

**CITY OF CHAMPAIGN, ILLINOIS**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009**

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**CITY OF CHAMPAIGN, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2009**

Prepared by the  
Finance Department

Richard Schnuer, Finance Director

**CITY OF CHAMPAIGN, ILLINOIS**

**TABLE OF CONTENTS**

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	<b>PAGE</b>
<b><u>INTRODUCTORY SECTION</u></b>	
Principal Officials .....	i
Organizational Chart.....	ii
Certificate of Achievement for Excellence in Financial Reporting .....	iii
Transmittal Letter.....	iv - x
<b><u>FINANCIAL SECTION</u></b>	
<b>INDEPENDENT AUDITORS' REPORT.....</b>	<b>1 - 2</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS .....</b>	<b>MD&amp;A 1 - 15</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements	
Statement of Net Assets .....	3 - 4
Statement of Activities.....	5 - 6
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	7 - 8
Reconciliation of Total Governmental Fund Balances to the	
Statement of Net Assets – Governmental Activities.....	9
Statement of Revenues, Expenditures and Changes in	
Fund Balances – Governmental Funds .....	10 - 11
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances to the Statement of Activities – Governmental Activities.....	12
Statement of Net Assets – Proprietary Funds .....	13 - 14
Statement of Revenues, Expenses and Changes in	
Net Assets – Proprietary Funds.....	15
Statement of Cash Flows – Proprietary Funds.....	16
Statement of Net Assets – Fiduciary Funds .....	17
Statement of Changes in Net Assets – Fiduciary Funds .....	18
Notes to the Financial Statements.....	19 - 62

**CITY OF CHAMPAIGN, ILLINOIS**

**TABLE OF CONTENTS**

**PAGE**

**FINANCIAL SECTION – Continued**

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Funding Progress – Illinois Municipal Retirement Fund..... 63  
Schedule of Funding Progress – Sheriff’s Law Enforcement Personnel ..... 64  
Schedule of Funding Progress – Police Pension Fund..... 65  
Schedule of Funding Progress – Firefighters’ Pension Fund..... 66  
Schedule of Funding Progress – Other Post-Employment Benefit Plan..... 67  
Schedule of Employer Contributions – Illinois Municipal Retirement Fund ..... 68  
Schedule of Employer Contributions – Sheriff’s Law Enforcement Personnel..... 69  
Schedule of Employer Contributions – Police Pension Fund ..... 70  
Schedule of Employer Contributions – Firefighters’ Pension Fund ..... 71  
Schedule of Employer Contributions – Other Post-Employment Benefit Plan ..... 72  
Schedule of Revenues, Expenditures and Changes in Fund Balance –  
    Budget and Actual – General Fund..... 73  
Schedule of Revenues, Expenditures and Changes in Fund Balance –  
    Budget and Actual – Champaign Public Library – Special Revenue Fund ..... 74  
Schedule of Revenues, Expenditures and Changes in Fund Balance –  
    Budget and Actual – Food and Beverage Tax – Special Revenue Fund..... 75  
Schedule of Revenues, Expenditures and Changes in Fund Balance –  
    Budget and Actual – North Campus Area TIF District – Special Revenue Fund..... 76

**OTHER SUPPLEMENTARY INFORMATION**

Schedule of Revenues – Budget and Actual – General Fund ..... 77  
Schedule of Expenditures – Budget and Actual – General Fund..... 78  
Combining Balance Sheet – Nonmajor Governmental Funds ..... 79  
Combining Balance Sheet – Nonmajor Special Revenue Funds .....80 - 81  
Combining Balance Sheet – Nonmajor Capital Projects Funds ..... 82  
Combining Statement of Revenues, Expenditures and Changes in  
    Fund Balances – Nonmajor Governmental Funds ..... 83  
Combining Statement of Revenues, Expenditures and Changes in  
    Fund Balances – Nonmajor Special Revenue Funds .....84 - 85  
Combining Statement of Revenues, Expenditures and Changes in  
    Fund Balances – Nonmajor Capital Projects Funds..... 86  
Schedule of Revenues, Expenditures and Changes in Fund Balance –  
    Budget and Actual – Community Development – Special Revenue Fund ..... 87  
Schedule of Revenues, Expenditures and Changes in Fund Balance –  
    Budget and Actual – Motor Fuel Tax – Special Revenue Fund ..... 88  
Schedule of Revenues, Expenditures and Changes in Fund Balance –  
    Budget and Actual – Urban Renewal – Special Revenue Fund..... 89  
Schedule of Revenues, Expenditures and Changes in Fund Balance –  
    Budget and Actual – Town of the City of Champaign – Special Revenue Fund..... 90

**CITY OF CHAMPAIGN, ILLINOIS**

**TABLE OF CONTENTS**

**PAGE**

**FINANCIAL SECTION – Continued**

**OTHER SUPPLEMENTARY INFORMATION – Continued**

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Downtown TIF – Special Revenue Fund .....	91
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – East University Avenue TIF – Special Revenue Fund .....	92
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Urban Development Action Grant – Special Revenue Fund .....	93
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Foreign Fire Insurance Tax – Special Revenue Fund .....	94
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Narcotics Forfeiture – Special Revenue Fund.....	95
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Debt Service Fund.....	96
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Stormwater Management – Capital Projects Fund.....	97
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Improvements – Capital Projects Fund .....	98
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Vehicle Replacement – Capital Projects Fund.....	99
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Library Improvements – Capital Projects Fund .....	100
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Equipment Replacement – Capital Projects Fund.....	101
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual – Parking – Enterprise Fund.....	102
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual – Sewer – Enterprise Fund .....	103
Combining Statement of Net Assets – Internal Service Funds .....	104
Combining Statement of Revenues, Expenses and Changes in Net Assets – Internal Service Funds.....	105
Combining Statement of Cash Flows – Internal Service Funds .....	106
Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual – Fleet Services – Internal Service Fund.....	107

**CITY OF CHAMPAIGN, ILLINOIS**

**TABLE OF CONTENTS**

**PAGE**

**FINANCIAL SECTION – Continued**

**OTHER SUPPLEMENTARY INFORMATION – Continued**

Schedule of Revenues, Expenses and Changes in Net Assets –  
Budget and Actual – Retained Risk – Internal Service Fund..... 108

Schedule of Revenues, Expenses and Changes in Net Assets –  
Budget and Actual – Workers Compensation – Internal Service Fund ..... 109

Combining Statement of Net Plan Assets – Pension Trust Funds ..... 110

Combining Statement of Changes in Net Plan Assets – Pension Trust Funds ..... 111

Schedule of Changes in Net Plan Assets – Budget and Actual  
Police Pension – Pension Trust Fund..... 112

Schedule of Changes in Net Plan Assets – Budget and Actual  
Firefighters’ Pension – Pension Trust Fund..... 113

**STATISTICAL SECTION (Unaudited)**

Net Assets by Component – Last Six Fiscal Years.....114 - 115

Changes in Net Assets – Last Six Fiscal Years.....116 - 117

Fund Balances of Governmental Funds – Last Ten Fiscal Years .....118 - 119

General Government Revenues by Source – Last Ten Fiscal Years.....120 - 121

General Governmental Expenditures by Function – Last Ten Fiscal Years .....122 - 123

Changes in Fund Balances for Governmental Funds – Last Ten Fiscal Years .....124 - 125

Sales Tax Base and Number of Principal Payers – Taxable Sales by Category –  
Last Ten Calendar Years .....126 - 127

Direct and Overlapping Sales Tax Rates – Last Ten Fiscal Years..... 128

Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years.....129 - 130

Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years .....131 - 132

Principal Property Tax Payers – Current Tax Levy Year and Nine Years Ago ..... 133

Property Tax Levies and Collections – Last Ten Fiscal Years ..... 134

Ratios of Outstanding Debt by Type – Last Ten Fiscal Years .....135 - 136

Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years ..... 137

Schedule of Direct and Overlapping Bonded Debt..... 138

Pledged-Revenue Coverage – Last Ten Fiscal Years ..... 139

Demographic and Economic Statistics – Last Ten Fiscal Years..... 140

Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago ..... 141

Full-Time Equivalent City Government Employees by Function/Program..... 142

Operating Indicators by Function/Program – Last Ten Fiscal Years .....143 - 144

Capital Asset Statistics by Function/Program..... 145

City Awards Received..... 146

## **INTRODUCTORY SECTION**

This section includes miscellaneous data regarding the City of Champaign including:

- Principal Officials
- Organizational Chart
- Certificate of Achievement for Excellence in Financial Reporting
- Letter of Transmittal from the Finance Director and Financial Services Manager

# CITY OF CHAMPAIGN, ILLINOIS

## Principal Officials

June 30, 2009

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### LEGISLATIVE

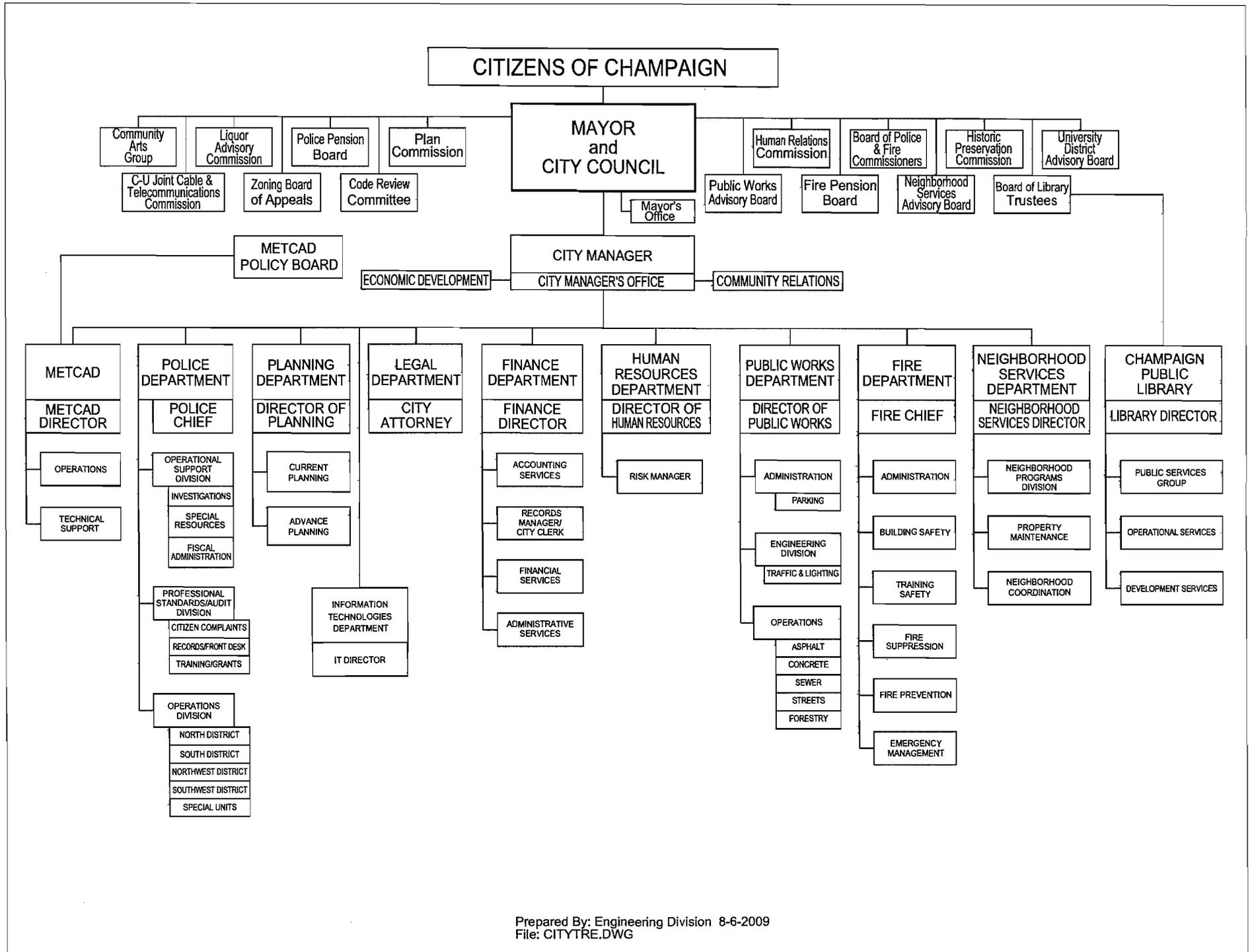
Mayor  
City Council Member at Large  
City Council Member at Large  
City Council Member at Large  
City Council Member District No. 1  
City Council Member District No. 2  
City Council Member District No. 3  
City Council Member District No. 4  
City Council Member District No. 5

Gerald Schweighart  
Thomas Bruno  
Deborah Frank Feinen  
Karen Foster  
Will Kyles  
Michael LaDue  
Kyle Harrison  
Marcie Dodds  
Dave Johnson

### ADMINISTRATIVE

City Manager  
Assistant City Manager  
Deputy City Manager for Development  
Finance Director  
City Attorney  
Director of Public Works  
Planning Director  
Neighborhood Services Director  
Director of Human Resources  
Police Chief  
Fire Chief  
Library Director

Steven Carter  
Dorothy Ann David  
Craig Rost  
Richard Schnuer  
Frederick Stavins  
Dennis Schmidt  
Bruce Knight  
Kevin Jackson  
M. Chris Bezruki  
R.T. Finney  
Douglas Forsman  
Marsha Grove



Prepared By: Engineering Division 8-6-2009  
 File: CITYTRE.DWG

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Champaign  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



November 12, 2009

Honorable Mayor, Council Members,  
City Manager, and Citizens of Champaign  
Champaign, Illinois

The State of Illinois requires each general-purpose local government to issue an annual report on its financial position prepared in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. In compliance with this requirement, we are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Champaign, Illinois, for the fiscal year ended June 30, 2009.

This report is based on management's goal to present a complete financial picture of the operations and financial position of the City of Champaign to its citizens, elected officials, and all others interested in the financial status of the City. Consequently, management accepts full responsibility for the fairness, accuracy, and completeness of the information presented in this report. In refining and monitoring the City's financial systems, consideration is given to adequacy of internal accounting controls. The City of Champaign's system of internal control is supported by written policies and procedures and is periodically reviewed, evaluated, and modified to meet current needs.

Internal accounting controls are designed to provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or dispositions, that transactions are executed in accordance with management's authorization, and that transactions are recorded properly to permit the preparation of financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived, and that estimates and judgments by management are required to assess the expected benefits and costs of internal control procedures. It is management's belief that the City's system of internal accounting controls adequately safeguards assets and provides reasonable assurance of proper recording of transactions.

The City of Champaign's financial statements have been audited by the firm of Lauterbach & Amen, LLP, licensed certified public accountants. The independent audit provides reasonable assurance that the financial statements of the City of Champaign for the fiscal year ended June 30, 2009, are free of material misstatement. This audit involved examining selected records to support amounts and disclosures in the financial statements, assessing the accounting principles applied and significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the City of Champaign's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Champaign was part of a broader, federally-mandated Single Audit designed to meet the special needs of federal grantor agencies. Standards governing Single Audit engagements require that the independent auditor 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, especially as they pertain to the administration of federal awards. These reports are available in the City of Champaign's separately issued Single Audit Report.

GAAP requires 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 City of Champaign's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the City of Champaign**

The City of Champaign is a home-rule municipality, incorporated in 1861 under the laws of the State of Illinois. It is located in east-central Illinois and shares the distinction with its twin city, Urbana, as home to the main campus of the University of Illinois, a major research University. The City of Champaign's current population, based on the 2007 Special Census, is estimated at 75,254. The City's corporate boundaries currently cover approximately 21.5 square miles of land, and the planning area extends about one and a half miles beyond the City limits.

The City of Champaign operates under the Council-Manager form of government, with policy-making and legislative authority vested in a governing council comprised of the Mayor and eight Council Members. The Mayor and Council Members are elected on a non-partisan basis and serve four-year staggered terms. Five of the Council Members are elected by district while the Mayor and the three remaining Council Members are elected at large. The City Council's responsibilities include setting policy, adopting resolutions and ordinances including the budget, appointing committees, and hiring the City Manager. The City Manager and the ten department heads who serve under his supervision are responsible for carrying out the policies and ordinances of the City Council and directing the administrative functions of the City.

The City of Champaign provides a full range of services, including police and fire protection, public works maintenance, improvements and construction of infrastructure, planning and zoning, community and economic development, library services, parking facilities, and general administration. Blended component units include the Champaign Police Pension Trust, the Champaign Firefighter's Pension Trust, and the Town of the City of Champaign. Additional information on these legally separate entities can be found in Note 1 in the notes to the financial statements.

### **Financial Planning**

The annual budget serves as the foundation for the City of Champaign's financial planning and control. All departments of the City of Champaign submit budget requests to the Finance Department in January of each year, which are subsequently reviewed by the Finance Department and City Manager. The City Manager determines the proposed budget and presents it to the City Council by the end of April. The City Council reviews the proposed budget during several open meetings. The Council is required by state law to also hold a public hearing on the proposed budget and to adopt a final budget by the close of the City's fiscal year.

The appropriated budget is prepared by fund, department (e.g., police), activity (e.g., patrol), and classification (e.g., wages). The City Manager is authorized to transfer budget amounts between departments within any fund and between line items of any fund. However, any revisions that decrease the available contingency or increase total expenditures of any fund must be approved by the City Council, with very limited exceptions. City Council approval is also required for any individual purchases over \$17,500. Encumbrances are used to strengthen budgetary control and are required for all purchases over \$5,000. Outstanding encumbrances are shown as a reserve of the fund balance. At year end, open encumbrances lapse and are reappropriated in the next year.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 73 as part of the required supplementary information (RSI). For other major governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report on pages 74 - 76. Comparisons for non-major governmental funds can be found starting on page 87.

### **Local Economy**

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

The City of Champaign has one of the most consistently stable economic environments in the State of Illinois. It is situated within a significant regional transportation network. It has within its boundaries entrances to three major interstate highways providing north-south and east-west access. The region has a varied economic base consisting of service, retail, manufacturing, and high technology industry that results in a comparatively low unemployment rate. Unemployment rates in the region were at 7.5% compared with 6.4% a year ago. The University of Illinois at Urbana-Champaign is ranked among the top ten universities in the nation and dominates the local economy with over 10,500 employees. Champaign County, which includes the City of Champaign, smaller municipalities, and surrounding unincorporated areas, is a regional healthcare center with two hospitals (Carle Foundation Hospital and Provena Covenant Medical Center) and two large clinics (Carle Clinic and Christie Clinic).

Until the past year, the City had experienced considerable growth of retail, service, and entertainment industry in the northern part of the City. The City also had significant residential development prior to the past year. Initially focused primarily in the City's west and southwest, the pace of residential development in the north of the City had also accelerated until the past year. As other communities have experienced, the economic downturn has slowed growth in Champaign. The value of construction for building permits issued in fiscal year 2008/09 was \$112 million compared with \$277 million in fiscal year 2007/08 and \$113 million in fiscal year 1998/99. Sales, income, and utility taxes are three of the four largest revenue sources of the City, and the recession has halted growth in these three revenues. However, significant expenditure reductions have helped keep the City in stable financial condition.

During the past ten years, the City's expenses related to public safety have increased not only in amount, but also as a percentage of total governmental expenditures (36.5 percent in 2009 compared with 21.8 percent in 1999). Much of this increase is due to the growth of the City, requiring additional fire stations, and pension benefits of police officers and firefighters growing at a faster rate than other costs (including pension benefits of employees in other occupations). The level and type of pension benefits are set by the State of Illinois.

Overall, the City's conservative fiscal practices and long-term financial planning have contributed to its continuous sound financial condition.

## **Major Initiatives**

During the current year, staff has continued to implement action plans to meet the City Council's long-term goals, of which economic and community development are a major focus. The City has adopted, or participates in, various economic development programs including public/private partnerships to encourage and manage community economic growth. These include the following:

- Three Tax Increment Financing (TIF) Districts (discussed below).
- A State authorized Enterprise Zone in which the City partners with Champaign County.
- An Industrial Development program that provides funding for infrastructure development for new industrial projects that add significant employment.
- Two Metro Zones, North and South, developed to attract new industry while reducing unproductive competition between the Cities of Champaign and Urbana.
- University of Illinois South Research Park, a high-technology commercial development established by the University of Illinois to provide opportunities for faculty to take their research results to market and employment opportunities for graduates.
- A High Technology Incentive Program for businesses outside the University of Illinois Research Park that provides \$50,000 for infrastructure serving businesses engaged in advanced technologies and \$150,000 for addition of office space serving such businesses.
- An Infill Redevelopment Incentive Program to encourage redevelopment of large commercial sites in older parts of the City.
- The City participates in, and is a major funder of, both the Champaign County Economic Development Corporation and the Champaign County Convention and Visitors Bureau. The City believes that a regional approach best serves the long-term interest of residents of Champaign and those of surrounding areas.

While building and construction has slowed in Champaign, major economic development projects during the reporting period included the following:

- Work continued on M2 on Neil, a mixed-use project in the heart of Champaign's Downtown, assisted by City incentives from the Downtown TIF District. M2 is the largest single downtown development in the City's history. When completed, the nine story M2 development will add fifty residential condominiums, four floors of office space and one floor of retail/restaurant space to the downtown. Some condominiums were sold and occupied during the past fiscal year. Unfortunately, progress on M2 was slowed after a devastating fire destroyed the nearby Metropolitan building. The building was being renovated to include retail space and loft apartments. The fire was so intense that it damaged parts of nearby structures, leading the building adjacent to the Metropolitan to become structurally unsound and later demolished for safety purposes.
- Improvements to the Boneyard Creek are underway, some of which will occur in the East University TIF District as well as the North Campus Area TIF District. An urban park has been constructed, in addition to ongoing stormwater management, while streetscape improvements to University Avenue in the East University TIF District began in 2009. The City believes that these projects will stimulate development within both TIF Districts. In the East University Avenue TIF District, this includes four blocks of urban space to link Downtown and the Campus Area.

- In the North Campus Area TIF District, work progressed on the construction of a 190 unit, 18 story mixed-use development including residences and ancillary commercial uses. Approximately half of the units were occupied by the end of the past fiscal year, with relatively minor work required on the remaining units. This project results from a public/private partnership whereby the City purchased the former Burnham Hospital site, removed existing buildings and environmental hazards, engaged in extensive land planning, and issued a request for development proposals that resulted in selection of the Pickus Companies.
- The University of Illinois Research Park (also part of the South Metro Zone), consists of approximately thirty-five companies employing about 1,500 people. Long-term plans by the University and the developer of the Research Park include the addition of 1.3 million square feet of office and laboratory buildings, a commercial complex, multi-purpose facility, restaurants, and a championship golf course. The City provides an incentive of up to \$750,000 for the creation of new office and lab space in the Research Park, and obtained a grant for infrastructure improvements. Construction of a hotel, restaurant, and conference center in the Research Park was completed during the fiscal year, significantly improving the quality of such facilities available on the University campus. Other completed construction in the Research Park included a day-care facility and a 20,000 square foot office/laboratory building. During the past fiscal year, construction began on "Blue Waters," which is expected to be the world's first sustained-petascale supercomputer for scientific research.
- Campustown, the primary commercial area serving the University of Illinois, saw significant construction. Construction finished on a 24-story, \$34 million privately-owned residential building on Green Street, the major thoroughfare through the campus area. The owners of that building purchased an adjacent parcel and have plans to construct an 8-story residential building there. Both buildings will have commercial uses on their ground floors.
- The Legends subdivision, which includes residences, neighborhood commercial areas, and a nine-hole executive golf course is partially completed. The golf course and clubhouse opened in 2009, and several residences have been constructed.

The City worked on the following major planning efforts during the period:

- The Downtown Parking Plan, which contains a set of focus areas and guiding principles for managing the Downtown parking system, was updated. The update took into account the results from the Turnover and Occupancy study that was conducted in September 2008, as well customer feedback. This update was very timely as the newly constructed Downtown parking deck opened in March, 2009.
- The Planning Department is updating the City's Comprehensive Plan (known as Champaign Tomorrow), which sets policies on future growth and development of the City. As a part of this update, Council approved a Fiscal Impact Analysis Study. The Fiscal Impact study quantifies the costs and revenues of new development, as opposed to a Cost of Services study which examines the fee based services provided by the City. The Champaign Tomorrow plan is expected to be approved by Council in FY09/10.

In addition to those noted above, major capital projects initiated or completed during the reporting period include the following:

- The City completed construction of a six level, 600 space parking facility adjacent to the M2 development. The City undertook this project to accommodate growth in parking needs downtown resulting from M2 and other projects.
- On the northwestern side of the City, the City completed construction on the second phase of an extension of Olympian Drive (a major arterial roadway) west of Mattis Road into the new Clearview Development. The Clearview Development is located at the intersections of Interstates 57 and 74.

### **Debt Administration**

The City of Champaign is a home-rule unit of government, and as such, has no legal limitation on its debt. At year end the City had seven general obligation bonds outstanding, with outstanding principal totaling \$57.5 million. While these obligations are secured by property taxes, the City has paid all debt service expenses with other revenue sources. The City's current general obligation bond rating by Fitch Ratings is AAA while the rating by Moody's Investors Services is Aa1.

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Champaign for its CAFR for the fiscal year ended June 30, 2008. This was the nineteenth consecutive year that the City has received this prestigious award. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR in conformance with GAAP. The report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Management believes that the current CAFR continues to meet the Certificate of Achievement program requirements and is submitting it to GFOA to determine eligibility for another certificate.

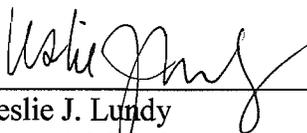
In addition, the City received the GFOA's Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2009. To qualify for the Distinguished Budget Presentation Award, the City's budget document was judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report has been made possible due to contributions from many members of the Finance Department. We would like to express our appreciation to everyone who assisted and contributed to the preparation of this report. Credit must also be given to the City Manager, Mayor, and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Champaign's finances.

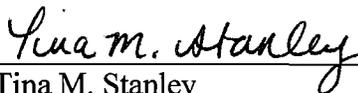
Respectfully submitted,



Richard A. Schnuer  
Finance Director



Leslie J. Lundy  
Financial Services Manager/City Accountant



Tina M. Stanley  
Staff Accountant

## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

## **INDEPENDENT AUDITORS' REPORT**

This section includes the opinion of the City's independent auditing firm.

**INDEPENDENT AUDITORS' REPORT**

November 12, 2009

The Honorable Mayor  
Members of the City Council  
City of Champaign, Illinois

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Champaign, Illinois as of and for the year ended June 30, 2009, which, collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City of Champaign, Illinois' management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Champaign, Illinois as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund schedules, as well as the information listed as supplemental schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Champaign, Illinois. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis and the other required supplementary information listed in the accompanying table of contents are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion thereon.

The introductory and statistical information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

A handwritten signature in black ink that reads "Lauterbach & Amen LLP". The signature is written in a cursive, flowing style.

LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CITY OF CHAMPAIGN, ILLINOIS**  
**Management's Discussion and Analysis**  
**June 30, 2009**

---

Management's Discussion and Analysis provides an overview of the City of Champaign's financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the transmittal letter on pages iv to x and the City's financial statements, which begin on page 3.

**FINANCIAL HIGHLIGHTS**

- At June 30, 2009, the City's total assets exceeded its liabilities by \$417.5 million. In accordance with recent governmental accounting standards, this includes all of the City's infrastructure assets (net of depreciation).
- Most of the City's assets consist of \$360.8 million in capital assets, net of related debt. Restricted net assets of \$34.1 million may be used for the City's ongoing obligations related to programs with external restrictions. The remaining amount of \$22.6 million in unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.
- Revenues of \$103.9 million during the year exceeded expenses of \$95.1 million, increasing the City's total net assets by \$8.8 million. The increase in net assets consists of an \$7.9 million increase in assets of the City's governmental activities and a \$0.9 million increase in assets related to the City's business-type activities.
- At the end of the fiscal year, the City's total balances in its governmental funds were \$51.9 million, a \$3.1 million decrease from the prior year balances of \$55.0 million. The decrease is largely attributable to a net decrease of \$1.8 million in the general fund where expenditures (primarily in public safety) increased without a commensurate increase in revenues. The other major decrease was in the Library capital fund which received a \$2.0 million donation in the previous fiscal year which supported increased Library expenditures incurred in FY08/09.
- Approximately \$47.4 million (or 91%) of the total fund balance in governmental funds is available for spending at the government's discretion (unreserved fund balance). Of that, 37% is in the City's General Fund, 25% is dedicated to special revenue funds (primarily those that support neighborhood and economic development), and 38% is dedicated to capital projects. Of the reserved funds, 94% (\$4.3 million) is reserved for debt service.
- The City had \$58.0 million in long-term debt at the end of the year, almost all of which was bonded general obligation debt. Outstanding debt decreased by \$1.4 million during the year due to principal repayments. Also, \$9.3 million of bonded debt was issued to pay for the refunding of the \$9.1 million remaining principal on the 1998 and 1999 bonds.

**USING THIS ANNUAL REPORT**

This discussion and analysis serves as an introduction to the City of Champaign's basic financial statements. These consist of government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**CITY OF CHAMPAIGN, ILLINOIS**  
**Management's Discussion and Analysis**  
**June 30, 2009**

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**USING THIS ANNUAL REPORT – Continued**

This financial report includes not only the City of Champaign itself (known as the “primary government”), but also three additional entities, the Champaign Police Pension Trust, Champaign Firefighters Pension Trust, and Town of the City of Champaign (“Township”). Although legally separate, the City of Champaign includes these “blended component units” in its financial report in accordance with governmental accounting standards.

