .2695 | .2728 | .2772 | .2764 | .2813 | .2839 | .2854 | .2868 | .2167 | .1877 |
| Unit 116 School District | 4.5961 | 4.6701 | 4.7448 | 4.7245 | 4.7839 | 4.8976 | 4.8978 | 5.0026 | 4.8022 | 4.8064 |
| Urbana Corp. | 1.3120 | 1.3178 | 1.3314 | 1.3725 | 1.3905 | 1.4656 | 1.4832 | 1.4159 | 1.4853 | 1.5412 |
| Urbana Park District | .7534 | .7767 | .7939 | .7960 | .8122 | .8456 | .8687 | .8957 | .8193 | .7712 |
| Cunningham Township | <u>.2017</u> | <u>.2048</u> | <u>.2051</u> | <u>.1547</u> | <u>.2265</u> | <u>.2372</u> | <u>.2464</u> | <u>.2490</u> | <u>.2457</u> | <u>.2475</u> |
| TOTAL | <u>8.5188</u> | <u>8.6193</u> | <u>8.6311</u> | <u>8.5936</u> | <u>8.8119</u> | <u>9.0981</u> | <u>9.1718</u> | <u>9.2468</u> | <u>8.9880</u> | <u>8.9249</u> |
| <u>AYERS TOWNSHIP</u> | | | | | | | | | | |
| Champaign County | .7048 | .7117 | .6200 | .6201 | .6425 | .6768 | .6904 | .6773 | .6835 | .6105 |
| CC Forest Preserve | .0840 | .0850 | .0859 | .0855 | .0885 | .0922 | .0959 | .0977 | .0982 | .1055 |
| Parkland College No. 505 | .4838 | .4652 | .4556 | .4469 | .4659 | .4692 | .4602 | .4622 | .4777 | .4942 |
| Unit 8 School District | 4.9082 | 4.5696 | 4.4216 | 4.0896 | 4.2802 | 4.2737 | 4.3054 | 3.9526 | 3.7459 | 3.6935 |
| Broadlands Fire Protection | .3500 | .3491 | .3500 | .3389 | .2803 | .2897 | .3000 | .1869 | .1772 | .1749 |
| Sidell Ambulance | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Ayers Township | .3698 | .3493 | .3277 | .3020 | .3104 | .3286 | .3537 | .3545 | .3506 | .3413 |
| Township Roads & Bridges | .5961 | .5909 | .5630 | .5189 | .5333 | .5681 | .5996 | .6132 | .6132 | .6102 |
| Township Permanent Roads | .1670 | .1663 | .1560 | .1438 | .1478 | .1551 | .1670 | .1670 | .1670 | .1670 |
| Multi-Township Assessor | <u>.0470</u> | <u>.0449</u> | <u>.0423</u> | <u>.0396</u> | <u>.0403</u> | <u>.0423</u> | <u>.0453</u> | <u>.0455</u> | <u>.0466</u> | <u>.0456</u> |
| TOTAL | <u>7.7107</u> | <u>7.3320</u> | <u>7.0221</u> | <u>6.5853</u> | <u>6.7892</u> | <u>6.8957</u> | <u>7.0175</u> | <u>6.5569</u> | <u>6.3599</u> | <u>6.2427</u> |

NOTE: There are 187 taxing districts within Champaign County. Each has its own unique boundaries which cross boundaries of other units offering different services. For this reason, three units have been chosen to demonstrate overlapping tax rates in Champaign County. The first two are urban areas, while the third is a rural area.

^A Tax rates are reported for the fiscal year in which the related taxes are collected.

