

**CITY OF CHAMPAIGN, ILLINOIS**

**Champaign, Illinois**

**Comprehensive Annual Financial Report**

**For the Year Ended**

**June 30, 2010**

Prepared By:

Finance Department  
Richard Schnuer, Finance Director

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## **INTRODUCTORY SECTION**

### **(Unaudited)**

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

- Letter of Transmittal from the Finance Director, Financial Services Manager/City Accountant, and Staff Accountant
- Certificate of Achievement for Excellence in Financial Reporting
- Organizational Chart
- List of Elected and Appointed Officials



December 29, 2010

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, 2010.

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 disposition, 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 Martin Hood Friese & Associates, LLC, 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, 2010, 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, 2010, 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 Report of Federal Financial Assistance.

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 2010 Census, is estimated at 81,055. The City's corporate boundaries currently cover approximately 22.3 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. The Champaign Library Foundation is a discretely presented

component unit. 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 re-appropriated 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 and major special revenue funds, these comparisons are presented as basic financial statements on pages 38-41 before the Notes to the Financial Statements. For other major governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report on pages 130-132. Comparisons for non-major governmental funds can be found starting on page 117.

## **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. However, the City has not been immune to the slow economic recovery. Unemployment rates in the region were at 9.5% compared with 8.7% 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 11,600 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 Physician Group and Christie Clinic).

Until the past two years, the City had experienced considerable growth of retail, service, and entertainment industry in the northern part of the City, as well as residential growth in the north, south and southwest areas. As other communities have experienced, the economic downturn has slowed growth in Champaign. The value of construction for building permits issued in fiscal year 2009/10 was \$83 million compared with \$112 million in fiscal year 2008/09 and \$98 million in fiscal year 1999/2000. Sales, income, and utility taxes are three of the four largest revenue sources of the City. Revenue from two of these sources has declined in the past two years due to the recession, and growth in the third revenue source has halted. The City continues to make significant expenditure reductions to help 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 (39.9 percent in 2010 compared with 27.1 percent in 2000). 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 Incentive program that provides funding for infrastructure development for new industrial projects that add or retain at least 20 jobs paying two times or more the minimum wage.
- 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 research-office 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 larger 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. Many condominiums are occupied and office space continues to be leased. The ground level is home to a bank, with a microbrewery and two restaurants also planned.
- Improvements to the Boneyard Creek continue in the city center, some of which are located in the East University TIF District as well as the North Campus Area TIF District. The Boneyard "Second Street Reach" project will be completed in December 2010 and includes a linear urban park that will become a catalyst for further redevelopment in the area. 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.
- The University of Illinois Research Park (also part of the South Metro Zone), has grown over the past decade and now consists of approximately eighty-five companies employing about 1,500 people. During this time, Fox/Atkins Development, in cooperation with the University, developed the Park that boasts 12 new buildings consisting of over 600,000 square feet, including a daycare center and the I Hotel and Conference Center. The developer has invested over \$63 million into the development of the Research Park. Companies in the Park include nine Fortune 500 companies, such as Sony, ADM, Abbott, John Deere, CAT, State Farm, SAIC, Yahoo! and Qualcomm. Long-term plans by the University and the developer of the Research Park include the addition of 400,000 square feet of office and laboratory buildings and a commercial complex. Construction began in 2009 and is still underway on the new "Blue Waters" facility, which is expected to be the world's first sustained-petascale supercomputer for scientific research when it opens in 2011. 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.
- The master plan for an 80-acre mixed-use development at the Curtis Road and Interstate 57 interchange has been under review for a few years. The development will feature a new medical facility for Christie Clinic and a variety

of community- and regional-sized commercial uses as well as residential uses. It is expected to be approved in the next fiscal year.

- The City issued \$25.6 million of Build America Bonds (BABs) to finance drainage improvements for the Second Street Reach of the Boneyard Creek (discussed above), John Street, and Washington Street east areas. The taxable BABs were authorized under the American Reinvestment and Recovery Act. Issuing BABs rather than traditional tax exempt bonds contributed to an excellent effective average interest rate of 3.2%.

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

- The East University Avenue Tax Increment Finance District will be considered for extension by the City Council in December 2010. The extension will be for a smaller “carved out” portion of the original district and would be extended to the year 2023. As part of the extension, a redevelopment plan outlines both capital improvements and financial incentives that would be provided in the district.
- 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 February 2011.

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

- The Cities of Champaign and Urbana, in conjunction with the University of Illinois, received a \$22.5 million Federal grant under the Broadband Technologies Opportunity Program established by the American Recovery and Reinvestment Act of 2009. In conjunction with another \$7 million in state and local funding, the grant will fund installation of a fiber optic network throughout the Champaign-Urbana community including the main campus of the University of Illinois. The grant will connect 137 “anchor institutions” including schools, government facilities, and community services agencies. In addition, the grant will provide “fiber to the premise” in 11 census blocks where residents are underserved with respect to internet access. The network will have the capacity to serve 12,000 homes and 800 businesses upon its construction, and can be expanded to serve the entire community.
- The City received a \$1.4 million federal stimulus grant for neighborhood stabilization. The grant provides funding for the acquisition and redevelopment of foreclosed and abandoned properties that might otherwise become sources of blight. Some of these properties will be demolished and new homes constructed to provide housing for low- to moderate-income households. Other properties will be rehabilitated and will increase the City’s affordable housing stock.

- The City formed a Stormwater Utility Fee Advisory Committee to provide technical advice and community input on the development and implementation of a stormwater utility fee to fund drainage improvements. Working with a consultant, the committee is reviewing information and will make a recommendation to the City Council about the desirability of establishing a stormwater utility fee.
- In March, the City began a year-long celebration of the 150<sup>th</sup> anniversary of its founding. Activities include a historical exhibit, public television programs on the founders and history of the City, as well as a music festival and time capsule.

## **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 eight general obligation bond series outstanding (including one Build America Bond issue), with outstanding principal totaling \$80.37 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 Aaa.

## **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, 2009. 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, 2010. 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.

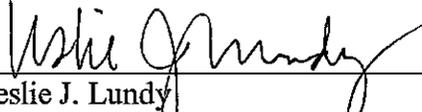
The preparation of this report has been made possible due to contributions from many members of the Finance Department. We would like to express our appreciation to everyone who assisted and contributed to the preparation of this report. Credit must also be given to the City Manager, Mayor, and City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

Respectfully submitted,



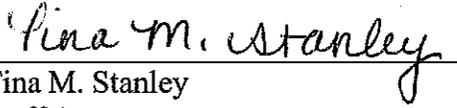
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Richard A. Schnuer  
Finance Director



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Leslie J. Lundy  
Financial Services Manager/City Accountant



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Tina M. Stanley  
Staff Accountant

# 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, 2009

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.



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emen".

Executive Director



## **LIST OF ELECTED AND APPOINTED OFFICIALS**

### **LEGISLATIVE**

Mayor	Gerald Schweighart
City Council Member at Large	Thomas Bruno
City Council Member at Large	Deborah Frank Feinen
City Council Member at Large	Karen Foster
City Council Member City No. 1	Will Kyles
City Council Member City No. 2	Michael LaDue
City Council Member City No. 3	Kyle Harrison
City Council Member City No. 4	Marci Dodds
City Council Member City No. 5	Gordy Hulten

### **ADMINISTRATIVE**

City Manager	Steven Carter
Assistant City Manager	Dorothy Ann David
Deputy City Manager for Development	Craig Rost
Finance Director	Richard Schnuer
City Attorney	Frederick Stavins
Director of Public Works	Dennis Schmidt
Planning Director	Bruce Knight
Neighborhood Services Director	Kevin Jackson
Director of Human Resources	M. Chris Bezruki
Police Chief	R.T. Finney
Fire Chief	Douglas Forsman
Library Director	Marsha Grove

## **FINANCIAL SECTION**

This section includes:

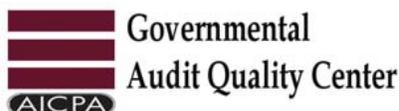
- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Champaign, Illinois, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Champaign, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund, which is a pension trust fund reported as a fiduciary fund of the City of Champaign, Illinois. We have audited the note disclosures applicable to the Police Pension Fund. The Police Pension Fund represents 53 percent, 53 percent, and 51 percent, respectively, of the assets, net plan assets, and additions of the pension trust funds. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included in the financial statements for the Police Pension Fund, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.



In our opinion, based on our audit and the report of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Champaign, Illinois as of June 30, 2010, the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2010, on our consideration of the City of Champaign, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 through 30, schedules of funding progress on pages 107 and 108, and schedules of employer contributions on page 109, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Champaign, Illinois's financial statements as a whole. The introductory section, combining and individual non-major and major fund financial schedules and supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major and major fund financial schedules and supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the

financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Marta, Hood, Friese & Associates, LLC*

December 22, 2010

**CITY OF CHAMPAIGN, ILLINOIS**  
**Management's Discussion and Analysis**  
**June 30, 2010**

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Management's Discussion and Analysis provides an overview of the City of Champaign's financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the transmittal letter on pages 1 - 8 and the City's financial statements, which begin on page 31.

**FINANCIAL HIGHLIGHTS**

- At June 30, 2010, the City's total assets exceeded its liabilities by \$418.8 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 net assets consist of \$357.1 million in capital assets, net of related debt. Restricted net assets of \$37.9 million may be used for the City's ongoing obligations related to programs with external restrictions. The remaining amount of \$23.8 million in unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.
- Revenues of \$92.9 million during the year exceeded expenses of \$88.6 million, increasing the City's total net assets by \$4.3 million. The increase in net assets consists of a \$3.8 million increase in net assets of the City's governmental activities and a \$0.5 million increase in net assets related to the City's business-type activities.
- There was a prior-period adjustment of \$2.9 million in FY10. This resulted from a correction to how capital assets had been recorded in past years.
- At the end of the fiscal year, the City's total fund balances in its governmental funds were \$69.2 million, a \$17.3 million increase from the prior year fund balances of \$51.9 million. The increase is largely attributable to a \$16.9 million increase in the Debt Service Fund to account for debt issuance in FY10. The General Fund showed a decrease of \$2.4 million, primarily due to decreased revenues. The Stormwater Management and Capital Improvement Funds also showed a decrease of about \$1.0 million each, due to FY10 spending for planned projects. Additionally, there was a \$4.0 million increase in the non-major funds. The primary components of this increase were a \$3.4 million increase in the Motor Fuel Tax Fund due to the jurisdictional transfer of Staley Road from the State of Illinois and an increase of \$0.9 million in the Equipment Replacement Fund due to reduced capital outlay expenditures. There was also a decrease of \$1.3 million in the E. University Ave. Tax Increment Financing Fund due to planned large project expenditures.
- Approximately \$47.7 million (or 69%) of the total fund balance in governmental funds is available for spending at the government's discretion (unreserved fund balance). Of that, 32% is in the City's General Fund, 32% is dedicated to special revenue funds (primarily those that support neighborhood and economic development), and 36% is dedicated to capital projects. Of the reserved funds, 98% (\$21.1 million) is reserved for debt service.

**FINANCIAL HIGHLIGHTS – Continued**

- The City had \$86.5 million in long-term debt at the end of the year, 91% of which was bonded general obligation debt. Outstanding debt increased by \$22.8 million during the year due to the issuance of \$25.6 million of Build America Bonds, which was offset by \$2.8 of principal repayments.

**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.

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.

This report also includes the Champaign Public Library Foundation, shown as a "discretely presented component unit". The Foundation is a not-for-profit organization established to promote community enrichment and education by encouraging private support of the Library. The Foundation is included in the City of Champaign's report because of its relationship to the Champaign Public Library, which is included in the City's report as a Major Special Revenue fund.

In the case of the pension funds, the City is primarily responsible for meeting the funds' obligations. In the case of the Township, 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 manner similar to a private-sector business. The government-wide financial statements can be found on pages 31 - 33 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.

**USING THIS ANNUAL REPORT – Continued**

**Government-Wide Financial Statements – Continued**

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, storm water 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, environmental services, 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.

**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.

**USING THIS ANNUAL REPORT – Continued**

**Governmental Funds – Continued**

The City maintains 20 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 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 13 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The 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 34 - 37 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, environmental services, 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 programs. 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.

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, Parking, and Environmental Services Funds. The Sewer and Parking funds are considered to be major funds of the City. The 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 42 - 44 of this report.

**USING THIS ANNUAL REPORT – Continued**

**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 45 - 46 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 47 - 106 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, Sheriff's Law Enforcement Personnel, Police Pension Fund, and Firefighters Pension Funds). Required supplementary information can be found on pages 107 - 109 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 110 - 147 of this report.

**CITY OF CHAMPAIGN, ILLINOIS**  
**Management's Discussion and Analysis**  
**June 30, 2010**

**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 \$418.8 million.

Net Assets (in Millions)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	\$ 80.5	\$ 71.0	\$ 5.4	\$ 5.4	\$ 85.9	\$ 76.4
Non-Current Assets	376.9	372.3	55.6	55.8	432.6	428.1
Total Assets	<u>457.4</u>	<u>443.3</u>	<u>61.1</u>	<u>61.2</u>	<u>518.5</u>	<u>504.5</u>
Long-Term Debt Outstanding	73.0	48.7	13.5	13.6	86.5	62.3
Other Liabilities	12.9	24.3	0.3	0.4	13.2	24.7
Total Liabilities	<u>85.9</u>	<u>73.0</u>	<u>13.7</u>	<u>14.0</u>	<u>99.7</u>	<u>87.0</u>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Debt	314.9	318.5	42.2	42.3	357.1	360.8
Restricted	37.9	34.1	-	-	37.9	34.1
Unrestricted (Deficit)	<u>18.7</u>	<u>17.7</u>	<u>5.1</u>	<u>4.9</u>	<u>23.8</u>	<u>22.6</u>
Total Net Assets	<u>\$ 371.5</u>	<u>\$ 370.3</u>	<u>\$ 47.3</u>	<u>\$ 47.2</u>	<u>\$ 418.8</u>	<u>\$ 417.5</u>

The largest portion of the City of Champaign's net assets (\$357.1 million, or 85%) 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 \$37.9 million (9%) of the City's net assets represents resources that are subject to external restrictions on their use. The remaining \$23.8 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, 2010**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Net Assets – Continued**

The following table shows that net assets increased just slightly (\$4.3 million) over the prior year before a prior period adjustment of \$2.9 million.

Changes in Net Assets (in millions)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for Services	\$ 8.1	\$ 7.7	\$ 4.9	\$ 4.5	\$ 13.0	\$ 12.2
Operating Grants/Contributions	2.4	1.1	-	-	2.4	1.1
Capital Grants/Contributions	6.5	19.4	-	0.5	6.5	19.9
General Revenues						
Property Taxes	22.9	21.9	-	-	22.9	21.9
Sales Taxes	29.2	29.6	-	-	29.2	29.6
Income Taxes	6.6	7.3	-	-	6.6	7.3
Other General Revenues	12.2	11.6	0.1	0.3	12.3	11.9
Total Revenues	87.8	98.6	5.0	5.3	92.9	103.9
Expenses:						
General Government	25.3	28.4	-	-	25.3	28.4
Public Safety	33.5	33.5	-	-	33.5	33.5
Public Works	12.1	14.7	-	-	12.1	14.7
Public Health and Welfare	3.1	3.7	-	-	3.1	3.7
Culture and Recreation	8.1	8.7	-	-	8.1	8.7
Interest on Long-Term Debt	1.9	2.0	-	-	1.9	2.0
Parking	-	-	2.5	2.0	2.5	2.0
Sewer	-	-	2.0	2.1	2.0	2.1
Environmental Services	-	-	0.0	-	0.0	-
Total Expenses	84.1	91.0	4.5	4.1	88.6	95.1
Increase in Net Assets Before Transfers	3.8	7.6	0.5	1.2	4.3	8.8
Transfers	0.3	0.3	(0.3)	(0.3)	-	-
Increase (Decrease) in Net Assets	4.1	7.9	0.2	0.9	4.3	8.8
Net Assets - Beginning (as Previously Reported)	370.3	362.4	47.2	46.3	417.4	408.7
Prior Period Adjustments	(2.9)	-	-	-	(2.9)	-
Net Assets - Beginning (as Restated)	367.4	362.4	47.2	46.3	414.5	408.7
Net Assets - Ending	\$371.5	\$370.3	\$ 47.3	\$ 47.2	\$418.8	\$417.5

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Net Assets - Continued**

The City of Champaign's total net assets increased by \$4.3 million due to a \$4.1 million increase in the net assets of the City's governmental activities and a \$0.2 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, environmental services, and parking operations.