In the case of the pension funds, the City is primarily responsible for meeting the funds’ obligations. In the case of the Town of the City of Champaign, the membership of the governing body (Township Trustees) is the same as the membership of the City’s governing body (City Council). Each of these component units has issued separate annual financial reports.

**Government-Wide Financial Statements**

The government-wide financial statements provide readers with a broad overview of the City of Champaign’s finances, in a matter similar to a private-sector business. The government-wide financial statements can be found on pages 3 - 6 of this report.

The Statement of Net Assets reports information on all of the City’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 the City of Champaign is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the City of Champaign’s property tax base and the condition of the City’s roads, is needed to assess the overall health of the City.

The Statement of Activities presents information showing how the City’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 result in cash flows only 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 City of Champaign 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 City of Champaign include general government (including development planning and regulation, and economic development), public safety, public works (including streets, sidewalks, bridges, stormwater management, and City buildings), public health and welfare (primarily housing rehabilitation), and culture and recreation (primarily library services). The business-type activities of the City include a sanitary sewer collection system and parking operations.

**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 City of Champaign, as other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Champaign can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**USING THIS ANNUAL REPORT – Continued**

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, 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 the City'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 the comparison between governmental funds and governmental activities.

The City maintains 19 individual governmental funds. The City considers the following seven funds "major" funds: the General Fund, Champaign Public Library Fund, Food and Beverage Tax Fund, North Campus Area Tax Increment Financing District Fund, Debt Service Fund, Stormwater Management Fund, and Capital Improvements Fund. As such, the City presents information on these funds separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Data from the other 12 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for its governmental funds. This report includes a budgetary comparison statement for the major funds to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 7 - 12 of this report.

**Proprietary Funds**

The City of Champaign maintains two different types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Champaign utilizes enterprise funds to account for its sanitary sewer collection system and parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Champaign's various functions.

The City of Champaign uses internal service funds to account for its fleet of vehicles and equipment, and for its insurance program. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

**USING THIS ANNUAL REPORT – Continued**

**Fund Financial Statements – Continued**

**Proprietary Funds – Continued**

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Fund and for the Parking Fund, both of which are considered to be major funds of the City. Conversely, 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 City adopts an annual budget for its proprietary funds. This report includes a budgetary comparison statement for the major funds to demonstrate compliance with the budget.

The basic proprietary fund financial statements can be found on pages 13 - 16 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 statements because the resources of those funds are not available to support the City 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 17 - 18 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 19 - 62 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 City's employee pension obligations (Illinois Municipal Retirement Fund, Police Pension Fund, Firefighters' Pension Fund, and Other Post-Employment Benefit Plan). Required supplementary information can be found on pages 63 - 76 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 required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 77 - 113 of this report.

**CITY OF CHAMPAIGN, ILLINOIS**  
**Management's Discussion and Analysis**  
**June 30, 2009**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Assets**

Net assets may serve as a useful indicator of changes in a government's financial position over time. The table below shows that the City's assets exceeded liabilities by \$417.5 million.

	Net Assets (in Millions)					
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and Other Assets	\$ 79.8	82.8	5.4	15.0	85.2	97.8
Capital Assets	363.6	351.7	55.8	49.6	419.4	401.3
Total Assets	443.4	434.5	61.2	64.6	504.6	499.1
Long-Term Debt Outstanding	48.7	49.5	13.6	13.7	62.3	63.2
Other Liabilities	24.3	22.6	0.4	4.6	24.7	27.2
Total Liabilities	73.0	72.1	14.0	18.3	87.0	90.4
<b>Net Assets</b>						
Invested in Capital Assets, Net of Debt	318.5	306.8	42.3	46.2	360.8	353.0
Restricted	34.1	33.6	-	-	34.1	33.6
Unrestricted (Deficit)	17.7	22.0	4.9	0.1	22.6	22.1
Total Net Assets	370.3	362.4	47.2	46.3	417.5	408.7

The largest portion of the City of Champaign's net assets (\$360.8 million, or 86%) reflects its investment in capital assets (for example, streets, sewers, land, and buildings), less any related debt still outstanding that was used to acquire those assets. The City of Champaign uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that almost all of the resources needed to repay this debt must be provided from other sources, since the City cannot generally use the capital assets themselves to liquidate these liabilities.

An additional \$34.1 million (8%) of the City's net assets represents resources that are subject to external restrictions on their use. The remaining \$22.6 million (6%) represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

**CITY OF CHAMPAIGN, ILLINOIS**  
**Management's Discussion and Analysis**  
**June 30, 2009**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

The following table shows that net assets increased about 2% over the prior year.

	Changes in Net Assets (in millions)					
	Governmental		Business-type		Total	
	2009	2008	2009	2008	2009	2008
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 7.7	8.0	4.5	4.8	12.2	12.8
Operating Grants/Contributions	1.1	1.3	-	-	1.1	1.3
Capital Grants/Contributions	19.4	14.7	0.5	1.7	19.9	16.4
<b>General Revenues</b>						
Property Taxes	21.9	20.1	-	-	21.9	20.1
Sales Taxes	29.6	30.7	-	-	29.6	30.7
Income Taxes	7.3	8.2	-	-	7.3	8.2
Other General Revenues	11.6	13.9	0.3	0.3	11.9	14.2
<b>Total Revenues</b>	<b>98.6</b>	<b>96.9</b>	<b>5.3</b>	<b>6.8</b>	<b>103.9</b>	<b>103.7</b>
<b>Expenses:</b>						
General Government	28.4	27.5	-	-	28.4	27.5
Public Safety	33.5	30.9	-	-	33.5	30.9
Public Works	14.7	15.1	-	-	14.7	15.1
Public Health and Welfare	3.7	3.4	-	-	3.7	3.4
Culture and Recreation	8.7	7.0	-	-	8.7	7.0
Interest on Long-Term Debt	2.0	2.0	-	-	2.0	2.0
Parking	-	-	1.5	1.3	1.5	1.3
Sewer	-	-	2.6	2.3	2.6	2.3
<b>Total Expenses</b>	<b>91.0</b>	<b>85.9</b>	<b>4.1</b>	<b>3.6</b>	<b>95.1</b>	<b>89.5</b>
<b>Increase in Net Assets</b>						
Before Transfers	7.6	11.0	1.2	3.2	8.8	14.2
Transfers	0.3	0.5	(0.3)	(0.5)	-	-
<b>Change in Net Assets</b>	<b>7.9</b>	<b>11.5</b>	<b>0.9</b>	<b>2.7</b>	<b>8.8</b>	<b>14.2</b>
<b>Net Assets - Beginning</b>	<b>362.4</b>	<b>350.9</b>	<b>46.3</b>	<b>43.6</b>	<b>408.7</b>	<b>394.5</b>
<b>Net Assets - Ending</b>	<b>370.3</b>	<b>362.4</b>	<b>47.2</b>	<b>46.3</b>	<b>417.5</b>	<b>408.7</b>

**CITY OF CHAMPAIGN, ILLINOIS**  
**Management's Discussion and Analysis**  
**June 30, 2009**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Net Assets – Continued**

The City of Champaign's total net assets increased by \$8.8 million due to an \$7.9 million increase in the net assets of the City's governmental activities and a \$0.9 million increase in net assets of business-type activities. The City of Champaign can generally use net assets of business-type activities to finance only sanitary sewer collection services and parking operations.

Net assets invested in capital assets (net of debt) increased by \$7.8 million to \$360.8 million due to capital asset additions, which consisted primarily of a new Main Library building, a new parking deck and donated infrastructure. The capital asset additions were offset by a decrease in construction in progress. Restricted net assets increased by \$0.5 million to \$34.1 million, while unrestricted net assets increased by \$0.5 million.

Total revenues increased by \$1.0 million, a 1.0% increase. The change largely resulted from a \$3.5 million increase in Capital Grants/Contributions (due primarily to donated capital assets, specifically, infrastructure constructed by private developers and accepted by the City) which was offset by decreases from Sales Tax, Income Tax and Other General Revenues. Expenses increased \$5.6 million (from \$89.5 million to \$95.1 million). Results for specific types of revenues and expenses are discussed below.

**Governmental Activities**

Revenues for governmental activities increased \$2.5 million (2.5%). This resulted primarily from the increases in Capital Grants/Contributions (\$4.7 million) and Property Taxes (\$1.8 million), which were offset by decreases in Sales Taxes (\$1.1 million) Income Taxes (\$0.9 million), and Other General Revenues (\$1.5 million).

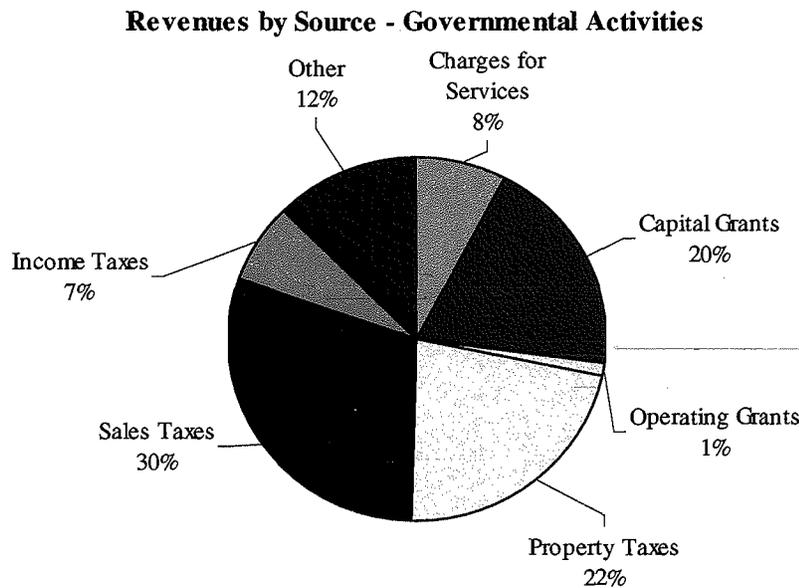
Total expenses for governmental activities increased \$5.1 million (5.9%) to \$91.0 million. The increase in expenses was primarily in General Government (\$0.9 million) and Public Safety (\$2.6 million) as the City used revenues from the City's growth and an expanding economy to serve the City's growing population and infrastructure needs. Expenses in Culture and Recreation also rose \$1.7 million due to increased staffing and other expenses related to occupancy of the new Main Library building for the entire fiscal year.

The chart on the following page depicts the City's major revenue sources for governmental activities. It clearly shows the City's reliance on sales tax revenues to fund governmental activities.

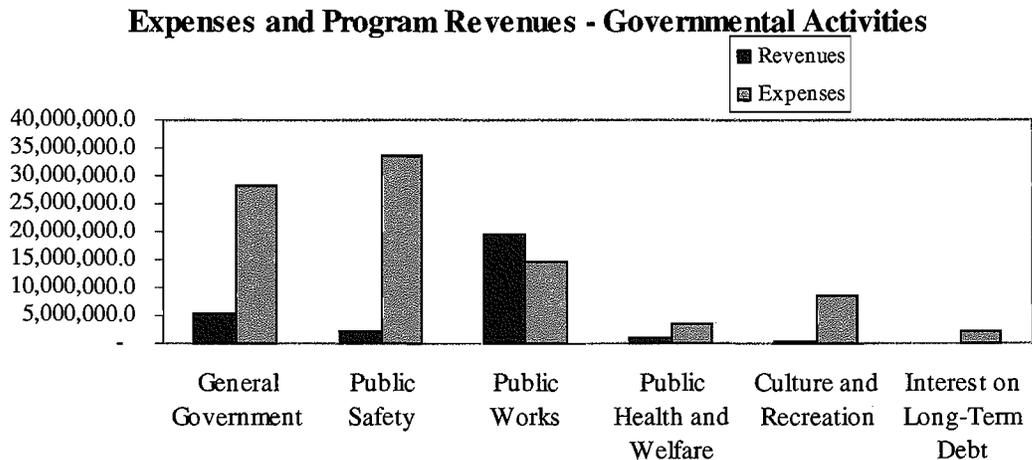
**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Governmental Activities – Continued**

Sales tax revenues comprise 30% of all revenues for governmental activities. Significant reliance on a single revenue source, especially one subject to cyclical economic changes, results in greater revenue volatility than more diversified revenue sources. The impact on the City of Champaign, however, was mitigated by the relatively stable local economy due to the presence of the main campus of the University of Illinois in Champaign and in its twin city, Urbana.



The chart on the next page compares program revenues with program expenses for governmental functions. Clearly, a relatively small portion of expenses for governmental functions are derived from program revenues.



**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

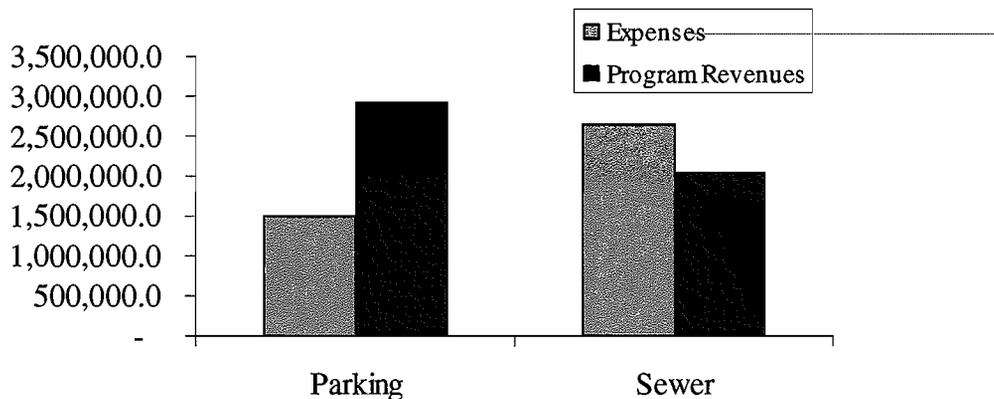
**Business – Type Activities**

The City realized program revenues of \$5.0 million from its business-type activities, Parking and Sewer. This represents a \$1.5 million decrease (23%) over the prior year. The decrease was derived primarily from Capital Grants and Contributions due to a much lower value of the City's acceptance of sanitary sewers constructed by private developers during the fiscal year ending June 30, 2009. That reduction is indicative of the decreased development due to the recession. General revenues of business-type activities of \$0.3 million remained the same as the previous year.

Overall, the City's assets from business-type increased \$0.9 million. This largely resulted from a \$1.2 positive difference between program revenues and expenses of such activities (\$5.3 million and \$4.1 million, respectively), as shown on the chart below. However, net transfers to other activities of \$0.3 million reduced the total increase in net assets from such activities to \$1.2 million.

This chart depicts the expenses and program revenues of each of the City's business-like activities, the Sewer Fund and the Parking Fund.

**Expenses and Program Revenues - Business-Type Activities**



## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

### **Governmental funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. 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 governmental funds reported combined ending fund balances of \$51.9 million, a decrease of \$3.1 million (5.6%) from the prior year.

These additional changes from the prior year in fund balances are notable:

- The ending fund balance of the Debt Service Fund declined by \$1.1 million or 20.2% due to principal repayments on outstanding debt.
- The General Fund experienced a decrease in fund balance of \$1.8 million, primarily due to lower sales and income tax receipts coupled with higher public safety expenditures.
- A few of the other major funds experienced increases in fund balances, including Food & Beverage Tax Fund (\$1.5 million, which resulted from a disbursement in the previous fiscal year being reimbursed during FY08/09) and Capital Improvements (\$2.5 million, which resulted from budgeted capital outlay expenditures that weren't made during the year).
- The Stormwater Management Fund had a decline of \$3.1 million in its ending fund balance as reserves were used for projects to alleviate surface flooding, including major improvements in Scott Park.
- Nonmajor Governmental Funds decreased by \$0.7 million (almost 4%) primarily due to expenditures for the Main Library building.

### **Proprietary Funds**

The City of Champaign's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City reports the Sewer Fund as a major proprietary fund. This fund accounts for the operations of the sanitary sewer collection system (sewage treatment is performed by a separate governmental entity, the Urbana & Champaign Sanitary District). Net assets in this fund increased \$0.2 million to \$35.6 million as of June 30, 2009. There were increases to capital contributions of \$0.4 million and net transfers in of \$0.2 million as well as \$0.1 million in reimbursements to the fund. These increases helped offset an operating loss of \$0.6 million, which resulted from a change in methodology for sewer receivables.

The Parking Fund had a \$0.7 million gain in net assets due to positive operating income of \$1.4 million, of which more than half was offset by net transfers out of \$0.5 million and non-operating expenses of \$0.2 million due to interest expense. The Fund ended the year with net assets of \$11.6 million.

**CITY OF CHAMPAIGN, ILLINOIS**  
**Management's Discussion and Analysis**  
**June 30, 2009**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund Budgetary Highlights			
For the Fiscal Year Ended June 30, 2009			
	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Taxes	\$ 56,563,059	55,706,253	54,057,685
Licenses & Permits	1,894,350	1,685,420	1,732,653
Other	5,268,821	5,361,001	5,234,085
Total Revenues	<u>63,726,230</u>	<u>62,752,674</u>	<u>61,024,423</u>
<b>Expenditures and Transfers</b>			
Expenditures	55,607,903	53,813,281	51,975,057
Transfers Out	13,066,370	13,352,501	13,358,206
Transfers In	(2,527,100)	(2,479,193)	(2,450,200)
Total Expenditures and Transfers	<u>66,147,173</u>	<u>64,686,589</u>	<u>62,883,063</u>
Change in Fund Balance	<u>(2,420,943)</u>	<u>(1,933,915)</u>	<u>(1,858,640)</u>

The Champaign City Council amended the General Fund budget 14 times during the fiscal year. The most significant amendments included the following:

- Re-appropriation of unliquidated amounts in outstanding encumbrances at the end of the prior year to authorize their expenditure in the new fiscal year, increasing budgeted expenditures by about \$921,359.
- In accordance with the City's policy to encourage departments to save funds rather than take a "use it or lose it" approach, the Council authorized expenditure of half the amount saved from certain activities in the prior fiscal year. Along with several miscellaneous and technical amendments, budgeted expenditures were increased by about \$271,779.
- As it does each year, the City amended original budget revenues and expenditures during development of the budget for the following fiscal year. This results in a final budget that is somewhat closer to the current expectations at that point in time.

Total revenues of \$61.0 million were lower than the final (estimated) budget of \$62.8 million and approximately \$2.7 million lower than the original budget. Some of the difference between actual and budget is due to the fact that the budget is prepared on the cash basis, and the actual balances are based on the modified accrual basis of accounting. However, some of the variance results from sales and income tax revenues being lower due to the economic recession, even on a cash basis.

**CITY OF CHAMPAIGN, ILLINOIS**  
**Management's Discussion and Analysis**  
**June 30, 2009**

**GENERAL FUND BUDGETARY HIGHLIGHTS – Continued**

Total expenditures of \$52.0 million were 6.5% lower than the original budget and 3.4% lower than final budget. The difference is primarily due to two reasons; encumbrances that were carried over to next year's budget because they were either projects that were scheduled to continue into the next fiscal year or projects that are taking longer than expected to complete, and greater awareness of reducing expenditures because of the downturn in the economy.

**CAPITAL ASSETS**

As shown on the following chart, the City of Champaign had a \$419.4 million investment in capital assets of its governmental and business type activities, net of accumulated depreciation as of June 30, 2009. Nearly 58% of this investment represents infrastructure including roads, sidewalks, bridges, and sewers, and almost a quarter of the City's capital assets are comprised of land. Overall, the City's investment in capital assets increased by \$18.1 million or 4.5%.

	Capital Assets - Net of Depreciation (in Millions)					
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 96.2	86.5	5.9	5.9	102.1	92.4
Construction in Progress	17.5	42.2	12.1	6.2	29.6	48.4
Buildings	33.9	11.8	0.4	0.4	34.3	12.2
Improvements and Equipment	10.0	5.6	0.3	0.4	10.3	6.0
Infrastructure	206.0	205.6	36.6	36.2	242.6	241.8
Parking Meters	-	-	0.5	0.5	0.5	0.5
<b>Total</b>	<b>363.6</b>	<b>351.7</b>	<b>55.8</b>	<b>49.6</b>	<b>419.4</b>	<b>401.3</b>

Additions to capital assets during the 2008/09 fiscal year included the following:

- Land of \$9.7 million of which \$5.6 million was donated.
- Buildings of \$22.1 million, which was primarily for construction of a new Main Library building.
- Improvements and Equipment of \$4.3 million, mostly for new Library materials.

These additions to capital assets were offset by depreciation of \$17.8 million.

There was a decrease of \$18.8 million in Construction in Progress mainly due to the transfer of the new Main Library building to the Buildings category.

Readers desiring more detailed information on capital assets activity should refer to the discussion in Note 3 to these financial statements on pages 37 - 38.

**CITY OF CHAMPAIGN, ILLINOIS**  
**Management's Discussion and Analysis**  
**June 30, 2009**

**DEBT MANAGEMENT**

The City's total outstanding debt as of June 30, 2009 (\$58 million) decreased 3% from June 30, 2008. The following table provides a detail of outstanding debt, comparing the current fiscal year to the prior fiscal year.

	General Obligation Bonds and IEPA Loans (in Millions)					
	Governmental		Business-type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 44.8	46.7	12.7	12.7	57.5	59.4
IEPA Loans Payable	-	-	0.5	0.5	0.5	0.5
<b>Total</b>	<b>44.8</b>	<b>46.7</b>	<b>13.2</b>	<b>13.2</b>	<b>58.0</b>	<b>59.9</b>

Even though new debt was issued during the fiscal year, as described below, the total debt did not increase because the proceeds were used to refund two other debt issues.

Fitch Ratings has assigned an AAA rating to the City based on a stable local economy, strong financial position, and manageable debt burden. Fitch noted that, "Through conservative financial management and a historically steadily growing tax base, the city has produced consistently strong financial results and has maintained solid reserve levels." Moody's Investors Service has assigned an Aa1 rating on the City's general obligation debt stating, "Assignment of this high level Aa1 rating reflects a sizeable and diversifying tax base that benefits from its university presence; strong financial operations with healthy reserve levels; and moderate debt burden with significant support of non-levy sources." Additional information on the City's long-term debt can be found in Note 3 on pages 40 - 46 of this report.

The City issued \$9.28 million in new general obligation debt during fiscal year 2008/09 to refund the debt issued in 1998 to finance the Police Facility and in 1999 to finance the Lower Boneyard Creek Channel. The lower interest rate on the 2009 bonds will save the City an estimated \$650,000 over the next eight years.

The City issued this debt as a general obligation of the City. However, the City does not intend to pay debt service with property tax revenue. Instead, the debt service on the portion of the bonds used to refund the 1998 bonds will come from telecommunications taxes from the General Fund, and the debt service on the portion of the bonds used to refund the 1999 bonds will come from the Stormwater Management Fund, which derives most of its revenues from sales taxes transferred from the General Fund. The City anticipates that issuance of this debt will not affect the City's future credit ratings.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The presence of the main campus of the University of Illinois and two regional health care providers offer a great deal of stability to the area's economy. The University is the area's largest employer (with over 10,900 employees) and purchases a variety of goods and services locally. The regional health care providers also provide a significant level of employment in the area.

This stability helps make Champaign's sales tax revenues more stable than many other cities'; however, sales tax revenues have declined due to the economic recession. The City's sales tax revenues ended Fiscal Year 2008/09 about 1% or \$300,000 under the prior year's receipts.

The equalized assessed value (EAV) of taxable property in the City for the 2008 levy year (valued as of January 1, 2008 and collected in 2009) increased by 5.89% to \$1,533,003,765. The healthy increase resulted primarily from continued construction in both residential and commercial sectors through the valuation date. Under tax law applicable to the City of Champaign, the EAV of taxable property should represent one-third market value, so the taxable value of property in the City exceeded \$4.6 billion. Residential and commercial properties made up 60% and 40%, respectively, of the EAV for the 2008 levy year.

During the fiscal year ending June 30, 2009, the pace of development was much slower than in the past several years. While construction of single family residences experienced a significant slowdown, development continued throughout the City. A number of major rental housing and mixed-use projects have been fully or partially completed. The value of building permits issued by the City during Fiscal Year 2008/09 was \$112 million compared to \$277 million in FY2007/08. Some of the assessed value of this construction will go on the property tax rolls for the 2009 levy and later years. Management expects the 2009 levy to increase by 3.48%, over the prior year, resulting primarily from new construction (2.90%), with only a slight increase in the existing value of properties (.58%).

The City's third largest revenue source, income taxes, is collected by the State with a portion allocated to local governments on a per-capita basis. Income tax revenues (including Personal Property Replacement Tax revenues, of which business income taxes are a large component) declined in Fiscal Year 2008/09, decreasing 8.65% or \$700,000 compared with the prior year.

The City's management considered the following factors when preparing the budget for Fiscal Year 2009/10:

- The national economy declined into a recession greater than predicted by only a few economists. The federal government implemented several stimulus initiatives; however, it will take time to determine their effectiveness. The majority of economists believe that economic recovery will begin late in calendar year 2009. The factors of greatest importance to most people, such as jobs and stable housing prices, often lag behind economic recovery. The same is true for local government revenues, which tend to lag behind economic trends.
- The Illinois state economy is declining. The University of Illinois Flash Index for June 2009 was 92.0, below the lowest levels of the 1990 and 2001 recessions but still well above the historical low point of 86.2 in June 1983.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET – Continued**

- The pace of local development is much lower than in previous years. The local economy is somewhat shielded from the extremes of economic cycles, but not immune to them. Residential construction has slowed, but commercial construction continues, mainly in the Campus and Downtown areas. Much of that construction consists of large commercial projects initiated prior to the onset of the current recession.
- Sales taxes remain the major source of revenue for the City's General Operating Fund and the City's budget as a whole, providing almost 50% of General Fund revenues and 30% of total revenues. This year, sales tax revenues have been a source of concern, as they have declined 1% compared to 2.5-3% growth on average.
- Barring corrective action, expenditures would continue to grow faster than revenues, mostly due to personnel costs. The major reasons for this include salary increases greater than inflation and increases in Police and Fire pension costs and employee health insurance premiums significantly higher than inflation.
- Late last fall, staff presented a Five-Year Financial Forecast to Council that projected recurring expenditures exceeding the policy limit (98.5% of recurring revenues) by over \$2 million and that future pension funding requirements could increase by a similar amount or more, largely due to declines in the value of the pension funds' assets. To balance the budget and prepare for future pension funding increases, staff created a Fiscal Sustainability Plan to address a potential gap of \$6 million. The three components of the plan included reducing General Fund Expenditures, reallocating resources for the General Fund and increasing revenues. The City Council endorsed this approach, and ultimately adopted a balanced budget for the fiscal year beginning July 1, 2009, that met or exceeded all relevant financial policies.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide the City's citizens, customers, investors, and creditors an overview of the City's finances, and to demonstrate the City's accountability for the money it receives. Additional information regarding the City's finances can be found on the City's website at [please insert the URL for the page on finances. I can't find it now because of the Internet firewall install.] Questions concerning this report or requests for additional financial information should be directed to:

Richard A. Schnuer  
Finance Director  
102 N. Neil Street  
Champaign, IL 61820  
Phone: 217/403-8943  
Email: richard.schnuer@ci.champaign.il.us

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
  - Governmental Funds
  - Proprietary Funds
  - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**CITY OF CHAMPAIGN, ILLINOIS**

**Statement of Net Assets  
June 30, 2009**

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**See Following Page**

**CITY OF CHAMPAIGN, ILLINOIS**

**Statement of Net Assets  
June 30, 2009**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 49,385,999	4,941,790	54,327,789
Receivables - Net			
Property Taxes	11,490,430	-	11,490,430
Other Taxes	9,065,562	-	9,065,562
Accounts	495,931	427,514	923,445
Accrued Interest	88,595	9,719	98,314
Inventory/Prepays	448,309	-	448,309
Total Current Assets	<u>70,974,826</u>	<u>5,379,023</u>	<u>76,353,849</u>
<b>Noncurrent Assets</b>			
Net Pension Asset	8,717,288	-	8,717,288
Nondepreciable Capital Assets	113,623,586	18,008,183	131,631,769
Depreciable Capital Assets	482,987,872	49,993,758	532,981,630
Accumulated Depreciation	<u>(233,043,216)</u>	<u>(12,203,398)</u>	<u>(245,246,614)</u>
Total Noncurrent Assets	<u>372,285,530</u>	<u>55,798,543</u>	<u>428,084,073</u>
Total Assets	<u>443,260,356</u>	<u>61,177,566</u>	<u>504,437,922</u>

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

	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	2,804,901	243,510	3,048,411
Retainage Payable	446,340	24,089	470,429
Accrued Payroll	953,327	33,596	986,923
Claims Payable	5,231,201	-	5,231,201
Unearned Revenue	11,457,728	4,320	11,462,048
Compensated Absences Payable	878,495	35,972	914,467
IEPA Loans Payable	-	62,132	62,132
General Obligation Bonds Payable	2,530,000	-	2,530,000
Total Current Liabilities	24,301,992	403,619	24,705,611
<b>Noncurrent Liabilities</b>			
Net Pension Obligation Payable	988,799	-	988,799
Net Other Postemployment Benefit Payable	788,396	-	788,396
Compensated Absences Payable	3,513,978	143,889	3,657,867
Landfill Closure Payable	835,147	-	835,147
IEPA Loans Payable	-	410,424	410,424
General Obligation Bonds Payable - Net	42,546,647	13,059,325	55,605,972
Total Noncurrent Liabilities	48,672,967	13,613,638	62,286,605
Total Liabilities	72,974,959	14,017,257	86,992,216
<b>NET ASSETS</b>			
Invested in Capital Assets - Net of Related Debt	318,491,595	42,266,662	360,758,257
<b>Restricted</b>			
<b>Special Revenues</b>			
Public Library	1,118,687	-	1,118,687
Food and Beverage Tax	2,674,888	-	2,674,888
Public Health and Welfare	7,279,315	-	7,279,315
Motor Fuel Tax	432,008	-	432,008
Foreign Fire Insurance Tax	191,931	-	191,931
Narcotics Forfeitures	223,611	-	223,611
Debt Service	4,266,108	-	4,266,108
Capital Projects	17,881,539	-	17,881,539
Unrestricted	17,725,715	4,893,647	22,619,362
Total Net Assets	370,285,397	47,160,309	417,445,706