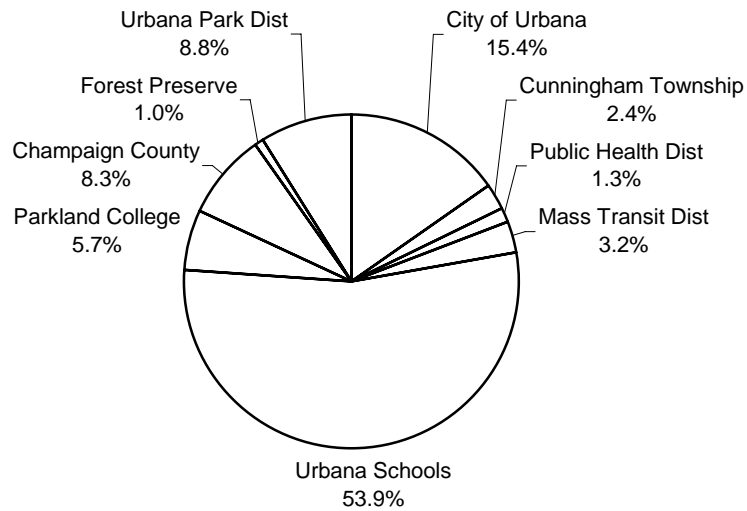
PROPERTY TAXES IN CHAMPAIGN

For Taxes Payable in 2004



PROPERTY TAXES IN URBANA

For Taxes Payable in 2004



County of Champaign, Illinois
Taxing Districts
November 30, 2004

Table XII

| | | | | | | |
|---|------------------------------|-------------------|----------------------------|-----------------------|----------------------------------|---------------------------------|
| <u>School Districts</u> | <u>Cities & Villages</u> | <u>Townships</u> | <u>Roads & Bridges</u> | <u>Permanent Road</u> | <u>Fire Districts</u> | <u>Multi-Township Assessors</u> |
| ----Grade Schools---- | Allerton | Ayers | Ayers | Ayers | Allerton | Ayers-Raymond-South Homer |
| 61V Armstrong-Ellis | Bondville | Brown | Brown | Brown | Broadlands-Longview | Colfax-Sadorus |
| 130 Thomasboro | Broadlands | Champaign | Champaign | Champaign | Carroll | Compromise-Harwood-Kerr |
| 137 Rantoul | Champaign | City of Champaign | Colfax | Colfax | Cherry Hills | Condit-East Bend-Hensley- |
| 142 Ludlow | Fisher | Colfax | Compromise | Compromise | Corn Belt | Newcomb |
| 169 St. Joseph | Foosland | Compromise | Condit | Condit | Eastern Prairie | Crittenden-Pesotum |
| 188 Gifford | Gifford | Condit | Crittenden | Crittenden | Edge Scott | Ludlow-Rantoul |
| 192 Prairieview | Homer | Crittenden | East Bend | East Bend | Gifford | Ogden-Stanton |
| 212 Ogden | Ivesdale | Cunningham | Harwood | Harwood | Homer | |
| ----Unit Schools---- | Longview | East Bend | Hensley | Hensley | Ivesdale | |
| 1C Fisher | Ludlow | Harwood | Kerr | Kerr | Lincolnshire | <u>Library Districts</u> |
| 3 Mahomet-Seymour | Mahomet | Hensley | Ludlow | Ludlow | Ludlow | Bement Library |
| 4 Champaign | Ogden | Kerr | Mahomet | Mahomet | North Piatt | Camargo Library |
| 5F Gibson City-Melvin-Sibley | Pesotum | Ludlow | Newcomb | Newcomb | Ogden-Royal | Mahomet Library |
| 5P Bement | Philo | Mahomet | Ogden | Ogden | Pesotum | Moyer District Library |
| 7 Tolono | Rantoul | Newcomb | Pesotum | Pesotum | Philo | Philo Library |
| 8 Heritage | Royal | Ogden | Philo | Philo | Rolling Acres | Tolono Library |
| 10F Paxton-Buckley-Loda | Sadorus | Pesotum | Rantoul | Rantoul | Sadorus | |
| 25P Monticello | St. Joseph | Philo | Raymond | Raymond | Sangamon Valley | |
| 39P Atwood-Hammond | Savoy | Rantoul | Sadorus | Sadorus | Scott | <u>Park Districts</u> |
| 76V Oakwood | Sidney | Raymond | Scott | Scott | Sidney | Champaign Park |
| 116 Urbana | Thomasboro | Sadorus | Sidney | Sidney | St. Joseph-Stanton | Rantoul Park |
| 301D Tuscola | Tolono | Scott | Somer | Somer | Thomasboro | Tolono Park |
| 302D Villa Grove | Urbana | Sidney | South Homer | South Homer | Tolono | Urbana Park |
| ----High Schools---- | | Somer | Stanton | Stanton | Windsor Park | |
| 193 Rantoul Twp. | | South Homer | St. Joseph | St. Joseph | | <u>Cemetery Districts</u> |
| 225 Armstrong Twp. | | Stanton | Tolono | Tolono | | Rantoul-Ludlow Cemetery |
| 305 St. Joseph-Ogden | | St. Joseph | Urbana | Urbana | | Sidney Cemetery |
| ----Community Colleges---- | | Tolono | | | | |
| 505 Parkland | | Urbana | | | | |
| 507 Danville Area | | | | | | |
| <u>Summary of Taxing Districts by Type</u> | | | | | | |
| School Districts | | | | 27 | <u>Miscellaneous</u> | |
| Cities & Villages | | | | 24 | Champaign County | |
| Townships | | | | 30 | Champaign County Forest Preserve | |
| Roads & Bridges | | | | 28 | Champaign-Urbana Mass Transit | |
| Permanent Roads | | | | 28 | Champaign-Urbana Public Health | |
| Fire Districts | | | | 25 | St. Joseph Sanitary | |
| Multi-Township Assessors | | | | 7 | Urbana & Champaign Sanitary | |
| Library Districts | | | | 6 | | |
| Park Districts | | | | 4 | | |
| Cemetery Districts | | | | 2 | | |
| Miscellaneous | | | | 6 | | |
| Total Taxing Districts | | | | 187 | | |
| <u>Drainage Districts in Champaign County</u> | | | | | | |
| Drainage Districts | 56 | | | | | |
| Drainage Subdistricts | 137 | | | | | |
| Total Drainage Districts | 193 | | | | | |