Net assets invested in capital assets (net of debt) decreased by \$3.7 million to \$357.1 million due to a prior period adjustment of \$2.9 million. This adjustment was made to correct capital asset transactions in past years, which was due to capital asset disposals which were not recorded in the general ledger. The capital asset additions were offset by a decrease in construction in progress. Restricted net assets increased by \$3.8 million to \$37.9 million, while unrestricted net assets increased by \$1.2 million.

Total revenues decreased by \$11.0 million, a 10.6% decrease. The change largely resulted from an \$13.4 million decrease in capital grants/contributions (due primarily to a decrease in donated capital assets, specifically, infrastructure constructed by private developers and accepted by the City) as well as decreases from sales tax, income tax and other general revenues. Increases of \$2.3 million in operating grants/contributions (including Federal stimulus funds) and property taxes helped mitigate the overall revenue decrease. Expenses decreased \$6.5 million (from \$95.1 million to \$88.6 million), primarily in General Government and Public Works. Results for specific types of revenues and expenses are discussed below.

**Governmental Activities**

Revenues for governmental activities decreased \$10.8 million (11.0%). This resulted primarily from decreases in capital grants/contributions (\$12.9 million), sales taxes (\$0.4 million), and income taxes (\$0.7 million). These decreases were offset by increases in operating grants/contributions (\$1.3 million), property taxes (\$1.0 million), charges for services (\$0.4), and other general revenues (\$0.6 million).

Total expenses for governmental activities decreased \$6.9 million (7.6%) to \$84.1 million. The decrease in expenses was primarily in General Government (\$3.1 million) and Public Works (\$2.6 million) as the City implemented spending reductions to weather the faltering economy. Expenses in Culture and Recreation and Public Health and Welfare also each decreased \$0.6 million.

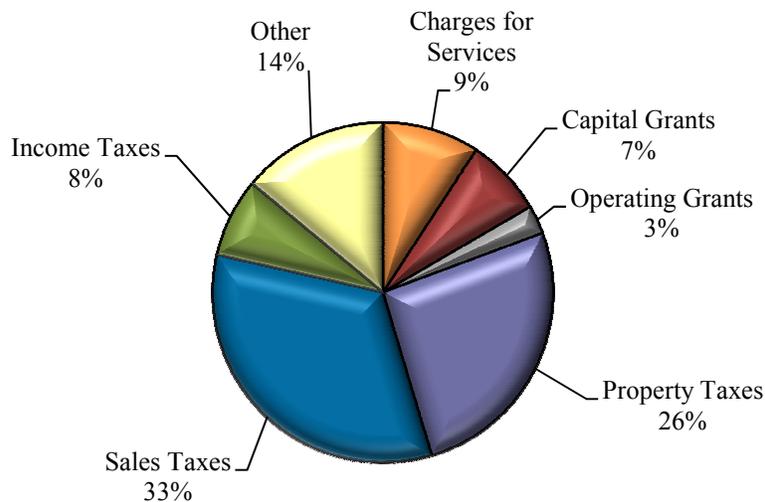
The chart on the following page depicts the City's major revenue sources for governmental activities. It shows the City's reliance on sales tax revenues to fund governmental activities.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Governmental Activities – Continued**

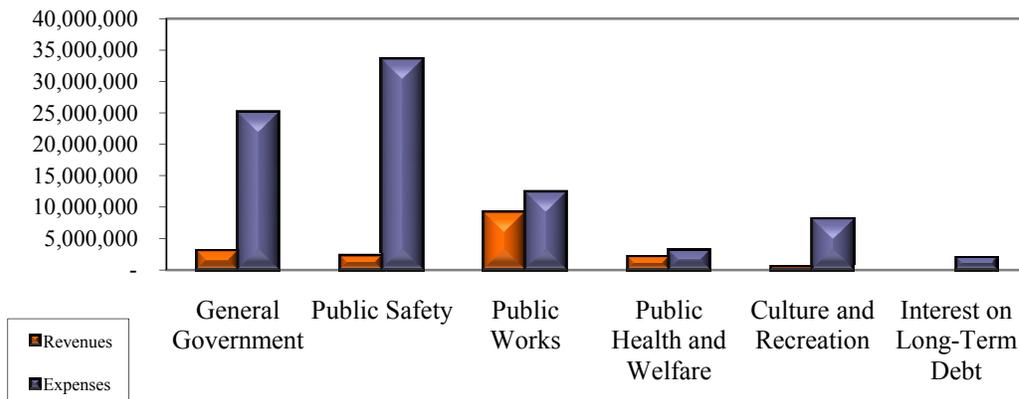
Sales tax revenues comprise 33% of all revenues for governmental activities. Significant reliance on a single revenue source, especially one subject to cyclical economic changes, results in greater revenue volatility than more diversified revenue sources. The impact on the City of Champaign, however, was somewhat 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.

**Revenues by Source - Governmental Activities**



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

**Expenses and Program Revenues - Governmental Activities**



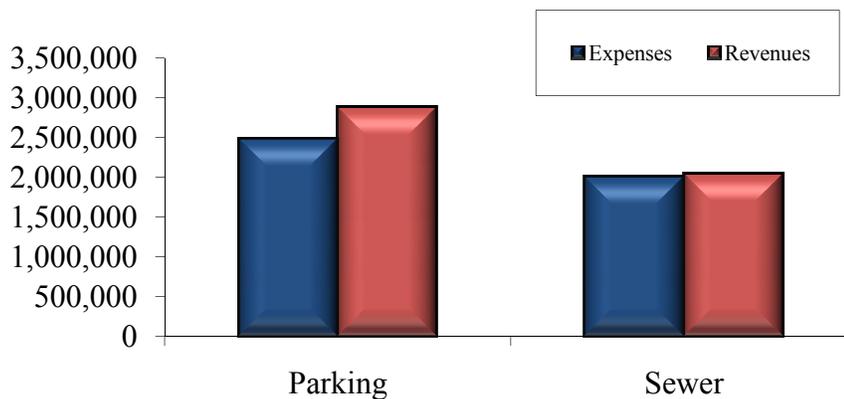
**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

**Business-Type Activities**

The City realized program revenues of \$4.9 million from its business-type activities: parking, sanitary sewer, and environmental services. This represents a \$0.1 million decrease (2%) from the prior year. The decrease was derived from capital grants and contributions due to a lower value of the City's acceptance of sanitary sewers constructed by private developers during the fiscal year ending June 30, 2010, which was offset by a \$0.4 increase in charges for services. That reduction is indicative of the decreased development due to the recession. General revenues of business-type activities decreased \$0.2 million from the prior year. This resulted from lower interest earnings due to lower interest rates coupled with smaller investable cash balances.

Overall, the City's net assets from business-type activities increased \$0.5 million. This largely resulted from a \$0.5 million positive difference between program revenues and expenses of such activities (\$5.0 million and \$4.5 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 \$0.2 million.

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



This chart depicts the expenses and program revenues of two of the City's business-like activities, the Parking Fund, and Sewer Fund. The Environmental Services Fund is too small to be depicted legibly.

## **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 \$69.2 million, an increase of \$17.3 million (33.3%) 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 increased by \$16.9 million due to issuing \$25.6 million in Build America Bonds, offset by principal repayments on outstanding debt.
- The General Fund experienced a decrease in fund balance of \$2.4 million. The excess of revenues over expenditures declined to \$7.4 million (as opposed to \$9.0 million in FY09), which was then offset by transfers to other funds of \$9.8 million. A few of the other major funds experienced decreases in fund balances, including the Capital Improvements Fund (\$1.0 million) and the Storm Water Management Fund (\$0.9 million) as a result of planned project expenditures.
- Non-major Governmental Funds increased by \$4.0 million (almost 24%), mostly due to a \$3.4 million increase in the Motor Fuel Tax Fund resulting from the jurisdictional transfer of Staley Road from the State of Illinois and an increase of \$0.9 million in the Equipment Replacement Fund due to reduced capital outlay expenditures. There was also a decrease of \$1.3 million in the E. University Ave. Tax Increment Financing Fund due to planned large project expenditures.

### **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 \$35.8 million as of June 30, 2010. There were increases to charges for services of \$0.3 million and as well as \$0.1 million in reimbursements to the fund that were offset by net transfers out of \$0.2 million.

The Parking Fund saw no change in net assets at June 30, 2010 due to flat operating income of \$2.9 million, net interest expense of \$0.4 million, higher operating expenses of \$ .4 million, and net transfers out of \$0.5 million. The Fund ended the year with net assets of \$11.6 million.

**CITY OF CHAMPAIGN, ILLINOIS**  
**Management's Discussion and Analysis**  
**June 30, 2010**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The following table shows budgeted and actual amounts for the General Fund:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>Revenues</b>			
Taxes	\$ 56,476,603	\$ 54,175,702	\$ 53,858,576
Licenses & Permits	1,937,820	1,722,401	1,744,435
Other	<u>5,859,503</u>	<u>5,864,378</u>	<u>3,308,935</u>
Total Revenues	<u>64,273,926</u>	<u>61,762,481</u>	<u>58,911,946</u>
<b>Expenditures and Transfers</b>			
Expenditures	56,052,611	53,839,210	51,526,839
Transfers Out	12,865,100	12,532,183	12,530,752
Transfers In	<u>(3,089,991)</u>	<u>(2,564,594)</u>	<u>(2,752,964)</u>
Total Expenditures and Transfers	<u>65,827,720</u>	<u>63,806,799</u>	<u>61,304,627</u>
<b>Change in Fund Balance</b>	<u>\$ (1,553,794)</u>	<u>\$ (2,044,318)</u>	<u>\$ (2,392,681)</u>

The Champaign City Council amended the General Fund budget nine 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 \$6,925,200. The majority of these re-budgets were for capital projects that progressed at a slower pace than had been anticipated.
- 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 actual revenues of \$58.9 million were lower than the final (estimated) budget of \$61.8 million and approximately \$5.4 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 between actual and the revised budget results from sales and income tax revenues lower due to the economic recession, even on a cash basis.

Total actual expenditures and transfers of \$61.3 million were 6.9% lower than the original budget and 3.9% 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 reduced expenditures in response to the downturn in revenues.

**CITY OF CHAMPAIGN, ILLINOIS**  
**Management's Discussion and Analysis**  
**June 30, 2010**

**CAPITAL ASSETS**

As shown on the following chart, the City of Champaign had a \$422.0 million investment in capital assets of its governmental and business-type activities, net of accumulated depreciation, as of June 30, 2010. Approximately 57% 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 \$5.6 million or 1.3%.

Capital Assets - Net of Depreciation (in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009 (restated)	2010	2009 (restated)	2010	2009 (restated)
Land	\$ 95.1	\$ 92.2	\$ 6.0	\$ 5.9	\$ 101.1	\$ 98.1
Construction in Progress	22.9	18.5	-	12.1	22.9	30.6
Buildings	34.4	33.9	12.1	0.4	46.5	34.3
Improvements and Equipment	9.5	10.0	0.3	0.3	9.8	10.3
Infrastructure	204.5	206.0	36.7	36.6	241.2	242.6
Parking Meters	-	-	0.5	0.5	0.5	0.5
<b>Total</b>	<b>\$ 366.4</b>	<b>\$ 360.6</b>	<b>\$ 55.6</b>	<b>\$ 55.8</b>	<b>\$ 422.0</b>	<b>\$ 416.4</b>

Additions to capital assets during the 2009/10 fiscal year included the following:

- Buildings increased by \$12.2 million due to the completion of the downtown parking deck.

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

The \$7.7 million decrease in construction in progress is due to the completion of the downtown parking deck. This is offset by additions to construction in progress, mainly the Boneyard 2<sup>nd</sup> Street Reach project.

Readers desiring more detailed information on capital assets activity should refer to the discussion in Note 9 to these financial statements on pages 70 - 72.

**CITY OF CHAMPAIGN, ILLINOIS**  
**Management's Discussion and Analysis**  
**June 30, 2010**

**DEBT MANAGEMENT**

The City's total outstanding debt as of June 30, 2010 (\$80.8 million) increased 39.3% from June 30, 2009. 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 Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation Bonds	\$ 67.7	\$ 44.8	\$ 12.7	\$ 12.7	\$ 80.4	\$ 57.5
IEPA Loans Payable	-	-	0.4	0.5	0.4	0.5
Total	<u>\$ 67.7</u>	<u>\$ 44.8</u>	<u>\$ 13.1</u>	<u>\$ 13.2</u>	<u>\$ 80.8</u>	<u>\$ 58.0</u>

New debt was issued during the fiscal year, as described below, which caused total general obligation debt to increase by \$22.8 million.

Fitch Ratings assigned a AAA rating to the City based on a stable economic base, diverse revenue stream, healthy fund balance levels, and strong financial management. Moody's Investors Service confirmed the Aa1 rating on the City's general obligation debt, then subsequently changed the rating to Aaa as part of a global recalibration of all ratings into a single rating scale. Additional information on the City's long-term debt can be found in Note 11 on pages 73 - 78 of this report.

The City issued \$25.62 million in taxable general obligation Build America Bonds (BABs) during fiscal year 2009/10 to fund drainage improvements. BABs provide a federal subsidy for a portion of the borrowing costs through a refundable tax credit paid to the issuer in an amount equal to 35 percent of the total coupon interest payable to investors.

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. The debt service on the bonds will come from the Storm Water Management Fund, which derives most of its revenues from sales taxes transferred from the General Fund.

**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 11,000 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.

**CITY OF CHAMPAIGN, ILLINOIS**  
**Management's Discussion and Analysis**  
**June 30, 2010**

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

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 2009/10 about 1.6%, or \$500,000, under the prior year's receipts.

The equalized assessed value (EAV) of taxable property in the City for the 2009 levy year (valued as of January 1, 2009 and collected in 2010) increased slightly by 0.47% to \$1,540,206,553. The low increase in EAV resulted from the state of the markets for both residential and commercial properties. Lower sales prices led to lower valuations of market value of taxable properties. Under tax law applicable to the City, the EAV of taxable property should represent one-third of the 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 2009 levy year.

During the fiscal year ending June 30, 2010, the pace of development continued to be much slower than in the past several years. Construction of single family residences and commercial projects was minimal. The value of building permits issued by the City during fiscal year 2009/10 was \$83 million compared to \$112 million in fiscal year 2008/09. The assessed value of this construction will go on the property tax rolls for the 2010 levy and later years. Staff expects the 2010 levy to increase by 1.40%, over the prior year, resulting primarily from new construction (2.10%), since existing value of properties decreased (0.70%).

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 2009/10 by 12%, or \$800,000, compared with the prior year.