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

**CITY OF CHAMPAIGN, ILLINOIS**

**Statement of Activities  
Year Ended June 30, 2009**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 28,374,127	5,359,733	64,233	-
Public Safety	33,455,822	1,795,972	179,040	-
Public Works	14,694,008	145,364	-	19,346,996
Public Health and Welfare	3,732,812	40,708	863,578	-
Culture and Recreation	8,727,487	301,117	-	63,011
Interest on Long-Term Debt	1,997,004	-	-	-
<b>Total Governmental Activities</b>	<b>90,981,260</b>	<b>7,642,894</b>	<b>1,106,851</b>	<b>19,410,007</b>
<b>Business-Type Activities</b>				
Parking	2,052,596	2,935,263	-	-
Sewer	2,069,803	1,613,004	-	447,420
<b>Total Business-Type Activities</b>	<b>4,122,399</b>	<b>4,548,267</b>	<b>-</b>	<b>447,420</b>
	<b>95,103,659</b>	<b>12,191,161</b>	<b>1,106,851</b>	<b>19,857,427</b>

**General Revenues**  
**Taxes**  
  Property Taxes  
  Sales Taxes  
  Income Taxes  
  Utility Taxes  
  Telecommunications Taxes  
  Hotel/Motel Taxes  
  Food and Beverage Taxes  
  Other Taxes  
  Interest income  
  Miscellaneous  
  Disposal of Capital Assets  
  Internal Activity - Transfers

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

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

Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Total
(22,950,161)	-	(22,950,161)
(31,480,810)	-	(31,480,810)
4,798,352	-	4,798,352
(2,828,526)	-	(2,828,526)
(8,363,359)	-	(8,363,359)
(1,997,004)	-	(1,997,004)
<u>(62,821,508)</u>	<u>-</u>	<u>(62,821,508)</u>
-	882,667	882,667
-	(9,379)	(9,379)
-	873,288	873,288
<u>(62,821,508)</u>	<u>873,288</u>	<u>(61,948,220)</u>
21,895,060	-	21,895,060
29,642,446	-	29,642,446
7,262,288	-	7,262,288
3,291,675	-	3,291,675
2,776,705	-	2,776,705
1,452,562	-	1,452,562
1,098,374	-	1,098,374
366,221	-	366,221
1,541,276	315,410	1,856,686
1,058,268	-	1,058,268
10,158	(36,644)	(26,486)
270,119	(270,119)	-
<u>70,665,152</u>	<u>8,647</u>	<u>70,673,799</u>
7,843,644	881,935	8,725,579
<u>362,441,753</u>	<u>46,278,374</u>	<u>408,720,127</u>
<u>370,285,397</u>	<u>47,160,309</u>	<u>417,445,706</u>

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

**CITY OF CHAMPAIGN, ILLINOIS**

**Balance Sheet - Governmental Funds  
June 30, 2009**

	General	Champaign Public Library	Food and Beverage Tax	North Campus Area TIF District	Debt Service
<b>ASSETS</b>					
Cash and Investments	\$ 9,484,401	1,257,428	2,666,093	(57,938)	4,258,978
Receivables - Net of Allowances					
Property Taxes	5,634,497	3,020,017	-	205,236	-
Other Taxes	9,065,562	-	-	-	-
Accrued Interest	22,245	-	4,974	(722)	7,810
Other	302,584	1,160	9,828	-	-
Total Assets	<u>24,509,289</u>	<u>4,278,605</u>	<u>2,680,895</u>	<u>146,576</u>	<u>4,266,788</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	526,610	46,926	6,007	-	680
Retainage Payable	-	-	-	95,757	-
Accrued Payroll	824,889	92,975	-	-	-
Due to Other Funds	-	-	-	-	-
Deferred Revenue	5,607,728	3,020,017	-	205,236	-
Total Liabilities	<u>6,959,227</u>	<u>3,159,918</u>	<u>6,007</u>	<u>300,993</u>	<u>680</u>
<b>Fund Balances</b>					
Reserved - Retirement	-	-	-	-	-
Reserved - Public Welfare	-	-	-	-	-
Reserved - Debt Service	-	-	-	-	4,266,108
Unreserved - General	17,550,062	-	-	-	-
Unreserved - Special Revenues	-	1,118,687	2,674,888	(154,417)	-
Unreserved - Capital Projects	-	-	-	-	-
Total Fund Balances	<u>17,550,062</u>	<u>1,118,687</u>	<u>2,674,888</u>	<u>(154,417)</u>	<u>4,266,108</u>
Total Liabilities and Fund Balances	<u>24,509,289</u>	<u>4,278,605</u>	<u>2,680,895</u>	<u>146,576</u>	<u>4,266,788</u>

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

**CITY OF CHAMPAIGN, ILLINOIS**

**Balance Sheet - Governmental Funds - Continued  
June 30, 2009**

	Stormwater Management	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 2,812,933	8,190,468	17,751,933	46,364,296
Receivables - Net of Allowances				
Property Taxes	633,132	448,036	1,549,512	11,490,430
Other Taxes	-	-	-	9,065,562
Accrued Interest	4,677	14,296	30,346	83,626
Other	(9,692)	-	183,694	487,574
Total Assets	<u>3,441,050</u>	<u>8,652,800</u>	<u>19,515,485</u>	<u>67,491,488</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	311,596	696,212	1,171,744	2,759,775
Retainage Payable	192,240	59,528	98,815	446,340
Accrued Payroll	-	-	24,724	942,588
Due to Other Funds	-	-	-	-
Deferred Revenue	630,204	445,964	1,548,579	11,457,728
Total Liabilities	<u>1,134,040</u>	<u>1,201,704</u>	<u>2,843,862</u>	<u>15,606,431</u>
<b>Fund Balances</b>				
Reserved - Retirement	-	-	18,126	18,126
Reserved - Public Welfare	-	-	248,782	248,782
Reserved - Debt Service	-	-	-	4,266,108
Unreserved - General	-	-	-	17,550,062
Unreserved - Special Revenues	-	-	8,281,282	11,920,440
Unreserved - Capital Projects	2,307,010	7,451,096	8,123,433	17,881,539
Total Fund Balances	<u>2,307,010</u>	<u>7,451,096</u>	<u>16,671,623</u>	<u>51,885,057</u>
Total Liabilities and Fund Balances	<u>3,441,050</u>	<u>8,652,800</u>	<u>19,515,485</u>	<u>67,491,488</u>

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

**CITY OF CHAMPAIGN, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to the  
Statement of Net Assets - Governmental Activities**

**June 30, 2009**

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<b>Total Governmental Fund Balances</b>	<b>\$ 51,885,057</b>
 Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	361,135,904
The net pension asset in the governmental activities is not a financial resource and therefore, is not reported in the funds.	8,717,288
Internal service funds are used by the City to charge the costs of internal service provided to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.	530,264
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Net Pension Obligation Payable	(988,799)
Net Other Postemployment Benefit Payable	(788,396)
Compensated Absences Payable	(4,294,127)
Landfill Closure and Post-Closure Payable	(835,147)
General Obligation Bonds Payable	(44,830,000)
Unamortized Bond Premium	<u>(246,647)</u>
 <b>Net Assets of Governmental Activities</b>	 <b><u>370,285,397</u></b>

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

**CITY OF CHAMPAIGN, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
Year Ended June 30, 2009**

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**See Following Page**

**CITY OF CHAMPAIGN, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
Year Ended June 30, 2009**

	General	Champaign Public Library	Food and Beverage Tax	North Campus Area TIF District	Debt Service
<b>Revenues</b>					
Taxes	\$ 54,057,685	5,882,658	1,098,374	322,659	-
Intergovernmental	243,273	63,011	-	-	-
Licenses, Permits and Fees	1,732,653	-	-	-	-
Charges for Services	848,330	69,176	-	-	-
Fines and Forfeitures	1,058,117	218,977	-	-	-
Refunds and Reimbursements	2,674,785	-	-	-	-
Interest	370,229	18,370	75,472	(14,165)	126,712
Miscellaneous	21,786	277,871	389,325	7,550	-
<b>Total Revenues</b>	<b>61,006,858</b>	<b>6,530,063</b>	<b>1,563,171</b>	<b>316,044</b>	<b>126,712</b>
<b>Expenditures</b>					
<b>Current</b>					
General Government	11,458,512	-	76,827	-	-
Public Safety	32,029,111	-	-	-	-
Public Works	8,021,361	-	-	-	-
Public Health and Welfare	466,073	-	-	316,188	-
Culture and Recreation	-	6,656,157	-	-	-
Capital Outlay	-	97,700	523	195,592	-
<b>Debt Service</b>					
Principal Retirement	-	-	-	-	2,080,000
Interest and Fiscal Charges	-	-	-	-	1,857,645
Issuance Costs	-	-	-	-	147,592
<b>Total Expenditures</b>	<b>51,975,057</b>	<b>6,753,857</b>	<b>77,350</b>	<b>511,780</b>	<b>4,085,237</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>9,031,801</b>	<b>(223,794)</b>	<b>1,485,821</b>	<b>(195,736)</b>	<b>(3,958,525)</b>
<b>Other Financing Sources (Uses)</b>					
Disposal of Capital Assets	17,565	-	-	510,000	-
Debt Issuance	-	-	-	-	9,280,000
Premium on Debt Issuance	-	-	-	-	114,923
Payment to Escrow Agent	-	-	-	-	(9,060,000)
Transfers In	2,450,200	-	-	-	3,589,650
Transfers Out	(13,358,206)	-	(9,306)	(344,650)	(1,045,440)
	<b>(10,890,441)</b>	<b>-</b>	<b>(9,306)</b>	<b>165,350</b>	<b>2,879,133</b>
<b>Net Change in Fund Balances</b>	<b>(1,858,640)</b>	<b>(223,794)</b>	<b>1,476,515</b>	<b>(30,386)</b>	<b>(1,079,392)</b>
<b>Fund Balances - Beginning</b>	<b>19,408,702</b>	<b>1,342,481</b>	<b>1,198,373</b>	<b>(124,031)</b>	<b>5,345,500</b>
<b>Fund Balances - Ending</b>	<b>17,550,062</b>	<b>1,118,687</b>	<b>2,674,888</b>	<b>(154,417)</b>	<b>4,266,108</b>

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

**CITY OF CHAMPAIGN, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Continued**  
**Year Ended June 30, 2009**

	Stormwater Management	Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 1,431,210	1,047,915	3,944,830	67,785,331
Intergovernmental	-	931,356	2,844,194	4,081,834
Licenses, Permits and Fees	-	-	-	1,732,653
Charges for Services	-	-	-	917,506
Fines and Forfeitures	-	-	124,372	1,401,466
Refunds and Reimbursements	91,912	48,740	58,384	2,873,821
Interest	96,102	240,479	541,984	1,455,183
Miscellaneous	27,250	-	334,486	1,058,268
<b>Total Revenues</b>	<b>1,646,474</b>	<b>2,268,490</b>	<b>7,848,250</b>	<b>81,306,062</b>
<b>Expenditures</b>				
<b>Current</b>				
General Government	-	-	472,651	12,007,990
Public Safety	-	-	221,527	32,250,638
Public Works	2,178,236	1,842,568	1,284,551	13,326,716
Public Health and Welfare	-	-	2,944,816	3,727,077
Culture and Recreation	-	-	11,880	6,668,037
Capital Outlay	4,648,008	4,176,851	5,227,166	14,345,840
<b>Debt Service</b>				
Principal Retirement	-	-	-	2,080,000
Interest and Fiscal Charges	-	-	-	1,857,645
Issuance Costs	-	-	-	147,592
<b>Total Expenditures</b>	<b>6,826,244</b>	<b>6,019,419</b>	<b>10,162,591</b>	<b>86,411,535</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>(5,179,770)</b>	<b>(3,750,929)</b>	<b>(2,314,341)</b>	<b>(5,105,473)</b>
<b>Other Financing Sources (Uses)</b>				
Disposal of Capital Assets	-	-	280,538	808,103
Debt Issuance	-	-	-	9,280,000
Premium on Debt Issuance	-	-	-	114,923
Payment to Escrow Agent	-	-	-	(9,060,000)
Transfers In	3,504,187	6,207,155	2,671,934	18,423,126
Transfers Out	(1,465,879)	-	(1,317,386)	(17,540,867)
	<b>2,038,308</b>	<b>6,207,155</b>	<b>1,635,086</b>	<b>2,025,285</b>
<b>Net Change in Fund Balances</b>	<b>(3,141,462)</b>	<b>2,456,226</b>	<b>(679,255)</b>	<b>(3,080,188)</b>
<b>Fund Balances - Beginning</b>	<b>5,448,472</b>	<b>4,994,870</b>	<b>17,350,878</b>	<b>54,965,245</b>
<b>Fund Balances - Ending</b>	<b>2,307,010</b>	<b>7,451,096</b>	<b>16,671,623</b>	<b>51,885,057</b>

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

CITY OF CHAMPAIGN, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities - Governmental Activities

Year Ended June 30, 2009

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Net Change in Fund Balances - Total Governmental Funds \$ (3,080,188)

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
Statement of Activities the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital Outlays	30,189,123
Depreciation Expense	(17,921,783)
Disposals - Cost Net of Accumulated Depreciation	(797,945)

The utilization of the net pension asset to reduce current year  
pension contributions consumes financial resources. 1,124,053

The issuance of long-term debt provides current financial resources to  
governmental funds, while the repayment of the principal on long-term  
debt consumes the current financial resources of the governmental funds.

Additions to Net Pension Obligation	(330,393)
Additions to Net Other Postemployment Benefit Payable	(788,396)
Additions to Compensated Absences Payable	(397,996)
Deductions to Landfill Closure and Post-Closure Payable	4,939
Issuance of General Obligation Bonds	(9,280,000)
Retirement of General Obligation Bonds	11,140,000
Addition to Unamortized Bond Premium	(114,923)
Amortization of Unamortized Bond Premium	8,233

Internal service funds are used by the City to charge the costs of  
internal services provided to individual funds.

The net revenue of certain activities of internal service funds is  
reported with governmental activities. (1,911,080)

Changes in Net Assets of Governmental Activities 7,843,644

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

**CITY OF CHAMPAIGN, ILLINOIS**

**Statement of Net Assets - Proprietary Funds**  
**June 30, 2009**

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**See Following Page**

**CITY OF CHAMPAIGN, ILLINOIS**

**Statement of Net Assets - Proprietary Funds  
June 30, 2009**

	Business-Type Activities			Governmental Activities
	Parking	Sewer	Totals	Internal Service
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments	\$ 4,912,462	29,328	4,941,790	3,021,703
Receivables - Net of Allowances				
Accounts	11,682	415,832	427,514	8,357
Accrued Interest	10,056	(337)	9,719	4,969
Inventory	-	-	-	113,077
Prepays	-	-	-	335,232
<b>Total Current Assets</b>	<b>4,934,200</b>	<b>444,823</b>	<b>5,379,023</b>	<b>3,483,338</b>
<b>Noncurrent Assets</b>				
<b>Capital Assets</b>				
Nondepreciable Capital Assets	16,689,796	1,318,387	18,008,183	-
Depreciable Capital Assets	4,530,848	45,462,910	49,993,758	9,314,877
Accumulated Depreciation	(1,352,087)	(10,851,311)	(12,203,398)	(6,882,539)
<b>Total Noncurrent Assets</b>	<b>19,868,557</b>	<b>35,929,986</b>	<b>55,798,543</b>	<b>2,432,338</b>
<b>Total Assets</b>	<b>24,802,757</b>	<b>36,374,809</b>	<b>61,177,566</b>	<b>5,915,676</b>

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

**CITY OF CHAMPAIGN, ILLINOIS**

**Statement of Net Assets - Proprietary Funds  
June 30, 2009**

	Business-Type Activities			Governmental
	Parking	Sewer	Totals	Internal Service
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 54,636	188,874	243,510	45,126
Retainage Payable	-	24,089	24,089	-
Accrued Payroll	16,081	17,515	33,596	10,739
Claims Payable	-	-	-	5,231,201
Unearned Revenue	4,320	-	4,320	-
Compensated Absences Payable	14,884	21,088	35,972	19,669
IEPA Loan Payable	-	62,132	62,132	-
	<u>89,921</u>	<u>313,698</u>	<u>403,619</u>	<u>5,306,735</u>
<b>Long-Term Liabilities</b>				
Compensated Absences Payable	59,537	84,352	143,889	78,677
General Obligation Bonds Payable - Net	13,059,325	-	13,059,325	-
IEPA Loan Payable	-	410,424	410,424	-
Total Long-Term Liabilities	<u>13,118,862</u>	<u>494,776</u>	<u>13,613,638</u>	<u>78,677</u>
Total Liabilities	<u>13,208,783</u>	<u>808,474</u>	<u>14,017,257</u>	<u>5,385,412</u>
<b>NET ASSETS</b>				
Invested in Capital Assets - Net of Related Debt	6,809,232	35,457,430	42,266,662	2,432,338
Unrestricted	4,784,742	108,905	4,893,647	(1,902,074)
Total Net Assets	<u>11,593,974</u>	<u>35,566,335</u>	<u>47,160,309</u>	<u>530,264</u>

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

**CITY OF CHAMPAIGN, ILLINOIS**

**Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds  
Year Ended June 30, 2009**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Parking	Sewer	Totals	Internal Service
Operating Revenues				
Charges for Services	\$ 2,925,978	1,485,116	4,411,094	3,996,659
Operating Expenses				
Personnel Services	888,589	713,608	1,602,197	526,563
Contractual Services	389,713	603,149	992,862	5,300,085
Commodities	68,744	83,609	152,353	688,981
Capital Outlay	-	44,365	44,365	-
Depreciation and Amortization	173,087	620,646	793,733	678,168
Total Operating Expenses	1,520,133	2,065,377	3,585,510	7,193,797
Operating Income (Loss)	1,405,845	(580,261)	825,584	(3,197,138)
Nonoperating Revenues (Expenses)				
Refunds and Reimbursements	9,285	127,888	137,173	717,448
Interest Income	315,410	-	315,410	86,093
Interest Expense	(532,463)	(4,426)	(536,889)	-
Disposal of Capital Assets	(17,490)	(19,154)	(36,644)	(2,987)
	(225,258)	104,308	(120,950)	800,554
Income (Loss) Before Contributions and Transfers	1,180,587	(475,953)	704,634	(2,396,584)
Capital Contributions	-	447,420	447,420	1,097,644
Transfers In	244,162	588,983	833,145	-
Transfers Out	(734,502)	(368,762)	(1,103,264)	(612,140)
	(490,340)	667,641	177,301	485,504
Change in Net Assets	690,247	191,688	881,935	(1,911,080)
Net Assets - Beginning	10,903,727	35,374,647	46,278,374	2,441,344
Net Assets - Ending	11,593,974	35,566,335	47,160,309	530,264

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

**CITY OF CHAMPAIGN, ILLINOIS**

**Statement of Cash Flows - Proprietary Funds  
Year Ended June 30, 2009**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Parking	Sewer	Totals	Internal Service
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 2,923,427	2,452,960	5,376,387	4,735,859
Payment to Employees	(888,589)	(713,608)	(1,602,197)	(510,586)
Payment to Suppliers	(4,174,155)	(1,179,137)	(5,353,292)	(3,199,602)
	<u>(2,139,317)</u>	<u>560,215</u>	<u>(1,579,102)</u>	<u>1,025,671</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers in	244,162	588,983	833,145	-
Transfers out	(734,502)	(367,862)	(1,102,364)	(612,140)
	<u>(490,340)</u>	<u>221,121</u>	<u>(269,219)</u>	<u>(612,140)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchase of Capital Assets	(2,546,562)	(821,511)	(3,368,073)	-
Interest on Capital Debt	(532,463)	(4,426)	(536,889)	-
Principal on Capital Debt	-	(60,377)	(60,377)	-
	<u>(3,079,025)</u>	<u>(886,314)</u>	<u>(3,965,339)</u>	<u>-</u>
<b>Cash Flows from Investing Activities</b>				
Interest received	315,410	-	315,410	86,093
<b>Net Change in Cash and Cash Equivalents</b>	<u>(5,393,272)</u>	<u>(104,978)</u>	<u>(5,498,250)</u>	<u>499,624</u>
<b>Cash and Cash Equivalents - Beginning</b>	<u>10,305,734</u>	<u>134,306</u>	<u>10,440,040</u>	<u>2,522,079</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>4,912,462</u>	<u>29,328</u>	<u>4,941,790</u>	<u>3,021,703</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income	1,405,845	(580,261)	825,584	(3,197,138)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>				
Depreciation and Amortization Expense	173,087	620,646	793,733	678,168
Other Income/Expense	9,285	127,888	137,173	717,448
(Increase) Decrease in Current Assets	(11,836)	839,956	828,120	21,752
Increase (Decrease) in Current Liabilities	(3,715,698)	(448,014)	(4,163,712)	2,805,441
<b>Net Cash Provided by Operating Activities</b>	<u>(2,139,317)</u>	<u>560,215</u>	<u>(1,579,102)</u>	<u>1,025,671</u>
<b>Noncash Capital Activities</b>				
Contributions of Capital Assets from City	-	447,420	447,420	1,097,644

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

**CITY OF CHAMPAIGN, ILLINOIS**

**Statement of Net Assets - Fiduciary Funds  
June 30, 2009**

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	<u>Pension Trust</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 160,110
Investments	
U.S. Government and Agency Securities	26,499,002
State and Local Obligations	971,704
Mutual Funds	43,349,428
Insurance Company Contracts	9,094,379
Common Stock	17,788,368
Receivables	
Accrued Interest	220,008
Other	23,689
Prepays	<u>11,732</u>
Total Assets	98,118,420
<b>LIABILITIES</b>	
Accounts Payable	<u>25,290</u>
<b>NET ASSETS</b>	
Net Plan Assets Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial statements.)	<u><u>98,093,130</u></u>

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

**CITY OF CHAMPAIGN, ILLINOIS**

**Statement of Changes in Net Assets - Fiduciary Funds  
Year Ended June 30, 2009**

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	<u>Pension Trust</u>
<b>Additions</b>	
Contributions - Employer	\$ 6,275,389
Contributions - Plan Members	1,506,912
Other Income	<u>2,633</u>
Total Contributions	<u>7,784,934</u>
<b>Investment Income</b>	
Interest Earned	2,301,017
Net Change in Fair Value	<u>(8,857,415)</u>
	(6,556,398)
Less Investment Expenses	<u>(309,620)</u>
	<u>(6,866,018)</u>
Total Additions	<u>918,916</u>
<b>Deductions</b>	
Administration	121,984
Benefits and Refunds	<u>7,269,081</u>
Total Deductions	<u>7,391,065</u>
Change in Net Assets	(6,472,149)
<b>Net Plan Assets Held in Trust for Pension Benefits</b>	
Beginning	<u>104,565,279</u>
Ending	<u><u>98,093,130</u></u>

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

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Champaign, Illinois, incorporated in 1861, is a municipal corporation that operates under the Council-Manager form of government. The City’s major operations include police and fire safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, neighborhood and economic development, planning and zoning, parking services and general administrative services.

The basic financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant of the City’s accounting policies established in GAAP and used by the City are described below.

**REPORTING ENTITY**

The City’s financial reporting entity comprises the following:

Primary Government:	City of Champaign
Blended Component Units:	Police Pension Employees Retirement System
	Firefighters’ Pension Employees Retirement System
	Town of the City of Champaign

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, “The Financial Reporting Entity,” and includes all component units that have a significant operational or financial relationship with the City.

*Blended Component Units* - Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the City Council or the component unit provides services entirely to the City. These component units’ funds are blended into those of the City’s by appropriate activity type to comprise the primary government presentation.

**Blended Component Units**

**Police Pension Employees Retirement System**

The City’s sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City’s Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a

# **CITY OF CHAMPAIGN, ILLINOIS**

## **Notes to the Financial Statements June 30, 2009**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **REPORTING ENTITY – Continued**

##### **Blended Component Units – Continued**

###### **Police Pension Employees Retirement System – Continued**

percentage of salary as established by state statute and the City is obligated to fund all remaining PERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the PERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's sworn police officers. The PERS is reported as a pension trust fund.

###### **Firefighters' Pension Employees Retirement System**

The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, with two members appointed by the Mayor, two elected from active participants of the Fund, and one elected pension beneficiary. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's sworn firefighters. The FPERS is reported as a pension trust fund.

###### **Town of the City of Champaign**

The Town of the City of Champaign (Township) is a body corporate and politic established under Illinois Compiled Statutes governed by an elected Board of Trustees and Supervisor. The Board of Trustees is comprised of the members of the City Council of the City of Champaign, Illinois. Separate financial statements are available for the Township by contacting the Township office at 603 South Randolph, Champaign, Illinois 61820.

### **BASIS OF PRESENTATION**

#### **Government-Wide Statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

# **CITY OF CHAMPAIGN, ILLINOIS**

## **Notes to the Financial Statements**

**June 30, 2009**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **BASIS OF PRESENTATION – Continued**

##### **Government-Wide Statements – Continued**

The City's police and fire safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, neighborhood and economic development, planning and zoning, and general administrative services are classified as governmental activities. The City's parking and sanitary sewer services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, public works, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or discretely benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc).

The City allocates indirect costs (which have been paid through the General Fund) to the proprietary funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

#### **Fund Financial Statements**

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary.

# CITY OF CHAMPAIGN, ILLINOIS

## Notes to the Financial Statements June 30, 2009

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

#### Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

**General fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

**Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains three major special revenue funds, the Champaign Public Library Fund, the Food and Beverage Tax Fund and the North Campustown TIF District Fund. The Champaign Public Library Fund accounts for the transactions of the library. Revenue consists primarily of property tax allocations; expenditures are for staff, books, library materials, building improvements and all other operating costs. The Food and Beverage Tax Fund accounts for the revenues derived from a 0.5% tax on prepared food and beverages. The revenues fund infrastructure and building improvements in the University of Illinois Campustown area.

# CITY OF CHAMPAIGN, ILLINOIS

## Notes to the Financial Statements June 30, 2009

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Governmental Funds – Continued

The North Campus Area TIF District Fund accounts for incremental property and sales tax collections from properties located in the north campus area. The revenues are being used to reduce or eliminate blight in the north campus area and construct infrastructure. The City also maintains eleven nonmajor special revenue funds.

**Debt service funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The City maintains one debt service fund, which is treated as a major fund.

**Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains two major capital projects funds, the Stormwater Management Fund and the Capital Improvements Fund. The Stormwater Management Fund accounts for the construction, maintenance and rehabilitation of drainage facilities. The Capital Improvements Fund accounts for resources allocated from the General Fund for the City's general capital improvement activities. The City also maintains five nonmajor capital projects funds.

#### Proprietary Funds

The focus of proprietary fund measurement is based upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

**Enterprise funds** are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains two major enterprise funds, the Parking Fund and the Sewer Fund. The Parking Fund accounts for revenues and expenses related to providing public parking facilities in the downtown and campus area. Revenues are generated primarily through parking meter charges, meter violation fines and parking space rental charges. The Sewer Fund accounts for the revenues and expenses related to operating and maintaining the City's sanitary sewer collection system.

**Internal service funds** are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. The City maintains three internal service funds, the Fleet Services Fund, the Retained Risk Fund and the Workers Compensation Fund.

# CITY OF CHAMPAIGN, ILLINOIS

## Notes to the Financial Statements June 30, 2009

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Proprietary Funds – Continued

The City's internal service funds are presented in the proprietary funds financial statements. Since the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, public works, etc.).

##### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

**Pension Trust Funds** are used to account for assets held in a trustee capacity for pension benefit payments. The Police and Firefighters' Pension Funds account for the accumulation of resources to pay pension costs. Resources are contributed by members at rates fixed by state statutes and by the City through an annual property tax levy.

The City's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of pension participants and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

##### Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

# CITY OF CHAMPAIGN, ILLINOIS

## Notes to the Financial Statements June 30, 2009

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

##### Measurement Focus – Continued

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net assets.

##### Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales, income and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

# CITY OF CHAMPAIGN, ILLINOIS

## Notes to the Financial Statements

June 30, 2009

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

##### Basis of Accounting – Continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds, and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of fees intended to recover the cost of connecting new customers to the sanitary sewer collection system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

##### Cash and Investments

Cash and cash equivalents on the Statement of Net Assets are considered to be cash on hand, demand deposits, and cash with fiscal agents. For the purpose of the proprietary funds "Statement of Cash Flows", cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agents, and all highly liquid investments with an original maturity of three months or less.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market, if any, are reported at estimated fair value.

##### Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

##### Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

# CITY OF CHAMPAIGN, ILLINOIS

## Notes to the Financial Statements

June 30, 2009

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

##### Prepays

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaids.

##### Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report utility charges as their major receivables.

##### Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 (\$50,000 for certain assets) or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	20 - 30 Years
Buildings and Improvements	10 - 50 Years
Machinery and Equipment	3 - 30 Years
Infrastructure	40 - 50 Years

# CITY OF CHAMPAIGN, ILLINOIS

## Notes to the Financial Statements June 30, 2009

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

##### Compensated Absences

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

##### Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

##### Unearned/Deferred Revenue

Governmental funds report unearned/deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

# CITY OF CHAMPAIGN, ILLINOIS

## Notes to the Financial Statements

June 30, 2009

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

##### Fund Equity

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets—Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### BUDGETARY INFORMATION

Annual appropriated budgets are adopted for all City funds presented herein. Budgets are adopted on a basis consistent with generally accepted accounting principles. The legal level of budgetary control is at the fund level. The City follows the statutory and local ordinance procedures in establishing the budgetary data reflected in the financial statements as follows:

During the last half of April, the City Manager submits to the City Council a proposed operating and capital budget for the fiscal year commencing the following July 1 along with revised budget estimates for the current fiscal year. These budgets include proposed expenditures and the means of financing them.

A separately issued budget document is available for public inspection prior to passage of the annual appropriation ordinance, and a public hearing is conducted in May at City Council Chambers to obtain public comment.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued**

**BUDGETARY INFORMATION – Continued**

During the month of June, the budget for the fiscal year commencing the following July is legally enacted through the passage of an ordinance and the revised estimates for the current year budget become the adopted budget, as amended.

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, revisions that decrease the fund balance contingency or increase total expenditures of any fund must be approved by the City Council, with extremely limited exceptions. All annual budgetary appropriations unused and unencumbered lapse at year-end. Encumbered appropriations are carried forward to the following year.

Comparison between actual and budgeted revenue and expenditure items is employed as a management control device during the year for City funds. The City Council approved fourteen budget amendments during the year ended June 30, 2009.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in all funds.

**EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS**

The following funds had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

<u>Fund</u>	<u>Excess</u>
Fleet Services	\$ 35,900
Retained Risk	510,257
Workers Compensation	2,213,717

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued**

**DEFICIT FUND EQUITY**

The following funds had deficit fund equity as of the date of this report:

<u>Fund</u>	<u>Deficit</u>
North Campus Area TIF District	\$ 154,417
Workers Compensation	2,894,725

**NOTE 3 – DETAIL NOTES ON ALL FUNDS**

**DEPOSITS AND INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments". In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments - Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds, and the Illinois Metropolitan Investment Fund. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts, money market mutual funds and common and preferred stocks. The Illinois Funds and the Illinois Metropolitan Investment Fund are external investment pools regulated by state statutes; the pools value participant's shares on a fair value basis.

**Deposits**

At year-end the carrying amount of the City's deposits for governmental and business-type activities totaled \$3,512,121 and the bank balances totaled \$1,937,739.

At year-end the carrying amount of the Police Pension Fund's deposits totaled \$14,069 and the bank balances totaled \$72,841.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

**City Credit Risk, Custodial Credit Risk and Concentration Risk**

	Fair Value	Weighted Average Maturity (Years)
U.S. Treasuries	\$ 5,192,310	1.24
U.S. Agencies	9,013,518	1.99
Illinois Metropolitan Investment Fund	19,720,525	1.00
Illinois Funds	<u>1,010,519</u>	1.00
	<u>34,936,871</u>	
Portfolio Weighted Average Maturity		<u>1.29</u>

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities. Furthermore, the City's formal investment policy states that the maximum weighted average maturity of the portfolio shall not exceed two years.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City helps limit its exposure to credit risk by investing funds in securities issued by agencies of the United States Government that are implicitly guaranteed by the United States Government. Furthermore, the City's investment policy limits authorized investments to the following:

- Cash (demand) deposits fully insured by the FDIC or collateralized with City approved collateral.
- Certificates of deposit fully insured by the FDIC or collateralized with City approved collateral.
- Obligations of the U.S. Treasury (Treasury Bills and Notes) with a maximum maturity of six years.
- Investment pools – constant-dollar local government investment pools administered by the State of Illinois or private parties, including bank common trust funds regulated by the Comptroller of the Currency and intergovernmental investment trusts established pursuant to the Illinois Municipal code.
- Securities backed by the full faith and credit of the U.S. Government (such as GNMA securities) with a maximum maturity of five years.
- Obligations of the U.S. Government Agencies and Instrumentalities, excluding mortgage-backed securities, with a maximum maturity of five years.
- AAA-rated SEC-registered money market mutual funds whose investment objectives include maintaining a stable price of \$1.00 per share, and whose portfolios consist of only dollar-denominated securities, including Treasury, Government, and Prime Funds.

# CITY OF CHAMPAIGN, ILLINOIS

## Notes to the Financial Statements June 30, 2009

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

##### City Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

- Repurchase agreements with primary dealers, when collateralized by U.S. Treasury and Agency securities and held in safekeeping by the City's custodian or pursuant to a tri-party custodial agreement, provided that an industry-standard Master Repurchase Agreement is executed, and marking-to-market is performed.
- Prime Bankers Acceptance Notes that are eligible for purchase by a Federal Reserve Member Bank with a maximum maturity of 180 days.
- Managed accounts: For purposes of the City's investment policy, managed accounts are defined to include SEC-registered bond funds, mutual funds (excluding money market mutual funds), and portfolios managed by investment advisors, all with weighted-average maturities under three years.
- Bonds issued by state or local governments with ratings of not less than Aa1 from at least two major rating agencies with a maximum maturity of 180 days.

At year-end, the City's investment in U.S. Treasury and Agency securities are all triple "A" rated by Standard & Poor's and the investment in Illinois Funds and IMET are rated AAAM by Standard & Poor's.

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. At year-end, the entire amount of the City's bank balance was covered by federal depository insurance or by collateral held by the City, or its agent, in the City's name.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the City's U.S. Government Securities are categorized as insured, registered, or held by the City or its agent in the City's name.

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. To limit this risk, the City's investment policy states that the portfolio shall be maintained within the following limitations by security type:

- Collateralized bank deposits – maximum of 50% in the portfolio, with collateralized demand deposits having a maximum of 25% in the portfolio and certificates of deposit per institution having a maximum of 15%.
- U.S. treasury obligations – maximum of 75% in the portfolio.
- Full faith and credit U.S. government agency obligations – maximum of 20% in the portfolio.
- U.S. agencies and instrumentalities – maximum of 50% in the portfolio.
- Investment pools – maximum of 40% in the portfolio.
- Money market mutual funds – maximum of 50% in the portfolio, with a maximum per fund of 25%.
- Repurchase agreements – maximum of 50%, with a maximum of flex repurchase agreements for CIP funds of 100%.
- Bankers acceptances – maximum of 10% of the portfolio, with a maximum by issuer of 5%.
- Managed account – maximum of 50% of the portfolio, with a maximum in accounts with commercial paper of 15%.

# CITY OF CHAMPAIGN, ILLINOIS

## Notes to the Financial Statements June 30, 2009

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

##### City Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

- Bonds issued by state or local governments with ratings of not less than Aa1 from at least two major rating agencies, with a maximum maturity of 180 days – maximum 20% of the portfolio with a maximum of 10% per issuer except the City.

##### Police Pension Fund Credit Risk, Custodial Credit Risk and Concentration Risk

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Government and Agency Obligations	\$ 26,499,002
State and Local Obligations	971,704
Common Stock	16,809,397
Mutual Funds	<u>8,065,737</u>
Total	<u>52,345,840</u>

*Interest Rate Risk.* To reduce interest rate risk, the Fund employs multiple investment managers. Investments are structured with different layers of liquidity. The Fund has no additional formal policy to reduce interest rate risk.

*Credit Risk.* To reduce credit risk, the Fund's policy requires that pension funds be invested in fixed income securities, equity securities that meet specific restrictions, or mutual funds. The investments in U.S. agency obligations are implicitly guaranteed by the United States Government.

*Custodial Credit Risk – Deposits.* At year-end, the entire amount of the bank balances is covered by federal depository or equivalent insurance.

*Custodial Credit Risk – Investments.* U.S. government securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name. In addition, the investments in bank investment pools that are for employee benefit plans are insured by federal depository insurance for each participant's interest in the plan. The Fund has no formal policy for reducing custodial credit risk for investments.

*Concentration of Credit Risk.* The Fund's policy does not allow any single fixed income security to comprise more than 10% of the portfolio's overall allocation after accounting for price appreciation. Furthermore, the policy does not allow any single equity security to comprise more than 5% of equity allocation at the time of purchase or 10% of the equity allocation of the portfolio after accounting for price appreciation. At year-end, not more than 5% of the Fund's total investments were invested in securities of any one issuer, excluding securities issued or guaranteed by the U.S. government, mutual funds, and external investment pools or other pooled investments.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

**Police Pension Fund Credit Risk, Custodial Credit Risk and Concentration Risk – Continued**

*Foreign Currency Risk.* This is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Fund has no formal policy in regard to foreign currency risk. The Fund's foreign currency exposure is as follows:

<u>Foreign Currency Exposure</u>	<u>Amount</u>
European Euro	\$ 3,776,048
Japanese Yen	359,902
All Other Currency	<u>2,058,635</u>
	<u>6,194,585</u>

**Firefighters' Pension Fund Credit Risk, Custodial Credit Risk and Concentration Risk**

At year-end the Firefighters' Pension Fund has investments in money markets of \$40,281, with an average maturity of less than one year.

*Interest Rate Risk.* The Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity and by investing in an intermediate-term portfolio. Besides the structuring of the portfolio, the Fund has no other formal policy for reducing interest rate risk.

*Credit Risk.* The Fund helps limit its exposure to credit risk by investing funds in securities issued by the Federal Government and also by agencies of the United States Government that are implicitly guaranteed by the United States Government. Besides investing in securities issued by agencies of the United States Government, the Fund has no other formal policy for reducing credit risk.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Fund does not have a formal written policy with regards to custodial credit risk for investments.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

**Firefighters’ Pension Fund Credit Risk, Custodial Credit Risk and Concentration Risk – Continued**

*Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of the Fund’s investment in a single issuer. The Fund has \$35,283,691 invested in mutual funds, \$9,094,379 invested in insurance company contracts, and \$978,971 invested in common stock. To reduce the risk of concentration of credit risk, the Fund’s policy does not allow any single fixed income security to comprise more than 10% of the portfolio’s overall allocation after accounting for price appreciation. The Fund’s investment policy has a stated target that 57.5 percent of its portfolio be in fixed income securities, with the remaining 42.5 percent target in equities. The Pension Board diversifies its equity holdings as follows:

Core Equity – a range of 15% to 25% with a target of 20%

Mid-Cap Equity – a range of 5% to 15% with a target of 10%

Small-Cap Equity – a range of 0% to 5% with a target of 2.5%

International Equity – a range of 2.5% to 10% with a target of 7.5%

Real Estate – a range of 0% to 5% with a target of 2.5%

At year-end, the Firefighters’ Pension Fund has over 5 percent of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested as follows:

Vanguard Mid-Cap Index Mutual Funds	\$	4,567,267
Artio International Equity Mutual Funds		3,399,671
Met Life Group Annuity Contract		9,094,379

**PROPERTY TAXES**

Property taxes for 2008 attach as an enforceable lien on January 1, 2008, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1, 2009, and September 1, 2009. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 86,490,236	9,806,717	137,000	96,159,953
Construction in Progress	42,203,998	6,002,385	30,742,750	17,463,633
	<u>128,694,234</u>	<u>15,809,102</u>	<u>30,879,750</u>	<u>113,623,586</u>
<b>Depreciable Capital Assets</b>				
Buildings	22,236,992	23,454,512	-	45,691,504
Improvements and Equipment	18,579,244	7,137,887	635,792	25,081,339
Infrastructure	397,416,155	15,628,016	829,142	412,215,029
	<u>438,232,391</u>	<u>46,220,415</u>	<u>1,464,934</u>	<u>482,987,872</u>
<b>Less Accumulated Depreciation</b>				
Buildings	10,393,000	1,336,690	-	11,729,690
Improvements and Equipment	13,006,696	2,704,083	655,272	15,055,507
Infrastructure	191,844,571	14,559,178	145,730	206,258,019
	<u>215,244,267</u>	<u>18,599,951</u>	<u>801,002</u>	<u>233,043,216</u>
<b>Total Depreciable Capital Assets</b>	<u>222,988,124</u>	<u>27,620,464</u>	<u>663,932</u>	<u>249,944,656</u>
<b>Total Capital Assets</b>	<u>351,682,358</u>	<u>43,429,566</u>	<u>31,543,682</u>	<u>363,568,242</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 14,973,209
Public Safety	843,603
Public Works	717,954
Public Health and Welfare	5,735
Culture and Recreation	2,059,450
	<u>18,599,951</u>

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS – Continued**

**Business-Type Activities**

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 5,944,474	-	-	5,944,474
Construction in Progress	6,207,584	5,856,125	-	12,063,709
	<u>12,152,058</u>	<u>5,856,125</u>	<u>-</u>	<u>18,008,183</u>
<b>Depreciable Capital Assets</b>				
Buildings	420,000	-	-	420,000
Improvements and Equipment	1,067,516	44,162	31,800	1,079,878
Parking Meters	721,235	-	-	721,235
Infrastructure	46,669,274	1,166,807	63,436	47,772,645
	<u>48,878,025</u>	<u>1,210,969</u>	<u>95,236</u>	<u>49,993,758</u>
<b>Less Accumulated Depreciation</b>				
Buildings	52,500	10,500	-	63,000
Improvements and Equipment	684,481	53,794	14,310	723,965
Parking Meters	193,665	34,149	-	227,814
Infrastructure	10,515,454	717,447	44,282	11,188,619
	<u>11,446,100</u>	<u>815,890</u>	<u>58,592</u>	<u>12,203,398</u>
<b>Total Depreciable Capital Assets</b>	<u>37,431,925</u>	<u>395,079</u>	<u>36,644</u>	<u>37,790,360</u>
<b>Total Capital Assets</b>	<u>49,583,983</u>	<u>6,251,204</u>	<u>36,644</u>	<u>55,798,543</u>

Depreciation expense was charged to business-type activities as follows:

Parking	\$ 195,244
Sewer	<u>620,646</u>
	<u>815,890</u>

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements**

**June 30, 2009**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Food and Beverage Tax	\$ 9,306
General	Nonmajor Governmental	995,870
General	Workers Compensation	308,100
General	Retained Risk	63,260
General	Fleet Services	204,823
General	Parking	606,566
General	Sewer	262,275
Debt Service	General	2,340,000
Debt Service	Stormwater Management	905,000
Debt Service	North Campus Area TIF District	344,650
Stormwater Management	General	3,504,187
Capital Improvements	General	5,161,715
Capital Improvements	Debt Service	1,045,440
Nonmajor Governmental	Nonmajor Governmental	77,354
Nonmajor Governmental	General	2,307,709
Nonmajor Governmental	Stormwater Management	16,491
Nonmajor Governmental	Parking	127,936
Nonmajor Governmental	Sewer	106,487
Nonmajor Governmental	Fleet Services	12,513
Nonmajor Governmental	Retained Risk	23,444
Parking	Nonmajor Governmental	244,162
Sewer	General	44,595
Sewer	Stormwater Management	544,388
		<u>19,256,271</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT**

**General Obligation Bonds**

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
<p>\$9,995,000 General Obligation Bonds of 1997, due in annual installments of \$640,000 to \$1,195,000 plus interest at 3.90% to 4.70% through maturity on January 1, 2009.</p>	<p>Debt Service</p>	<p>\$ 1,195,000</p>	<p>-</p>	<p>1,195,000</p>	<p>-</p>
<p>\$6,815,000 General Obligation Bonds of 1998, due in annual installments of \$275,000 to \$635,000, plus interest at 3.75% to 4.00% through maturity on January 1, 2014.</p>	<p>Debt Service</p>	<p>3,375,000</p>	<p>-</p>	<p>2,880,000 * 495,000</p>	<p>-</p>
<p>\$8,000,000 General Obligation Bonds of 1999, due in annual installments of \$175,000 to \$895,000, plus interest at 3.80% to 4.60% through maturity on January 1, 2017.</p>	<p>Debt Service</p>	<p>6,415,000</p>	<p>-</p>	<p>6,180,000 * 235,000</p>	<p>-</p>

\* Refunded

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**General Obligation Bonds – Continued**

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
\$2,915,000 General Obligation Bonds of 2004A, due in annual installments of \$20,000 to \$445,000, plus interest at 5.00% through maturity on January 1, 2024.	Debt Service	\$ 2,915,000	-	-	2,915,000
\$4,900,000 General Obligation Demand Bonds of 2004B, due in annual installments of \$105,000 to \$435,000, plus interest at 4.40% through maturity on December 1, 2020.	Debt Service	1,750,000	-	-	1,750,000
\$24,015,000 General Obligation Bonds of 2005, due in annual installments of \$155,000 to \$1,765,000, plus interest at 3.25% to 4.375% through maturity on December 15, 2025.	Debt Service	24,015,000	-	155,000	23,860,000
\$7,025,000 General Obligation Refunding Bonds of 2007A, due in annual installments of \$355,000 to \$1,115,000, plus interest at 3.75% to 6.00% through maturity on December 15, 2023.	Debt Service	7,025,000	-	-	7,025,000

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**General Obligation Bonds – Continued**

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
<p>\$9,280,000 General Obligation Refunding Bonds of 2009, due in annual installments of \$795,000 to \$1,420,000, plus interest at 2.00% to 2.75% through maturity on December 15, 2016.</p>	<p>Debt Service</p>	<p>\$ -</p>	<p>9,280,000</p>	<p>-</p>	<p>9,280,000</p>
<p>\$2,750,000 General Obligation Bonds of 2007B, due in annual installments of \$255,000 to \$710,000, plus interest at 3.75% through maturity on December 15, 2016.</p>	<p>Parking</p>	<p>2,750,000</p>	<p>-</p>	<p>-</p>	<p>2,750,000</p>
<p>\$9,950,000 General Obligation Bonds of 2008, due in annual installments of \$440,000 to \$1,415,000, plus interest at 4.00% to 5.75% through maturity on December 15, 2027.</p>	<p>Parking</p>	<p>9,950,000</p>	<p>-</p>	<p>-</p>	<p>9,950,000</p>
		<p>59,390,000</p>	<p>9,280,000</p>	<p>11,140,000</p>	<p>57,530,000</p>

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**IEPA Loans Payable**

The City has entered into loan agreements with the IEPA to provide low interest financing for sewerage improvements. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
\$502,000 EPA loan due March 1, 2015, at 3.015% payable semi-annually	Sewer	\$ 164,191	-	21,403	142,788
\$741,188 EPA loan due August 16, 2016, at 2.815% payable semi-annually	Sewer	368,742	-	38,974	329,768
		<u>532,933</u>	<u>-</u>	<u>60,377</u>	<u>472,556</u>

**Landfill Closure and Post-Closure**

The City's old landfill, known as the Old Champaign Landfill, is not officially closed; however, the estimated costs to be incurred for certain modifications to the site to enable it to be closed under EPA standards as of June 30, 1997 were estimated to be \$3,000,000 expected to be incurred over a four-year period beginning in calendar year 1998. After the site is closed, the City will also be required to maintain the site for 15 years, with an estimated annual cost of \$50,000. The maintenance would include testing of water quality and inspection of vegetation, drainage and site security. At year-end, the estimated remaining liability is \$835,147. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The estimates were based on a closure and post-closure care plan prepared by an environmental engineering firm and were allocated based on landfill capacity.

Total capacity of the landfill has been used and therefore, the landfill has no remaining useful life. The City has applied GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-Closure Care Costs*, and has included the liability for the estimated costs to close and maintain the landfill.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Long-Term Liability Activity**

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Net Pension Obligation	\$ 658,406	3,129,050	2,798,657	988,799	-
Net Other Postemployment Benefit Obligation	-	1,103,936	315,540	788,396	-
Compensated Absences	3,980,791	823,364	411,682	4,392,473	878,495
Landfill Closure and Post-Closure	840,086	55,895	60,834	835,147	-
General Obligation Bonds	46,690,000	9,280,000	11,140,000	44,830,000	2,530,000
Unamortized Bond Premium	139,957	114,923	8,233	246,647	-
	<u>52,309,240</u>	<u>14,507,168</u>	<u>14,734,946</u>	<u>52,081,462</u>	<u>3,408,495</u>
<b>Business-Type Activities</b>					
Compensated Absences	167,841	24,040	12,020	179,861	35,972
General Obligation Bonds	12,700,000	-	-	12,700,000	-
Unamortized Bond Premium	381,481	-	22,156	359,325	-
IEPA Loans Payable	532,933	-	60,377	472,556	62,132
	<u>13,782,255</u>	<u>24,040</u>	<u>94,553</u>	<u>13,711,742</u>	<u>98,104</u>

Payments on long-term liabilities are made as follows: Net Pension Obligation costs and Net Other Postemployment Benefit Obligation costs are expended by the General Fund; Landfill Closure and Post-Closure costs are expended in the Capital Improvements Fund; the Debt Service Fund and Parking Fund retire the general obligation bonds; and payments on the IEPA Loans are made by the Sewer Fund. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$98,346 of internal service funds compensated absences are included in the above amounts. Compensated absences for the governmental activities are generally liquidated by the General Fund.

## **CITY OF CHAMPAIGN, ILLINOIS**

### **Notes to the Financial Statements**

**June 30, 2009**

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#### **NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

##### **LONG-TERM DEBT – Continued**

###### **Defeased Debt**

On May 15, 2009, the City issued \$9,280,000 par value General Obligation Refunding Bonds, Series of 2009 to refund \$2,880,000 of the General Obligation Bond Series of 1998 and \$6,180,000 of the General Obligation Bond Series of 1999. The City defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the City reduced its total debt service by \$648,162 and obtained an economic gain of \$584,485.

###### **Legal Debt Margin**

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.”

To date the Illinois General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

###### **Industrial Development Revenue Bonds/Private Activity Bonds**

The issuance of Industrial Development Revenue Bonds/Private Activity Bonds by the City is to finance in whole or in part the cost of the acquisition, purchase, construction, reconstruction, improvement, equipping, betterment, or extension of any economic development project in order to encourage economic development within or near the City.

Industrial Development Revenue Bonds/Private Activity Bonds are not a debt of the City. The entity using the bond proceeds to finance a construction or improvement project is liable for the bonds. Since the City does not act as an agent for Industrial Development Revenue Bonds, the transactions relating to the bonds and property do not appear in the City's financial statements. The amount outstanding at year-end is not readily determinable.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year Ending June 30	Governmental Activities		Business-Type Activities			
	General Obligation Bonds		General Obligation Bonds		IEPA Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 2,530,000	1,636,211	-	532,462	62,132	13,143
2011	2,510,000	1,552,770	-	532,462	63,938	11,337
2012	2,595,000	1,483,423	-	532,462	65,797	9,478
2013	2,680,000	1,411,432	485,000	523,368	67,710	7,566
2014	3,180,000	1,326,681	635,000	502,368	69,678	5,597
2015	2,795,000	1,229,807	710,000	477,150	71,704	3,572
2016	3,100,000	1,122,991	665,000	451,368	47,397	1,684
2017	3,180,000	998,318	1,225,000	406,231	24,200	342
2018	2,680,000	877,400	1,345,000	339,937	-	-
2019	2,855,000	765,257	1,330,000	279,712	-	-
2020	3,185,000	642,772	1,415,000	224,813	-	-
2021	2,645,000	522,426	1,220,000	172,113	-	-
2022	2,330,000	416,951	440,000	138,912	-	-
2023	2,475,000	314,407	470,000	120,712	-	-
2024	2,630,000	205,412	490,000	101,513	-	-
2025	1,695,000	113,238	520,000	81,313	-	-
2026	1,765,000	38,610	545,000	60,012	-	-
2027	-	-	585,000	37,266	-	-
2028	-	-	620,000	12,710	-	-
<b>Total</b>	<b>44,830,000</b>	<b>14,658,106</b>	<b>12,700,000</b>	<b>5,526,884</b>	<b>472,556</b>	<b>52,718</b>

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 4 – OTHER INFORMATION**

**RISK MANAGEMENT**

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the government's employees. The City's health insurance is covered by third party indemnity insurance. The City is self-insured and accounts for losses and risk management expenses in two separate internal service funds, the Retained Risk Fund and the Workers Compensation Fund.

Retained Risk Fund – The City's risk management program for general liabilities encompasses a wide range of City Activities, and the City has elected to retain all exposure to risk of loss up to \$250,000 with an aggregate limit of \$5 million for public officials and \$10 million for all other liability types arising out of the normal course of the City's activities. The City employs several attorneys in the legal department, and various outside legal counsel are occasionally utilized by the City to litigate the matters of the City.

Workers Compensation Fund – The City has entered into an agreement with a third party to provide claim administration and adjustment services for the City's self-insured workers' compensation plan. Under this plan, the City is self-insured up to \$400,000 per occurrence with no aggregate limit and has supplemental per-occurrence coverage with a commercial carrier for all amounts over \$400,000.

Various funds of the City participate in the Retained Risk and Workers' Compensation plans and make payments to the funds based upon estimates of the amounts needed to pay prior and current year claims. The claims liability reported in the funds at June 30, 2009 is based upon the requirements of GASB Statement No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The ultimate outcome of these claims is not presently determinable; however, it is the opinion of City management that resolution of these matters will not have a material adverse effect on the financial condition of the City. The amount of settlements did not exceed insurance coverage during the year ended June 30, 2009 or the prior two fiscal years.

Changes in the claim liability amounts in fiscal years 2009 and 2008 were as follows:

	2009		2008	
	Retained Risk	Workers' Compensation	Retained Risk	Workers' Compensation
Claims Liability - July 1	\$ 983,344	1,407,562	877,099	1,366,565
Claims Incurred	2,250,025	5,721,104	898,047	1,278,572
Claims Paid	(1,484,313)	(3,646,521)	(791,802)	(1,237,575)
Claims Liability - June 30	1,749,056	3,482,145	983,344	1,407,562

# **CITY OF CHAMPAIGN, ILLINOIS**

## **Notes to the Financial Statements**

**June 30, 2009**

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### **NOTE 4 – OTHER INFORMATION – Continued**

#### **CONTINGENT LIABILITIES**

##### **Litigation**

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

##### **Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

#### **JOINT VENTURES**

##### **Champaign-Urbana Solid Waste Disposal System**

The City participates in the Champaign-Urbana Solid Waste Disposal System (CUSWDS) which consists of the cities of Champaign and Urbana. CUSWDS operated a sanitary landfill for the disposal of the solid waste generated in the metropolitan area, with revenues derived primarily from user charges. The co-directors of CUSWDS are the City Manager of the City of Champaign and the Mayor of Urbana, who have equal voting rights with respect to the operations of the landfill. The annual operating budget of the landfill is to be approved by both City Councils.

Effective June 1, 1987, CUSWDS ceased operations, however, it is responsible for overseeing the closing and maintenance of the landfill site until the year 2018. Financial participation in CUSWDS is based on the relative populations of Champaign and Urbana. Champaign, with an adjusted 1990 census population of 63,502, is responsible for 63.6%, and Urbana (population 36,344) is responsible for 36.4% of the CUSWDS's obligations.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 4 – OTHER INFORMATION – Continued**

**JOINT VENTURES – Continued**

**Champaign-Urbana Solid Waste Disposal System – Continued**

Separate financial statements are available for CUSWDS by contacting the City of Urbana, Illinois Finance Department (Lead Agency) at 400 S. Vine, Urbana, Illinois 61801. Summary financial information for CUSWDS as of and for the year ended June 30, 2009 is as follows:

Total Assets	<u>\$ 108,849</u>	Total Revenues	\$ 47,154
		Total Expenses	<u>63,794</u>
Total Liabilities	6,918	Net Income (Loss)	(16,640)
Total Equity	<u>101,931</u>	Total Equity - July 1	<u>118,571</u>
Total Liabilities and Equity	<u>108,849</u>	Total Equity - June 30	<u>101,931</u>

**HOME Program**

The federal HOME Investment Partnerships Act funds were granted to the Urbana Consortium for affordable housing activities. The Consortium consists of the City of Urbana, the City of Champaign and Champaign County. Urbana serves as lead entity of the Consortium. As such, Urbana is responsible for reporting to the Department of Housing and Urban Development (HUD) and ensuring that all HOME expenditures meet HUD guidelines. A small part of the fund is used to pay Consortium administrative expenses incurred by Urbana and expenses related to HOME-funded activities in Urbana, Champaign and Champaign County.

HUD regulations require that each year's grant funds be contractually obligated within two years of the grant award and spent within five years. Thus, closeout of the fiscal year 2006 – 2008 allocations is not expected until the year 2012.

Federal regulations require set-aside of HOME funds for exclusive use by certain private non-profit organizations known as community housing development organizations (CHDO). The set-aside is calculated as 15% of each year's grant. The CHDO set-aside funds are allocated by consensus of Urbana, Champaign and Champaign County. The Consortium currently recognizes and funds two CHDO's, the Homestead Corporation and the Illinois Center for Citizen Involvement.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 4 – OTHER INFORMATION – Continued**

**JOINT VENTURES – Continued**

**HOME Program – Continued**

Separate financial statements are available for the HOME program by contacting the Finance Department of the City of Urbana, Illinois (Lead Agency) at 400 S. Vine, Urbana, Illinois 61801. Summary financial information for HOME Program as of and for the year ended June 30, 2009 is as follows:

Total Assets	<u>\$ 37,306</u>	Total Revenues	\$ 1,063,380
		Total Expenses	<u>1,063,380</u>
Total Liabilities	37,306	Net Income	-
Total Equity	<u>-</u>	Total Equity - July 1	<u>-</u>
Total Liabilities and Equity	<u>37,306</u>	Total Equity - June 30	<u>-</u>

**Metropolitan Computer Aided Dispatch (METCAD)**

The City participates in the Metropolitan Computer Aided Dispatch (METCAD) which consists of the cities of Champaign and Urbana, Champaign County and the University of Illinois. METCAD is a consolidated metropolitan emergency dispatching service, with revenues derived primarily from service charges. The METCAD Policy Board consists of two representatives from each member. One of the two representatives is designated as an “administrative representative” and the other is an employee of the police or fire department. The Board also includes a representative from a rural fire protection district and a representative from a rural police department. The annual operating budget must be unanimously approved by all the administrative representatives of the members. The City of Champaign is the Lead Agency, and is therefore responsible for the overall administrative operation of METCAD. METCAD participates in the City’s risk management program and bargaining unit contracts. Each member is responsible for a pro-rata share of METCAD’s operating budget and expenses based on a cost-sharing formula established by the members and approved annually by a unanimous vote of the administrative representatives of the members.