Table XIII

County of Champaign, Illinois
Principal Taxpayers
November 30, 2004

| Taxpayer | Equalized Assessed Valuation | Percentage of Total Assessed Valuation |
|--|------------------------------------|---|
| 1. Campus Property Management (Housing Rental Properties) | \$29,066,890 | 1.18% |
| 2. Carle Foundation (Hospital / Clinic / Nursing Home) | 23,486,140 | 0.95% |
| 3. Champaign Market Place LLC (Market Place Mall) | 20,050,880 | 0.81% |
| 4. Provena Covenant (Hospital / Clinic) | 15,121,330 | 0.61% |
| 5. Royse & Brinkmeyer Apartments (Housing / Rental Properties) | 10,968,200 | 0.45% |
| 6. Bankier Family (Residential and Commercial Rental Properties) | 9,024,700 | 0.37% |
| 7. Shapland Realty LLC (Residential and Commercial Rental Properties) | 8,303,270 | 0.34% |
| 8. Walmart Stores (Discount Department / Grocery Stores) | 7,723,570 | 0.31% |
| 9. Clinton C. Atkins (Residential and Commercial Developer) | 7,135,050 | 0.29% |
| 10. Par 3 Development LLC (Commercial Developer) | 6,790,130 | 0.28% |
| | <u>137,670,160</u> | <u>5.59%</u> |
| Total County Assessed Valuation | <u>2,463,518,814</u> | <u>100.00%</u> |

Note: Equalized assessed valuation is assessed in 2003 for taxes payable in 2004. It is reported at the amount on which the tax bills are computed, which is after multipliers have been applied and exemptions have been deducted.

County of Champaign, Illinois
Salaries and Surety Bonds of Principal Officials
November 30, 2004