The City's management considered the following factors when preparing the budget for fiscal year 2010/11:

- The national economic recession in 2007 and 2008 was much greater than predicted. Most economists believe that the recession has ended, and Gross National Product is growing. The federal stimulus package is helping but will only lessen the effects of the economic downturn. The growth in economic output will be slow and its effects on job growth, household income, real estate prices, construction, and retail sales will be slow. In fact, some of these factors may decline further.
- Closer to home, the Illinois state economy is declining; the extent appears about average compared to other states. The University of Illinois Flash Index hit a 26-year low of 90.0 in September of 2009. Since then a gradual increase has occurred excluding a two-month decline. With a 0.3 increase from June 2010, the July 2010 Flash Index was at 91.6. Although an increase is a positive indicator, it is important to note that any reading below 100 indicates a declining state economy, and lower figures indicate a greater rate of decline (or a lower growth rate when the economy is growing).

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

- The local economy continues to struggle, but not as poorly as many due to the stability provided by the main campus of the University of Illinois, two regional health care providers, the conservative business practices of most local lenders (which avoided the “boom” that resulted in the “bust”), and other factors. The recession has taken its toll locally with higher unemployment, some business closings, a drop in construction activity, and flattening of the new construction housing market. Additionally, due to the State’s financial troubles, the University of Illinois has been affected with cash flow issues and funding uncertainty. This has caused the University to initiate a major system-wide cost cutting effort, with significant staff reductions. Actual and anticipated reductions in University funding could have a significant impact on citizens and businesses in our community, and consequently a negative impact on the City’s revenues.
- Last fall, staff presented a five-year forecast to Council that projected recurring expenditures increasing at a rate above recurring revenues in fiscal year 2010/11 over the near term if trends hold and if the City were to take no corrective action. Staff began planning for mid-year and next year budget reductions since detailed budget development showed that recurring expenditures will not be within the City’s policy limit and that the unrestricted General Fund balance would be below the 10% policy level unless expenditure adjustments are made.
- The City has diversified its revenue sources somewhat, so stagnation or decline of some revenues is sometimes mitigated by strength in others. However, the sales tax, which is most susceptible to any economic downturn, remains the largest revenue resource for the City. There has recently been a slight increase in sales tax revenues and the City’s 11 major revenues overall, but this increase is no greater than staff’s projections in the Five-Year Forecast and is not on par with the rate of expenditure growth. Staff expects continued slow growth in these revenues next year resulting in the need for further expenditure reductions and related service reductions.

**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 <http://ci.champaign.il.us/departments/finance>. 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](mailto: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 financial statements include:

1. Government-Wide Financial Statements
2. Fund Financial Statements
  - a. Governmental Funds
  - b. Proprietary Funds
  - c. 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, 2010

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and Investments	\$ 66,375,511	\$ 5,199,754	\$ 71,575,265	\$ 976,018
Receivables, Net:				
Property Taxes	-	-	-	-
Other Taxes	11,329,863	-	11,329,863	-
Accounts Receivable	639,861	301,207	941,068	-
Accrued Interest	43,588	4,591	48,179	-
Other Receivables	235,298	-	235,298	183,961
Internal Balances	63,452	(63,452)	-	-
Prepaid Expenses	618,247	-	618,247	-
Inventory	137,955	-	137,955	-
Restricted Assets:				
Cash and Investments	1,028,330	-	1,028,330	-
Total Current Assets	<u>80,472,105</u>	<u>5,442,100</u>	<u>85,914,205</u>	<u>1,159,979</u>
<i>Non-Current Assets</i>				
Net Pension Asset	10,534,316	-	10,534,316	-
Non-Depreciable Capital Assets	117,992,849	5,994,918	123,987,767	-
Depreciable Capital Assets	497,952,883	62,893,497	560,846,380	-
Accumulated Depreciation	(249,536,136)	(13,239,386)	(262,775,522)	-
Total Non-Current Assets	<u>376,943,912</u>	<u>55,649,029</u>	<u>432,592,941</u>	<u>-</u>
Total Assets	<u>457,416,017</u>	<u>61,091,129</u>	<u>518,507,146</u>	<u>1,159,979</u>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts Payable	4,011,814	93,741	4,105,555	55
Retainage Payable	919,265	12,454	931,719	-
Accrued Payroll	1,033,619	31,364	1,064,983	-
Claims Payable	2,017,475	-	2,017,475	-
Accrued Interest	400,994	-	400,994	-
Unearned Revenue	30,565	3,960	34,525	-
Other Liabilities	1,028,330	-	1,028,330	-
Compensated Absences Payable	928,449	31,235	959,684	-
Landfill Closure Payable	52,334	-	52,334	-
IEPA Loans Payable	-	63,939	63,939	-
General Obligation Bonds Payable, Net	2,530,599	22,156	2,552,755	-
Total Current Liabilities	<u>12,953,444</u>	<u>258,849</u>	<u>13,212,293</u>	<u>55</u>
<i>Non-Current Liabilities</i>				
Net Pension Obligation Payable	1,732,740	-	1,732,740	-
Net Other Post-employment Benefit Payable	1,538,969	-	1,538,969	-
Compensated Absences Payable	3,713,796	124,937	3,838,733	-
Landfill Closure Payable	700,000	-	700,000	-
IEPA Loans Payable	-	346,485	346,485	-
General Obligation Bonds Payable, Net	65,331,954	13,015,013	78,346,967	-
Total Non-Current Liabilities	<u>73,017,459</u>	<u>13,486,435</u>	<u>86,503,894</u>	<u>-</u>
Total Liabilities	<u>85,970,903</u>	<u>13,745,284</u>	<u>99,716,187</u>	<u>55</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	314,850,738	42,201,436	357,052,174	-
Restricted:				
Tax Levy Expenditures	341,504	-	341,504	-
Special Revenue Purposes				
Public Works	11,209,750	-	11,209,750	-
Public Health and Welfare	2,644,060	-	2,644,060	-
Culture and Recreation	985,255	-	985,255	-
Public Safety	455,861	-	455,861	-
Debt Service	4,827,281	-	4,827,281	-
Capital Projects	17,433,134	-	17,433,134	-
Donor Restricted Purposes	-	-	-	568,313
Unrestricted	<u>18,697,531</u>	<u>5,144,409</u>	<u>23,841,940</u>	<u>591,611</u>
Total Net Assets	<u>\$ 371,445,114</u>	<u>\$ 47,345,845</u>	<u>\$ 418,790,959</u>	<u>\$ 1,159,924</u>

The notes following Exhibit N are an integral part of this financial statement.

CITY OF CHAMPAIGN, ILLINOIS

Statement of Activities

For the Year Ended June 30, 2010

	Expenses	Program Revenues			Net (Expense)/Revenue		
		Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General Government	\$ 25,053,945	\$ 2,989,633	\$ 36,691	\$ -	\$ (22,027,621)	\$ -	\$ (22,027,621)
Public Safety	33,518,572	2,010,723	246,338	-	(31,261,511)	-	(31,261,511)
Public Works	12,375,110	2,615,881	-	6,521,242	(3,237,987)	-	(3,237,987)
Public Health and Welfare	3,116,510	147,126	1,922,696	-	(1,046,688)	-	(1,046,688)
Culture and Recreation	8,100,600	307,097	176,580	-	(7,616,923)	-	(7,616,923)
Interest on Long-Term Debt	1,937,398	-	-	-	(1,937,398)	-	(1,937,398)
Total Governmental Activities	<u>84,102,135</u>	<u>8,070,460</u>	<u>2,382,305</u>	<u>6,521,242</u>	<u>(67,128,128)</u>	<u>-</u>	<u>(67,128,128)</u>
<b>Business-Type Activities:</b>							
Parking	2,482,144	2,879,411	-	-	-	397,267	397,267
Sewer	2,007,743	2,043,484	-	-	-	35,741	35,741
Environmental Services	21,305	-	-	-	-	(21,305)	(21,305)
Total Business-Type Activities	<u>4,511,192</u>	<u>4,922,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>411,703</u>	<u>411,703</u>
	<u>\$ 88,613,327</u>	<u>\$ 12,993,355</u>	<u>\$ 2,382,305</u>	<u>\$ 6,521,242</u>	<u>(67,128,128)</u>	<u>411,703</u>	<u>(66,716,425)</u>
			<i>General Revenues</i>				
			Taxes:				
					22,897,278	-	22,897,278
					29,154,241	-	29,154,241
					6,593,639	-	6,593,639
					3,100,689	-	3,100,689
					2,716,397	-	2,716,397
					1,937,243	-	1,937,243
					1,425,198	-	1,425,198
					606,686	-	606,686
					848,583	-	848,583
					960,673	106,615	1,067,288
					541,890	-	541,890
					98,722	-	98,722
					332,782	(332,782)	-
					<u>71,214,021</u>	<u>(226,167)</u>	<u>70,987,854</u>
					4,085,893	185,536	4,271,429
					370,285,397	47,160,309	417,445,706
					(2,926,176)	-	(2,926,176)
					367,359,221	47,160,309	414,519,530
					<u>\$ 371,445,114</u>	<u>\$ 47,345,845</u>	<u>\$ 418,790,959</u>

The notes following Exhibit N are an integral part of this financial statement.

## CITY OF CHAMPAIGN, ILLINOIS

## Statement of Activities - Component Unit

For the Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>				
Contributions	\$ 117,285	\$ 128,883	\$ -	\$ 246,168
Contributions - In-Kind	87,428	-	-	87,428
Investment Income	40,118	9,199	-	49,317
Net Assets Released from Restrictions	<u>274,273</u>	<u>(274,273)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>519,104</u>	<u>(136,191)</u>	<u>-</u>	<u>382,913</u>
<b>Expenses</b>				
Program Services	<u>285,519</u>	<u>-</u>	<u>-</u>	<u>285,519</u>
Supporting Services:				
Management and General	31,839	-	-	31,839
Fund Raising	<u>76,037</u>	<u>-</u>	<u>-</u>	<u>76,037</u>
Total Support Services	<u>107,876</u>	<u>-</u>	<u>-</u>	<u>107,876</u>
Total Expenses	<u>393,395</u>	<u>-</u>	<u>-</u>	<u>393,395</u>
Change in Net Assets	<u>125,709</u>	<u>(136,191)</u>	<u>-</u>	<u>(10,482)</u>
<b>Net Assets, Beginning of Year, As Previously Reported</b>	465,902	429,654	20,000	915,556
Prior Period Adjustment	<u>-</u>	<u>254,850</u>	<u>-</u>	<u>254,850</u>
<b>Net Assets, Beginning of Year, As Restated</b>	<u>465,902</u>	<u>684,504</u>	<u>20,000</u>	<u>1,170,406</u>
<b>Net Assets, End of Year</b>	<u>\$ 591,611</u>	<u>\$ 548,313</u>	<u>\$ 20,000</u>	<u>\$ 1,159,924</u>

The notes following Exhibit N are an integral part of this financial statement.

## CITY OF CHAMPAIGN, ILLINOIS

## Balance Sheet

## Governmental Funds

June 30, 2010

## Major Funds

	General	Champaign Public Library	Food and Beverage Tax	North Campus Area TIF District	Debt Service	Stormwater Management	Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>									
Cash and Investments	\$ 4,709,257	\$ 1,170,975	\$ 3,217,865	\$ -	\$ 21,127,505	\$ 4,102,559	\$ 7,986,576	\$ 20,680,328	\$ 62,995,065
Receivables - Net of Allowances:									
Property Taxes	5,576,495	3,025,910	-	311,687	-	654,983	463,499	1,509,512	11,542,086
Other Taxes	11,329,863	-	-	-	-	-	-	-	11,329,863
Accrued Interest	6,187	-	2,931	(83)	3,471	4,588	6,491	17,346	40,931
Prepays	18,134	-	-	-	-	-	1,692	1,445	21,271
Other	167,222	-	196,576	-	-	-	-	267,978	631,776
Due from Other Funds	153,148	-	-	-	-	-	-	113,514	266,662
Restricted Assets:									
Cash and Investments	-	-	-	-	-	1,028,330	-	-	1,028,330
<b>Total Assets</b>	<b>\$ 21,960,306</b>	<b>\$ 4,196,885</b>	<b>\$ 3,417,372</b>	<b>\$ 311,604</b>	<b>\$ 21,130,976</b>	<b>\$ 5,790,460</b>	<b>\$ 8,458,258</b>	<b>\$ 22,590,123</b>	<b>\$ 87,855,984</b>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts Payable	\$ 324,662	\$ 67,260	\$ 43,036	\$ -	\$ -	\$ 1,828,092	\$ 1,481,103	\$ 216,340	\$ 3,960,493
Retainage Payable	-	-	13,001	-	-	827,721	60,144	18,399	919,265
Accrued Payroll	885,003	108,971	-	-	-	-	-	28,125	1,022,099
Due to Other Fund	-	-	-	74,269	-	-	-	113,514	187,783
Deferred Revenue	5,593,260	3,035,399	-	311,687	-	657,067	464,974	1,510,264	11,572,651
Other Liabilities	-	-	-	-	-	1,028,330	-	-	1,028,330
<b>Total Liabilities</b>	<b>6,802,925</b>	<b>3,211,630</b>	<b>56,037</b>	<b>385,956</b>	<b>-</b>	<b>4,341,210</b>	<b>2,006,221</b>	<b>1,886,642</b>	<b>18,690,621</b>
Fund Balances:									
Reserved - Prepays	18,134	-	-	-	-	-	-	-	18,134
Reserved - Tax Levy Expenditures	-	-	-	-	-	-	-	341,504	341,504
Reserved - Debt Service	-	-	-	-	21,130,976	-	-	-	21,130,976
Unreserved - General	15,139,247	-	-	-	-	-	-	-	15,139,247
Unreserved - Special Revenues	-	985,255	3,361,335	(74,352)	-	-	-	10,830,130	15,102,368
Unreserved - Capital Projects	-	-	-	-	-	1,449,250	6,452,037	9,531,847	17,433,134
<b>Total Fund Balances</b>	<b>15,157,381</b>	<b>985,255</b>	<b>3,361,335</b>	<b>(74,352)</b>	<b>21,130,976</b>	<b>1,449,250</b>	<b>6,452,037</b>	<b>20,703,481</b>	<b>69,165,363</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 21,960,306</b>	<b>\$ 4,196,885</b>	<b>\$ 3,417,372</b>	<b>\$ 311,604</b>	<b>\$ 21,130,976</b>	<b>\$ 5,790,460</b>	<b>\$ 8,458,258</b>	<b>\$ 22,590,123</b>	<b>\$ 87,855,984</b>

The notes following Exhibit N are an integral part of this financial statement.

CITY OF CHAMPAIGN, ILLINOIS

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets

June 30, 2010

Total Fund Balance - Governmental Funds	\$ 69,165,363
- Remove property taxes receivable not earned.	(11,542,086)
- Add grant receivable for grant revenue earned on accrual basis.	235,298
- Debt issuance costs are expensed over the term of the related debt rather than in the year of payment.	246,930
- Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	364,260,161
- The net pension asset in the governmental activities is not a financial resource and therefore is not reported in the funds.	10,534,316
- Internal service funds are used by the City to charge the costs of internal services 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.	3,843,606
- Accrued interest on bonds not due and payable in the current period.	(400,994)
- Remove deferred revenue for property taxes not received.	11,542,086
- Long-term liabilities not due and payable in the current period and therefore not reported in the funds:	
Net Pension Obligation Payable	(1,732,740)
Net Other Post-employment Benefit Payable	(1,538,969)
Compensated Absences Payable	(4,552,970)
Landfill Closure and Post-Closure Payable	(752,334)
General Obligation Bonds Payable	(67,670,000)
Unamortized Bond Premium	(192,553)
Net Assets of Governmental Activities	<u>\$ 371,445,114</u>

The notes following Exhibit N are an integral part of this financial statement.