# CITY OF CHAMPAIGN, ILLINOIS

## Notes to the Financial Statements June 30, 2009

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### NOTE 4 – OTHER INFORMATION – Continued

#### JOINT VENTURES – Continued

##### Metropolitan Computer Aided Dispatch (METCAD) – Continued

Separate financial statements are available for METCAD by contacting the City of Champaign, Illinois Finance Department (Lead Agency) at 102 North Neil Street, Champaign, Illinois 61820. Summary financial information for METCAD as of and for the year ended June 30, 2009 is as follows:

Total Assets	<u>\$ 11,149,299</u>	Total Revenues	\$ 4,157,618
		Total Expenses	<u>3,521,278</u>
Total Liabilities	816,135	Net Income	636,340
Total Equity	<u>10,333,164</u>	Total Equity - July 1	<u>9,696,824</u>
Total Liabilities and Equity	<u>11,149,299</u>	Total Equity - June 30	<u>10,333,164</u>

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The City contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Sheriff's Law Enforcement Personnel Fund (SLEP), which is administered by the IMRF and is also a defined benefit agent multiple-employee public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is also a single-employer pension plan. Separate reports are issued for the Police and Firefighters' Pension Plans and may be obtained by writing to the City at 102 North Neil Street, Champaign, Illinois 61820. IMRF also issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

#### Plan Descriptions, Provisions and Funding Policies

##### Illinois Municipal Retirement System

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Plan Descriptions, Provisions and Funding Policies – Continued**

**Illinois Municipal Retirement System – Continued**

consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The City is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer rate for calendar year 2008 was 8.45 percent.

**Sheriff's Law Enforcement Personnel**

Sheriff's Law Enforcement Personnel (SLEP), having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earning rate for the next 10 years of credited service and 1.00% for each year thereafter. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits.

These benefit provisions and all other requirements are established by State statutes. SLEP members are required to contribute 7.50% of their annual salary to SLEP. The City is required to contribute the remaining amounts necessary to fund the SLEP plan as specified by statute. The employer contribution rate for the calendar year 2008 was 17.57 percent.

**Police Pension Plan**

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Plan Descriptions, Provisions and Funding Policies – Continued**

**Police Pension Plan – Continued**

At fiscal year end the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	105
Current Employees	
Vested	73
Nonvested	<u>50</u>
	<u>228</u>

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded. The City is presently amortizing this liability through the year 2020; this contribution method is above and beyond that required by the State.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Plan Descriptions, Provisions, and Funding Policies – Continued**

**Firefighters' Pension Plan**

The Firefighters' Pension Plan is a single-employer defined pension plan that covers all sworn fire personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At fiscal year end the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	80
Current Employees	
Vested	61
Nonvested	<u>40</u>
	<u>181</u>

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank at the date of retirement. The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded. The City is presently amortizing this liability through the year 2020; this contribution method is above and beyond that required by the State.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Plan Descriptions, Provisions, and Funding Policies – Continued**

**Firefighters' Pension Plan – Continued**

Prior to July 1, 1993, the annual actuarial requirements had been based on a 40-year amortization from January 1, 1980 with level dollar payments. After July 1, 1993, the board adopted a policy of continuing to use a 40-year amortization from January 1, 1980 with level dollar payments. In May of 2005, the board adopted a policy to amortize the increase in unfunded liability due to the benefit increase enacted under Public Act 93-0689 over a 25-year period beginning July 1, 2004 with level dollar payments.

Thus, an annual actuarial requirement was determined for the year beginning July 1, 2008 using a period of 25 years from July 1, 2004 to amortize the increase in unfunded liability attributable to the benefit increases enacted under Public Act 93-0689 through level dollar payments. The balance of the unfunded liability will continue to be amortized over a 40-year period from January 1, 1980 through level dollar payments.

**Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments**

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Any investments that do not have any established market are reported at estimated fair value.

**Significant Investments**

Information for IMRF is not available. At year-end, the Firefighters' Pension Fund has over 5 percent of net assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested as follows:

Vanguard Mid-Cap Index Mutual Funds	\$	4,567,267
Artio International Equity Mutual Funds		3,399,671
Met Life Group Annuity Contract		9,094,379

**Related Party Transactions**

There are no securities of the employer or any other related parties included in plan assets.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Annual Pension Cost and Net Pension Obligation**

The City’s annual required contribution for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
<b>Contribution Rates</b>				
Employer	8.45%	17.57%	41.53%	49.28%
Employee	4.50%	7.50%	9.91%	9.46%
<b>Annual Pension Cost</b>	\$1,581,411	\$23,075	\$2,212,328	\$3,129,050
<b>Contributions Made</b>	\$1,581,411	\$23,075	\$3,336,381	\$2,798,657
<b>Actuarial Valuation Date</b>	12/31/2008	12/31/2008	7/1/2008	7/1/2008
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
<b>Amortization Method</b>	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis	Level Dollar
<b>Remaining Amortization Period</b>	24 Years	29 Years	25 Years	11.5 Years
<b>Asset Valuation Method</b>	5-Year Smoothed Market	5-Year Smoothed Market	4-Year Smoothed Market	4-Year Smoothed Market
<b>Actuarial Assumptions</b>				
Investment Rate of Return	7.50% Compounded Annually	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
Projected Salary Increases	.4 to 11.6%	.4 to 11.6%	4.00%	4.00%
Inflation Rate Included	4.00%	4.00%	3.00%	3.50%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%	3.00%

The pension liability was determined in accordance with GASB Statement No. 27, “Accounting for Pensions by State and Local Governmental Employers.” There was no net pension obligation for the IMRF of SLEP plan. The pension liability (asset) for the Police and Firefighters’ Pension Plans is as follows:

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Annual Pension Cost and Net Pension Obligation – Continued**

	Police Pension	Firefighters' Pension	Totals
Annual Required Contribution (ARC)	\$ 2,324,722	3,163,746	5,488,468
Interest on the NPO	(531,526)	46,088	(485,438)
Adjustment to the ARC	419,132	(80,784)	338,348
Annual Pension Cost	2,212,328	3,129,050	5,341,378
Actual Contribution	3,336,381	2,798,657	6,135,038
Increase to the NPO	(1,124,053)	330,393	(793,660)
NPO - Beginning of Year	(7,593,235)	658,406	(6,934,829)
NPO - End of Year	(8,717,288)	988,799	(7,728,489)

**Trend Information**

Employer annual pension costs (APC), actual contributions and the net pension obligation (NPO) are as follows: the NPO is the cumulative difference between the APC and the contributions actually made.

	Fiscal Year	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2006	\$ 1,611,238	\$ -	\$ 1,917,504	\$ 2,740,373
	2007	1,553,949	21,693	2,141,250	2,815,024
	2008	1,581,411	23,075	2,212,328	3,129,050
Actual Contributions	2006	1,611,238	-	2,925,758	1,903,310
	2007	1,553,949	21,693	3,169,450	2,417,120
	2008	1,581,411	23,075	3,336,381	2,798,657
Percentage of APC Contributed	2006	100.00%	-	152.58%	69.45%
	2007	100.00%	100.00%	148.02%	85.86%
	2008	100.00%	100.00%	150.81%	89.44%
Net Pension Obligation (Asset)	2006	-	-	(6,565,035)	260,502
	2007	-	-	(7,593,235)	658,406
	2008	-	-	(8,717,288)	988,799

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Funded Status and Funding Progress**

The City’s funded status for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/08	12/31/08	7/1/08	7/1/08
Percent Funded	83.52%	50.46%	69.29%	74.45%
Accuarial Accrued Liability for Benefits	\$55,331,407	\$271,568	\$80,079,990	\$67,687,588
Actuarial Value of Assets	\$46,210,515	\$137,028	\$55,488,801	\$50,393,274
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$9,120,892)	(\$134,540)	(\$24,591,189)	(\$17,294,314)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$18,714,929	\$131,330	\$8,033,356	\$6,623,914
Ratio of UAAL to Covered Payroll	48.74%	102.44%	306.11%	261.09%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS**

**Plan Descriptions, Provisions, and Funding Policies**

In addition to providing the pension benefits described, the City provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the General Fund.

The City provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the City's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

All retirees contribute 100% of the premium cost of the plan. For the fiscal year ending June 30, 2009, retirees contributed \$315,540. Active employees do not contribute to the plan until retirement.

At June 30, 2009, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>68</u>
Total	<u><u>68</u></u>
Participating Employers	1

The City does not currently have a funding policy.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS – Continued**

**Annual OPEB Costs and Net OPEB Obligation – Continued**

The City had an actuarial valuation performed for the plan as of June 30, 2009 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended June 30, 2009.

The net OPEB obligation (NOPEBO) as of June 30, 2009, was calculated as follows:

	<u>OPEB</u>
Annual Required Contribution	\$ 1,103,936
Interest on the NOPEBO	-
Adjustment to the ARC	<u>-</u>
Annual OPEB Cost	1,103,936
Actual Contribution	<u>315,540</u>
Increase in the NOPEBO	788,396
NOPEBO - Beginning of Year	<u>-</u>
NOPEBO - End of Year	<u><u>788,396</u></u>

# CITY OF CHAMPAIGN, ILLINOIS

## Notes to the Financial Statements June 30, 2009

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### Annual OPEB Costs and Net OPEB Obligation – Continued

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer and are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

##### Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, was as follows:

Actuarial Accrued Liability (AAL)	\$ 9,348,610
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	9,348,610
Funded Ratio (actuarial value of plan assets/AAL)	-
Covered Payroll (active plan members)	30,941,198
UAAL as a percentage of covered payroll	30%

##### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**CITY OF CHAMPAIGN, ILLINOIS**

**Notes to the Financial Statements  
June 30, 2009**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS – Continued**

**Actuarial Methods and Assumptions – Continued**

In the June 30, 2009 actuarial valuation the entry age normal cost method was used. The actuarial assumptions included a 5.0% investment rate of return (including a 2.5% inflation assumption) and an annual healthcare cost trend rate of 9.0%, with an ultimate rate of 5.0% after five years. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009, was 30 years.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- **Schedule of Funding Progress**
  - Illinois Municipal Retirement Fund
  - Sheriff's Law Enforcement Personnel Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  - Other Post-Employment Benefit Plan
  
- **Employer Contributions**
  - Illinois Municipal Retirement Fund
  - Sheriff's Law Enforcement Personnel Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  - Other Post-Employment Benefit Plan
  
- **Budgetary Comparison Schedules**
  - General Fund
  - Champaign Public Library – Special Revenue Fund
  - Food and Beverage – Special Revenue Fund
  - North Campus Area TIF District – Special Revenue Fund

### Notes to the Required Supplementary Information

- **Budgetary Information** – Budgets are adopted on a basis materially consistent with generally accepted accounting principles.

**CITY OF CHAMPAIGN, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**

**Schedule of Funding Progress**

**June 30, 2009**

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2003	\$ 40,456,504	\$ 39,640,619	102.06%	\$ (815,885)	\$ 14,554,179	(5.61%)
2004	40,723,004	43,335,884	93.97%	2,612,880	16,029,924	16.30%
2005	43,795,614	44,950,698	97.43%	1,155,084	16,330,869	7.07%
2006	48,014,176	48,457,587	99.08%	443,411	16,818,768	2.64%
2007	52,819,788	52,191,925	101.20%	(627,863)	17,718,913	(3.54%)
2008	46,210,515	55,331,407	83.52%	9,120,892	18,714,929	48.74%

**CITY OF CHAMPAIGN, ILLINOIS**

**Sheriff's Law Enforcement Personnel**

**Required Supplementary Information  
Schedule of Funding Progress  
June 30, 2009**

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2003	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
2004	-	-	0.00%	-	-	0.00%
2005	-	-	0.00%	-	-	0.00%
2006	-	-	0.00%	-	-	0.00%
2007	104,938	229,653	45.69%	124,715	123,959	100.61%
2008	137,028	271,568	50.46%	134,540	131,330	102.44%

**CITY OF CHAMPAIGN, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Funding Progress  
June 30, 2009**

Actuarial Valuation Date June 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2003	\$ 42,082,939	\$ 62,137,296	67.73%	\$ 20,054,357	\$ 6,070,112	330.38%
2004	43,799,293	63,062,374	69.45%	19,263,081	6,619,831	290.99%
2005	47,255,035	68,707,507	68.78%	21,452,472	6,930,658	309.53%
2006	49,925,449	71,985,672	69.35%	22,060,223	7,273,004	303.32%
2007	56,633,283	74,952,610	75.56%	18,319,327	7,192,038	254.72%
2008	55,488,801	80,079,990	69.29%	24,591,189	8,033,356	306.11%

\* Beginning with the valuation indicated the group mortality table was changed from the 1983 Group Mortality Table to the UP-1984 Mortality Table.

**CITY OF CHAMPAIGN, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information  
Schedule of Funding Progress  
June 30, 2009**

Actuarial Valuation Date June 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2003	\$ 40,341,333	\$ 45,823,126	88.04%	\$ 5,481,793	\$ 5,071,694	108.09%
2004	41,279,474	54,712,535	75.45%	13,433,061	5,011,170	268.06%
2005	42,396,338	58,466,556	72.51%	16,070,218	5,338,139	301.05%
2006	44,065,639	61,773,778	71.33%	17,708,139	5,744,071	308.29%
2007	47,396,949	64,364,423	73.64%	16,967,474	6,489,359	261.47%
2008	50,393,274	67,687,588	74.45%	17,294,314	6,623,914	261.09%

\* Beginning with the valuation indicated the group mortality table was changed from the 1983 Group Mortality Table to the UP-1984 Mortality Table.

**CITY OF CHAMPAIGN, ILLINOIS**

**Other Post-Employment Benefit Plan**

**Required Supplementary Information  
Schedule of Funding Progress  
June 30, 2009**

Actuarial Valuation Date June 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2004	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	-	9,348,610	0.00%	9,348,610	30,941,198	30.21%

The City implemented GASB Statement No. 45 for the fiscal year ended June 30, 2009. Information for other years is not available.

**CITY OF CHAMPAIGN, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Employer Contributions  
June 30, 2009**

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<b>Calendar Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution</b>	<b>Percent Contributed</b>
2003	\$ 464,278	\$ 464,278	100.00%
2004	1,074,034	1,074,034	100.00%
2005	1,368,527	1,368,527	100.00%
2006	1,611,238	1,611,238	100.00%
2007	1,553,949	1,553,949	100.00%
2008	1,581,411	1,581,411	100.00%

**CITY OF CHAMPAIGN, ILLINOIS**

**Sheriff's Law Enforcement Personnel**

**Required Supplementary Information  
Employer Contributions  
June 30, 2009**

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<b>Calendar Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution</b>	<b>Percent Contributed</b>
2003	\$ -	\$ -	0.00%
2004	-	-	0.00%
2005	-	-	0.00%
2006	-	-	0.00%
2007	21,693	21,693	100.00%
2008	23,075	23,075	100.00%

**CITY OF CHAMPAIGN, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Employer Contributions  
June 30, 2009**

Year Ended June 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2004*	\$ 2,455,710	\$ 2,498,465	98.29%
2005	2,688,175	2,261,794	118.85%
2006	2,925,758	2,423,054	120.75%
2007	3,169,450	2,014,502	157.33%
2008	3,336,381	2,247,474	148.45%
2009	3,277,517	2,324,722	140.99%

\* Beginning with the valuation indicated the group mortality table was changed from the 1983 Group Mortality Table to the UP-1984 Mortality Table.

**CITY OF CHAMPAIGN, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information  
Employer Contributions  
June 30, 2009**

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Year Ended June 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2004*	\$ 1,336,766	\$ 1,345,112	99.38%
2005	1,481,440	1,546,123	95.82%
2006	1,903,310	2,306,764	82.51%
2007	2,417,120	2,716,144	88.99%
2008	2,798,657	2,827,252	98.99%
2009	2,997,872	3,163,746	94.76%

\* Beginning with the valuation indicated the group mortality table was changed from the 1983 Group Mortality Table to the UP-1984 Mortality Table.

**CITY OF CHAMPAIGN, ILLINOIS**

**Other Post-Employment Benefit Plan**

**Required Supplementary Information  
Employer Contributions  
June 30, 2009**

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<b>Year Ended June 30</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution</b>	<b>Percent Contributed</b>
2004	\$ N/A	\$ N/A	N/A
2005	N/A	N/A	N/A
2006	N/A	N/A	N/A
2007	N/A	N/A	N/A
2008	N/A	N/A	N/A
2009	315,540	1,103,936	28.58%

The City implemented GASB Statement No. 45 for the fiscal year ended June 30, 2009. Information for other years is not available.

**CITY OF CHAMPAIGN, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 56,563,059	55,706,253	54,057,685
Intergovernmental	150,597	393,079	243,273
Licenses, Permits and Fees	1,894,350	1,685,420	1,732,653
Charges for Services	805,000	760,800	848,330
Fines and Forfeitures	1,206,502	1,210,502	1,058,117
Refunds and Reimbursements	2,661,422	2,653,906	2,674,785
Interest	400,000	300,000	370,229
Miscellaneous	38,300	26,714	21,786
<b>Total Revenues</b>	<b>63,719,230</b>	<b>62,736,674</b>	<b>61,006,858</b>
<b>Expenditures</b>			
<b>Current</b>			
General Government	12,489,765	12,022,699	11,458,512
Public Safety	33,434,698	32,926,143	32,029,111
Public Works	9,316,566	8,403,153	8,021,361
Public Health and Welfare	366,874	461,286	466,073
<b>Total Expenditures</b>	<b>55,607,903</b>	<b>53,813,281</b>	<b>51,975,057</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>8,111,327</b>	<b>8,923,393</b>	<b>9,031,801</b>
<b>Other Financing Sources (Uses)</b>			
Disposal of Capital Assets	7,000	16,000	17,565
Transfers In	2,527,100	2,479,193	2,450,200
Transfers Out	(13,066,370)	(13,352,501)	(13,358,206)
	<b>(10,532,270)</b>	<b>(10,857,308)</b>	<b>(10,890,441)</b>
<b>Net Change in Fund Balance</b>	<b>(2,420,943)</b>	<b>(1,933,915)</b>	<b>(1,858,640)</b>
<b>Fund Balance - Beginning</b>			<b>19,408,702</b>
<b>Fund Balance - Ending</b>			<b>17,550,062</b>

**CITY OF CHAMPAIGN, ILLINOIS**

**Champaign Public Library - Special Revenue Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
<b>Taxes</b>			
Property Taxes	\$ 5,887,770	5,887,770	5,793,077
Replacement Taxes	97,339	97,339	89,581
<b>Intergovernmental</b>			
Capital Grants	11,240	11,240	63,011
Other Grants	94,068	94,068	-
Charges for Services	48,000	48,000	69,176
Fines and Forfeitures	172,200	172,200	218,977
Interest	60,670	60,670	18,370
Miscellaneous	58,032	58,032	277,871
<b>Total Revenues</b>	<u>6,429,319</u>	<u>6,429,319</u>	<u>6,530,063</u>
<b>Expenditures</b>			
Culture and Recreation	6,523,040	6,544,682	6,656,157
Capital Outlay	274,765	274,765	97,700
<b>Total Expenditures</b>	<u>6,797,805</u>	<u>6,819,447</u>	<u>6,753,857</u>
<b>Net Change in Fund Balance</b>	<u>(368,486)</u>	<u>(390,128)</u>	(223,794)
<b>Fund Balance - Beginning</b>			<u>1,342,481</u>
<b>Fund Balance - Ending</b>			<u><u>1,118,687</u></u>

**CITY OF CHAMPAIGN, ILLINOIS**

**Food and Beverage Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes			
Food and Beverage Tax	\$ 1,115,199	1,120,515	1,098,374
Interest	79,926	43,668	75,472
Miscellaneous	235,061	-	389,325
<b>Total Revenues</b>	<b>1,430,186</b>	<b>1,164,183</b>	<b>1,563,171</b>
<b>Expenditures</b>			
General Government			
Contractual Services	74,766	119,165	76,827
Capital Outlay	-	525	523
<b>Total Expenditures</b>	<b>74,766</b>	<b>119,690</b>	<b>77,350</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,355,420	1,044,493	1,485,821
<b>Other Financing (Uses)</b>			
Transfers Out	(9,306)	(9,306)	(9,306)
<b>Net Change in Fund Balance</b>	<b>1,346,114</b>	<b>1,035,187</b>	<b>1,476,515</b>
<b>Fund Balance - Beginning</b>			<b>1,198,373</b>
<b>Fund Balance - Ending</b>			<b>2,674,888</b>

**CITY OF CHAMPAIGN, ILLINOIS**

**North Campus Area TIF District - Special Revenue Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 243,271	352,993	322,659
Interest	(4,203)	(4,872)	(14,165)
Miscellaneous	-	25,000	7,550
Total Revenues	<u>239,068</u>	<u>373,121</u>	<u>316,044</u>
Expenditures			
Public Health and Welfare			
Commodities	500	500	-
Contractual Services	338,993	355,429	316,188
Capital Outlay	78,168	179,237	195,592
Total Expenditures	<u>417,661</u>	<u>535,166</u>	<u>511,780</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(178,593)</u>	<u>(162,045)</u>	<u>(195,736)</u>
Other Financing Sources (Uses)			
Disposal of Capital Assets	375,000	-	510,000
Transfers Out	(343,525)	(344,650)	(344,650)
	<u>31,475</u>	<u>(344,650)</u>	<u>165,350</u>
Net Change in Fund Balance	<u>(147,118)</u>	<u>(506,695)</u>	(30,386)
Fund Balance - Beginning			<u>(124,031)</u>
Fund Balance - Ending			<u>(154,417)</u>

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – General Fund
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Special Revenue Funds  
Debt Service Fund and Capital Projects Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Combining Statements – Internal Service Funds
- Budgetary Comparison Schedules – Internal Service Funds
- Combining Statements – Pension Trust Funds
- Budgetary Comparison Schedules – Pension Trust Funds

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

## **GENERAL FUND**

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

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## **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditures for specified purposes.

### **Champaign Public Library Fund**

The Champaign Public Library Fund is used to account for the operations and maintenance of the public library within the City of Champaign. The Champaign Public Library Fund is a major fund.

### **Food and Beverage Tax Fund**

The Food and Beverage Tax Fund is used to account for the revenues derived from a 0.5% tax on food and alcoholic beverages for immediate consumption. Revenues are used to fund infrastructure and building improvements in the University of Illinois Campustown area. The Food and Beverage Tax Fund is a major fund.

### **North Campus Area TIF District Fund**

The North Campus Area TIF District Fund is used to account for incremental property tax revenues and incremental sales tax collections from properties located in the North Campus Area Tax Increment Financing (TIF) District. Established in 2002, the City's third TIF District funds are being used to reduce or eliminate blight in the North Campustown area and provide grants for businesses. The North Campus Area TIF District Fund is a major fund.

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

## **SPECIAL REVENUE FUNDS – Continued**

### **Community Development Fund**

The Community Development Fund is used to account for the federal revenue received under the Community Development Block Grant Program. These funds are used to preserve the City's housing stock and to eliminate blight, primarily for the benefit of citizens with low to moderate incomes. The Community Development Fund is a nonmajor Fund. Activities include:

- Acquisition and demolition of dilapidated structures
- Rehabilitation of substandard homes
- Capital improvements within eligible areas
- Relocation of individuals or families displaced by redevelopment

### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used to account for the revenues received from the City's allocation of state gasoline taxes and the expenditures for street construction and maintenance, which must be authorized by the Illinois Department of Transportation. The Motor Fuel Tax Fund is a nonmajor Fund.

### **Urban Renewal Fund**

The Urban Renewal Fund is used to account for the revenues derived from a tax on utility usage to fund the construction and rehabilitation of capital improvements and housing projects, which eliminate blight and conditions of deterioration throughout the City. The Urban Renewal Fund is a nonmajor Fund.

### **Town of the City of Champaign Fund**

The Town of the City of Champaign Fund is used to account for the transactions of the township. Revenue consists primarily of property and replacement taxes. Expenditures are for general assistance to community members, assessor's costs and all other operating costs. The Town of the City of Champaign Fund is a nonmajor Fund.

### **Downtown TIF Fund**

The Downtown TIF Fund is used to account for the revenues derived from the property tax on increased assessed valuation of property in the City's Downtown area. Established in 1981 under the Real Property Tax Increment Redevelopment Act, the funds are used within the district for capital improvement projects, grants for businesses and other revitalization activities aimed at reducing or eliminating the blighted conditions. The Downtown TIF Fund is a nonmajor Fund.

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

## **SPECIAL REVENUE FUNDS – Continued**

### **East University Avenue TIF Fund**

The East University Avenue TIF Fund is used to account for incremental property tax revenues and incremental sales tax collections from properties located in the East University Avenue area. Established in 1986, the City's second Tax Increment Financing District funds are being used to reduce or eliminate blight in the East University Avenue area and provide grants for businesses. The East University Avenue TIF Fund is a nonmajor Fund.

### **Urban Development Action Grant Fund**

The Urban Development Action Grant Fund is used to account for the revenues received under the Urban Development Action Grant Program. These funds are used to promote economic development and neighborhood conservation and revitalization through activities designed to benefit low and moderate-income persons. The Urban Development Action Grant Fund is a nonmajor Fund.

### **Foreign Fire Insurance Tax Fund**

The Foreign Fire Insurance Tax Fund is used to account for the revenues received from a tax on fire insurance policies sold by foreign (out of state) insurance companies, and to account for the expenditures of those revenues for the operation and maintenance of the fire department. The Foreign Fire Insurance Tax Fund is a nonmajor Fund.

### **Narcotics Forfeitures Fund**

The Narcotics Forfeitures Fund is used to account for the revenues generated through street enforcement action against suspected and known drug dealers and users. Through declaration of the court, money or property seized during enforcement action is forfeited to the City and is used for the enforcement of the Cannabis Control Act and the Controlled Substance Act. The Narcotics Forfeitures Fund is a nonmajor Fund.

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

## **DEBT SERVICE FUND**

The Debt Service Fund is used account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Financing is provided by the annual tax levy. The Debt Service Fund is treated as a major fund.

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## **CAPITAL PROJECTS FUNDS**

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary and Trust Funds.

### **Stormwater Management Fund**

The Stormwater Management Fund is used to provide a funding source for maintenance and rehabilitation of the Boneyard Creek and all related sanitary sewer and drainage facilities. The Stormwater Management Fund is a major fund.

### **Capital Improvements Fund**

The Capital Improvements Fund accounts for all resources used for the acquisition of capital assets by the City, except those financed by Proprietary Funds or accounted for in another capital projects fund. The Capital Improvements Fund is a major fund.

### **Vehicle Replacement Fund**

The Vehicle Replacement Fund is used to account for the resources allocated to provide a source of capital funds to replace vehicles on a timely schedule. The Vehicle Replacement Fund is a nonmajor fund.

### **Library Improvement Fund**

The Library Improvement Fund is used to provide a funding source for maintenance and capital improvement activities for the Champaign Public Library. The Library Improvement Fund is a nonmajor fund.

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

## **CAPITAL PROJECTS FUNDS - Continued**

### **Equipment Replacement Fund**

The Equipment Replacement Fund is used to account for the resources allocated to provide funding for the long-term replacement program for major capital equipment, other than vehicles, owned and operated by the City. The Equipment Replacement Fund is a nonmajor fund.

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## **ENTERPRISE FUNDS**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

### **Parking Fund**

The Parking Fund is used to account for the provision of public parking services for commuters. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection. The Parking Fund is a major fund.

### **Sewer Fund**

The Sewer Fund is used to account for the provision of sewer repair and improvement services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection. The Sewer Fund is a major fund.

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# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

## **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency of the City, to other departments or agencies or other governmental units, on a cost-reimbursement basis.

### **Fleet Services Fund**

The Fleet Services Fund is used to account for the goods and services provided by the City's municipal garage to the other operating departments of the City on a cost-reimbursement basis.

### **Retained Risk Fund**

The Retained Risk Fund is used to account for the City's self-insured general liability program.

### **Workers Compensation Fund**

The Workers Compensation Fund is used to account for the City's self-insured workers compensation program.

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## **TRUST AND AGENCY FUNDS**

### **PENSION TRUST FUNDS**

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments.