| <u>OFFICIAL</u> | <u>ANNUAL SALARY</u> | | <u>SURETY BOND</u> |
|--|--------------------------|---|------------------------|
| Auditor, Michael Frerichs | \$50,938 | | \$15,000 |
| Circuit Clerk, Linda Frank | 59,560 | A | 500,000 |
| Coroner, Roger Swaney | 57,438 | A | 5,000 |
| County Board Chairman, Patricia Avery | 25,750 | | |
| County Clerk, Mark Shelden | 68,300 | A | 25,000 |
| Recorder, Barbara Frasca | 57,438 | A | 20,000 |
| Sheriff, Daniel Walsh | 83,750 | A | 10,000 |
| Public Safety Director, Daniel Walsh | 4,000 | | |
| State's Attorney, John Piland | 141,569 | | 10,000 |
| Treasurer, Daniel Welch | 68,300 | A | 500,000 |
| Collector, Daniel Welch | N/A | | 500,000 |
| Animal Control Administrator, Marc Klarman | 2,000 | | |
| Board of Review Chairman, Stanley Jenkins | 29,983 | | |
| Child Advocacy Center Director, Michael Williams | 42,178 | | |
| County Administrator, Debra Busey | 83,557 | | |
| County Administrator, Dennis Inman | 83,557 | | |
| County Highway Engineer, Jeffrey Blue | 97,000 | | |
| Court Services Director, Joseph Gordon | 74,685 | | |
| ESDA Coordinator, William Keller | 45,610 | | |
| Mental Health Board Director, Peter Tracy | 91,318 | | |
| Nursing Home Administrator, Jeremy Maupin | 87,401 | | |
| Public Defender, Randall Rosenbaum | 82,708 | | |
| Regional Planning Comm. Director, John Dimit | 94,900 | | |
| Supervisor of Assessments, Curtis Deedrich | 58,672 | A | 5,000 |
| Circuit Judge, Arnold Blockman | 149,638 | B | |
| Circuit Judge, Harold Clem | 149,638 | B | |
| Circuit Judge, Thomas Difanis | 149,638 | B | |
| Circuit Judge, Michael Q. Jones | 149,638 | B | |
| Circuit Judge, Heidi Ladd | 149,638 | B | |
| Circuit Judge, Vacant | 149,638 | B | |
| Associate Circuit Judge, Holly Clemons | 139,446 | B | |
| Associate Circuit Judge, Jeffrey Ford | 139,446 | B | |
| Associate Circuit Judge, John Kennedy | 139,446 | B | |
| Associate Circuit Judge, Chase Leonhard | 139,446 | B | |
| Associate Circuit Judge, Brian McPheters | 139,446 | B | |

^A Includes stipends paid by the State of Illinois: \$6,500 for the Circuit Clerk, \$6,500 for the Coroner, \$6,500 for the County Clerk, \$6,500 for the Recorder, \$6,500 for the Sheriff, \$6,500 for the Treasurer and \$3,000 for the Supervisor of Assessments. S of A stipend paid to preceding Supervisor before her retirement on April 30, 2004.

^B Judges' salaries are paid by the State of Illinois.

County of Champaign, Illinois
Insurance in Force
November 30, 2004

Table XV
Page 1 of 3

| Type of Insurance and Name of Company | Policy Period | Annual Premium | Details of Coverage |
|--|---------------------|-------------------|--|
| <u>Liability/Auto Self-Insurance Program</u> | | | |
| Self-Funded Liability/Auto Claims Paid | 12/01/03 - 12/01/04 | \$280,840 | Actual claims paid out during FY2004 net of insurance reimbursements. |
| Self-Funded Exposures: | | | |
| Stop-Loss Insurance: | | | |
| General Liability | 12/01/03 - 12/01/04 | \$126,540 | Insurance coverage for claims above \$250,000 retention per claim. |
| Auto | | | |
| Umbrella (excess layer) | | | |
| (IL Counties Risk Mgmt. Trust) | | | |
| Police Professional | 12/01/03 - 12/01/04 | \$75,051 | Insurance coverage for claims above \$250,000 retention per claim. |
| Public Officials | | | |
| (IL Counties Risk Mgmt. Trust) | | | |
| Insured Exposures: | | | |
| Commercial Package including: | 12/01/03 - 12/01/04 | \$122,327 | |
| Property Damage | | | \$1,000 deductible. Buildings & contents. |
| Contractor's Equipment | | | \$1,000 deductible. |
| Electronic Data Processing | | | \$1,000 deductible. Equipment, data & media. |
| Valuable Papers | | | \$1,000 deductible. |
| Flood & Earthquake Damage | | | \$25,000 deductible. |
| Crime/Forgery Protection | | | \$5,000 deductible. Theft, disappearance, |
| (Selective Insurance Co) | | | or destruction of money & securities. |
| Boiler and Machinery | 12/01/03 - 12/01/04 | \$2,143 | \$1,000 deductible. |
| (Cincinnati Insurance Co.) | | | |
| Builders Risk | 5/01/04 - 5/01/05 | \$18,000 | \$10,000 deductible on construction liability. |
| Nursing Home Construction | | | |
| (Selective Insurance Co) | | | |