CITY OF CHAMPAIGN, ILLINOIS  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2010

	Major Funds							Non-Major Governmental Funds	Total Governmental Funds
	General	Champaign Public Library	Food and Beverage Tax	North Campus Area TIF District	Debt Service	Stormwater Management	Capital Improvements		
<b>Revenues</b>									
Taxes	\$ 53,858,576	\$ 6,111,777	\$ 606,686	\$ 528,069	\$ -	\$ 1,279,490	\$ 921,537	\$ 5,973,819	\$ 69,279,954
Intergovernmental	283,029	176,580	-	-	-	-	93,148	4,707,770	5,260,527
Licenses, Permits, and Fees	1,744,435	-	-	-	-	-	-	-	1,744,435
Charges for Services	1,074,553	85,267	-	-	-	-	-	-	1,159,820
Fines and Forfeitures	1,186,485	221,830	-	-	-	-	-	182,325	1,590,640
Refunds and Reimbursements	554,429	-	199,640	-	-	84,886	2,326,642	151,839	3,317,436
Interest	120,540	5,279	72,942	4,776	86,404	46,166	139,669	414,979	890,755
Miscellaneous	78,987	112,913	-	94,524	-	14,250	-	232,173	532,847
<b>Total Revenues</b>	<b>58,901,034</b>	<b>6,713,646</b>	<b>879,268</b>	<b>627,369</b>	<b>86,404</b>	<b>1,424,792</b>	<b>3,480,996</b>	<b>11,662,905</b>	<b>83,776,414</b>
<b>Expenditures</b>									
Current:									
General Government	11,951,415	-	101,763	-	-	-	-	501,901	12,555,079
Public Safety	32,637,696	-	-	-	-	-	-	262,801	32,900,497
Public Works	6,518,329	-	-	-	-	2,419,765	1,811,381	726,487	11,475,962
Public Health and Welfare	419,399	-	-	10,985	-	-	-	2,790,496	3,220,880
Culture and Recreation	-	6,498,611	-	-	-	-	-	339	6,498,950
Capital Outlay	-	87,680	46,403	-	-	9,604,617	7,448,996	4,701,269	21,888,965
Debt Service:									
Principal Retirement	-	-	-	-	2,780,000	-	-	-	2,780,000
Interest and Fiscal Charges	-	-	-	-	1,590,498	-	-	-	1,590,498
Issuance Costs	-	-	-	-	260,100	-	-	-	260,100
<b>Total Expenditures</b>	<b>51,526,839</b>	<b>6,586,291</b>	<b>148,166</b>	<b>10,985</b>	<b>4,630,598</b>	<b>12,024,382</b>	<b>9,260,377</b>	<b>8,983,293</b>	<b>93,170,931</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,374,195	127,355	731,102	616,384	(4,544,194)	(10,599,590)	(5,779,381)	2,679,612	(9,394,517)
<b>Other Financing Sources (Uses)</b>									
Disposal of Capital Assets	10,912	-	-	-	-	-	-	87,810	98,722
Debt Issuance	-	-	-	-	25,620,000	-	-	-	25,620,000
Transfers In	2,752,964	-	-	-	4,105,000	11,072,557	4,934,003	2,572,809	25,437,333
Transfers Out	(12,530,752)	(260,787)	(44,655)	(536,319)	(8,315,938)	(1,330,727)	(153,681)	(1,308,373)	(24,481,232)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,766,876)</b>	<b>(260,787)</b>	<b>(44,655)</b>	<b>(536,319)</b>	<b>21,409,062</b>	<b>9,741,830</b>	<b>4,780,322</b>	<b>1,352,246</b>	<b>26,674,823</b>
<b>Net Change in Fund Balances</b>	<b>(2,392,681)</b>	<b>(133,432)</b>	<b>686,447</b>	<b>80,065</b>	<b>16,864,868</b>	<b>(857,760)</b>	<b>(999,059)</b>	<b>4,031,858</b>	<b>17,280,306</b>
<b>Fund Balances, Beginning of Year</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>	<b>2,307,010</b>	<b>7,451,096</b>	<b>16,671,623</b>	<b>51,885,057</b>
<b>Fund Balances, End of Year</b>	<b>\$ 15,157,381</b>	<b>\$ 985,255</b>	<b>\$ 3,361,335</b>	<b>\$ (74,352)</b>	<b>\$ 21,130,976</b>	<b>\$ 1,449,250</b>	<b>\$ 6,452,037</b>	<b>\$ 20,703,481</b>	<b>\$ 69,165,363</b>

The notes following Exhibit N are an integral part of this financial statement.

## CITY OF CHAMPAIGN, ILLINOIS

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

For the Year Ended June 30, 2010

Net Change in Fund Balances - Total Governmental Funds	\$	17,280,306
- Governmental activities recognize grant revenue as it is earned regardless of when the funds are received.		235,298
- Contributed capital assets do not provide or utilize current financial resources.		3,407,722
- 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		21,285,670
Depreciation Expense		(17,114,099)
Disposals - Cost Net of Accumulated Depreciation		(1,528,860)
- The utilization of the net pension asset to reduce current year pension contributions consumes financial resources.		1,817,028
- 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		(743,941)
Additions to Net Other Post-employment Benefit Payable		(750,573)
Additions to Compensated Absences Payable		(258,843)
Deductions to Landfill Closure and Post-Closure Payable		82,813
Issuance of General Obligation Bonds		(25,620,000)
Addition to Deferred Debt Issuance Costs		260,100
Amortization of Deferred Debt Issuance Costs		(13,170)
Retirement of General Obligation Bonds		2,780,000
Amortization of Unamortized Bond Premium		54,094
- Interest on long-term debt of governmental activities is an expense as incurred rather than as it is paid.		(400,994)
- 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.		3,313,342
		3,313,342
Changes in Net Assets of Governmental Activities	\$	4,085,893

The notes following Exhibit N are an integral part of this financial statement.

## CITY OF CHAMPAIGN, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## General Fund

For the Year Ended June 30, 2010

	Budget		Actual	Variance
	Original	Final		(Actual - Final Budget)
<b>Revenues</b>				
Taxes	\$ 56,476,603	\$ 54,175,702	\$ 53,858,576	\$ (317,126)
Intergovernmental	102,629	336,415	283,029	(53,386)
Licenses, Permits, and Fees	1,937,820	1,722,401	1,744,435	22,034
Charges for Services	762,600	987,100	1,074,553	87,453
Fines and Forfeitures	1,248,192	1,149,810	1,186,485	36,675
Refunds and Reimbursements	2,793,982	3,014,020	554,429	(2,459,591)
Interest	300,000	286,000	120,540	(165,460)
Miscellaneous	634,100	81,033	78,987	(2,046)
Total Revenues	<u>64,255,926</u>	<u>61,752,481</u>	<u>58,901,034</u>	<u>(2,851,447)</u>
<b>Expenditures</b>				
Current:				
General Government	13,985,291	12,199,648	11,951,415	(248,233)
Public Safety	32,671,130	32,674,004	32,637,696	(36,308)
Public Works	9,043,316	8,473,886	6,518,329	(1,955,557)
Public Health and Welfare	352,874	491,672	419,399	(72,273)
Total Expenditures	<u>56,052,611</u>	<u>53,839,210</u>	<u>51,526,839</u>	<u>(2,312,371)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,203,315</u>	<u>7,913,271</u>	<u>7,374,195</u>	<u>(539,076)</u>
<b>Other Financing Sources (Uses)</b>				
Disposal of Capital Assets	18,000	10,000	10,912	912
Transfers In	3,089,991	2,564,594	2,752,964	188,370
Transfers Out	(12,865,100)	(12,532,183)	(12,530,752)	1,431
Total Other Financing Sources (Uses)	<u>(9,757,109)</u>	<u>(9,957,589)</u>	<u>(9,766,876)</u>	<u>190,713</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,553,794)</u>	<u>\$ (2,044,318)</u>	<u>(2,392,681)</u>	<u>\$ (348,363)</u>
<b>Fund Balance, Beginning of Year</b>			<u>17,550,062</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 15,157,381</u>	

The notes following Exhibit N are an integral part of this financial statement.

## CITY OF CHAMPAIGN, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## Champaign Public Library - Special Revenue Fund

For the Year Ended June 30, 2010

	Budget		Actual	Variance (Actual - Final Budget)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Property Taxes	\$ 5,887,770	\$ 5,887,770	\$ 6,037,396	\$ 149,626
Replacement Taxes	97,339	97,339	74,381	(22,958)
Intergovernmental:				
Capital Grants	11,240	11,240	-	(11,240)
Other Grants	94,068	94,068	176,580	82,512
Charges for Services	48,000	48,000	85,267	37,267
Fines and Forfeitures	172,200	172,200	221,830	49,630
Interest	60,670	60,670	5,279	(55,391)
Miscellaneous	58,032	58,032	112,913	54,881
Total Revenues	<u>6,429,319</u>	<u>6,429,319</u>	<u>6,713,646</u>	<u>284,327</u>
<b>Expenditures</b>				
Current:				
Culture and Recreation	6,256,253	6,277,895	6,498,611	220,716
Capital Outlay	274,765	274,765	87,680	(187,085)
Total Expenditures	<u>6,531,018</u>	<u>6,552,660</u>	<u>6,586,291</u>	<u>33,631</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(101,699)	(123,341)	127,355	250,696
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(266,787)</u>	<u>(266,787)</u>	<u>(260,787)</u>	<u>6,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ (368,486)</u>	<u>\$ (390,128)</u>	<u>(133,432)</u>	<u>\$ 256,696</u>
<b>Fund Balance, Beginning of Year</b>			<u>1,118,687</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 985,255</u>	

The notes following Exhibit N are an integral part of this financial statement.

## CITY OF CHAMPAIGN, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## Food and Beverage Tax - Special Revenue Fund

For the Year Ended June 30, 2010

	Budget		Actual	Variance (Actual - Final Budget)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Food and Beverage Tax	\$ 1,154,130	\$ 609,024	\$ 606,686	\$ (2,338)
Refunds and Reimbursements	264,351	264,351	199,640	(64,711)
Interest	47,917	44,402	72,942	28,540
Total Revenues	<u>1,466,398</u>	<u>917,777</u>	<u>879,268</u>	<u>(38,509)</u>
<b>Expenditures</b>				
Current:				
General Government:				
Contractual Services	205,050	210,075	101,763	(108,312)
Capital Outlay	-	300,610	46,403	(254,207)
Total Expenditures	<u>205,050</u>	<u>510,685</u>	<u>148,166</u>	<u>(362,519)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,261,348	407,092	731,102	324,010
<b>Other Financing Sources (Uses)</b>				
Transfers Out	<u>(544,655)</u>	<u>(44,655)</u>	<u>(44,655)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 716,693</u>	<u>\$ 362,437</u>	686,447	<u>\$ 324,010</u>
<b>Fund Balance, Beginning of Year</b>			<u>2,674,888</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 3,361,335</u>	

The notes following Exhibit N are an integral part of this financial statement.

CITY OF CHAMPAIGN, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

North Campus Area TIF District - Special Revenue Fund

For the Year Ended June 30, 2010

	Budget		Actual	Variance
	Original	Final		(Actual - Final Budget)
<b>Revenues</b>				
Taxes:				
Property Taxes	\$ 550,900	\$ 627,029	\$ 528,069	\$ (98,960)
Interest	5,103	351	4,776	4,425
Miscellaneous	-	-	94,524	94,524
Total Revenues	<u>556,003</u>	<u>627,380</u>	<u>627,369</u>	<u>(11)</u>
<b>Expenditures</b>				
Current:				
Public Health and Welfare:				
Contractual Services	-	23,127	10,985	(12,142)
Capital Outlay	-	77,574	-	(77,574)
Total Expenditures	<u>-</u>	<u>100,701</u>	<u>10,985</u>	<u>(89,716)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>556,003</u>	<u>526,679</u>	<u>616,384</u>	<u>89,705</u>
<b>Other Financing Sources (Uses)</b>				
Disposal of Capital Assets	675,000	-	-	-
Transfers Out	(347,725)	(531,319)	(536,319)	(5,000)
Total Other Financing Sources (Uses)	<u>327,275</u>	<u>(531,319)</u>	<u>(536,319)</u>	<u>(5,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 883,278</u>	<u>\$ (4,640)</u>	80,065	<u>\$ 84,705</u>
<b>Fund Balance, Beginning of Year</b>			<u>(154,417)</u>	
<b>Fund Balance, End of Year</b>			<u>\$ (74,352)</u>	

The notes following Exhibit N are an integral part of this financial statement.

## CITY OF CHAMPAIGN, ILLINOIS

## Statement of Net Assets

## Proprietary Funds

June 30, 2010

	Business-Type Activities - Enterprise Funds				Governmental
	Major		Non-Major	Totals	Internal Service
	Parking	Sewer	Environmental Services		
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$ 5,199,754	\$ -	\$ -	\$ 5,199,754	\$ 3,380,446
Receivables - Net of Allowances:					
Accounts	6,909	294,298	-	301,207	8,085
Accrued Interest	4,829	(212)	(26)	4,591	2,657
Inventory	-	-	-	-	137,955
Prepays	-	-	-	-	350,046
Total Current Assets	<u>5,211,492</u>	<u>294,086</u>	<u>(26)</u>	<u>5,505,552</u>	<u>3,879,189</u>
Capital Assets:					
Non-Depreciable Capital Assets	4,798,776	1,196,142	-	5,994,918	-
Depreciable Capital Assets	16,623,901	46,269,596	-	62,893,497	9,385,668
Accumulated Depreciation	(1,852,425)	(11,386,961)	-	(13,239,386)	(7,236,233)
Total Capital Assets	<u>19,570,252</u>	<u>36,078,777</u>	<u>-</u>	<u>55,649,029</u>	<u>2,149,435</u>
Total Assets	<u>24,781,744</u>	<u>36,372,863</u>	<u>(26)</u>	<u>61,154,581</u>	<u>6,028,624</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	41,468	52,273	-	93,741	51,321
Retainage Payable	-	12,454	-	12,454	-
Accrued Payroll	17,324	12,851	1,189	31,364	11,520
Due to Other Fund	-	21,652	41,800	63,452	15,427
Claims Payable	-	-	-	-	2,017,475
Unearned Revenue	3,960	-	-	3,960	-
Compensated Absences Payable	17,060	14,175	-	31,235	12,699
General Obligation Bonds Payable - Net	22,156	-	-	22,156	-
IEPA Loan Payable	-	63,939	-	63,939	-
Total Current Liabilities	<u>101,968</u>	<u>177,344</u>	<u>42,989</u>	<u>322,301</u>	<u>2,108,442</u>
Long-Term Liabilities:					
Compensated Absences Payable	68,239	56,698	-	124,937	76,576
General Obligation Bonds Payable - Net	13,015,013	-	-	13,015,013	-
IEPA Loan Payable	-	346,485	-	346,485	-
Total Long-Term Liabilities	<u>13,083,252</u>	<u>403,183</u>	<u>-</u>	<u>13,486,435</u>	<u>76,576</u>
Total Liabilities	<u>13,185,220</u>	<u>580,527</u>	<u>42,989</u>	<u>13,808,736</u>	<u>2,185,018</u>
<b>NET ASSETS</b>					
Invested in Capital Assets - Net of Related Debt	6,533,083	35,668,353	-	42,201,436	2,149,435
Unrestricted	5,063,441	123,983	(43,015)	5,144,409	1,694,171
Total Net Assets	<u>\$ 11,596,524</u>	<u>\$ 35,792,336</u>	<u>\$ (43,015)</u>	<u>\$ 47,345,845</u>	<u>\$ 3,843,606</u>

The notes following Exhibit N are an integral part of this financial statement.