#### **Police Pension Fund**

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to sworn officers on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

#### **Firefighters' Pension Fund**

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to sworn officers of the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

**CITY OF CHAMPAIGN, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property Taxes	\$ 10,373,029	10,475,806	10,446,904
Sales Taxes	31,154,137	30,500,426	29,642,446
Income Taxes	8,390,133	7,954,913	7,262,288
Utility Taxes	2,438,033	2,496,687	2,394,035
Telecommunications Taxes	2,694,013	2,709,330	2,776,705
Hotel/Motel Taxes	1,491,114	1,489,591	1,452,562
Other Taxes	22,600	79,500	82,745
	<u>56,563,059</u>	<u>55,706,253</u>	<u>54,057,685</u>
<b>Intergovernmental</b>			
Public Safety Grants	127,997	318,438	179,040
Other Grants	22,600	74,641	64,233
	<u>150,597</u>	<u>393,079</u>	<u>243,273</u>
<b>Licenses, Permits and Fees</b>			
Licenses and Permits	1,336,650	1,120,520	1,119,170
Public Safety Service Fees	557,700	564,900	613,483
	<u>1,894,350</u>	<u>1,685,420</u>	<u>1,732,653</u>
<b>Charges for Services</b>	<u>805,000</u>	<u>760,800</u>	<u>848,330</u>
<b>Fines and Forfeitures</b>	<u>1,206,502</u>	<u>1,210,502</u>	<u>1,058,117</u>
<b>Refunds and Reimbursements</b>	<u>2,661,422</u>	<u>2,653,906</u>	<u>2,674,785</u>
<b>Interest</b>	<u>400,000</u>	<u>300,000</u>	<u>370,229</u>
<b>Miscellaneous</b>	<u>38,300</u>	<u>26,714</u>	<u>21,786</u>
<b>Total Revenues</b>	<u>63,719,230</u>	<u>62,736,674</u>	<u>61,006,858</u>

**CITY OF CHAMPAIGN, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
<b>General Government</b>			
Mayor and Council	\$ 195,041	200,224	182,558
City Manager's Office	2,355,257	2,452,299	2,026,371
Legal	939,336	990,899	944,366
Finance	1,689,202	1,517,504	1,720,691
Human Resources	1,237,956	1,109,534	1,033,972
Risk Management	2,075,255	2,075,652	2,075,652
Planning	1,048,832	1,078,122	1,020,970
Neighborhood Services	932,473	905,596	898,986
Information Technologies	2,016,413	1,692,869	1,554,946
	<u>12,489,765</u>	<u>12,022,699</u>	<u>11,458,512</u>
<b>Public Safety</b>			
Police	19,169,321	18,186,740	17,669,487
Fire	14,220,907	14,713,459	14,327,625
Emergency Services Disaster Agency	44,470	25,944	31,999
	<u>33,434,698</u>	<u>32,926,143</u>	<u>32,029,111</u>
<b>Public Works</b>	<u>9,316,566</u>	<u>8,403,153</u>	<u>8,021,361</u>
<b>Public Health and Welfare</b>	<u>366,874</u>	<u>461,286</u>	<u>466,073</u>
<b>Total Expenditures</b>	<u>55,607,903</u>	<u>53,813,281</u>	<u>51,975,057</u>

**CITY OF CHAMPAIGN, ILLINOIS**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2009**

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 9,507,361	8,244,572	17,751,933
Receivables - Net of Allowances			
Property Taxes	1,332,425	217,087	1,549,512
Accrued Interest	15,062	15,284	30,346
Other	183,694	-	183,694
<b>Total Assets</b>	<b>11,038,542</b>	<b>8,476,943</b>	<b>19,515,485</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts Payable	1,034,388	137,356	1,171,744
Retainage Payable	98,815	-	98,815
Accrued Payroll	24,724	-	24,724
Unearned Revenue	1,332,425	216,154	1,548,579
<b>Total Liabilities</b>	<b>2,490,352</b>	<b>353,510</b>	<b>2,843,862</b>
<b>Fund Balance</b>			
Reserved for Retirement	18,126	-	18,126
Reserved for Public Welfare	248,782	-	248,782
Unreserved - Special Revenue	8,281,282	-	8,281,282
Unreserved - Capital Projects	-	8,123,433	8,123,433
<b>Total Fund Balances</b>	<b>8,548,190</b>	<b>8,123,433</b>	<b>16,671,623</b>
<b>Total Liabilities and Fund Balances</b>	<b>11,038,542</b>	<b>8,476,943</b>	<b>19,515,485</b>

**CITY OF CHAMPAIGN, ILLINOIS**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2009**

	Community Development	Motor Fuel Tax	Urban Renewal	Town of the City of Champaign	Downtown TIF
<b>ASSETS</b>					
Cash and Investments	\$ 74,828	985,810	2,443,040	479,751	793,750
Receivables - Net of Allowances					
Property Taxes	-	-	-	312,790	641,439
Accrued Interest	(139)	1,903	4,948	-	1,407
Other	-	109,190	58,077	14,086	-
Total Assets	74,689	1,096,903	2,506,065	806,627	1,436,596
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	59,040	576,937	226,314	900	5,000
Retainage Payable	-	87,958	3,119	-	-
Accrued Payroll	8,328	-	-	16,396	-
Unearned Revenue	-	-	-	312,790	641,439
Total Liabilities	67,368	664,895	229,433	330,086	646,439
<b>Fund Balances</b>					
Reserved for Retirement	-	-	-	18,126	-
Reserved for Public Welfare	-	-	-	248,782	-
Unreserved	7,321	432,008	2,276,632	209,633	790,157
Total Fund Balances	7,321	432,008	2,276,632	476,541	790,157
Total Liabilities and Fund Balances	74,689	1,096,903	2,506,065	806,627	1,436,596

**CITY OF CHAMPAIGN, ILLINOIS**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds - Continued  
June 30, 2009**

	East University Avenue TIF	Urban Development Action Grant	Foreign Fire Insurance Tax	Narcotics Forfeitures	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>					
Cash and investments	\$ 3,113,232	1,190,254	196,713	229,983	9,507,361
Receivables - Net of Allowances					
Property Taxes	378,196	-	-	-	1,332,425
Accrued Interest	5,900	200	410	433	15,062
Other	-	2,341	-	-	183,694
<b>Total Assets</b>	<b>3,497,328</b>	<b>1,192,795</b>	<b>197,123</b>	<b>230,416</b>	<b>11,038,542</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	105,803	48,397	5,192	6,805	1,034,388
Retainage Payable	7,738	-	-	-	98,815
Accrued Payroll	-	-	-	-	24,724
Unearned Revenue	378,196	-	-	-	1,332,425
<b>Total Liabilities</b>	<b>491,737</b>	<b>48,397</b>	<b>5,192</b>	<b>6,805</b>	<b>2,490,352</b>
<b>Fund Balances</b>					
Reserved for retirement	-	-	-	-	18,126
Reserved for public welfare	-	-	-	-	248,782
Unreserved	3,005,591	1,144,398	191,931	223,611	8,281,282
<b>Total Fund Balances</b>	<b>3,005,591</b>	<b>1,144,398</b>	<b>191,931</b>	<b>223,611</b>	<b>8,548,190</b>
<b>Total Liabilities and Fund Balances</b>	<b>3,497,328</b>	<b>1,192,795</b>	<b>197,123</b>	<b>230,416</b>	<b>11,038,542</b>

**CITY OF CHAMPAIGN, ILLINOIS**

**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2009**

	Vehicle Replacement	Library Improvements	Equipment Replacement	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>				
Cash and Investments	\$ 3,939,100	565,622	3,739,850	8,244,572
Receivables - Net of Allowances				
Property Taxes	-	217,087	-	217,087
Accrued Interest	7,306	1,392	6,586	15,284
Total Assets	<u>3,946,406</u>	<u>784,101</u>	<u>3,746,436</u>	<u>8,476,943</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts Payable	47,390	15,979	73,987	137,356
Unearned Revenue	-	216,154	-	216,154
Total Liabilities	<u>47,390</u>	<u>232,133</u>	<u>73,987</u>	<u>353,510</u>
Fund Balances				
Unreserved	<u>3,899,016</u>	<u>551,968</u>	<u>3,672,449</u>	<u>8,123,433</u>
Total Liabilities and Fund Balances	<u>3,946,406</u>	<u>784,101</u>	<u>3,746,436</u>	<u>8,476,943</u>

**CITY OF CHAMPAIGN, ILLINOIS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2009**

	Nonmajor Special Revenue	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Taxes	\$ 3,527,750	417,080	3,944,830
Intergovernmental	2,844,194	-	2,844,194
Fines and Forfeitures	124,372	-	124,372
Refunds and Reimbursements	45,420	12,964	58,384
Interest	281,039	260,945	541,984
Miscellaneous	84,486	250,000	334,486
Total Revenues	6,907,261	940,989	7,848,250
<b>Expenditures</b>			
<b>Current</b>			
General Government	472,651	-	472,651
Public Safety	221,527	-	221,527
Public Works	458,908	825,643	1,284,551
Public Health and Welfare	2,944,816	-	2,944,816
Culture and Recreation	-	11,880	11,880
Capital Outlay	2,081,689	3,145,477	5,227,166
Total Expenditures	6,179,591	3,983,000	10,162,591
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	727,670	(3,042,011)	(2,314,341)
<b>Other Financing Sources (Uses)</b>			
Disposal of Capital Assets	-	280,538	280,538
Transfers In	107,288	2,564,646	2,671,934
Transfers Out	(849,739)	(467,647)	(1,317,386)
	(742,451)	2,377,537	1,635,086
<b>Net Change in Fund Balances</b>	(14,781)	(664,474)	(679,255)
<b>Fund Balances - Beginning</b>	8,562,971	8,787,907	17,350,878
<b>Fund Balances - Ending</b>	8,548,190	8,123,433	16,671,623

**CITY OF CHAMPAIGN, ILLINOIS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended June 30, 2009**

	Community Development	Motor Fuel Tax	Urban Renewal	Town of the City of Champaign	Downtown TIF
<b>Revenues</b>					
Taxes	\$ -	-	897,640	584,928	1,232,017
Intergovernmental	634,630	1,980,616	-	-	-
Fines and Forfeitures	-	-	-	-	-
Refunds and Reimbursements	21,639	4,712	2,418	-	-
Interest	(2,253)	21,354	78,997	2,632	33,218
Miscellaneous	21,631	-	-	52,457	-
<b>Total Revenues</b>	<b>675,647</b>	<b>2,006,682</b>	<b>979,055</b>	<b>640,017</b>	<b>1,265,235</b>
<b>Expenditures</b>					
<b>Current</b>					
General Government	-	-	-	472,651	-
Public Safety	-	-	-	-	-
Public Works	-	458,908	-	-	-
Public Health and Welfare	771,292	-	355,144	66,330	1,219,134
Capital Outlay	116,825	1,160,546	546,467	-	-
<b>Total Expenditures</b>	<b>888,117</b>	<b>1,619,454</b>	<b>901,611</b>	<b>538,981</b>	<b>1,219,134</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(212,470)</b>	<b>387,228</b>	<b>77,444</b>	<b>101,036</b>	<b>46,101</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	33,466	-	-	-	-
Transfers Out	(7,447)	-	(397,180)	-	(328,102)
	<b>26,019</b>	<b>-</b>	<b>(397,180)</b>	<b>-</b>	<b>(328,102)</b>
<b>Net Change in Fund Balances</b>	<b>(186,451)</b>	<b>387,228</b>	<b>(319,736)</b>	<b>101,036</b>	<b>(282,001)</b>
<b>Fund Balances - Beginning</b>	<b>193,772</b>	<b>44,780</b>	<b>2,596,368</b>	<b>375,505</b>	<b>1,072,158</b>
<b>Fund Balances - Ending</b>	<b>7,321</b>	<b>432,008</b>	<b>2,276,632</b>	<b>476,541</b>	<b>790,157</b>

**CITY OF CHAMPAIGN, ILLINOIS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2009**

	East University Avenue TIF	Urban Development Action Grant	Foreign Fire Insurance Tax	Narcotics Forfeitures	Total Nonmajor Special Revenue Funds
<b>Revenues</b>					
Taxes	\$ 709,529	-	103,636	-	3,527,750
Intergovernmental	-	228,948	-	-	2,844,194
Fines and Forfeitures	-	-	-	124,372	124,372
Refunds and Reimbursements	-	16,651	-	-	45,420
Interest	95,347	37,893	7,107	6,744	281,039
Miscellaneous	-	10,398	-	-	84,486
<b>Total Revenues</b>	<b>804,876</b>	<b>293,890</b>	<b>110,743</b>	<b>131,116</b>	<b>6,907,261</b>
<b>Current</b>					
<b>Current</b>					
General Government	-	-	-	-	472,651
Public Safety	-	-	76,806	144,721	221,527
Public Works	-	-	-	-	458,908
Public Health and Welfare	195,752	337,164	-	-	2,944,816
Capital Outlay	229,294	-	28,557	-	2,081,689
<b>Total Expenditures</b>	<b>425,046</b>	<b>337,164</b>	<b>105,363</b>	<b>144,721</b>	<b>6,179,591</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>379,830</b>	<b>(43,274)</b>	<b>5,380</b>	<b>(13,605)</b>	<b>727,670</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	42,822	31,000	-	-	107,288
Transfers Out	(61,516)	(40,819)	-	(14,675)	(849,739)
	(18,694)	(9,819)	-	(14,675)	(742,451)
<b>Net Change in Fund Balances</b>	<b>361,136</b>	<b>(53,093)</b>	<b>5,380</b>	<b>(28,280)</b>	<b>(14,781)</b>
<b>Fund Balances - Beginning</b>	<b>2,644,455</b>	<b>1,197,491</b>	<b>186,551</b>	<b>251,891</b>	<b>8,562,971</b>
<b>Fund Balances - Ending</b>	<b>3,005,591</b>	<b>1,144,398</b>	<b>191,931</b>	<b>223,611</b>	<b>8,548,190</b>

**CITY OF CHAMPAIGN, ILLINOIS**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
Year Ended June 30, 2009**

	Vehicle Replacement	Library Improvements	Equipment Replacement	Total Nonmajor Capital Projects Funds
<b>Revenues</b>				
Taxes	\$ -	417,080	-	417,080
Refunds and Reimbursements	-	12,964	-	12,964
Interest	124,291	29,796	106,858	260,945
Miscellaneous	-	250,000	-	250,000
<b>Total Revenues</b>	<b>124,291</b>	<b>709,840</b>	<b>106,858</b>	<b>940,989</b>
<b>Expenditures</b>				
<b>Current</b>				
Public Works	824,658	-	985	825,643
Culture and Recreation	-	11,880	-	11,880
Capital Outlay	1,097,644	1,077,920	969,913	3,145,477
<b>Total Expenditures</b>	<b>1,922,302</b>	<b>1,089,800</b>	<b>970,898</b>	<b>3,983,000</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,798,011)</b>	<b>(379,960)</b>	<b>(864,040)</b>	<b>(3,042,011)</b>
<b>Other Financing Sources (Uses)</b>				
Disposal of Capital Assets	280,538	-	-	280,538
Transfers In	1,206,259	-	1,358,387	2,564,646
Transfers Out	-	(421,385)	(46,262)	(467,647)
	<b>1,486,797</b>	<b>(421,385)</b>	<b>1,312,125</b>	<b>2,377,537</b>
<b>Net Change in Fund Balances</b>	<b>(311,214)</b>	<b>(801,345)</b>	<b>448,085</b>	<b>(664,474)</b>
<b>Fund Balances - Beginning</b>	<b>4,210,230</b>	<b>1,353,313</b>	<b>3,224,364</b>	<b>8,787,907</b>
<b>Fund Balances - Ending</b>	<b>3,899,016</b>	<b>551,968</b>	<b>3,672,449</b>	<b>8,123,433</b>

**CITY OF CHAMPAIGN, ILLINOIS**

**Community Development - Special Revenue Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Intergovernmental	\$ 893,020	983,293	634,630
Refunds and Reimbursements	25,000	25,000	21,639
Interest	-	1,000	(2,253)
Miscellaneous	19,500	19,500	21,631
<b>Total Revenues</b>	<b>937,520</b>	<b>1,028,793</b>	<b>675,647</b>
<b>Expenditures</b>			
Public Health and Welfare			
Personnel Services	466,520	396,987	387,713
Contractual Services	696,914	532,347	375,461
Commodities	9,310	8,187	8,118
Capital Outlay	-	116,825	116,825
<b>Total Expenditures</b>	<b>1,172,744</b>	<b>1,054,346</b>	<b>888,117</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(235,224)</b>	<b>(25,553)</b>	<b>(212,470)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In	34,300	37,000	33,466
Transfers Out	(5,014)	(7,447)	(7,447)
	<b>29,286</b>	<b>29,553</b>	<b>26,019</b>
<b>Net Change in Fund Balance</b>	<b>(205,938)</b>	<b>4,000</b>	<b>(186,451)</b>
<b>Fund Balance - Beginning</b>			<b>193,772</b>
<b>Fund Balance - Ending</b>			<b>7,321</b>

**CITY OF CHAMPAIGN, ILLINOIS**

**Motor Fuel Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Intergovernmental			
Motor Fuel Tax Allotment	\$ 2,161,508	1,946,721	1,980,616
State Receipts	328,000	328,000	-
Refunds and Reimbursements	-	225,000	4,712
Interest	(39,014)	(10,967)	21,354
<b>Total Revenues</b>	<u>2,450,494</u>	<u>2,488,754</u>	<u>2,006,682</u>
<b>Expenditures</b>			
Public Works			
Contractual Services	460,355	648,686	458,908
Capital Outlay	3,096,185	4,062,065	1,160,546
<b>Total Expenditures</b>	<u>3,556,540</u>	<u>4,710,751</u>	<u>1,619,454</u>
Net Change in Fund Balance	<u>(1,106,046)</u>	<u>(2,221,997)</u>	387,228
Fund Balance - Beginning			<u>44,780</u>
Fund Balance - Ending			<u><u>432,008</u></u>

**CITY OF CHAMPAIGN, ILLINOIS**

**Urban Renewal - Special Revenue Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Utility Taxes	\$ 914,263	936,258	897,640
Refunds and Reimbursements	-	4,051	2,418
Interest	20,744	21,926	78,997
Total Revenues	<u>935,007</u>	<u>962,235</u>	<u>979,055</u>
Expenditures			
Public Health and Welfare			
Contractual Services	681,993	737,818	336,623
Commodities	35,000	39,051	18,521
Capital Outlay	1,551,855	1,400,123	546,467
Total Expenditures	<u>2,268,848</u>	<u>2,176,992</u>	<u>901,611</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,333,841)	(1,214,757)	77,444
Other Financing (Uses)			
Transfers Out	<u>(397,180)</u>	<u>(397,180)</u>	<u>(397,180)</u>
Net Change in Fund Balance	<u>(1,731,021)</u>	<u>(1,611,937)</u>	(319,736)
Fund Balance - Beginning			<u>2,596,368</u>
Fund Balance - Ending			<u>2,276,632</u>

**CITY OF CHAMPAIGN, ILLINOIS**

**Town of the City of Champaign - Special Revenue Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 503,378	503,378	494,669
Other Taxes	72,828	72,828	90,259
Interest	1,028	1,028	2,632
Miscellaneous	40,200	40,200	52,457
Total Revenues	<u>617,434</u>	<u>617,434</u>	<u>640,017</u>
Expenditures			
General Government			
Contractual Services	564,168	564,168	472,651
Public Health and Welfare			
Contractual Services	115,500	115,500	66,330
Total Expenditures	<u>679,668</u>	<u>679,668</u>	<u>538,981</u>
Net Change in Fund Balance	<u>(62,234)</u>	<u>(62,234)</u>	101,036
Fund Balance - Beginning			<u>375,505</u>
Fund Balance - Ending			<u>476,541</u>

**CITY OF CHAMPAIGN, ILLINOIS**

**Downtown TIF - Special Revenue Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes			
Property Taxes	\$ 1,274,670	1,252,651	1,232,017
Intergovernmental			
Grants	50,000	-	-
Interest	5,642	14,551	33,218
Total Revenues	<u>1,330,312</u>	<u>1,267,202</u>	<u>1,265,235</u>
<b>Expenditures</b>			
Public Health and Welfare			
Contractual Services	1,241,838	1,234,381	1,219,134
Capital Outlay	365,338	60,000	-
Total Expenditures	<u>1,607,176</u>	<u>1,294,381</u>	<u>1,219,134</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(276,864)	(27,179)	46,101
Other Financing (Uses)			
Transfers Out	<u>(328,102)</u>	<u>(328,102)</u>	<u>(328,102)</u>
Net Change in Fund Balance	<u>(604,966)</u>	<u>(355,281)</u>	(282,001)
Fund Balance - Beginning			<u>1,072,158</u>
Fund Balance - Ending			<u>790,157</u>

**CITY OF CHAMPAIGN, ILLINOIS**

**East University Avenue TIF - Special Revenue Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes			
Property Taxes	\$ 645,889	713,571	709,529
Sales Taxes	9,933	-	-
Interest	73,878	50,449	95,347
<b>Total Revenues</b>	<u>729,700</u>	<u>764,020</u>	<u>804,876</u>
<b>Expenditures</b>			
Public Health and Welfare			
Contractual Services	632,240	506,884	195,752
Commodities	100	100	-
Capital Outlay	59,010	209,010	229,294
<b>Total Expenditures</b>	<u>691,350</u>	<u>715,994</u>	<u>425,046</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>38,350</u>	<u>48,026</u>	<u>379,830</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	-	42,822
Transfers Out	(61,516)	(61,516)	(61,516)
	<u>(61,516)</u>	<u>(61,516)</u>	<u>(18,694)</u>
<b>Net Change in Fund Balance</b>	<u>(23,166)</u>	<u>(13,490)</u>	361,136
<b>Fund Balance - Beginning</b>			<u>2,644,455</u>
<b>Fund Balance - Ending</b>			<u>3,005,591</u>

**CITY OF CHAMPAIGN, ILLINOIS**

**Urban Development Action Grant - Special Revenue Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Intergovernmental			
Grants	\$ 386,620	1,025,878	228,948
Refunds and Reimbursements	15,000	15,000	16,651
Interest	12,195	27,072	37,893
Miscellaneous	12,125	72,125	10,398
Total Revenues	425,940	1,140,075	293,890
<b>Expenditures</b>			
Public Health and Welfare			
Contractual Services	1,688,468	1,049,145	337,164
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(1,262,528)</b>	<b>90,930</b>	<b>(43,274)</b>
<b>Other Financing Sources (Uses)</b>			
Disposal of Capital Assets	240,000	240,000	-
Transfers In	31,000	31,000	31,000
Transfers Out	(42,887)	(41,587)	(40,819)
	228,113	229,413	(9,819)
<b>Net Change in Fund Balance</b>	<b>(1,034,415)</b>	<b>320,343</b>	<b>(53,093)</b>
<b>Fund Balance - Beginning</b>			<b>1,197,491</b>
<b>Fund Balance - Ending</b>			<b>1,144,398</b>

**CITY OF CHAMPAIGN, ILLINOIS**

**Foreign Fire Insurance Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Foreign Fire Insurance Tax	\$ 101,000	103,636	103,636
Interest	7,000	4,500	7,107
Total Revenues	<u>108,000</u>	<u>108,136</u>	<u>110,743</u>
Expenditures			
Public Safety			
Commodities	88,573	76,073	64,341
Contractual Services	-	16,100	12,465
Capital Outlay	26,000	26,000	28,557
Total Expenditures	<u>114,573</u>	<u>118,173</u>	<u>105,363</u>
Net Change in Fund Balance	<u>(6,573)</u>	<u>(10,037)</u>	5,380
Fund Balance - Beginning			<u>186,551</u>
Fund Balance - Ending			<u>191,931</u>

**CITY OF CHAMPAIGN, ILLINOIS**

**Narcotics Forfeitures - Special Revenue Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Fines and Forfeitures			
Drug Forfeitures	\$ 150,000	138,400	124,372
Interest	7,000	7,000	6,744
Total Revenues	<u>157,000</u>	<u>145,400</u>	<u>131,116</u>
Expenditures			
Public Safety			
Commodities	41,300	52,400	50,778
Contractual Services	111,376	97,872	93,943
Total Expenditures	<u>152,676</u>	<u>150,272</u>	<u>144,721</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,324	(4,872)	(13,605)
Other Financing (Uses)			
Transfers Out	<u>(10,450)</u>	<u>(14,675)</u>	<u>(14,675)</u>
Net Change in Fund Balance	<u>(6,126)</u>	<u>(19,547)</u>	<u>(28,280)</u>
Fund Balance - Beginning			<u>251,891</u>
Fund Balance - Ending			<u><u>223,611</u></u>

**CITY OF CHAMPAIGN, ILLINOIS**

**Debt Service Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ 215,360	64,420	126,712
Expenditures			
Debt Service			
Principal Retirement	2,080,000	2,080,000	2,080,000
Interest and Fiscal Charges	2,438,970	1,868,115	1,857,645
Issuance Costs	-	153,290	147,592
Total Expenditures	4,518,970	4,101,405	4,085,237
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,303,610)	(4,036,985)	(3,958,525)
Other Financing Sources (Uses)			
Debt Issuance	-	9,280,000	9,280,000
Premium on Debt Issuance	-	114,923	114,923
Payment to Escrow Agent	-	(9,060,000)	(9,060,000)
Transfers In	3,609,226	4,385,287	3,589,650
Transfers Out	(12,566,882)	(1,685,749)	(1,045,440)
	(8,957,656)	3,034,461	2,879,133
Net Change in Fund Balance	(13,261,266)	(1,002,524)	(1,079,392)
Fund Balance - Beginning			5,345,500
Fund Balance - Ending			4,266,108

CITY OF CHAMPAIGN, ILLINOIS

Stormwater Management - Capital Projects Fund

Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,217,700	1,217,700	1,431,210
Refunds and Reimbursements	16,060	65,000	91,912
Interest	412,959	(18,968)	96,102
Miscellaneous	95,000	40,000	27,250
Total Revenues	<u>1,741,719</u>	<u>1,303,732</u>	<u>1,646,474</u>
Expenditures			
Public Works			
Contractual Services	2,209,562	3,149,672	2,169,091
Commodities	23,000	10,807	9,145
Capital Outlay	7,701,975	6,576,740	4,648,008
Total Expenditures	<u>9,934,537</u>	<u>9,737,219</u>	<u>6,826,244</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,192,818)</u>	<u>(8,433,487)</u>	<u>(5,179,770)</u>
Other Financing Sources (Uses)			
Debt Issuance	14,660,000	-	-
Transfers In	3,660,880	3,522,055	3,504,187
Transfers Out	(1,478,010)	(2,301,172)	(1,465,879)
	<u>16,842,870</u>	<u>1,220,883</u>	<u>2,038,308</u>
Net Change in Fund Balance	<u>8,650,052</u>	<u>(7,212,604)</u>	<u>(3,141,462)</u>
Fund Balance - Beginning			<u>5,448,472</u>
Fund Balance - Ending			<u>2,307,010</u>

**CITY OF CHAMPAIGN, ILLINOIS**

**Capital Improvements - Capital Projects Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes			
Property Taxes	\$ 1,391,779	1,022,320	1,047,915
Intergovernmental			
Grants	3,948,879	6,614,455	931,356
Refunds and Reimbursements	662,110	753,156	48,740
Interest	49,703	105,163	240,479
<b>Total Revenues</b>	<b>6,052,471</b>	<b>8,495,094</b>	<b>2,268,490</b>
<b>Expenditures</b>			
Public Works			
Contractual Services	2,751,445	3,442,154	1,770,594
Commodities	110,488	133,356	71,974
Capital Outlay	15,989,083	14,651,577	4,176,851
<b>Total Expenditures</b>	<b>18,851,016</b>	<b>18,227,087</b>	<b>6,019,419</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(12,798,545)</b>	<b>(9,731,993)</b>	<b>(3,750,929)</b>
<b>Other Financing Sources</b>			
Transfers In	6,674,613	6,847,464	6,207,155
<b>Net Change in Fund Balance</b>	<b>(6,123,932)</b>	<b>(2,884,529)</b>	<b>2,456,226</b>
<b>Fund Balance - Beginning</b>			<b>4,994,870</b>
<b>Fund Balance - Ending</b>			<b>7,451,096</b>

**CITY OF CHAMPAIGN, ILLINOIS**

**Vehicle Replacement - Capital Projects Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Refunds and Reimbursements	\$ 15,849	8,512	-
Interest	128,750	75,000	124,291
Total Revenues	144,599	83,512	124,291
<b>Expenditures</b>			
Public Works			
Contractual Services	26,296	29,000	53,156
Commodities	-	-	771,502
Capital Outlay	2,248,055	2,207,541	1,097,644
Total Expenditures	2,274,351	2,236,541	1,922,302
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,129,752)	(2,153,029)	(1,798,011)
<b>Other Financing Sources</b>			
Disposal of Capital Assets	198,158	160,000	280,538
Transfers In	1,129,738	1,225,891	1,206,259
	1,327,896	1,385,891	1,486,797
Net Change in Fund Balance	(801,856)	(767,138)	(311,214)
Fund Balance - Beginning			4,210,230
Fund Balance - Ending			3,899,016

**CITY OF CHAMPAIGN, ILLINOIS**

**Library Improvements - Capital Projects Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 421,385	421,385	417,080
Refunds and Reimbursements	-	9,714	12,964
Interest	(6,399)	7,158	29,796
Miscellaneous	250,000	250,000	250,000
Total Revenues	<u>664,986</u>	<u>688,257</u>	<u>709,840</u>
Expenditures			
Culture and Recreation			
Contractual Services	-	-	340
Commodities	-	11,540	11,540
Capital Outlay	-	2,066,754	1,077,920
Total Expenditures	<u>-</u>	<u>2,078,294</u>	<u>1,089,800</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	664,986	(1,390,037)	(379,960)
Other Financing (Uses)			
Transfers Out	<u>(421,385)</u>	<u>(421,385)</u>	<u>(421,385)</u>
Net Change in Fund Balance	<u>243,601</u>	<u>(1,811,422)</u>	<u>(801,345)</u>
Fund Balance - Beginning			<u>1,353,313</u>
Fund Balance - Ending			<u><u>551,968</u></u>