County of Champaign, Illinois
Insurance in Force
November 30, 2004

Table XV

Page 2 of 3

| Type of Insurance and Name of Company | Policy Period | Annual Premium | Details of Coverage |
|--|---|-------------------|--|
| Insured Exposures (continued): | | | |
| Nursing Home Property, Liability, Medical Professional and Surety Bond (Cincinnati Insurance Company, IL Counties Risk Mgmt. Trust and Addison Insurance Company) | 12/01/03 - 12/01/04 | \$225,069 | \$1,000 property deductible. \$250,000 liability deductible. \$250,000 medical professional deductible. |
| <u>Public Official Bonds</u> | | | |
| Auditor, Circuit Clerk, Collector, Coroner, County Clerk, Recorder, Sheriff, State's Attorney, Treasurer, Supervisor of Assessments (Western Surety and Cincinnati Insurance Companies) | coincides with 4-yr. terms in office | \$4,601 | Bonds specifically required by state statute. No deductible. |
| <u>Workers' Compensation Self-Insurance Program</u> | | | |
| Self-Funded Workers' Comp. Claims Paid (Citizen Management, Inc.) | 3/01/03 - 11/30/05 | \$512,790 | Actual claims paid during FY 2004 net of insurance reimbursements. |
| Self-Funded Claims Administration (Citizen Management, Inc.) | 3/01/03 - 11/30/05 | \$36,203 | 2004 claims administration contract. |
| Self-Funded Stop-Loss Insurance (Citizen's Insurance Co. of America) | 3/01/03 - 11/30/05 | \$36,523 | Insurance coverage for claims above \$300,000 retention per claim. |
| <u>Unemployment Insurance</u> | | | |
| Illinois Director of Employment Security | 1/01/04 - 12/31/04 | \$258,400 | Actual employer taxes paid during FY2004. 2.8% of first \$9,800 per employee. \$274.40 per employee maximum. |

County of Champaign, Illinois
Insurance in Force
November 30, 2004

Table XV

Page 3 of 3

| Type of Insurance and Name of Company | Policy Period | Annual Premium | Details of Coverage |
|---|---------------------|---|---|
| <u>Employee Health Insurance</u> | | | |
| Health Alliance Medical Plans - 80/20 Plan | 12/01/03 - 11/30/04 | \$923,537 \$322/mo./employee \$592/mo./family | * County pays \$322/month. \$20 co-pay per office visit. 20% co-pay for most other services, including hospitalization. \$10/\$20/\$40 co-pay per prescription (generic/preferred/non-preferred). |
| Health Alliance Medical Plans - 90/10 Plan | 12/01/03 - 11/30/04 | \$1,326,513 \$339/mo./employee \$623/mo./family | * County pays \$322/month. 10% co-pay per office visit. 10% co-pay for most other services, including hospitalization. \$10/\$20/\$40 co-pay per prescription (generic/preferred/non-preferred). |
| Personal Care Insurance of Illinois - 80/20 Plan | 12/01/03 - 11/30/04 | \$401,775 \$323/mo./employee \$625/mo./family | * County pays \$323/month. \$20 co-pay per office visit. 20% co-pay for most other services, including hospitalization. \$10/\$20/\$50 co-pay per prescription (generic/preferred/non-preferred). |
| Personal Care Insurance of Illinois - 90/10 Plan | 12/01/03 - 11/30/04 | \$741,472 \$337/mo./employee \$652/mo./family | * County pays \$323/month. \$20 co-pay per office visit. 10% co-pay for most other services, including hospitalization. \$10/\$20/\$50 co-pay per prescription (generic/preferred/non-preferred). |
| <u>Employee Life Insurance and AD&D</u> | | | |
| American United Life Insurance | 12/01/03 - 11/30/04 | \$28,786 \$3.40/mo./employee | County pays entire cost. \$20,000 term life and \$20,000 AD & D for under age 65. Sliding insurance benefits after age 65. |

* Employer contribution rate may vary for union employees. Non-bargaining unit & most AFSCME employees are at rates shown. Retirees and COBRA eligible employees pay entire cost of coverage.