CITY OF CHAMPAIGN, ILLINOIS  
Statement of Revenues, Expenses, and Changes in Net Assets

Proprietary Funds

June 30, 2010

	Business-Type Activities - Enterprise Funds				Governmental
	Major		Non-Major	Totals	Internal Service
	Parking	Sewer	Environmental Services		
<b>Operating Revenues</b>					
Charges for Services	\$ 2,879,411	\$ 1,844,940	\$ -	\$ 4,724,351	\$ 4,140,541
<b>Operating Expenses</b>					
Personnel Services	940,053	681,881	14,959	1,636,893	510,219
Contractual Services	477,549	571,930	1,651	1,051,130	(1,177,480)
Commodities	53,897	73,774	4,192	131,863	635,555
Capital Outlay	-	17,451	-	17,451	-
Depreciation and Amortization	478,182	639,949	-	1,118,131	680,430
Total Operating Expenses	1,949,681	1,984,985	20,802	3,955,468	648,724
Operating Income (Loss)	929,730	(140,045)	(20,802)	768,883	3,491,817
<b>Non-Operating Revenues (Expenses)</b>					
Refunds and Reimbursements	-	198,544	-	198,544	365,883
Interest Income	106,615	-	-	106,615	69,918
Interest Expense	(532,463)	(16,842)	(503)	(549,808)	-
Miscellaneous Income	-	-	-	-	9,043
Disposal of Capital Assets	-	(5,916)	-	(5,916)	-
Total Non-Operating Revenues (Expenses)	(425,848)	175,786	(503)	(250,565)	444,844
Income (Loss) Before Transfers	503,882	35,741	(21,305)	518,318	3,936,661
<b>Other Financing Sources (Uses)</b>					
Transfers In	244,544	582,011	-	826,555	-
Transfers Out	(745,876)	(391,751)	(21,710)	(1,159,337)	(623,319)
Total Other Financing Sources (Uses)	(501,332)	190,260	(21,710)	(332,782)	(623,319)
<b>Change in Net Assets</b>	2,550	226,001	(43,015)	185,536	3,313,342
<b>Net Assets, Beginning of Year</b>	11,593,974	35,566,335	-	47,160,309	530,264
<b>Net Assets, End of Year</b>	\$ 11,596,524	\$ 35,792,336	\$ (43,015)	\$ 47,345,845	\$ 3,843,606

The notes following Exhibit N are an integral part of this financial statement.

CITY OF CHAMPAIGN, ILLINOIS  
 Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds				Governmental
	Major		Non-Major		Activities
	Parking	Sewer	Environmental Services	Totals	Internal Service
<b>Cash Flows from Operating Activities</b>					
Receipts from Customers and Users	\$ 2,883,824	\$ 1,966,474	\$ -	\$ 4,850,298	\$ 4,149,856
Payment to Employees	(927,932)	(721,112)	(13,770)	(1,662,814)	(518,509)
Payment to Suppliers	(544,614)	(601,212)	(5,843)	(1,151,669)	(2,339,415)
Net Cash Provided by (Used in) Operating Activities	<u>1,411,278</u>	<u>644,150</u>	<u>(19,613)</u>	<u>2,035,815</u>	<u>1,291,932</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Transfers In	244,544	582,011	-	826,555	-
Advances from Other Funds	-	21,652	41,800	63,452	15,427
Interest Paid on Operating Advances	-	(3,824)	(477)	(4,301)	-
Transfers Out	(745,876)	(391,751)	(21,710)	(1,159,337)	(623,319)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>(501,332)</u>	<u>208,088</u>	<u>19,613</u>	<u>(273,631)</u>	<u>(607,892)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Purchase of Capital Assets	(202,033)	(806,291)	-	(1,008,324)	(397,527)
Interest Paid on Capital Debt	(532,463)	(13,143)	-	(545,606)	-
Principal Paid on Capital Debt	-	(62,132)	-	(62,132)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(734,496)</u>	<u>(881,566)</u>	<u>-</u>	<u>(1,616,062)</u>	<u>(397,527)</u>
<b>Cash Flows from Investing Activities</b>					
Interest Received	111,842	-	-	111,842	72,230
<b>Net Change in Cash and Cash Equivalents</b>	<u>287,292</u>	<u>(29,328)</u>	<u>-</u>	<u>257,964</u>	<u>358,743</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>4,912,462</u>	<u>29,328</u>	<u>-</u>	<u>4,941,790</u>	<u>3,021,703</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 5,199,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,199,754</u>	<u>\$ 3,380,446</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>					
Operating Income (Loss)	\$ 929,730	\$ (140,045)	\$ (20,802)	\$ 768,883	\$ 3,491,817
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation and Amortization Expense	478,182	639,949	-	1,118,131	680,430
Other Income/Expense	-	198,544	-	198,544	374,926
(Increase) Decrease in Assets	4,773	121,534	-	126,307	(39,420)
Increase (Decrease) in Liabilities	(1,407)	(175,832)	1,189	(176,050)	(3,215,821)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,411,278</u>	<u>\$ 644,150</u>	<u>\$ (19,613)</u>	<u>\$ 2,035,815</u>	<u>\$ 1,291,932</u>

The notes following Exhibit N are an integral part of this financial statement.

CITY OF CHAMPAIGN, ILLINOIS

Statement of Net Assets

Fiduciary Funds

June 30, 2010

	<u>Pension Trust</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 91,211
Investments:	
U.S. Government and Agency Securities	60,572,632
State and Local Obligations	658,125
Mutual Funds	23,486,980
Insurance Company Contract	9,817,565
Common Stock	14,020,756
Receivables:	
Accrued Interest	264,870
Contributions from Plan Members	24,235
Prepays	<u>12,975</u>
 Total Assets	 108,949,349
<b>LIABILITIES</b>	
Accounts Payable	<u>44,885</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>\$ 108,904,464</u></u>

The notes following Exhibit N are an integral part of this financial statement.

CITY OF CHAMPAIGN, ILLINOIS

Statement of Changes in Net Assets

Fiduciary Funds

For the Year Ended June 30, 2010

	<u>Pension Trust</u>
<b>Additions</b>	
Contributions - Employer	\$ 6,567,341
Contributions - Plan Members	1,493,226
Total Contributions	<u>8,060,567</u>
Investment Income:	
Interest Earned	2,430,327
Net Change in Fair Value	<u>8,378,398</u>
Total Investment Income	10,808,725
Less: Investment Expenses	<u>(338,897)</u>
Net Investment Income	<u>10,469,828</u>
Total Additions	<u>18,530,395</u>
<b>Deductions</b>	
Administrative Expenses	125,410
Benefits and Refunds	<u>7,593,651</u>
Total Deductions	<u>7,719,061</u>
<b>Change in Net Assets</b>	10,811,334
<b>Net Plan Assets Held in Trust for Pension Benefits, Beginning of Year</b>	<u>98,093,130</u>
<b>Net Plan Assets Held in Trust for Pension Benefits, End of Year</b>	<u>\$ 108,904,464</u>

The notes following this Exhibit are an integral part of this financial statement.

# CITY OF CHAMPAIGN, ILLINOIS

## Notes to Financial Statements

June 30, 2010

### 1. Summary of Significant Accounting Policies

The City of Champaign, Illinois (the City), 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 construction, reconstruction, and maintenance, building code enforcement, public improvements, neighborhood and economic development, planning and zoning, parking services and general administrative services. The City is a home-rule unit of government as provided for by Illinois statutes.

The financial statements of the City are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. GAAP includes all relevant GASB pronouncements plus other sources of accounting and financial reporting guidance noted in GASB Statement 55, *The Hierarchy of GAAP for State and Local Governments*. 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. In the government-wide financial statements and fund financial statements for the proprietary funds, FASB pronouncements and Accounting Principles Board (APB) opinions issued after November 30, 1989 are not applied. The more significant accounting policies established by GAAP and used by the City are discussed below.

#### a. Financial Reporting Entity

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 construction, reconstruction, and maintenance, forestry, building code enforcement, public improvements, neighborhood and economic development, planning and zoning, parking services and general administrative services. The City is a home-rule unit of government as provided for by Illinois statutes.

The City's reporting entity consists of 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
Discrete Component Unit:	Champaign Public Library Foundation

The definition of what constitutes the entity of the City of Champaign, Illinois is based on the guidelines set forth in GASB Statement Number 14. The primary government of the City consists of the funds presented herein as governmental, proprietary, and fiduciary funds.

According to GASB Statement No. 14, a legally separate organization should be included as a component unit of the primary government if the primary government is financially accountable for the organization. Financial accountability is determined as follows:

1. The organization is fiscally dependent on the primary government.
2. The primary government appoints a voting majority of the organization's governing body, and:
  - it is able to impose its will on the organization
  - the organization provides financial benefits or imposes financial burdens on the primary government

As required by GAAP, these financial statements present the financial reporting entity of the City, including the Champaign Public Library Foundation (the Foundation), a discretely presented component unit. The Foundation is a discretely presented component unit because the resources received and held by the Foundation are entirely for the direct benefit of the Champaign Public Library (the Library), which is a special revenue fund of the City. The Library has the ability to access those resources, and those resources are significant to the Library.

The assets, liabilities, net assets, revenue, and expenses of the Foundation are included in the basic financial statements presented in Exhibits A and C. The Foundation issues financial statements, which may be obtained by contacting the Champaign Public Library Foundation, 200 West Green Street, Champaign, Illinois 61820-5193.

b. 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 Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS 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 PPERS 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 PPERS 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. Two members appointed by the Mayor, two elected from active participants of FPERS, and one elected pension beneficiary constitute the Pension Board. 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 (the 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. The Township is reported as a special revenue fund.

### c. Basic Financial Statements

The City's basic financial statements include both government-wide financial statements (reporting the City as a whole) and fund financial statements (reporting the City's major and other funds).

#### Government-Wide Statements

The Statement of Net Assets and Statement of Activities display information about the City as a whole. They include all funds of the City, the Township, which is a blended component unit, and the Champaign Public Library Foundation, which is a discretely presented component unit. Fiduciary funds are excluded from the government-wide financial statements. The Statement of Net Assets and the Statement of Activities include the governmental activities, business-type activities, and the discretely presented component unit. Governmental activities generally are financed through taxes, licenses, fees, permits, intergovernmental revenues, and other non-exchange revenues. Internal balances and activities within the City's governmental funds and proprietary funds, respectively, are eliminated in the government-wide financial statements. Activities between the City's primary government and the discretely presented component unit are not eliminated.

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

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting (as described in Note 1.d).

#### Fund Financial Statements

Fund Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. The City's funds are

organized into three major categories: governmental, proprietary, and fiduciary funds. An emphasis is placed on major funds within the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting (as described in Note 1.d).

The proprietary fund financial statements and the fiduciary funds financial statements are reported on the accrual basis of accounting (as described in Note 1.d).

The fund types of the City are described below:

#### *Governmental Funds*

The focus of the governmental funds' measurement (in the fund financial 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* – The General Fund is the main operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

*Special Revenue Funds* – Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the City. The City maintains three major special revenue fund and ten non-major special revenue funds.

The Major Special Revenue Funds are:

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.

Food and Beverage Tax Fund – The Food and Beverage Tax Fund is used to account for a portion of the revenues derived from a 0.5 percent 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. Management has chosen to present this fund as 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 from properties located in the North Campus Area Tax Increment Financing (TIF) District. Established in 2002, the City's third TIF District's funds are being used to reduce or eliminate blight in the North Campustown area and provide grants for businesses. Management has chosen to present this fund as a major fund.

*Debt Service 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 major debt service fund, the Debt Service Fund.

*Capital Projects Funds* – 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 and three non-major capital projects funds.

The Major Capital Projects Funds are:

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 storm sewer and drainage facilities, as well as funding other city drainage improvements.

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.

*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* – Enterprise Funds 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 and one non-major enterprise funds.

The Major Enterprise Funds are:

Parking Fund – The Parking Fund is used to account for the provision of public parking facilities in the downtown and campus areas. Revenues are generated primarily from parking meter charges, meter violation fines, parking space rental charges, and the downtown parking deck. 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.

Sewer Fund – The Sewer Fund is used to account for the provision of sanitary sewer repair and improvement services to the residents of the City. Revenues are derived from a sanitary sewer user fee. 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.

*Internal Service Funds* – Internal Service Funds are used to account for the financing of goods or services provided by an activity to departments, funds or component units of the City on a cost-reimbursement basis. The City maintains three internal service funds that are all non-major.

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 – 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. The City has two fiduciary funds which are pension trust 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.

The City's pension trust 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 financial statements.

d. Basis of Accounting

*Accrual*

Governmental activities and business-type activities in the government-wide financial statements, the enterprise funds financial statements, the internal service funds financial statements, and the fiduciary funds financial statements are presented on the accrual basis of accounting in which revenue is recognized when earned and expenses are recognized when incurred.

Property taxes are recognized as revenue in the year for which they are levied. Replacement tax is recognized as revenue as soon as the tax is collected by the State of Illinois. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the granting agency have been met.

*Modified Accrual*

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when it becomes both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers receipts within 60 days of year end to be available. Expenditures generally are recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when payment is due.

Various state and local taxes and grants are considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period if applicable to the fiscal year and collected within 60 days of fiscal year end. All other revenue items are considered to be measured and available when cash is received by the City.

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and cash held by a fiscal agent. For purposes of the proprietary funds' statements of cash flow, cash and cash equivalents include cash on hand, demand deposits, and cash held by a fiscal agent as well as short-term investments with original maturities at issuance of three months or less.

f. Investments

Investments in bonds, notes, and negotiable certificates of deposit are held at fair value. Other investments are held at cost as cost varies immaterially from fair value.

g Receivables

Receivables are reported at the estimated net realizable amounts from third-party payers. Receivables are stated at the amount management expects to collect on outstanding balances. Based on management's review of receivable balances at year end, and recent payment histories of third-party payers, an allowance of \$146,285 has been recorded in the General Fund against miscellaneous receivables and an allowance of \$46,227 has been recorded in the Sewer Fund against sewer receivables. No other allowance for uncollectible receivables has been recorded at year end as management expects to collect all but an immaterial amount of all other reported receivables.

h. Inventory

Inventory is 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 purchased rather than when consumed.

i. Interfund Balances

Receivables and payables between funds are reported as due from and due to other funds, respectively. Amounts not expected to be repaid within a reasonable time are considered interfund transfers. In governmental funds, amounts due from other funds expected to be repaid within a reasonable time but beyond one year from June 30, 2010, as well as other long-term receivables, are offset by reserved fund balance because they do not represent expendable, available financial resources.

j. Prepaid Expenditures/Expenses

Prepaid expenditures/expenses such as for insurance or service contracts are deferred and expended/expensed over the term when the services are received.

k. Capital Assets

Capital assets valued at or above \$5,000 (\$50,000 for certain assets) and land of any value are capitalized. Capital assets are valued at actual or estimated historical cost while donated capital assets are valued at their fair market value on the date donated. 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.

Capital assets purchased for use in governmental activities are recorded as expenditures in governmental funds at the time of purchase. Governmental capital assets are reported in the government-wide statement of net assets offset by accumulated depreciation. Library materials are capitalized based on the group value of additions and all other assets are capitalized based on individual item values.

Capital assets in the proprietary funds are capitalized in the fund in which the capital assets are utilized.