**CITY OF CHAMPAIGN, ILLINOIS**

**Equipment Replacement - Capital Projects Fund**

**Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	60,000	106,858
Expenditures			
Public Works			
Contractual Services	12,000	979	985
Capital Outlay	3,327,924	1,484,673	969,913
Total Expenditures	3,339,924	1,485,652	970,898
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,339,924)	(1,425,652)	(864,040)
Other Financing Sources (Uses)			
Transfers In	976,161	1,358,387	1,358,387
Transfers Out	-	(2,100)	(46,262)
	976,161	1,356,287	1,312,125
Net Change in Fund Balance	(2,363,763)	(69,365)	448,085
Fund Balance - Beginning			3,224,364
Fund Balance - Ending			3,672,449

**CITY OF CHAMPAIGN, ILLINOIS**

**Parking - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees	\$ 3,213,025	3,049,955	2,925,978
Operating Expenses			
Personnel Services	837,057	884,650	888,589
Contractual Services	770,976	1,007,739	389,713
Commodities	127,104	94,867	68,744
Capital Outlay	795,830	9,755,300	-
Depreciation and Amortization	-	22,156	173,087
Total Operating Expenses	2,530,967	11,764,712	1,520,133
Operating Income (Loss)	682,058	(8,714,757)	1,405,845
Nonoperating Revenues (Expenses)			
Refunds and Reimbursements	2,000	7,869	9,285
Interest Income	71,244	135,806	315,410
Interest Expense	-	(532,463)	(532,463)
Disposal of Capital Assets	-	-	(17,490)
	73,244	(388,788)	(225,258)
Income Before Transfers	755,302	(9,103,545)	1,180,587
Transfers In	11,253,984	200,000	244,162
Transfers Out	(738,954)	(734,502)	(734,502)
	10,515,030	(534,502)	(490,340)
Change in Net Assets	11,270,332	(9,638,047)	690,247
Net Assets - Beginning			10,903,727
Net Assets - Ending			11,593,974

**CITY OF CHAMPAIGN, ILLINOIS**

**Sewer - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Charges	\$ 2,004,439	2,087,915	1,485,116
Operating Expenses			
Personnel Services	724,333	711,032	713,608
Contractual Services	1,088,509	873,258	603,149
Commodities	140,740	141,287	83,609
Capital Outlay	761,230	1,247,150	44,365
Depreciation	-	-	620,646
Total Operating Expenses	2,714,812	2,972,727	2,065,377
Operating Income (Loss)	(710,373)	(884,812)	(580,261)
Nonoperating Revenues (Expenses)			
Interest Income	3,397	-	-
Refunds and Reimbursements	280,731	151,135	127,888
Interest Expense	-	(7,241)	(4,426)
Disposal of Capital Assets	-	-	(19,154)
	284,128	143,894	104,308
Income (Loss) Before Contributions and Transfers	(426,245)	(740,918)	(475,953)
Capital Contributions	-	-	447,420
Transfers In	630,523	645,122	588,983
Transfers Out	(348,313)	(368,762)	(368,762)
	282,210	276,360	667,641
Change in Net Assets	(144,035)	(464,558)	191,688
Net Assets - Beginning			35,374,647
Net Assets - Ending			35,566,335

**CITY OF CHAMPAIGN, ILLINOIS**

**Internal Service Funds**

**Combining Statement of Net Assets  
June 30, 2009**

	Fleet Services	Retained Risk	Workers Compensation	Totals
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments	\$ 291,832	2,202,758	527,113	3,021,703
Receivables - Net of Allowances				
Accounts	247	6,361	1,749	8,357
Accrued Interest	682	3,936	351	4,969
Inventory	113,077	-	-	113,077
Prepays	82	268,504	66,646	335,232
<b>Total Current Assets</b>	<b>405,920</b>	<b>2,481,559</b>	<b>595,859</b>	<b>3,483,338</b>
<b>Noncurrent Assets</b>				
<b>Capital Assets</b>				
Depreciable Capital Assets	9,314,877	-	-	9,314,877
Accumulated Depreciation	(6,882,539)	-	-	(6,882,539)
<b>Total Noncurrent Assets</b>	<b>2,432,338</b>	<b>-</b>	<b>-</b>	<b>2,432,338</b>
<b>Total Assets</b>	<b>2,838,258</b>	<b>2,481,559</b>	<b>595,859</b>	<b>5,915,676</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	28,860	7,827	8,439	45,126
Accrued Payroll	10,739	-	-	10,739
Claims Payable	-	1,749,056	3,482,145	5,231,201
Compensated Absences Payable	19,669	-	-	19,669
<b>Total Current Liabilities</b>	<b>59,268</b>	<b>1,756,883</b>	<b>3,490,584</b>	<b>5,306,735</b>
<b>Noncurrent Liabilities</b>				
Compensated Absences Payable	78,677	-	-	78,677
<b>Total Liabilities</b>	<b>137,945</b>	<b>1,756,883</b>	<b>3,490,584</b>	<b>5,385,412</b>
<b>NET ASSETS</b>				
Invested in Capital Assets	2,432,338	-	-	2,432,338
Unrestricted	267,975	724,676	(2,894,725)	(1,902,074)
<b>Total Net Assets</b>	<b>2,700,313</b>	<b>724,676</b>	<b>(2,894,725)</b>	<b>530,264</b>

**CITY OF CHAMPAIGN, ILLINOIS**

**Internal Service Funds**

**Combining Statement of Revenues, Expenses and Changes in Net Assets  
Year Ended June 30, 2009**

	Fleet Services	Retained Risk	Workers Compensation	Totals
Operating Revenues				
Charges for Services	\$ 1,638,098	797,673	1,560,888	3,996,659
Operating Expenses				
Personnel Services	526,563	-	-	526,563
Contractual Services	169,251	1,484,313	3,646,521	5,300,085
Commodities	688,981	-	-	688,981
Depreciation	678,168	-	-	678,168
Total Operating Expenses	2,062,963	1,484,313	3,646,521	7,193,797
Operating Income (Loss)	(424,865)	(686,640)	(2,085,633)	(3,197,138)
Nonoperating Revenues (Expenses)				
Interest Income	9,428	69,244	7,421	86,093
Refunds and Reimbursements	8,557	145,320	563,571	717,448
Disposal of Capital Assets	(2,987)	-	-	(2,987)
	14,998	214,564	570,992	800,554
Income (Loss) Before Contributions and Transfers	(409,867)	(472,076)	(1,514,641)	(2,396,584)
Capital Contributions	1,097,644	-	-	1,097,644
Transfers Out	(217,336)	(86,704)	(308,100)	(612,140)
	880,308	(86,704)	(308,100)	485,504
Change in Net Assets	470,441	(558,780)	(1,822,741)	(1,911,080)
Net Assets - Beginning	2,229,872	1,283,456	(1,071,984)	2,441,344
Net Assets - Ending	2,700,313	724,676	(2,894,725)	530,264

**CITY OF CHAMPAIGN, ILLINOIS**

**Statement of Cash Flows - Internal Service Funds  
Year Ended June 30, 2009**

	Fleet Services	Retained Risk	Workers Compensation	Totals
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 1,679,051	938,304	2,118,504	4,735,859
Payments to Employees	(510,586)	-	-	(510,586)
Payments to Suppliers	(908,002)	(715,277)	(1,576,323)	(3,199,602)
	<u>260,463</u>	<u>223,027</u>	<u>542,181</u>	<u>1,025,671</u>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers Out	(217,336)	(86,704)	(308,100)	(612,140)
<b>Cash Flows from Investing Activities</b>				
Interest Received	9,428	69,244	7,421	86,093
Net Change in Cash and Cash Equivalents	52,555	205,567	241,502	499,624
Cash and Cash Equivalents - Beginning	239,277	1,997,191	285,611	2,522,079
Cash and Cash Equivalents - Ending	<u>291,832</u>	<u>2,202,758</u>	<u>527,113</u>	<u>3,021,703</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	(424,865)	(686,640)	(2,085,633)	(3,197,138)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>				
Depreciation Expense	678,168	-	-	678,168
Other Income	8,557	145,320	563,571	717,448
(Increase) Decrease in Current Assets	32,396	(4,689)	(5,955)	21,752
Increase (Decrease) in Current Liabilities	(33,793)	769,036	2,070,198	2,805,441
Net Cash Provided by Operating Activities	<u>260,463</u>	<u>223,027</u>	<u>542,181</u>	<u>1,025,671</u>
<b>Noncash Capital Activities</b>				
Contributions of Capital Assets from City	1,097,644	-	-	1,097,644

**CITY OF CHAMPAIGN, ILLINOIS**

**Fleet Services - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,586,735	1,473,710	1,638,098
Operating Expenses			
Personnel Services	511,292	517,034	526,563
Contractual Services	126,565	186,125	169,251
Commodities	705,420	645,736	688,981
Capital Outlay	69,896	-	-
Depreciation	-	-	678,168
Total Operating Expenses	1,413,173	1,348,895	2,062,963
Operating Income (Loss)	173,562	124,815	(424,865)
Nonoperating Revenues (Expenses)			
Interest Income	8,500	2,500	9,428
Refunds and Reimbursements	16,000	17,372	8,557
Disposal of Capital Assets	-	-	(2,987)
	24,500	19,872	14,998
Income (Loss) Before Contributions and Transfers	198,062	144,687	(409,867)
Capital Contributions	-	-	1,097,644
Transfers Out	(216,195)	(217,336)	(217,336)
	(216,195)	(217,336)	880,308
Change in Net Assets	(18,133)	(72,649)	470,441
Net Assets - Beginning			2,229,872
Net Assets - Ending			2,700,313

**CITY OF CHAMPAIGN, ILLINOIS**

**Retained Risk - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 788,840	791,983	797,673
Operating Expenses			
Contractual Services	961,556	974,056	1,484,313
Operating Income (Loss)	(172,716)	(182,073)	(686,640)
Nonoperating Revenues			
Interest Income	83,746	83,746	69,244
Refunds and Reimbursements	132,440	132,440	145,320
	216,186	216,186	214,564
Income (Loss) Before Transfers	43,470	34,113	(472,076)
Transfers Out	(106,336)	(106,336)	(86,704)
Change in Net Assets	(62,866)	(72,223)	(558,780)
Net Assets - Beginning			1,283,456
Net Assets - Ending			724,676

**CITY OF CHAMPAIGN, ILLINOIS**

**Workers Compensation - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,560,888	1,560,888	1,560,888
Operating Expenses			
Contractual Services	1,424,723	1,427,804	3,646,521
Commodities	5,000	5,000	-
Total Operating Expenses	1,429,723	1,432,804	3,646,521
Operating Income (Loss)	131,165	128,084	(2,085,633)
Nonoperating Revenues (Expenses)			
Refunds and Reimbursements	259,798	259,798	563,571
Interest Income	14,942	14,942	7,421
	274,740	274,740	570,992
Income (Loss) Before Transfers	405,905	402,824	(1,514,641)
Transfers Out	(387,100)	(337,093)	(308,100)
Change in Net Assets	18,805	65,731	(1,822,741)
Net Assets - Beginning			(1,071,984)
Net Assets - Ending			(2,894,725)

**CITY OF CHAMPAIGN, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Net Plan Assets**

**June 30, 2009**

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	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 14,069	146,041	160,110
Investments			
U.S. Government and Agency Securities	26,499,002	-	26,499,002
State and Local Obligations	971,704	-	971,704
Mutual Funds	8,065,737	35,283,691	43,349,428
Insurance Company Contracts	-	9,094,379	9,094,379
Common Stock	16,809,397	978,971	17,788,368
Receivables			
Accrued Interest	219,729	279	220,008
Other	23,689	-	23,689
Prepays	11,732	-	11,732
Total Assets	52,615,059	45,503,361	98,118,420
<b>LIABILITIES</b>			
Accounts Payable	14,231	11,059	25,290
<b>NET ASSETS</b>			
Net Plan Assets Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial statements.)	52,600,828	45,492,302	98,093,130

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**CITY OF CHAMPAIGN, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Changes in Net Plan Assets  
Year Ended June 30, 2009**

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - Employer	\$ 3,277,517	2,997,872	6,275,389
Contributions - Plan Members	794,416	712,496	1,506,912
Other Income	2,633	-	2,633
<b>Total Contributions</b>	<b>4,074,566</b>	<b>3,710,368</b>	<b>7,784,934</b>
<b>Investment Income</b>			
Interest Earned	1,931,713	369,304	2,301,017
Net Change in Fair Value	(4,546,558)	(4,310,857)	(8,857,415)
	(2,614,845)	(3,941,553)	(6,556,398)
Less Investment Expenses	(218,557)	(91,063)	(309,620)
<b>Net Investment Income</b>	<b>(2,833,402)</b>	<b>(4,032,616)</b>	<b>(6,866,018)</b>
<b>Total Additions</b>	<b>1,241,164</b>	<b>(322,248)</b>	<b>918,916</b>
<b>Deductions</b>			
Administration	113,966	8,018	121,984
Benefits and Refunds	4,015,170	3,253,911	7,269,081
<b>Total Deductions</b>	<b>4,129,136</b>	<b>3,261,929</b>	<b>7,391,065</b>
<b>Change in Net Assets</b>	<b>(2,887,972)</b>	<b>(3,584,177)</b>	<b>(6,472,149)</b>
<b>Net Plan Assets Held in Trust for Pension Benefits</b>			
Beginning	55,488,800	49,076,479	104,565,279
Ending	52,600,828	45,492,302	98,093,130

**CITY OF CHAMPAIGN, ILLINOIS**

**Police Pension - Pension Trust Fund**

**Schedule of Changes in Net Plan Assets - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - Employer	\$ 3,431,243	3,431,243	3,277,517
Contributions - Plan Members	-	-	794,416
Other Income	-	-	2,633
<b>Total Contributions</b>	<u>3,431,243</u>	<u>3,431,243</u>	<u>4,074,566</u>
<b>Investment income</b>			
Interest Earned	-	-	1,931,713
Net Change in Fair Value	-	-	(4,546,558)
	-	-	(2,614,845)
Less Investment Expenses	-	-	(218,557)
<b>Net Investment Income</b>	<u>-</u>	<u>-</u>	<u>(2,833,402)</u>
<b>Total Additions</b>	<u>3,431,243</u>	<u>3,431,243</u>	<u>1,241,164</u>
<b>Deductions</b>			
Administration	-	-	113,966
Benefits and Refunds	3,431,243	3,431,243	4,015,170
<b>Total Deductions</b>	<u>3,431,243</u>	<u>3,431,243</u>	<u>4,129,136</u>
<b>Change in Net Assets</b>	<u>-</u>	<u>-</u>	<u>(2,887,972)</u>
<b>Net Plan Assets Held in Trust for Pension Benefits</b>			
Beginning			<u>55,488,800</u>
Ending			<u>52,600,828</u>

**CITY OF CHAMPAIGN, ILLINOIS**

**Firefighters' Pension - Pension Trust Fund**

**Schedule of Changes in Net Plan Assets - Budget and Actual  
Year Ended June 30, 2009**

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - Employer	\$ 2,960,445	3,015,531	2,997,872
Contributions - Plan Members	720,000	720,000	712,496
<b>Total Contributions</b>	<b>3,680,445</b>	<b>3,735,531</b>	<b>3,710,368</b>
<b>Investment income</b>			
Interest Earned	750,000	450,000	369,304
Net Change in Fair Value	1,100,000	5,000,000	(4,310,857)
	1,850,000	5,450,000	(3,941,553)
Less Investment Expenses	(137,355)	(141,755)	(91,063)
<b>Net Investment Income</b>	<b>1,712,645</b>	<b>5,308,245</b>	<b>(4,032,616)</b>
<b>Total Additions</b>	<b>5,393,090</b>	<b>9,043,776</b>	<b>(322,248)</b>
<b>Deductions</b>			
Administration	8,575	8,575	8,018
Benefits and Refunds	3,234,562	3,264,562	3,253,911
<b>Total Deductions</b>	<b>3,243,137</b>	<b>3,273,137</b>	<b>3,261,929</b>
<b>Change in Net Assets</b>	<b>2,149,953</b>	<b>5,770,639</b>	<b>(3,584,177)</b>
<b>Net Plan Assets Held in Trust for Pension Benefits</b>			
Beginning			<u>49,076,479</u>
Ending			<u>45,492,302</u>

## **STATISTICAL SECTION**

### **(Unaudited)**

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue sources.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the government's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**CITY OF CHAMPAIGN, ILLINOIS**

**Net Assets by Component - Last Six Fiscal Years  
June 30, 2009 (Unaudited)**

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**See Following Page**

**CITY OF CHAMPAIGN, ILLINOIS**

**Net Assets by Component - Last Six Fiscal Years  
June 30, 2009 (Unaudited)**

	2004	2005
<b>Governmental Activities</b>		
Invested in Capital Assets, Net of Related Debt	\$ 60,144,896	62,593,414
Restricted	23,383,380	20,254,221
Unrestricted	8,589,909	17,577,206
<b>Total Governmental Activities Net Assets</b>	<b>92,118,185</b>	<b>100,424,841</b>
<b>Business-Type Activities</b>		
Invested in Capital Assets, Net of Related Debt	14,468,346	16,488,071
Unrestricted	105,429	886,566
<b>Total Business-Type Activities Net Assets</b>	<b>14,573,775</b>	<b>17,374,637</b>
<b>Primary Government</b>		
Invested in Capital Assets, Net of Related Debt	74,613,242	79,081,485
Restricted	23,383,380	20,254,221
Unrestricted	8,695,338	18,463,772
<b>Total Primary Government Net Assets</b>	<b>106,691,960</b>	<b>117,799,478</b>

Data Source: City of Champaign Records  
The City implemented GASB 34 in Fiscal Year 2003.

2006	2007	2008	2009
287,896,301	301,573,900	306,842,893	318,491,595
26,241,714	28,357,405	33,290,768	34,068,087
20,778,318	20,976,283	22,308,092	17,725,715
334,916,333	350,907,588	362,441,753	370,285,397
40,740,067	41,323,953	46,156,247	42,266,662
1,693,698	2,262,863	122,127	4,893,647
42,433,765	43,586,816	46,278,374	47,160,309
328,636,368	342,897,853	352,999,140	360,758,257
26,241,714	28,357,405	33,290,768	34,068,087
22,472,016	23,239,146	22,430,219	22,619,362
377,350,098	394,494,404	408,720,127	417,445,706

**CITY OF CHAMPAIGN, ILLINOIS**

**Changes in Net Assets - Last Six Fiscal Years  
June 30, 2009 (Unaudited)**

	2004	2005	2006	2007	2008	2009
<b>Expenses</b>						
<b>Governmental Activities</b>						
General Government	\$ 10,383,475	10,117,659	26,643,673	26,967,534	27,470,878	28,374,127
Public Safety	23,129,316	25,816,784	27,953,689	28,928,846	30,859,387	33,455,822
Public Works	8,414,214	10,669,018	14,043,056	13,377,570	15,126,511	14,694,008
Public Health and Welfare	3,523,211	2,764,797	3,218,608	3,286,854	3,455,929	3,732,812
Culture and Recreation	4,728,193	6,107,887	5,393,791	5,720,914	6,977,674	8,727,487
Interest on Long-Term Debt	804,180	989,594	2,002,350	1,978,522	2,003,464	1,997,004
<b>Total Governmental Activities Expenses</b>	<b>50,982,589</b>	<b>56,465,739</b>	<b>79,255,167</b>	<b>80,260,240</b>	<b>85,893,843</b>	<b>90,981,260</b>
<b>Business-Type Activities</b>						
Parking	1,682,435	1,169,294	1,228,843	1,346,506	1,237,600	2,052,596
Sewer	1,358,037	1,491,549	1,643,878	2,022,687	2,334,841	2,069,803
<b>Total Business-Type Activities Net Assets</b>	<b>3,040,472</b>	<b>2,660,843</b>	<b>2,872,721</b>	<b>3,369,193</b>	<b>3,572,441</b>	<b>4,122,399</b>
<b>Total Primary Government Expenses</b>	<b>54,023,061</b>	<b>59,126,582</b>	<b>82,127,888</b>	<b>83,629,433</b>	<b>89,466,284</b>	<b>95,103,659</b>
<b>Program Revenues</b>						
<b>Governmental Activities</b>						
<b>Charges for Services</b>						
General Government	2,932,363	3,338,242	4,217,665	5,001,025	4,647,907	5,359,733
Public Safety	1,602,429	1,656,062	1,891,465	1,862,730	1,789,122	1,795,972
Public Works	104,828	505,228	1,719,611	1,130,618	1,316,934	145,364
Public Health and Welfare	176,928	281,720	98,435	187,411	30,213	40,708
Culture and Recreation	218,478	291,708	216,909	225,647	238,350	301,117
Operating Grants/Contributions	2,071,630	2,353,369	2,707,652	1,825,637	1,349,429	1,106,851
Capital Grants/Contributions	2,115,314	2,314,511	2,143,347	14,243,069	14,669,267	19,410,007
<b>Total Governmental Activities Program Revenues</b>	<b>9,221,970</b>	<b>10,740,840</b>	<b>12,995,084</b>	<b>24,476,137</b>	<b>24,041,222</b>	<b>28,159,752</b>
<b>Business-Type Activities</b>						
<b>Charges for Services</b>						
Parking	2,414,318	2,520,077	2,605,048	2,359,053	2,523,646	2,935,263
Sewer	1,820,751	1,950,699	2,233,306	2,232,610	2,256,737	1,613,004
Operating Grants/Contributions	-	563,563	-	689,566	-	-
Capital Grants/Contributions	-	-	-	-	1,688,811	447,420
<b>Total Business-Type Activities Program Revenues</b>	<b>4,235,069</b>	<b>5,034,339</b>	<b>4,838,354</b>	<b>5,281,229</b>	<b>6,469,194</b>	<b>4,995,687</b>
<b>Total Primary Government Program Revenues</b>	<b>13,457,039</b>	<b>15,775,179</b>	<b>17,833,438</b>	<b>29,757,366</b>	<b>30,510,416</b>	<b>33,155,439</b>

	2004	2005	2006	2007	2008	2009
<b>Net (Expense) Revenue</b>						
Governmental Activities	\$ (41,760,619)	(45,724,899)	(66,260,083)	(55,784,103)	(61,852,621)	(62,821,508)
Business-Type Activities	1,194,597	2,373,496	1,965,633	1,912,036	2,896,753	873,288
<b>Total Primary Government Net Revenue (Expense)</b>	<b>(40,566,022)</b>	<b>(43,351,403)</b>	<b>(64,294,450)</b>	<b>(53,872,067)</b>	<b>(58,955,868)</b>	<b>(61,948,220)</b>
<b>General Revenues and Other Changes in Net Assets</b>						
<b>Governmental Activities</b>						
Taxes						
Property Taxes	12,792,348	14,513,612	16,135,528	18,382,602	20,056,963	21,895,060
Sales Taxes	24,058,568	26,345,124	29,282,829	30,058,556	30,742,138	29,642,446
Utility Taxes	2,569,596	2,909,424	3,328,903	3,121,319	3,208,575	3,291,675
Telecommunications Taxes	1,652,517	2,289,458	2,762,936	2,721,309	2,729,475	2,776,705
Hotel/Motel Taxes	962,236	1,035,297	1,045,992	1,185,373	1,403,567	1,452,562
Food and Beverage Taxes	853,654	920,500	994,347	1,028,984	1,090,962	1,098,374
Other Taxes	311,993	361,834	335,118	308,132	333,768	366,221
Intergovernmental						
Income Taxes	4,639,846	5,588,823	6,240,629	7,151,328	8,161,593	7,262,288
Interest Income	424,264	521,468	1,692,504	2,896,269	2,486,470	1,541,276
Miscellaneous	1,551,125	1,330,981	1,080,705	2,423,231	2,679,118	1,068,426
Internal Activity - Transfers	515,887	634,843	826,891	658,418	494,157	270,119
<b>Total Governmental Activities</b>	<b>50,332,034</b>	<b>56,451,364</b>	<b>63,726,382</b>	<b>69,935,521</b>	<b>73,386,786</b>	<b>70,665,152</b>
<b>Business-Type Activities</b>						
Taxes						
Property	595,754	643,333	300,174	(212,534)	-	-
Interest Income	39,366	28,459	41,156	111,967	288,962	315,410
Miscellaneous	-	390,417	-	-	-	(36,644)
Internal Activity - Transfers	(515,887)	(634,843)	(826,891)	(658,418)	(494,157)	(270,119)
<b>Total Business-Type Activities</b>	<b>119,233</b>	<b>427,366</b>	<b>(485,561)</b>	<b>(758,985)</b>	<b>(205,195)</b>	<b>8,647</b>
<b>Total Primary Government</b>	<b>50,451,267</b>	<b>56,878,730</b>	<b>63,240,821</b>	<b>69,176,536</b>	<b>73,181,591</b>	<b>70,673,799</b>
<b>Changes in Net Assets</b>						
Governmental Activities	8,571,415	10,726,465	(2,533,701)	14,151,418	11,534,165	7,843,644
Business-Type Activities	1,313,830	2,800,862	1,480,072	1,153,051	2,691,558	881,935
<b>Total Primary Government</b>	<b>9,885,245</b>	<b>13,527,327</b>	<b>(1,053,629)</b>	<b>15,304,469</b>	<b>14,225,723</b>	<b>8,725,579</b>

Data Source: City of Champaign Records  
The City implemented GASB 34 in Fiscal Year 2003.

**CITY OF CHAMPAIGN, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years  
June 30, 2009 (Unaudited)**

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	2000	2001	2002
General Fund			
Reserved	\$ 676,710	802,477	710,019
Unreserved	11,591,861	11,150,170	10,564,928
Total General Fund	<u>12,268,571</u>	<u>11,952,647</u>	<u>11,274,947</u>
All Other Governmental Funds			
Reserved	6,253,431	11,085,283	9,442,293
Unreserved, Reported in:			
Special Revenues Funds	9,272,026	6,481,108	1,794,549
Capital Projects Funds	13,232,507	8,904,613	11,705,145
Total All Other Governmental Funds	<u>28,757,964</u>	<u>26,471,004</u>	<u>22,941,987</u>

Data Source: City of Champaign Records

2003	2004	2005	2006	2007	2008	2009
914,435	-	-	-	-	-	-
11,550,997	13,206,559	16,615,018	18,698,999	18,460,497	19,408,702	17,550,062
12,465,432	13,206,559	16,615,018	18,698,999	18,460,497	19,408,702	17,550,062
9,751,871	2,993,876	2,963,957	22,149,457	10,613,560	5,620,783	4,533,016
(4,256,459)	(1,123,295)	5,923,940	8,971,716	10,597,404	10,704,511	11,920,440
13,159,631	16,062,803	11,665,872	13,985,807	15,198,901	19,231,249	17,881,539
18,655,043	17,933,384	20,553,769	45,106,980	36,409,865	35,556,543	34,334,995

**CITY OF CHAMPAIGN, ILLINOIS**

**General Governmental Revenues By Source - Last Ten Fiscal Years  
June 30, 2009 (Unaudited)**

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Source	2000	2001	2002
Taxes	\$ 44,427,708	45,067,886	45,423,652
Intergovernmental	3,500,892	3,810,452	3,722,337
Licenses, Permits and Fees	878,060	849,267	773,023
Charges for Services	895,478	914,060	785,126
Fines and Forfeitures	911,923	1,144,285	980,321
Interest	1,837,144	2,366,651	1,471,886
Miscellaneous	5,290,889	7,043,550	6,613,071
Total	<u>57,742,094</u>	<u>61,196,151</u>	<u>59,769,416</u>

Data Source: City of Champaign Records

2003	2004	2005	2006	2007	2008	2009
46,818,171	47,840,758	53,964,072	60,126,282	63,957,603	67,727,041	67,785,331
4,048,872	4,186,944	4,667,880	4,850,999	4,096,467	4,376,259	4,081,834
810,127	1,308,247	1,604,430	1,894,778	1,893,676	2,017,250	1,732,653
715,475	841,352	772,514	777,796	771,750	872,119	917,506
1,166,549	1,316,070	1,356,510	1,571,115	1,549,510	1,436,495	1,401,466
611,873	390,543	484,711	1,614,578	2,771,719	2,370,212	1,455,183
7,552,630	2,486,625	3,135,037	4,302,866	4,181,606	5,700,991	3,932,089
61,723,697	58,370,539	65,985,154	75,138,414	79,222,331	84,500,367	81,306,062

**CITY OF CHAMPAIGN, ILLINOIS**

**General Governmental Expenditures By Function - Last Ten Fiscal Years  
June 30, 2009 (Unaudited)**

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Function	2000	2001	2002
General Government	\$ 15,737,246	16,854,734	18,638,536
Public Safety	16,349,724	17,608,759	17,999,584
Public Works	7,492,258	7,320,029	7,319,667
Public Health and Welfare	2,481,916	2,458,577	2,195,992
Culture and Recreation	3,692,839	3,860,034	4,187,352
Capital Outlay	12,688,924	14,467,823	11,893,656
Debt Service			
Principal Retirement	1,036,655	1,303,011	1,374,406
Interest and Fiscal Charges	1,059,544	982,586	929,607
Total	60,539,106	64,855,553	64,538,800

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Data Source: City of Champaign Records

2003	2004	2005	2006	2007	2008	2009
13,309,140	8,871,275	9,695,717	10,372,876	11,595,038	11,543,107	12,007,990
22,036,653	23,064,957	24,884,237	26,727,479	28,522,105	30,566,526	32,250,638
7,907,557	8,620,897	12,616,994	13,613,298	12,903,067	16,692,612	13,326,716
2,545,351	3,504,881	2,762,144	3,200,406	3,271,874	3,442,950	3,727,077
4,442,553	4,334,832	5,501,586	4,953,318	5,320,934	6,127,030	6,668,037
14,000,708	13,044,908	9,088,295	11,774,994	25,056,339	17,788,740	14,345,840
1,450,842	1,475,000	1,555,000	1,640,000	1,725,000	4,970,000	2,080,000
872,848	789,279	978,391	1,978,168	1,944,690	2,003,464	2,005,237
66,565,652	63,706,029	67,082,364	74,260,539	90,339,047	93,134,429	86,411,535