** Champaign County also offers employees various optional life, accident/disability, cancer, hospitalization and dental insurance plans. All are at the employee's expense. Employees may have pre-tax payroll deductions for these optional plans under IRS Section 125 provisions.

Table XVI

County of Champaign, Illinois
Property Value, Construction and Bank Deposits
Last Ten Fiscal Years

| | (A) -----Property Value----- | | | (B) -----Construction----- | | | | (C) |
|------|---------------------------------|-----------------|-----------------|-------------------------------|--------------|----------------------|--------------|-----------------|
| | | | | -----Residential----- | | -----Commercial----- | | Bank |
| Year | Residential | Commercial | Total | Units | Value | Units | Value | Deposits |
| 1995 | \$3,067,349,940 | \$2,309,292,357 | \$5,376,642,297 | 533 | \$65,614,000 | 379 | \$52,653,000 | \$1,556,106,000 |
| 1996 | 3,264,606,840 | 2,398,540,374 | 5,663,147,214 | 499 | 68,372,000 | (B) | (B) | 2,094,419,000 |
| 1997 | 3,462,184,650 | 2,495,820,591 | 5,958,005,241 | 576 | 99,582,000 | (B) | (B) | 2,165,814,000 |
| 1998 | 3,668,627,100 | 2,623,084,722 | 6,291,711,822 | 562 | 86,770,000 | (B) | (B) | 2,254,367,000 |
| 1999 | 3,886,484,850 | 2,793,944,280 | 6,680,429,130 | 590 | 97,651,000 | 126 | 42,188,108 | 2,351,178,000 |
| 2000 | 4,108,694,580 | 2,994,515,685 | 7,103,210,265 | 625 | 105,872,616 | 106 | 41,593,519 | 2,485,904,000 |
| 2001 | 4,370,644,200 | 3,067,595,883 | 7,438,240,083 | 598 | 97,984,468 | 89 | 17,403,788 | 2,673,214,000 |
| 2002 | 4,661,699,370 | 3,132,317,655 | 7,794,017,025 | 896 | 157,755,455 | 81 | 53,666,784 | 2,875,781,000 |
| 2003 | 5,016,861,090 | 3,248,457,828 | 8,265,318,918 | 868 | 160,307,469 | 116 | 69,646,097 | 3,154,184,000 |
| 2004 | 5,487,185,130 | 3,404,422,602 | 8,891,607,732 | 937 | 157,679,795 | 78 | 65,912,610 | 3,165,133,000 |

(A) Estimated property values are per County assessment records. Figures are reported for the year in which the property was assessed (revenue year). No records are kept on non-taxable property.

(B) Construction statistics are per the U.S. Bureau of the Census for Champaign County. Values given are estimated construction costs. As of 1996, commercial construction figures are no longer available from the Bureau of the Census. Beginning with 1999, commercial construction figures are per annual surveys of local permit-issuing municipalities.

(C) Bank deposit figures include banks and savings & loans. Through 1995, savings & loan figures were per the Federal Home Loan Bank, and bank figures were per Sheshunoff's The Banks of Illinois. Starting with 1996, figures for both banks and savings & loans are per the FDIC.