Depreciation is calculated on all capital assets (other than land and assets that appreciate in value) using the straight-line method with the following estimated useful lives:

	<u>Years</u>
Land Improvements	20 - 30
Buildings and Improvements	10 - 50
Machinery and Equipment	3 - 30
Infrastructure	40 - 50
Library Materials	2 - 10

l. Restricted Assets

Restricted assets consist of cash and investments held on behalf of a third party. The financial statements include an equivalent liability in other liabilities.

m. Unearned and Deferred Revenue

Governmental funds report 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.

n. Bond Premiums, Discounts, and Issuance Costs

In the government-wide financial statements and for 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.

o. Restricted Net Assets

Assets that are not available to finance general operations of the City are reported as restricted on the Statement of Net Assets. The City's policy is to apply restricted resources first when an expense is incurred for a purpose for which restricted and unrestricted net assets are available.

p. Program Revenues

Program Revenues on the Statement of Activities include the following:

Charges for Services:

Governmental Activities	Amounts remitted to the City by entities and persons making use of legal privileges issued by the City or by violators of City ordinances
Business-Type Activities	Fees paid by the public for parking, sanitary sewer services, and multi-family recycling
Operating Grants and Contributions	Grants and contributions used for material purchases and various City programs
Capital Grants and Contributions	Grants and contributions used for the acquisition of capital assets

q. Operating and Non-Operating Revenues and Expenses of Proprietary Funds

Operating revenues and expenses for the proprietary funds are those that result from providing services. Non-operating revenues and expenses are all revenues and expenses related to capital financing, non-capital financing, or investing activities.

r. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. Employees that have reached certain longevity milestones are eligible to receive a percentage of their accumulated sick leave upon departure from employment with the City. The City calculates the liability for unused sick leave using the vesting method. All vacation and compensation-eligible sick pay is accrued when incurred in the government-wide 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 or retirements.

s. New Accounting Standard

The City adopted GASB Statement 51, *Accounting and Financial Reporting for Intangible Assets*. The adoption of this standard had no retroactive impact on previously reported amounts of capital assets of the City as the City has historically capitalized intangibles with definite useful lives, mainly easements, right of ways, and software.

t. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**2. Reconciliation of Fund Statements to Government-Wide Statements**

A reconciliation is provided with the balance sheet - governmental funds (Exhibit D-1) to explain the differences between total fund balances in the Balance Sheet - Governmental Funds and Net Assets for governmental activities on the government-wide statement of net assets. The major differences are due to:

- a. Property taxes receivable and an equivalent deferred revenue for the amount of the 2009 tax levy that will be received and recorded as revenue in the next fiscal year
- b. The value of capital assets, which are not reported in governmental funds
- c. The net pension asset resulting from pension contributions in excess of the annual required contribution, which is not reported in the governmental funds
- d. The value of various long-term debt and liabilities, which are not reported in governmental funds
- e. The assets and liabilities of the internal service funds, which are part of the proprietary funds in the fund financial statements, but are included in the governmental activities column of the statement of net assets

A reconciliation is provided with the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit E-1) to explain the difference between the change in fund balances in the governmental funds and the change in net assets for governmental activities on the government-wide statement of activities. The major differences are due to:

- a. Capital outlay expenditures are not reported in the statement of activities, while depreciation expense and gains/losses on disposal of capital assets are not reported in governmental funds
- b. The change in the net pension asset is part of the governmental activities but does not impact governmental fund expenditures
- c. Bond proceeds are not revenue and bond payments are not expenses on the Statement of Activities.
- d. The changes in various other long-term liabilities are not governmental fund expenditures, while they are expenses on the Statement of Activities.
- e. The revenues and expenses of the Internal Service Funds are part of the Proprietary Funds in the Fund Financial Statements, but the expenses and non-interfund revenues are included in the governmental activities column of the Statement of Net Assets and the interfund revenue reduces interfund expenditures of the governmental funds.

### **3. Budgets and Budgetary Basis of Accounting**

#### **a. Budgetary Process**

Annual appropriated budgets are adopted for all City funds presented in the financial statements. The City follows statutory and local ordinances in establishing the annual appropriated budget.

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 appropriations ordinance and a public hearing is conducted in May to obtain public comment.

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

#### **b. Legal Level of Budgetary Control**

Formal budgetary accounting is employed as a management control for all funds of the City. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the fund level.

c. Amendments to the Budget

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. Annual budgetary appropriations that are unused and unencumbered at year end lapse. The City Council approved 10 budget amendments during fiscal year 2010.

d. Budgetary Basis of Accounting

Budgets are adopted on a basis materially consistent with generally accepted accounting principles, as appropriate, for each fund.

e. Encumbrances

Encumbrances represent commitments for unperformed contracts for goods and services at year end. Encumbrance accounting is utilized in all funds, meaning that encumbrances at year end will be re-appropriated as part of the following year's appropriation budget.

Encumbrance balances were as follows at June 30, 2010:

Fund	Amount
Capital Improvements	\$ 6,616,146
Stormwater Management	3,927,457
Non-Major Governmental	2,238,391
Sewer	375,214
Food and Beverage	259,872
Parking	214,003
General	496,830
Total Encumbrances	<u>\$ 14,127,913</u>

**4. Expenditures in Excess of Budgets and Appropriations**

The following City funds had total expenditures and transfers for the fiscal year ended June 30, 2010 that exceeded budget:

Champaign Public Library Fund	<u>\$ 27,631</u>
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*Champaign Public Library Fund* – The above over-expenditure was the result of higher than budgeted costs for utilities, personnel, and library materials.

## 5. Deposits and Investments

*All City Funds Except the Champaign Public Library Fund and the Pension Funds*

At June 30, 2010, the City held the following investments:

Illinois Metropolitan Investment Fund - Convenience Fund	\$ 39,592,130
Mutual Fund - Short-Term Federal Securities Bonds and Notes - Not Primary Obligations of the U.S. Government:	16,560,250
Federal Home Loan Bank	8,006,240
Federal Farm Credit Bank	2,010,620
U.S. Treasury Notes	4,228,250
Certificates of Deposit - Non-Negotiable	1,752,075
Illinois Funds	166,236
	<u>\$ 72,315,801</u>

### *Custodial Credit Risk – Bank Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the City's bank deposits may not be recovered. The City's investment policy addresses custodial credit risk by requiring that all deposits in excess of federal depository insurance are to be collateralized by a pledge of securities from the depository bank at 100 percent of the uninsured amount. At June 30, 2010, \$1,500,726 of the City's bank balance of \$2,000,726 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by the Pledging Bank's Trust Department Not in the City's Name	<u>\$ 1,500,726</u>
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At June 30, 2010, the City held \$39,592,130 in the Illinois Metropolitan Investment Fund (IMET) Convenience Fund. The fair value of the City's position in the IMET Convenience Fund is equal to the value of the City's fund shares. The IMET Convenience Fund is not rated by the nationally recognized statistical rating organizations. The assets of the IMET Convenience Fund are invested in fully collateralized certificates of deposit. Generally, assets not invested in certificates of deposit are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year.

At June 30, 2010, the City held \$166,236 in the Illinois Funds Money Market Fund. The fair value of the City's position in the fund is equal to the value of the City's fund shares. The portfolio is regulated by oversight of the Treasurer of the State of Illinois and private

rating agencies. The portfolio has a AAAM rating from Standard and Poor's. The assets of the fund are mainly invested in securities issued by the United States government or agencies related to the United States. Assets of the fund not invested in United States government securities are fully collateralized by pledged securities. The time to maturity of the investments in this external investment pool averages less than one year.

#### *Custodial Credit Risk – Investments*

At June 30, 2010, the City had no custodial credit risk in that all of its investments were held through a Securities Investor Protection Corporation (SIPC) member brokerage firm.

#### *Credit Risk – Investments*

Credit risk is the risk that the issuer of a bond or note security will not repay the principal or pay the interest due on the debt. The credit risk of investments is addressed by the City's investment policy by limiting investments to a select group of investment types. Following are the more prominent of the allowable investments:

- Certificates of deposit that are fully insured by FDIC insurance or are collateralized by City-approved collateral
- U.S. Treasury bills and notes
- Securities backed by the full faith and credit of the U.S. Government (such as GNMA securities) with maximum maturities of five years
- Obligations of U.S. Government sponsored agencies, excluding mortgage backed securities, with a maximum maturity of five years
- 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
- AAA-rated, SEC registered money market mutual funds whose investment objective includes maintaining the one dollar share value, and whose portfolio consist of dollar denominated securities, including U.S. Treasury, other government, and prime funds
- Managed accounts, including SEC registered bond mutual funds and portfolios managed by investment advisors, all with weighted-average maturities under three years

At June 30, 2010, the City held the following investments subject to credit risk:

	<u>Credit Rating</u>	<u>Carrying Value</u>
Mutual Fund - Short-Term Federal Securities	Aaa	\$ 16,560,250
Federal Home Loan Bank Notes	Aaa	8,006,240
Federal Farm Credit Bank Notes	Aaa	2,010,620
		<u>\$ 26,577,110</u>

*Interest Rate Risk – Investments*

Interest rate risk is the risk that a change in the market rate of interest for a category of debt securities will negatively impact the market value of a debt security. The City’s investment policy addresses interest rate risk by setting the maximum weighted average maturity of the portfolio at two years.

At June 30, 2010, the City held the following investments subject to interest rate risk:

	<u>Carrying Value</u>	<u>Weighted Average Maturity (Years)</u>
Mutual Fund - Short-Term Federal Securities	\$ 16,560,250	2.40
Federal Home Loan Bank Notes	8,006,240	2.21
U.S. Treasury Notes	4,228,250	3.53
Federal Farm Credit Bank Notes	2,010,620	1.92
	<u>\$ 30,805,360</u>	

*Concentration of Credit Risk – Investments*

Concentration of credit risk is the risk of having a large percentage of investments in debt securities of an issuer that is not backed by the full faith and credit of the United States. The City’s investment policy addresses concentration of credit risk by requiring that various allowable investment categories be limited to maximum percentages in the total portfolio.

The City’s investment policy allows up to fifty percent of the total investment portfolio to be held in securities of U.S. Agencies and Instrumentalities, which are not backed by the full faith and credit of the United States. At June 30, 2010, the City had more than five percent of its investments in the debt securities of the following issuers that are not backed by the full faith and credit of the United States:

	<u>Percent of Investments</u>
Federal Home Loan Bank	11.07%

### *Champaign Public Library Fund*

At June 30, 2010, the Library held no investments.

### *Custodial Credit Risk – Bank Deposits*

The Library's investment policy addresses custodial credit risk by requiring that all deposits in excess of federal depository insurance are to be collateralized by a pledge of securities from the depository bank at 100 percent of the uninsured amount. At June 30, 2010, \$2,774,951 of the Library's bank balance of \$3,045,894 was exposed to custodial credit risk. The \$2,774,951 was fully collateralized at June 30, 2010 by securities pledged by the bank. The pledged securities, which had a fair value of \$2,953,700 at June 30, 2010, are held by the bank's agent but are not held in the Library's name.

### *Police Pension Fund*

The deposits and investments of the Fund are held separately from those of other City funds. The Illinois Pension Code authorizes the Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net assets. Pension funds with net assets of at least 5 million that have appointed an investment advisor may, through that investment advisor, invest up to forty-five percent of the plan's net assets in common and preferred stocks that meet specific restrictions.

At June 30, 2010, the carrying amount of the Fund's deposits totaled \$56,329 and the bank balances totaled \$58,422 all of which is covered by federal depository insurance.

The following table presents the fair value of investments at June 30, 2010. Investments that represent 5 percent or more of the Fund's net assets are separately identified.

U. S. Government and Agency Obligations	\$ 30,181,571
Municipal Obligations	658,125
Equity Investments	19,038,895
Harbor International Fund - 80,391.601 Shares	3,892,513
American Funds EuroPacific Fund - 112,161.144 Shares	3,810,114
Total Investments	<u>\$ 57,581,218</u>

#### *Custodial Credit Risk – Investments*

Custodial credit risk 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 U.S. government securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name in order to reduce custodial risk to a minimum. In addition, investments in bank investment pools that are for employee benefit account plans are insured up to \$250,000 by federal depository insurance for each participant's interest in the plan.

#### *Interest Rate Risk – Investments*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund employs multiple investment managers. The funds are structured with different layers of liquidity to minimize interest rate risk. The investments in U.S. government and agency obligations are not subject to interest rate risk.

#### *Credit Risk – Investments*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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. government and agency obligations are not subject to credit risk. Municipal obligations were not rated. Other investments are invested as permitted by the Illinois Pension Code of the Illinois Compiled Statutes.

#### *Concentration of Credit Risk – Investments*

Concentration of credit risk is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund's policy does not allow any single fixed income security to comprise more than 10 percent of the portfolio's overall allocation after accounting for price appreciation. The policy does not allow any single equity security to comprise more than 5 percent of equity allocation at the time of purchase or 10 percent of the equity allocation of the portfolio after accounting for price appreciation.

*Change in Fair Value*

During the year ending June 30, 2010 and 2009, the Fund's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by \$3,789,232 and (\$4,546,558), respectively as follows:

	Year Ended June 30, 2010	Year Ended June 30, 2009
U.S. Government and Agency Obligations	\$ 771,459	\$ 1,157,637
Municipal Obligations	25,875	29,636
Equity Investments	2,991,898	(5,733,831)
	<u>\$ 3,789,232</u>	<u>\$ (4,546,558)</u>

*Firefighters' Pension Fund*

The deposits and investments of the Fund are held separately from those of other City funds. Statutes authorize the Fund to make deposits and invest in interest-bearing direct obligations of the United States of America; interest-bearing obligations to the extent that they are fully guaranteed or insured as to payment of principal and interest by the United States of America; interest-bearing bonds, notes, debentures, or other similar obligations of agencies of the United States of America; interest-bearing savings accounts or certificates of deposit issued by federally- or State of Illinois-chartered banks or savings and loan associations, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; investments in credit unions, to the extent that the investments are insured by agencies or instrumentalities of the federal government; interest-bearing bonds of the State of Illinois; pooled interest-bearing accounts managed by the Illinois Public Treasurer's Investment Pool in accordance with the Deposit of State Moneys Act and interest-bearing funds or pooled accounts managed, operated, and administered by banks, subsidiaries of banks, or subsidiaries of bank holding companies in accordance with the laws of the State of Illinois; interest-bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel, subject to certain conditions and limitations; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided that the portfolio is limited to specified restrictions; general accounts of life insurance companies authorized to transact business in Illinois; and separate accounts managed by life insurance companies and mutual funds, both subject to certain restrictions. Pension funds of at least 5 million that have appointed an investment advisor may, through that investment advisor, invest up to thirty-five percent of the plan's net assets in common and preferred stocks that meet specific restrictions.

As of June 30, 2010, the Firefighters' Pension Fund had the following fixed income investment:

	<u>Fair Value</u>
U.S. Treasury Notes and Agencies	<u>\$ 30,391,061</u>

*Custodial Credit Risk – Investments*

Custodial credit risk is the risk that in the event of the failure of the counterparty, the Fund may 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. At June 30, 2010, the Fund had no custodial credit risk in that all of its investments were held through a Securities Investor Protection Corporation (SIPC) member brokerage firm.

*Interest Rate Risk – Investments*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund 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.

At June 30, 2010, the Firefighters' Pension Fund held the following investments subject to interest rate risk:

	<u>Fair Value</u>	<u>Average Maturity (Years)</u>
U. S. Treasury Notes and Agencies	<u>\$ 30,391,061</u>	4.10

The Fund also diversifies the portfolio so that the impact of a potential drop in interest rates on a particular type of security will be minimized. The Fund's investment policy has the following goals concerning types of investments.