**CITY OF CHAMPAIGN, ILLINOIS**

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years  
June 30, 2009 (Unaudited)**

	2000	2001	2002
<b>Revenues</b>			
Taxes	\$ 44,427,708	45,067,886	45,423,652
Intergovernmental	3,500,892	3,810,452	3,722,337
Licenses and Permits	878,060	849,267	773,023
Charges for Services and Fees	895,478	914,060	785,126
Fines and Forfeits	911,923	1,144,285	980,321
Investment Income	1,837,144	2,366,651	1,471,886
Miscellaneous	5,290,889	7,043,550	6,613,071
<b>Total Revenues</b>	<b>57,742,094</b>	<b>61,196,151</b>	<b>59,769,416</b>
<b>Expenditures</b>			
General Government	15,737,246	16,854,734	18,638,536
Public Safety	16,349,724	17,608,759	17,999,584
Public Works	7,492,258	7,320,029	7,319,667
Public Welfare	2,481,916	2,458,577	2,195,992
Culture and Recreation	3,692,839	3,860,034	4,187,352
Capital Outlay	12,688,924	14,467,823	11,893,656
Debt Service			
Principal	1,036,655	1,303,011	1,374,406
Interest and Fiscal Charges	1,059,544	982,586	929,607
<b>Total Expenditures</b>	<b>60,539,106</b>	<b>64,855,553</b>	<b>64,538,800</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,797,012)</b>	<b>(3,659,402)</b>	<b>(4,769,384)</b>
<b>Other Financing Sources (Uses)</b>			
Disposal of Capital Assets	260,174	58,948	195,119
Debt Issuance	-	-	-
Debt Issuance Premium	-	-	-
Payment to Escrow Agent	-	-	-
Transfers In	14,642,949	12,879,287	13,110,418
Transfers Out	(13,934,249)	(11,881,717)	(11,832,867)
<b>Total Other Financing Sources (Uses)</b>	<b>968,874</b>	<b>1,056,518</b>	<b>1,472,670</b>
<b>Net Change in Fund Balances</b>	<b>(1,828,138)</b>	<b>(2,602,884)</b>	<b>(3,296,714)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>4.38%</b>	<b>4.54%</b>	<b>4.38%</b>

Data Source: City of Champaign Records

2003	2004	2005	2006	2007	2008	2009
46,818,171	47,840,758	53,964,072	60,126,282	63,957,603	67,727,041	67,785,331
4,048,872	4,186,944	4,667,880	4,850,999	4,096,467	4,376,259	4,081,834
810,127	1,308,247	1,604,430	1,894,778	1,893,676	2,017,250	1,732,653
715,475	841,352	772,514	777,796	771,750	872,119	917,506
1,166,549	1,316,070	1,356,510	1,571,115	1,549,510	1,436,495	1,401,466
611,873	390,543	484,711	1,614,578	2,771,719	2,370,212	1,455,183
7,552,630	2,486,625	3,135,037	4,302,866	4,181,606	5,700,991	3,932,089
61,723,697	58,370,539	65,985,154	75,138,414	79,222,331	84,500,367	81,306,062
13,309,140	8,871,275	9,695,717	10,372,876	11,595,038	11,543,107	12,007,990
22,036,653	23,064,957	24,884,237	26,727,479	28,522,105	30,566,526	32,250,638
7,907,557	8,620,897	12,616,994	13,613,298	12,903,067	16,692,612	13,326,716
2,545,351	3,504,881	2,762,144	3,200,406	3,271,874	3,442,950	3,727,077
4,442,553	4,334,832	5,501,586	4,953,318	5,320,934	6,127,030	6,668,037
14,000,708	13,044,908	9,088,295	11,774,994	25,056,339	17,788,740	14,345,840
1,450,842	1,475,000	1,555,000	1,640,000	1,725,000	4,970,000	2,080,000
872,848	789,279	978,391	1,978,168	1,944,690	2,003,464	2,005,237
66,565,652	63,706,029	67,082,364	74,260,539	90,339,047	93,134,429	86,411,535
(4,841,955)	(5,335,490)	(1,097,210)	877,875	(11,116,716)	(8,634,062)	(5,105,473)
74,697	75,674	75,311	372,665	1,929,143	479,920	808,103
-	2,915,000	4,900,000	24,015,000	-	7,025,000	9,280,000
-	30,569	-	-	-	139,957	114,923
-	-	-	-	-	-	(9,060,000)
12,521,300	15,625,281	18,124,024	21,409,947	31,747,555	25,938,910	18,423,126
(11,256,381)	(13,918,375)	(16,189,863)	(20,038,295)	(30,651,210)	(24,854,842)	(17,540,867)
1,339,616	4,728,149	6,909,472	25,759,317	3,025,488	8,728,945	2,025,285
(3,502,339)	(607,341)	5,812,262	26,637,192	(8,091,228)	94,883	(3,080,188)
4.42%	4.47%	4.37%	5.79%	6.91%	11.13%	7.27%

**CITY OF CHAMPAIGN, ILLINOIS**

**Sales Tax Base and Number of Principal Payers - Taxable Sales by Category - Last Ten Calendar Years  
June 30, 2009 (Unaudited)**

	1999	2000	2001	2002
General Merchandise	\$ 3,108,136	2,366,671	2,449,100	2,413,173
Food	879,075	1,580,038	1,718,724	1,763,226
Drinking and Eating Places	1,253,820	1,551,155	1,422,672	1,456,236
Apparel	470,145	552,571	574,769	650,314
Furniture & H.H. & Radio	1,007,294	1,043,850	1,022,472	1,046,990
Lumber, Building, Hardware	855,992	875,112	882,317	908,128
Automobile and Filling Stations	1,697,431	1,757,230	1,680,749	1,586,369
Drugs and Miscellaneous Retail	1,315,834	1,420,431	1,488,752	1,503,044
Agriculture and All Others	1,267,463	1,294,465	1,340,816	1,454,606
Manufacturers	138,311	138,289	144,851	136,162
<b>Total</b>	<b>11,993,501</b>	<b>12,579,812</b>	<b>12,725,222</b>	<b>12,918,248</b>
Total Number of Payers	2,082	2,039	1,995	1,999
City Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%

Data Source: Illinois Department of Revenue

Note: Blank categories have less than 4 individual taxpayers, therefore no data is shown to protect the confidentiality of individual taxpayers; totals include censored data.

2003	2004	2005	2006	2007	2008
2,432,933	2,502,149	2,556,632	2,712,306	2,645,843	2,609,122
1,808,312	1,217,106	1,282,699	1,260,553	1,311,379	1,388,213
1,457,957	1,590,035	1,710,172	1,832,619	1,932,476	1,986,909
692,007	762,798	835,275	850,095	891,122	889,434
1,035,308	1,028,829	1,077,986	1,130,574	1,225,704	1,260,810
962,880	1,028,982	1,131,500	1,163,972	1,104,908	1,096,510
1,602,867	2,204,273	2,238,156	2,129,923	2,022,836	1,944,948
1,502,043	1,596,053	1,654,470	1,806,329	1,920,129	1,950,469
1,416,514	1,485,536	1,631,804	1,713,452	1,751,189	1,835,078
124,291	117,889	100,103	117,136	106,084	108,629
<b>13,035,112</b>	<b>13,533,650</b>	<b>14,218,797</b>	<b>14,716,959</b>	<b>14,911,670</b>	<b>15,070,122</b>
1,975	1,950	2,112	2,121	2,157	1,758
1.00%	1.00%	1.25%	1.25%	1.25%	1.25%

**CITY OF CHAMPAIGN, ILLINOIS**

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years  
June 30, 2009 (Unaudited)**

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<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>State Rate</u>
2000	1.00%	6.50%
2001	1.00%	6.50%
2002	1.00%	6.50%
2003	1.00%	6.50%
2004	1.00%	6.50%
2005	1.25%	6.50%
2006	1.25%	6.50%
2007	1.25%	6.50%
2008	1.25%	6.50%
2009	1.25%	6.50%

Data Source: City and County Records

**CITY OF CHAMPAIGN, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years**

**June 30, 2009 (Unaudited)**

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**See Following Page**

**CITY OF CHAMPAIGN, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years**

**June 30, 2009 (Unaudited)**

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<b>Tax Levy Year</b>	<b>Residential Property</b>	<b>Farm</b>
1999	\$ 409,829,488	\$ 471,300
2000	439,757,880	496,000
2001	480,549,865	433,000
2002	514,447,110	404,270
2003	553,118,365	361,860
2004	586,361,596	614,590
2005	711,817,507	463,300
2006	798,244,474	323,850
2007	879,192,204	457,210
2008	914,636,140	538,130

Data Source: Champaign County Clerk

Commerical Property	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
\$ 320,659,679	\$ 6,634,808	\$ 737,595,275	\$ 582,237	\$ 738,177,512	1.3120
357,364,226	6,428,801	804,046,907	468,930	804,515,837	1.2879
374,678,497	8,479,122	864,140,484	480,841	864,621,325	1.3030
393,578,418	8,946,940	917,376,738	492,268	917,869,006	1.3120
411,078,408	9,083,478	973,642,111	509,102	974,151,213	1.3120
433,511,282	10,814,070	1,031,301,538	462,928	1,031,764,466	1.3120
466,974,314	11,127,730	1,190,382,851	437,157	1,190,820,008	1.3120
513,119,952	12,438,140	1,324,126,416	474,016	1,324,600,432	1.2659
554,431,171	13,121,150	1,447,201,735	511,677	1,447,713,412	1.2942
604,280,501	12,940,420	1,532,395,191	608,574	1,533,003,765	1.2942

**CITY OF CHAMPAIGN, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years  
June 30, 2009 (Unaudited)**

	<u>1999</u>	<u>2000</u>
City of Champaign		
Corporate	0.1024	0.2302
Library	0.3607	0.3820
Library Capital	0.0615	0.0273
Fire Pension	0.1421	0.1231
Police Pension	0.2907	0.2115
IMRF	0.1786	0.1432
Capital Improvement	0.1760	0.1706
Total Direct Tax Rate	<u>1.3120</u>	<u>1.2879</u>
Overlapping Rates		
County	0.6425	0.6201
Forest Preserve	0.0885	0.0855
Township	0.0470	0.0400
Park	0.6263	0.6395
Public Health	0.1206	0.1170
Parkland College	0.4659	0.4660
School Unit 4	4.2437	4.1456
Mass Transit	0.2813	0.2768
Total Overlapping Tax Rate	<u>6.5158</u>	<u>6.3905</u>
Total Direct and Overlapping Tax Rate	<u>7.8278</u>	<u>7.6784</u>

Data Source: Champaign County Clerk

Tax Levy Year							
2001	2002	2003	2004	2005	2006	2007	2008
0.2315	0.2348	0.1996	0.1680	0.1409	0.1259	0.1324	0.2071
0.3913	0.3940	0.3940	0.3940	0.3940	0.3940	0.3940	0.3940
0.0280	0.0282	0.0282	0.0282	0.0282	0.0282	0.0282	0.0282
0.1363	0.1363	0.1265	0.1372	0.1774	0.1878	0.1855	0.1890
0.2216	0.2485	0.2349	0.2464	0.2383	0.2280	0.2168	0.1933
0.1195	0.0942	0.1576	0.1649	0.1705	0.1493	0.1434	0.1422
0.1748	0.1760	0.1712	0.1733	0.1627	0.1527	0.1939	0.1404
1.3030	1.3120	1.3120	1.3120	1.3120	1.2659	1.2942	1.2942
0.6200	0.7117	0.7048	0.7981	0.7801	0.7616	0.7389	0.7426
0.0859	0.0850	0.0840	0.0839	0.0818	0.0800	0.0779	0.0783
0.0243	0.0397	0.0387	0.0380	0.0368	0.0357	0.0350	0.0350
0.6627	0.6754	0.6843	0.6782	0.6597	0.6414	0.6190	0.6157
0.1172	0.1152	0.1135	0.1126	0.1087	0.1060	0.1049	0.1052
0.4556	0.4652	0.4838	0.4847	0.4776	0.4720	0.4688	0.5115
4.1098	4.0214	3.9645	3.9271	3.8288	3.7273	3.6296	3.6554
0.2772	0.2728	0.2695	0.2677	0.2623	0.2592	0.2544	0.2575
6.3527	6.3864	6.3431	6.3903	6.2358	6.0832	5.9285	6.0012
7.6557	7.6984	7.6551	7.7023	7.5478	7.3491	7.2227	7.2954

**CITY OF CHAMPAIGN, ILLINOIS**

**Principal Property Tax Payers - Current Tax Levy Year and Nine Years Ago  
June 30, 2009 (Unaudited)**

Taxpayer	2008			2000		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Champaign Market Place, LLC	\$ 24,444,330	1	1.59%	\$ 17,755,080	1	2.41%
Campus Property Management	21,677,110	2	1.41%			
Shapland Realty, LLC	14,506,900	3	0.95%	5,502,910	4	0.75%
Bankier Family	10,618,880	4	0.69%	6,607,550	3	0.90%
Atkins, Clinton C.	8,841,290	5	0.58%			
Shaub Properties, LLC	8,600,850	6	0.56%			
Baytowne Apartments, LLC	7,561,680	7	0.49%			
Christie Management Co., Inc.	6,604,310	8	0.43%			
JSM Apartments	6,152,760	9	0.40%	3,576,150	10	0.48%
Campus Investors, LLC	6,043,230	10	0.39%			
Goldfarb, Erwin				11,744,790	2	1.59%
Wal-Mart Store, Inc				4,876,870	5	0.66%
Par 3 Development				4,393,690	6	0.60%
Royse & Brinkmeyer				4,316,400	7	0.58%
BankIllinois				4,306,950	8	0.58%
Rose, Irwin R.				3,786,390	9	0.51%
	<u>115,051,340</u>		<u>7.49%</u>	<u>66,866,780</u>		<u>9.06%</u>

Data Source: Champaign County Clerk

**CITY OF CHAMPAIGN, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years  
June 30, 2009 (Unaudited)**

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$ 9,684,889	\$ 9,645,611	99.59%	N/A	\$ 9,645,611	99.59%
2000	10,361,360	10,340,597	99.80%	N/A	10,340,597	99.80%
2001	11,266,016	11,222,166	99.61%	N/A	11,222,166	99.61%
2002	12,042,441	11,975,312	99.44%	N/A	11,975,312	99.44%
2003	12,780,864	12,825,383	100.35%	N/A	12,825,383	100.35%
2004	13,536,750	13,501,728	99.74%	N/A	13,501,728	99.74%
2005	15,623,559	15,633,956	100.07%	N/A	15,633,956	100.07%
2006	16,768,114	16,730,757	99.78%	N/A	16,730,757	99.78%
2007	18,736,307	9,402,062	50.18%	9,200,352	18,602,414	99.29%
2008	19,840,135	9,872,563	49.76%	N/A	9,872,563	49.76%

Data Source: County and City Records

**CITY OF CHAMPAIGN, ILLINOIS**

**Ratios of Outstanding Debt By Type - Last Ten Fiscal Years  
June 30, 2009 (Unaudited)**

Fiscal Year Ended June 30	Governmental Activities	Business-Type Activities		Total Primary Government
	General Obligation Bonds	IEPA Loan	General Obligation Bonds	
2000	\$ 23,180,000	\$ 958,440	-	\$ 24,138,440
2001	21,925,000	910,429	-	22,835,429
2002	20,600,000	861,024	-	21,461,024
2003	19,200,000	810,183	-	20,010,183
2004	20,640,000	757,864	-	21,397,864
2005	23,985,000	704,024	-	24,689,024
2006	46,360,000	648,620	-	47,008,620
2007	44,635,000	591,605	-	45,226,605
2008	46,690,000	532,933	12,700,000	59,922,933
2009	44,830,000	472,556	12,700,000	58,002,556

Data Source: City of Champaign Records

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

	Total Equalized Assessed Value (EAV)	Percentage of EAV	Population	Personal Income	Percentage of Personal Income	Per Capita
\$	738,177,512	3.27%	67,959	\$ 1,260,155,952	1.92%	\$ 355.19
	804,515,837	2.84%	68,639	1,309,236,009	1.74%	332.69
	864,621,325	2.48%	69,325	1,330,180,836	1.61%	309.57
	917,869,006	2.18%	70,018	1,567,457,865	1.28%	285.79
	974,151,213	2.20%	70,718	1,453,825,128	1.47%	302.58
	1,031,764,466	2.39%	71,426	1,505,981,268	1.64%	345.66
	1,190,820,008	3.95%	72,140	1,558,918,872	3.02%	651.63
	1,324,600,232	3.41%	75,254	1,608,855,266	2.81%	600.99
	1,447,713,412	4.14%	75,254	1,822,275,610	3.29%	796.28
	1,533,003,765	3.78%	75,254	1,829,349,486	3.17%	770.76

**CITY OF CHAMPAIGN, ILLINOIS**

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years  
June 30, 2009 (Unaudited)**

Fiscal Year Ended June 30	Gross General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Net General Bonded Debt Outstanding	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2000	\$ 23,180,000	\$ 1,829,841	\$ 21,350,159	2.89%	314.16
2001	21,925,000	1,913,534	20,011,466	2.49%	291.55
2002	20,600,000	1,974,194	18,625,806	2.15%	268.67
2003	19,200,000	2,035,139	17,164,861	1.87%	245.15
2004	20,640,000	2,993,876	17,646,124	1.81%	249.53
2005	23,985,000	2,923,672	21,061,328	2.04%	294.87
2006	46,360,000	22,032,498	24,327,502	2.04%	337.23
2007	44,635,000	10,376,558	34,258,442	2.59%	455.24
2008	59,390,000	5,345,500	54,044,500	3.73%	718.16
2009	57,530,000	4,266,108	53,263,892	3.47%	707.79

Data Source: City of Champaign Records

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Ratios of Outstanding Debt by Type Schedule for Equalized Assessed Value data (Actual Taxable Value of Property).

(2) Population can be found in the schedule 'Ratios of Outstanding Debt By Type - Last Ten Fiscal Years'

**CITY OF CHAMPAIGN, ILLINOIS**

**Schedule of Direct and Overlapping Bonded Debt  
June 30, 2009 (Unaudited)**

Governmental Unit	Gross Debt	*Percentage of Debt Applicable to City	City's Share of Debt
City of Champaign	\$ 57,530,000	100.00%	\$ 57,530,000
Champaign County	55,262,315	43.99%	24,309,892
Champaign Park District	975,000	99.04%	965,640
Champaign School District #4	15,665,000	79.11%	12,392,582
Champaign Urbana Public Health District	3,173,506	74.13%	2,352,520
Parkland College	34,505,000	33.05%	11,403,903
Champaign County Forest Preserve	95,000	43.38%	41,211
<b>Total Overlapping Debt</b>	<b>109,675,821</b>		<b>51,465,748</b>
<b>Total Direct and Overlapping Debt</b>	<b>167,205,821</b>		<b>108,995,748</b>

Data Source: City of Champaign

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. Every resident is not responsible for paying the debt of each overlapping government.

\* Determined by the ratio of assessed value of property in the City of Champaign subject to taxation by the Governmental Unit to the total assessed value of property of the Governmental Unit.

**CITY OF CHAMPAIGN, ILLINOIS**

**Pledged-Revenue Coverage - Last Ten Fiscal Years  
June 30, 2009 (Unaudited)**

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Fiscal Year Ended June 30	Tax Increment Financing District #2 1997 and 1999 Bonds			
	Property and Sales Tax Revenues	Principal	Interest	Coverage
2000	\$ -	\$ -	\$ -	-
2001	-	-	-	-
2002	-	-	-	-
2003	-	-	-	-
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-

Data Source: City of Champaign Records Records

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

The City has not had revenue bonds outstanding for any of the last ten fiscal years.

## CITY OF CHAMPAIGN, ILLINOIS

### Demographic and Economic Statistics - Last Ten Fiscal Years June 30, 2009 (Unaudited)

Fiscal Year Ended June 30	(1) Population	Personal Income (in Thousands)	(2) Per Capita Personal Income	(2) Median Age	(3) School Enrollment	(4) Unemployment Rate
2000	67,959	\$ 1,268,387	\$ 18,664	25	9,271	3.9%
2001	68,639	1,323,146	19,277	25	9,298	4.0%
2002	69,325	1,349,827	19,471	25	9,250	5.0%
2003	70,018	1,597,186	22,811	25	9,300	5.1%
2004	70,718	1,471,226	20,804	25	9,345	4.8%
2005	71,426	1,530,508	21,428	25	9,275	4.5%
2006	72,140	1,592,199	22,071	25	9,313	4.1%
2007	75,254	1,608,855	21,379	25	9,351	4.6%
2008	75,254	1,822,276	24,215	25	9,329	6.4%
2009	75,254	1,829,349	24,309	24	9,400	7.5%

#### Data Sources:

- (1) Population for 2007 - 2009 is from a Special Census conducted by the U.S. Bureau of the Census. 2000 population reflects correction by the U.S. Census Bureau in 2002. 1% per annum growth.
- (2) U.S. Census Bureau - 2008 American Community Survey.
- (3) Superintendent of Schools, Champaign School District.
- (4) US Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics. These percentages have not been seasonally adjusted and have been traditionally lower at June 30.

**CITY OF CHAMPAIGN, ILLINOIS**

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago  
June 30, 2009 (Unaudited)**

Employer	2009			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
University of Illinois at Urbana-Champaign (1)	10,900	1	27.5%	10,500	1	28.4%
Champaign Unit 4 Schools	1,378	2	3.5%	1,000	3	2.7%
Kraft Foods Inc. (2)	1,325	3	3.3%	1,500	2	4.1%
Parkland College	1,200	4	3.0%	882	4	2.4%
PlastiPak (2)	800	5	2.0%	550	7	1.5%
Christie Clinic Association	740	6	1.9%	725	5	2.0%
Hobbico	700	7	1.8%	700	6	1.9%
City of Champaign	641	8	1.6%	500	8	1.4%
Amdocs	620	9	1.6%			
Devonshire Group, LLC	590	10	1.5%			
U.S. Army Corps of Engineering CERL				450	9	1.2%
U.S. Postal Service				409	10	1.1%
	<u>18,894</u>		<u>47.7%</u>	<u>17,216</u>		<u>46.7%</u>

Data Sources: Economic Development Commission and Bureau of Labor Statistics

(1) The University of Illinois' administration and main campus are located in both Champaign and Urbana

(2) Located in an unincorporated area adjacent to the City

**CITY OF CHAMPAIGN, ILLINOIS**

**Full-Time Equivalent City Government Employees by Function/Program  
June 30, 2009 (Unaudited)**

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Government</b>										
Administration	12	12	12	12	12	12	12	12	11	12
Economic Development	1	1	1	1	-	-	1	1	2	2
Legal	9	9	11	11	10	10	10	10	10	10
Finance	13	14	15	15	15	15	15	16	16	16
Personnel Services	7	6	6	6	6	6	6	6	6	6
Risk Management	1	2	2	2	2	2	2	2	2	2
Planning	12	12	12	12	11	11	11	12	12	12
Neighborhood Services	13	13	14	14	9	10	11	11	11	11
Information Technology	4	5	7	7	7	8	8	8	10	10
<b>Public Safety</b>										
<b>Police</b>										
Sworn	112	112	112	112	112	113	115	117	119	119
Civilian	37	38	38	38	37	38	38	37	37	37
<b>Fire</b>										
Sworn	91	91	90	93	93	93	105	108	108	108
Civilian	12	14	14	14	13	13	14	14	15	15
<b>Public Works</b>										
Engineering	21	22	23	23	23	21	21	23	23	24
Transportation	15	15	15	15	15	15	15	15	15	15
Other	41	41	41	41	40	43	43	44	45	45
Public Health & Welfare	5	5	4	4	8	7	7	7	7	7
Culture & Recreation	66	66	68	68	67	67	68	81	82	82
Parking	12	11	13	13	15	16	16	15	15	15
Sewer	11	11	11	11	11	10	10	10	10	10
<b>Total</b>	<b>495</b>	<b>500</b>	<b>509</b>	<b>512</b>	<b>506</b>	<b>510</b>	<b>528</b>	<b>549</b>	<b>556</b>	<b>558</b>

Data Source: City of Champaign Records

**CITY OF CHAMPAIGN, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
June 30, 2009 (Unaudited)**

Function/Program	2000	2001	2002
<b>Public Safety</b>			
<b>Fire (1)</b>			
Number of Fire Calls	297	272	271
Number of EMS/Rescue Calls	2,360	2,311	2,831
ISO Rating	2	2	2
<b>Police</b>			
Arrests	5,382	7,434	6,623
Parking Violations	4,902	5,505	4,325
Traffic Violations (2)	11,300	13,371	10,711
<b>Public Works</b>			
Street Resurfacing Miles	N/A	N/A	N/A
Potholes Repaired	8,869	18,998	12,717
Street Lights Maintained (3)	3,020	3,020	3,020
<b>Community Development</b>			
Number of Building Permits Issued	652	578	637
Number of Building Inspections	2,629	2,455	2,576
<b>Culture &amp; Recreation</b>			
Total Circulation	1,065,004	1,140,324	1,262,142
Materials (Print and Non-Print)	N/A	N/A	241,916
Library Cards Issued	N/A	N/A	N/A
Library Visits - Main Library /Bookmobile	446,902	458,867	487,828
Library Visits - Douglass Branch	72,052	75,495	89,259

N/A: Not Available

Data Source: City of Champaign Records

Notes: Indicators are not available for the general government function.

- (1) The 2001 information was estimated due to a major change in data collection at the Fire Department.
- (2) Traffic tickets and warnings were not separated until 2002.  
1997-2002 are traffic tickets and warnings. 2003-2009 are traffic tickets only.
- (3) The # of street lights maintained have included City owned and IP leased, but should have included City owned only. The # of IP leased street lights has been approximately 1,330 since at least 2000. Subtract 1,330 from totals through 2005 to estimate City owned street lights. Actual #s used for 2006 - 2009.

2003	2004	2005	2006	2007	2008	2009
325	292	327	301	334	288	289
2,822	2,916	2,938	2,954	3,115	3,421	3,388
2	2	2	2	2	2	2
6,394	6,286	6,972	6,691	6,769	7,153	6,823
4,142	3,014	2,240	1,854	1,617	1,285	970
10,959	10,453	11,300	11,059	11,590	10,848	11,672
N/A	N/A	N/A	13.54	12.30	4.20	4.60
11,311	14,978	12,752	19,213	13,103	17,703	18,208
3,020	3,278	3,020	3,278	3,368	3,312	3,225
588	635	962	1,112	873	638	507
2,490	2,348	3,134	4,503	3,697	3,261	3,191
1,338,251	1,449,668	1,536,847	1,668,652	1,786,773	1,980,259	2,492,033
238,350	242,556	250,860	246,709	256,533	355,129	396,906
N/A	4,922	5,828	5,631	5,129	8,808	7,441
516,775	546,165	553,316	578,604	585,059	626,342	760,137
88,308	92,245	74,914	61,717	69,568	70,920	59,092

**CITY OF CHAMPAIGN, ILLINOIS**

**Capital Asset Statistics by Function/Program  
June 30, 2009 (Unaudited)**

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	N/A									
Fire Stations	5	5	5	5	5	5	5	6	6	6
<b>Public Works</b>										
Streets (Miles) (1)	218	220	220	220	598	598	642	642	685	684
Sidewalks (Miles)	N/A									
Streetlights (2)	3,020	3,020	3,020	3,020	3,278	3,020	3,278	3,368	3,312	3,225
<b>Sewer</b>										
Sanitary Sewers (Miles)	187	189	189	191	191	193	193	195	205	209
Manholes	4,675	4,725	4,725	4,775	4,775	4,825	4,825	4,875	5,128	5,215

Data Source: City of Champaign Records

N/A - Currently Not Available

**Notes:**

- (1) Center line miles were reported 1998-2003, and lane miles were reported 2004-2009.
- (2) The # of street lights maintained have included City owned and IP leased, but should have included City owned only.  
The # of IP leased street lights has been approximately 1,330 since at least 2000.  
Subtract 1,330 from totals through 2005 to estimate City owned street lights.  
Actual #s used for 2006 - 2009.

**CITY OF CHAMPAIGN, ILLINOIS**

**City Awards Received**

**June 30, 2009 (Unaudited)**

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<b>Award Received</b>	<b>Awarded By</b>
Distinguished Budget Presentation Award	Government Finance Officers Association
Certificate of Achievement for Excellence in Financial Reporting	Government Finance Officers Association
3-Star Rating in the Library Journal Index of Public Library Service	Library Journal Index of Public Library Service
Silver Award for Library's 2008 / 2009 Annual Report	American Advertising Federation ADDY Awards
Tree City USA Award	National Arbor Day Foundation
Honorable Mention in 2008 Government Programming Awards for CGTV Production, "Clearing the Way"	National Association of Telecommunications Officers and Advisors
Honorable Mention for the Garden Hills Youth Program	National Community Development Association
George Meany Award to Lt. Dorval Norwood for his work with the Champaign Fire Explorers Post	AFL-CIO Executive Council
Lonnie Jackson Public Education Award to Dena Schumacher	Illinois Fire Inspectors Association
Firefighter of the Year 2008 to Lt. Dan Brown, Engineer Jon Sanford, and Firefighter Jason Dillingham for lives saved at a fire	Exchange Club of Champaign
2009 Audrey Nelson Community Development Achievement Award - Honorable Mention for the Garden Hills Neighborhood Improvement Initiative	National Community Development Association