County of Champaign, Illinois
Demographic Statistics
Last Ten Fiscal Years

Table XVII

| Year | ^A Estimated Population | ^A Per Capita Income | ^B Labor Force | ^B Unemployment Rate | ^C Registered Voters | ^C Voter Turnout | ^D School Enrollment |
|------|---|--------------------------------------|--------------------------------|--------------------------------------|--------------------------------------|----------------------------------|--------------------------------------|
| 1995 | 169,096 | \$20,376 | 91,604 | 2.9% | | | 23,853 |
| 1996 | 167,392 | 21,312 | 93,310 | 3.1% | 116,165 | 58.6% | 24,346 |
| 1997 | 168,597 | 21,962 | 93,082 | 2.9% | | | 24,151 |
| 1998 | 169,835 | 23,753 | 93,134 | 3.0% | 127,069 | 39.4% | 24,158 |
| 1999 | 170,272 | 25,233 | 98,270 | 2.5% | | | 24,023 |
| 2000 | 179,669 | 25,331 | 99,387 | 2.4% | 120,767 | 62.6% | 23,941 |
| 2001 | 181,388 | 26,808 | 99,009 | 2.8% | | | 23,851 |
| 2002 | 184,337 | 26,499 | 100,301 | 3.2% | 99,225 | 54.7% | 23,937 |
| 2003 | 183,910 | 26,688 | 100,196 | 3.3% | | | 23,613 |
| 2004 | 184,369 | | 97,211 | 4.6% | 122,739 | 68.6% | 23,882 |

^A Population estimates and per capita income are per the U.S. Bureau of the Census and the U.S. Dept. of Commerce - Bureau of Economic Analysis. Figures for the most current year(s) are unavailable.

^B Labor force and unemployment figures are per the Illinois Dept. of Employment Security. The figures are annual averages accumulated by place of residence.

^C Voter statistics are per the County Clerk and are shown for general election years only.

^D School enrollment statistics are per the Regional Office of Education for Champaign and Ford Counties. The figures include elementary and secondary public schools in Champaign County.

Table XVIII

County of Champaign, Illinois
Non-agricultural Employment Statistics
Last Ten Fiscal Years

| Year | Manufacturing | Construction | Transportation & Utilities | Wholesale & Retail Trade | Leisure & Hospitality | Health Care & Social Assistance | Other Services | Government | Total Number of Jobs |
|------|---------------|--------------|-------------------------------|--------------------------------|--------------------------|---------------------------------------|-------------------|------------|----------------------------|
| 1995 | 11,550 | 3,000 | 2,575 | 20,825 | N/A | N/A | 22,700 | 33,250 | 93,900 |
| 1996 | 11,950 | 3,150 | 2,450 | 21,450 | N/A | N/A | 23,500 | 34,125 | 96,625 |
| 1997 | 11,850 | 3,175 | 2,650 | 21,275 | N/A | N/A | 24,650 | 33,375 | 96,975 |
| 1998 | 11,575 | 3,250 | 2,700 | 21,325 | N/A | N/A | 25,275 | 33,625 | 97,750 |
| 1999 | 12,000 | 3,800 | 3,400 | 21,800 | N/A | N/A | 26,100 | 34,300 | 101,400 |
| 2000 | 12,900 | 3,800 | 3,600 | 22,300 | N/A | N/A | 27,000 | 34,600 | 104,200 |
| 2001 | 12,400 | 3,800 | 4,000 | 22,200 | N/A | N/A | 27,300 | 35,500 | 105,200 |
| 2002 | 9,800 | 3,900 | 3,300 | 13,700 | 9,900 | 10,800 | 17,300 | 36,200 | 104,900 |
| 2003 | 10,300 | 3,900 | 3,100 | 13,700 | 10,400 | 10,800 | 16,000 | 36,100 | 104,300 |
| 2004 | 10,100 | 3,700 | 3,100 | 13,400 | 10,100 | 10,900 | 16,400 | 35,300 | 103,000 |

Note: Statistics are per the Illinois Dept. of Employment Security for the Champaign-Urbana metropolitan statistical area, which approximates Champaign County. The figures are annual averages of number of jobs and are accumulated by place of work. In 2002, the Illinois Dept. of Employment Security adopted the North American Industry Classification System (NAICA), resulting in the reclassification of some jobs and the creation of some new job categories. "Finance, Insurance & Real Estate" is now included in "Other Services," while "Leisure & Hospitality" has been split out from "Wholesale & Retail Trade," and "Health Care & Social Assistance" has been split out from "Services."