	Fair Value	Percent Total	Percent Policy Minimum	Percent Policy Maximum	Percent Policy Target
U.S. Government and Agencies	\$ 30,391,061	59.6%	52.5%	62.5%	57.5%
Stock Equity-Mutual Funds	8,460,998	16.6%	7.5%	30.0%	20.0%
Metropolitan Life-Annuity Contract	9,817,565	19.3%	15.0%	25.0%	20.0%
Common Stocks	1,178,921	2.3%	0.0%	5.0%	2.5%
Real Estate	1,126,295	2.2%	0.0%	5.0%	2.5%
Total	<u>\$ 50,974,840</u>				

All investments at June 30, 2010 are within the Fund's investment policy.

#### *Credit Risk - Investments*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund helps limit its exposure to credit risk by investing in securities issued by agencies of the United States government that are implicitly guaranteed by the United States government. The Fund has no other formal policy for reducing credit risk.

## **6. Property Tax Cycle**

### a. Assessments

Property is assessed by the elected township assessor at one-third the market value as of January 1 each year. This is the date, called the lien date, on which property taxes "attach" to the property. The township assessor's books are turned into the County Supervisor of Assessments by April 15. The Board of Review, a three-member panel appointed by the County Board, takes action on assessment complaints and applies individual township multipliers to those townships, which are not assessed at one-third. This process equalizes the average ratio of assessments to market value among townships. The Illinois Department of Revenue analyzes the work of the Board of Review and may assign a countywide multiplier to bring the entire County's ratio into line with other counties throughout the state.

### b. Taxpayer Appeals

Taxpayers may file a complaint with the Board of Review if they believe assessments are too high and may make further appeal to the state Property Tax Appeals Board. However, tax levies are determined by local governments not by assessors.

### c. Property Tax Levies

Fifty percent of the calendar 2008 levy and fifty percent of the calendar 2009 levy related to fiscal year 2010. Both levies were adopted within the Illinois statutory deadline (the third Tuesday in December). In the governmental fund financial statements, property tax levies are reported as receivables, net of an allowance for

uncollectible amounts, in the year in which they are adopted. Property tax distributions received within the fiscal year are recognized in that fiscal year as revenue in the governmental funds. The balance is deferred revenue to the next fiscal year for the governmental funds and eliminated for the governmental activities.

Fiscal year 2010 property tax revenue on the statement of activities consists of fifty percent of the calendar year 2008 levy and fifty percent of the calendar year 2009 levy, less allowances. For fiscal year 2010, property tax revenue on the statement of activities (on the accrual basis) and property tax revenue on the statement of revenue, expenditures, and changes in fund balances (on the modified accrual basis) have been left as equal since actual revenue recognition differences are immaterial.

d. Tax Bills

Illinois statutes require the payment of property taxes in two installments due June 1 and September 1 and require that tax bills be mailed 30 days prior to the first installment. Property tax bills mailed in 2010 were based on equalized assessed value as of January 1, 2009 and on tax levies set in December 2009.

e. Tax Distributions

The County Treasurer is also the County Collector and is in charge of collecting and distributing property taxes. The Collector generally distributes taxes to the taxing bodies shortly after taxes are paid. The County may not keep tax receipts on behalf of other units of local government beyond thirty days. In 2009, all property taxes were distributed by November 19. Interest earned on taxes before distribution goes to the local governments.

**7. Property Taxes Receivable**

Property taxes receivable for the governmental funds consists of property taxes levied in 2009, for which a legal claim exists in 2010. The revenue associated with the 2009 levy is recognized in the governmental funds if received within the fiscal year. The property taxes received beyond fiscal year end are deferred until the next fiscal year end. A summary of property taxes receivable by fund type at June 30, 2010 is shown below:

Fund Type	Property Taxes Levied and for TIF Districts	Property Taxes Receivable	Deferred Revenue
General	\$ 11,186,520	\$ 5,576,495	\$ 5,593,260
Special Revenue:			
Non-TIF	6,628,827	3,320,322	3,320,322
TIF	2,620,741	1,310,370	1,310,370
Capital Projects	2,678,419	1,334,899	1,339,210
Total	<u>\$ 23,114,507</u>	<u>\$ 11,542,086</u>	<u>\$ 11,563,162</u>

Based on past collection experience, the City has applied no allowance for doubtful collections against the property tax receivable as the estimated allowance is considered immaterial by the City's management.

**8. Unearned and Deferred Revenue**

Unearned revenue on the Statement of Net Assets consists of the following:

Unearned Property Taxes	\$ 21,076
Unearned Grant Revenue	9,489
Unearned Parking Revenue	3,960
Total	<u>\$ 34,525</u>

Deferred revenue on the Balance Sheet – Governmental Funds consist of the following:

Deferred Property Taxes	\$ 11,563,162
Unearned Grant Revenue	9,489
Total	<u>\$ 11,572,651</u>

## 9. Capital Assets

### *Governmental Activities*

Governmental capital asset activity for the year ended June 30, 2010 was as follows:

	June 30, 2009			June 30, 2010
	Restated	Additions	Deductions	
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 92,194,021	\$ 3,940,263	\$ 1,087,168	\$ 95,047,116
Construction in Progress	18,559,387	14,858,183	10,471,837	22,945,733
	<u>110,753,408</u>	<u>18,798,446</u>	<u>11,559,005</u>	<u>117,992,849</u>
<b>Depreciable Capital Assets:</b>				
Buildings	45,691,504	1,865,095	-	47,556,599
Improvements and Equipment	25,081,339	1,727,725	1,141,200	25,667,864
Infrastructure	412,215,029	13,171,491	658,099	424,728,421
	<u>482,987,872</u>	<u>16,764,311</u>	<u>1,799,299</u>	<u>497,952,884</u>
<b>Less: Accumulated Depreciation:</b>				
Buildings	11,729,690	1,399,404	-	13,129,094
Improvements and Equipment	15,111,505	2,181,227	1,141,200	16,151,532
Infrastructure	206,258,019	14,213,898	216,407	220,255,510
	<u>233,099,214</u>	<u>17,794,529</u>	<u>1,357,607</u>	<u>249,536,136</u>
<b>Total Depreciable Capital Assets</b>	<u>249,888,658</u>	<u>(1,030,218)</u>	<u>441,692</u>	<u>248,416,748</u>
<b>Total Capital Assets</b>	<u>\$ 360,642,066</u>	<u>\$ 17,768,228</u>	<u>\$ 12,000,697</u>	<u>\$ 366,409,597</u>

Depreciation expense was charged to governmental activities for fiscal year 2010 as follows:

General Government	\$ 14,677,908
Culture and Recreation	1,538,178
Public Safety	919,449
Public Works	655,621
Public Health and Welfare	3,373
	<u>\$ 17,794,529</u>

*Business-Type Activities*

Business-type capital asset activity for the year ended June 30, 2010 was as follows:

	June 30, 2009	Increases	Decreases	June 30, 2010
<b>Non-Depreciable</b>				
<b>Capital Assets:</b>				
Land	\$ 5,944,474	\$ 6,944	\$ -	\$ 5,951,418
Construction in Progress	12,063,709	205,929	12,226,138	43,500
	<u>18,008,183</u>	<u>212,873</u>	<u>12,226,138</u>	<u>5,994,918</u>
<b>Depreciable</b>				
<b>Capital Assets:</b>				
Buildings	420,000	12,048,509	-	12,468,509
Improvements and Equipment	1,079,878	44,544	-	1,124,422
Parking Meters	721,235	-	-	721,235
Infrastructure	47,772,645	916,900	110,214	48,579,331
	<u>49,993,758</u>	<u>13,009,953</u>	<u>110,214</u>	<u>62,893,497</u>
<b>Less: Accumulated</b>				
<b>Depreciation:</b>				
Buildings	63,000	311,713	-	374,713
Improvements and Equipment	723,965	57,445	-	781,410
Parking Meters	227,814	34,378	-	262,192
Infrastructure	11,188,619	736,751	104,299	11,821,071
	<u>12,203,398</u>	<u>1,140,287</u>	<u>104,299</u>	<u>13,239,386</u>
<b>Total Depreciable</b>				
<b>Capital Assets</b>	<u>37,790,360</u>	<u>11,869,666</u>	<u>5,915</u>	<u>49,654,111</u>
<b>Total Capital Assets</b>	<u>\$ 55,798,543</u>	<u>\$ 12,082,539</u>	<u>\$ 12,232,053</u>	<u>\$ 55,649,029</u>

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

Parking	\$ 500,338
Sewer	639,949
Total Depreciation	<u>\$ 1,140,287</u>

**10. Changes in Long-Term Liabilities**

The following is a summary of changes in the City's long-term liabilities of the governmental activities for the year ended June 30, 2010:

	June 30, 2009	Issued	Retired	June 30, 2010	Due Within One Year
General Obligation					
Bonds	\$ 44,830,000	\$ 25,620,000	\$ 2,780,000	\$ 67,670,000	\$ 2,510,000
Claims Payable	5,231,201	(1,934,070)	1,279,656	2,017,475	2,017,475
Accrued Compensated					
Absences	4,392,473	4,472,525	4,222,753	4,642,245	928,449
Net Other Post-					
Employment Liability	788,396	1,094,511	343,938	1,538,969	-
Net Pension Obligation	988,799	3,946,556	3,202,615	1,732,740	-
Landfill Closure and					
Post-Closure Liability	835,147	-	82,813	752,334	52,334
Unamortized Bond					
Premiums	246,647	-	54,094	192,553	20,599
Total Long-					
Term Debt	<u>\$ 57,312,663</u>	<u>\$ 33,199,522</u>	<u>\$ 11,965,869</u>	<u>\$ 78,546,316</u>	<u>\$ 5,528,857</u>

Claims payable are considered to be current liabilities because the liability includes known claims that management expects to liquidate within the next fiscal year.

The following is a summary of changes in the City's long-term liabilities of the business-type activities for the year ended June 30, 2010:

	June 30, 2009	Issued	Retired	June 30, 2010	Due Within One Year
General Obligation					
Bonds	\$ 12,700,000	\$ -	\$ -	\$ 12,700,000	\$ -
IEPA Loans Payable	472,556	-	62,132	410,424	63,939
Unamortized Bond					
Premiums	359,325	-	22,156	337,169	22,156
Accrued Compensated					
Absences	179,861	181,236	204,925	156,172	31,234
Total Long-					
Term Debt	<u>\$ 13,711,742</u>	<u>\$ 181,236</u>	<u>\$ 289,213</u>	<u>\$ 13,603,765</u>	<u>\$ 117,329</u>

Payments on long-term liabilities are made as follows: the Debt Service Fund and Parking Fund retire the general obligation bonds; payments on the IEPA Loans are made by the Sewer Fund; compensated absences for the governmental activities are liquidated by all funds with payroll expenditures; net other post-employment liability and net pension obligation costs are expended primarily by the General Fund; landfill closure and post-closure liability costs are expended in the Capital Improvements Fund.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the above totals for governmental activities. At year end, \$89,275 of internal service funds compensated absences are included in the above governmental activities amounts.

## 11. Long-Term Debt

### *General Obligation Bonds*

The City 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 City. General obligation bonds outstanding as of June 30, 2010 are as follows:

<u>Issue</u>	<u>Fund Debt Retired By</u>	<u>June 30, 2009</u>	<u>Issuances</u>	<u>Retirements</u>	<u>June 30, 2010</u>
\$2,915,000 General Obligation Bonds of 2004A, due in annual installments of \$20,000 to \$445,000, plus interest at 5.00 percent 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 variable rate of interest through maturity on December 1, 2020	Debt Service	1,750,000	-	250,000	1,500,000
\$24,015,000 General Obligation Bonds of 2005, due in annual installments of \$155,000 to \$1,765,000, plus interest at 3.25 percent to 4.375 percent through maturity on December 15, 2025.	Debt Service	23,860,000	-	1,160,000	22,700,000
\$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 percent to 6.00 percent through maturity on December 15, 2023.	Debt Service	7,025,000	-	-	7,025,000

Issue	Fund Debt Retired By	June 30, 2009	Issuances	Retirements	June 30, 2010
\$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 percent to 2.75 percent through maturity on December 15, 2016	Debt Service	9,280,000	-	1,370,000	7,910,000
\$25,620,000 General Obligation (Build America) Bonds of 2010, due in annual installments of \$515,000 to \$2,670,000, plus interest ranging from 2.00 percent to 5.60 percent through maturity on December 15, 2029, with sinking fund requirements for years 2020 through 2024	Debt Service	-	25,620,000	-	25,620,000
\$2,750,000 General Obligation Bonds of 2007B, due in annual installments of \$255,000 to \$710,000, plus interest at 3.75 percent through maturity on December 15, 2016	Parking	2,750,000	-	-	2,750,000
\$9,950,000 General Obligation Bonds of 2008, due in annual installments of \$440,000 to \$1,415,000, plus interest at 4.00 percent to 5.75 percent through maturity on December 15, 2027	Parking	9,950,000	-	-	9,950,000
Total		<u>\$ 57,530,000</u>	<u>\$ 25,620,000</u>	<u>\$ 2,780,000</u>	<u>\$ 80,370,000</u>

*IEPA Loans Payable*

The City has loans from the Illinois Environmental Protection Agency (IEPA) that provided low interest financing for sewerage improvements. IEPA loans outstanding at June 30, 2010 are as follows:

<u>Issue</u>	<u>Fund Debt Retired By</u>	<u>June 30, 2009</u>	<u>Issuances</u>	<u>Retirements</u>	<u>June 30, 2010</u>
\$384,071 loan due March 1, 2015, at 3.015 percent payable semi-annually	Sewer	\$ 142,788	\$ -	\$ 22,053	\$ 120,735
\$741,188 loan due August 16, 2016, at 2.815 percent payable semi-annually	Sewer	329,768	-	40,079	289,689
		<u>\$ 472,556</u>	<u>\$ -</u>	<u>\$ 62,132</u>	<u>\$ 410,424</u>

*Demand Bonds*

The 2004B General Obligation Bonds are demand bonds.

*Interest*

For fiscal year 2010, total interest incurred and expensed/expended by the governmental activities/governmental funds was \$1,991,492 and total interest expense incurred and expensed by the enterprise funds was \$549,808.

*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 and 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 \$752,334. 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.

### *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 Bonds Series of 1998 and \$6,180,000 of the General Obligation Bond Series of 1999. The City defeased these bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. In fiscal year 2010, these bonds were paid off in full and the trust was closed.

### *Legal Debt Margin*

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

“The General Assembly may limit 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 and thus is not currently subject to a statutory debt limit.

### *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.

*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
2011	\$ 2,510,000	\$ 2,972,100	\$ -	\$ 532,462	\$ 63,938	\$ 11,337
2012	2,595,000	2,608,231	-	532,462	65,797	9,478
2013	2,680,000	2,536,244	485,000	523,368	67,710	7,566
2014	3,845,000	2,445,894	635,000	502,368	69,678	5,597
2015	3,590,000	2,336,576	710,000	477,150	71,704	3,572
2016	3,800,000	2,217,521	665,000	451,368	47,397	1,684
2017	3,845,000	2,082,672	1,225,000	406,231	24,200	342
2018	3,435,000	1,950,295	1,345,000	339,937	-	-
2019	4,345,000	1,805,689	1,330,000	279,712	-	-
2020	4,230,000	1,634,515	1,415,000	224,813	-	-
2021	3,495,000	1,470,950	1,220,000	172,113	-	-
2022	3,930,000	1,308,763	440,000	138,912	-	-
2023	4,265,000	1,129,096	470,000	120,712	-	-
2024	4,420,000	938,658	490,000	101,513	-	-
2025	3,690,000	760,374	520,000	81,313	-	-
2026	3,825,000	588,344	545,000	60,012	-	-
2027	2,080,000	444,160	585,000	37,266	-	-
2028	2,020,000	336,060	620,000	12,710	-	-
2029	2,400,000	215,520	-	-	-	-
2030	2,670,000	74,760	-	-	-	-
<b>Total</b>	<b>\$ 67,670,000</b>	<b>\$ 29,856,422</b>	<b>\$ 12,700,000</b>	<b>\$ 4,994,422</b>	<b>\$ 410,424</b>	<b>\$ 39,576</b>

**12. Restricted Net Assets**

At June 30, 2010, the City had restricted net assets for the following purposes:

Restricted Due to Enabling Legislation:	
Unspent Tax Levies	\$ 341,504
Culture and Recreation	985,255
Public Health and Welfare	2,644,060
Public Safety	455,861
Public Works	11,209,750
Debt Service	4,827,281
Capital Projects	17,433,134
Total	<u>\$ 37,896,845</u>

**13. Reserved, Designated, and Deficit Fund Equity**

a. Reserved

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.

*Reserve for Prepaid Items* – The reserve represents prepaid expenditures for which funds are not available for future expenditures.

*Reserved for Tax Levy Expenditures* – The reserve in the Non-Major Governmental Funds represents funds that may only be used for the levy purpose of the levy adoption ordinance. At June 30, 2010, this reservation included amounts for Township employee retirement plan expenditures (\$19,982) and general assistance (\$321,522).

*Reserved for Debt Service* – The reserve represents funds restricted for the payment of long-term debt on specific debt issues.

b. Designated

Designations of fund balance represent tentative management plans that are subject to change. There were no designations of fund balance as of June 30, 2010.

c. Deficit Fund Equity

At June 30, 2010, the following funds had deficit fund balances:

- North Campus Area TIF District Fund - \$74,352
- Environmental Services Fund - \$43,015
- ARRA Grant Fund - \$118,206

These deficits are expected to be eliminated in fiscal year 2011.

**14. Interfund Receivables, Payables, and Transfers**

Interfund receivables and payables consist of the following as of June 30, 2010:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General	North Campus Area TIF District	\$ 74,269
General	Sewer	21,652
General	Fleet Services	15,427
General	Non-Major Proprietary	41,800
Non-Major Governmental	Non-Major Governmental	<u>113,514</u>
Total Interfund Balances		<u><u>\$ 266,662</u></u>

Interfund advances are made to cover short-term shortfalls in cash balances as needed in various funds. Management of the City expects all interfund balances to be repaid within the next fiscal year.

Interfund transfers made during the year ended June 30, 2010 are summarized below:

Transfer In	Transfer Out	Amount
General	Champaign Public Library	\$ 260,787
General	Food and Beverage Tax	44,655
General	Non-Major Governmental	945,929
General	Workers Compensation	321,021
General	Retained Risk	63,762
General	Fleet Services	213,077
General	Parking	631,010
General	Sewer	272,723
Debt Service	General	2,616,991
Debt Service	Capital Improvements	153,681
Debt Service	North Campus Area TIF District	536,319
Debt Service	Stormwater Management	798,009
Stormwater Management	General	3,398,961
Stormwater Management	Debt Service	7,673,596
Capital Improvements	General	4,291,661
Capital Improvements	Debt Service	642,342
Non-Major Governmental	Non-Major Governmental	117,900
Non-Major Governmental	General	2,173,846
Non-Major Governmental	Parking	114,866
Non-Major Governmental	Sewer	119,028
Non-Major Governmental	Fleet Services	25,459
Non-Major Governmental	Non-Major Enterprise	21,710
Parking	Non-Major Governmental	244,544
Sewer	General	49,293
Sewer	Stormwater Management	532,718
Total Interfund Transfers		<u><u>\$ 26,263,888</u></u>

Transfers are used to:

- Move revenues from the fund that a statute or the City budget requires collection in to the fund that a statute or the City budget requires expenditure from
- Move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due
- Utilize unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations

## 15. Risk Management

The City is exposed to various risks of loss due to torts, theft, damage to assets, errors and omissions, natural disasters, and injuries to City employees. The City is self-insured and accounts for losses and risk management expenses in two 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 \$5,000,000 for public officials and \$10,000,000 for all other liability types arising out of the normal course of the City’s activities.

**Workers Compensation Fund** – The City has an agreement with a third-party to provide claims 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.

A claim liability is recorded in these funds when it is probable that a liability has been incurred and the amount can be reasonably estimated. Liabilities include an amount for claims that have been incurred and reported. An estimate is not provided for incurred but not reported claims and the estimated claims do not include incremental claim adjustment expenses.

The claims liability is not an exact amount as it depends on many complex factors such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claims trends, and other economic and social factors. The ultimate outcome is not determinable in relation to claims for which a liability has been recorded in these internal services funds at June 30, 2010. It is the opinion of the City’s management that resolution of these matters will not have a significant impact beyond the liabilities recorded at June 30, 2010. The amount of settlements in both funds did not exceed insurance coverage in fiscal year 2010 or the previous two fiscal years.

Changes in the claim liability amounts in fiscal years 2010 and 2009 were as follows:

	2010		2009	
	Retained Risk	Workers' Compensation	Retained Risk	Workers' Compensation
Claims Liability - July 1	\$ 1,749,056	\$ 3,482,145	\$ 983,344	\$ 1,407,562
Claims Incurred	(1,116,886)	(817,184)	2,250,025	5,721,104
Claims Paid	<u>(223,905)</u>	<u>(1,055,751)</u>	<u>(1,484,313)</u>	<u>(3,646,521)</u>
Claims Liability - June 30	<u>\$ 408,265</u>	<u>\$ 1,609,210</u>	<u>\$ 1,749,056</u>	<u>\$ 3,482,145</u>

The estimates for the retained risk and workers' compensation liabilities for June 30, 2010 were based on a different source than the estimates for June 30, 2009 and June 30, 2008. Management determined the source used for the current year end is reliable and more consistently available for periodic assessment. Had this same source been used at previous year ends, the liability for retained risk would have been \$186,666 and \$515,585 and the liability for workers' compensation would have been \$1,408,516 and \$1,601,711 at June 30, 2009 and June 30, 2008, respectively. The claims incurred for retained risk would have been \$445,504 and \$1,155,393 for fiscal years 2010 and 2009, respectively. The claims incurred for workers' compensation would have been \$1,256,445 and \$3,453,326 for fiscal years 2010 and 2009, respectively.

## 16. 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's management expects such amounts, if any, to be immaterial.

**17. 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 revenue 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 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 is responsible for 61.8 percent and Urbana is responsible for 38.2 percent of the CUSWDS's obligations.

Separate financial statements are available for CUSWDS by contacting the City of Urbana, Illinois, Finance Department (Lead Agency) at 400 South Vine, Urbana, Illinois 61801. Summary financial information for CUSWDS as of and for the year ended June 30, 2010 is as follows:

Total Assets	<u>\$ 120,993</u>	Total Revenues	\$ 42,095
Total Liabilities	\$ 7,369	Total Expenses	<u>30,402</u>
Total Equity	<u>113,624</u>	Net Income (Loss)	11,693
Total Liabilities and Equity	<u>120,993</u>	Total Equity - July 1	<u>101,931</u>
		Total Equity - June 30	<u>\$ 113,624</u>

*HOME Program*

Federal HOME Investment Partnership Act (HOME) funds have been granted to the Urbana Consortium for affordable housing activities. The Urbana Consortium consists of the City of Urbana, the City of Champaign, and Champaign County. Urbana serves as the lead agency of the Urbana 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 years 2006 through 2010 allocations is not expected until the years 2011 through 2015, respectively.

Federal regulations require the 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 percent 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.

Separate financial statements are available for the HOME program by contacting the Finance Department of the City of Urbana, Illinois (Lead Agency) at 400 South Vine, Urbana, Illinois 61801. Summary financial information for the HOME Program as of and for the year ended June 30, 2010 is as follows:

Total Assets	<u>\$ 54,418</u>	Total Revenues	\$ 1,524,257
		Total Expenses	<u>1,524,257</u>
Total Liabilities	54,418	Net Income (Loss)	-
Total Equity	<u>-</u>	Total Equity - July 1	<u>-</u>
Total Liabilities and Equity	<u>\$ 54,418</u>	Total Equity - June 30	<u>\$ -</u>

*Metropolitan Computer Aided Dispatch*

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 a member police or fire department. The Board also includes a representative from a rural fire protection district and a representative from a village 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.

Separate financial statements are available for METCAD by contacting 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, 2010 is as follows:

Total Assets	<u>\$ 11,209,086</u>	Total Revenues	\$ 4,011,368
		Total Expenses	<u>4,168,192</u>
Total Liabilities	559,208	Net Income (Loss)	(156,824)
Total Equity	<u>10,649,878</u>	Total Equity - July 1	<u>10,806,702</u>
Total Liabilities and Equity	<u>\$ 11,209,086</u>	Total Equity - June 30	<u>\$ 10,649,878</u>

### 18. Related Party Transactions

The Library Improvement Fund, a non-major capital projects fund, has recorded miscellaneous income of \$200,000 for the year ended June 30, 2010 received from the Champaign Public Library Foundation, a discretely presented component unit of the City. The payment was a partial reimbursement of the City's funding for the new Library Building.

The Champaign Public Library Fund, a major special revenue fund, provided donated services to the Foundation. Donated services consist of salaries of Library personnel assigned to perform management and fund raising services for the Foundation. For the year ended June 30, 2010, the amount contributed and included as in-kind revenue and expense in the financial statements of the Foundation totaled \$87,428.

The Foundation provided financial support to the Champaign Public Library Fund for its programs and materials acquisitions. The total revenue from the Foundation recorded by the Champaign Public Library Fund for the year ended June 30, 2010 was \$85,519.

### 19. Defined Benefit Pension Plans

The City contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), the Sheriff's Law Enforcement Personnel Fund (SLEP), the Police Pension Plan, and the Firefighters' Pension Plan.

#### *Illinois Municipal Retirement System – City Excluding Town of the City of Champaign Township Employees*

Plan Description - The City's defined benefit pension plan for employees (other than those covered by the Police or Firefighters' pension funds) provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit

provisions are established by state statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

Funding Policy - As set by statute, the City's plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 8.06 percent of annual covered payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost - For the fiscal year ending June 30, 2010, the City's annual pension cost of \$1,890,925 for the regular plan was equal to the City's required and actual contributions.

**Three-Year Trend Information for the Plan**

<u>Fiscal Year Ending June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2010	\$ 1,890,925	100%	\$ -
2009	1,580,013	100%	-
2008	1,567,680	100%	-

As of June 30, 2010, the City's net pension obligation remains at \$0.

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.0 percent annually. The actuarial value of the City's assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15 percent corridor between the actuarial and market value of assets. The employer plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007 valuation was 23 years.

Funded Status and Funding Progress - As of December 31, 2009, the most recent actuarial valuation date, the plan was 81.52 percent funded. The actuarial accrued liability for benefits was \$58,804,407 and the actuarial value of assets was \$47,938,228, resulting in an underfunded actuarial accrued (UAAL) of \$10,866,179. The covered payroll (annual payroll of active employees covered by the plan) was \$19,585,787 and the ratio of the UAAL to the covered payroll was 55 percent. In conjunction with the December 2009 actuarial valuation the market value of the investments was determined using techniques that spread the effects of short-term volatility in the market value of the investments over a five year period with a 20.0 percent corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Illinois Municipal Retirement System – Town of the City of Champaign Township (the Township) Employees*

Plan Description - The Township's defined benefit pension plan for employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by state statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

Funding Policy - As set by statute, the Town's regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 7.18 percent of annual covered payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost - For the fiscal year ending June 30, 2010, the Town's annual pension cost of \$23,639 for the regular plan was equal to the Township's required and actual contributions.

**Three-Year Trend Information for the Plan**

<u>Fiscal Year Ending June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2010	\$ 23,639	100%	\$ -
2009	20,545	100%	-
2008	24,020	100%	-

As of June 30, 2010, the Township’s net pension obligation remains at \$0.

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.0 percent annually. The actuarial value of the Town’s assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15 percent corridor between the actuarial and market value of assets. The employer plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007 valuation was 23 years.

Funded Status and Funding Progress - As of December 31, 2009, the most recent actuarial valuation date, the plan was 80.94 percent funded. The actuarial accrued liability for benefits was \$843,103 and the actuarial value of assets was \$682,395, resulting in an underfunded actuarial accrued (UAAL) of \$160,708. The covered payroll (annual payroll of active employees covered by the plan) was \$303,691 and the ratio of the UAAL to the covered payroll was 53 percent. In conjunction with the December 2009 actuarial valuation the market value of the investments was determined using techniques that spread the effects of short-term volatility in the market value of the investments over a five year period with a 20.0 percent corridor between the actuarial and market value of assets. In 2010, the UAAL is being amortized on a level percentage of project payroll on an open 30 year basis.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Sheriff's Law Enforcement Personnel Fund*

Plan Description - The City's defined benefit pension plan for Sheriff's law enforcement personnel employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by state statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at [www.imrf.org](http://www.imrf.org).

Funding Policy - As set by statute, the City's Sheriff's Law Enforcement Personnel Fund members are required to contribute 7.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2009 was 17.81 percent of annual covered payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost - For the fiscal year ending June 30, 2010, the City's annual pension cost of \$25,293 for the regular plan was equal to its employer's required and actual contributions.

**Three-Year Trend Information for the Fund**

<u>Fiscal Year Ending June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2010	\$ 25,293	100%	\$ -
2009	23,908	100%	-
2008	22,384	100%	-

As of June 30, 2010, the City's net pension obligation remains at \$0.

The required contribution for 2009 was determined as part of the December 31, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 to 10.0 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3.0 percent annually. The actuarial value of the City's Sheriff's Law Enforcement Personnel Plan assets was determined using techniques that spread the effects of short-term volatility in the market

value of investments over a five-year period with a 15 percent corridor between the actuarial and market value of assets. The employer Sheriff's Law Enforcement Personnel Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007, valuation was 28 years.

Funded Status and Funding Progress - As of December 31, 2009, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel Plan was 53.06 percent funded. The actuarial accrued liability for benefits was \$327,125 and the actuarial value of assets was \$173,574, resulting in an underfunded actuarial accrued (UAAL) of \$153,551. The covered payroll (annual payroll of active employees covered by the plan) was \$138,918 and the ratio of the UAAL to the covered payroll was 111 percent. In conjunction with the December 2009 actuarial valuation the market value of the investments was determined using techniques that spread the effects of short-term volatility in the market value of the investments over a five year period with a 20.0 percent corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### *Police Pension Plan*

The actuarial information presented below for the Police Pension Plan is provided by an actuarial report commissioned by the City and used for the City's funding of the plan. The actuarial amounts presented do not reflect the disclosures in the Police Pension Plan's separately issued report.

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. The Police Pension Plan issues a separate report containing audited financial statements, disclosures, and required supplementary information. Contact information for the Police Pension Fund is available at the Fund's website: <http://Champaignpolicepensionfund.org/index.html>.

At June 30, 2010 the Police Pension Plan membership consisted of:

Retirees and Beneficiaries currently receiving benefits and Terminated Employees entitled to benefits but not yet receiving them	103
Inactive Members	9
Current Employees:	
Vested	76
Non-Vested	45
Total Membership	<u>233</u>

*Plan Description* – 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 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent 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 percent of the original pension and 3 percent compounded annually thereafter.

*Funding Policy* – Covered employees are required to contribute 9.91 percent 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.

*Annual Pension Cost* – For the fiscal year ending June 30, 2010, the City contributed an amount in excess of the annual pension cost of \$2,674,007.

**Three-Year Trend Information for the Pension Plan**

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 2,674,007	126%	\$ (10,534,316)
2009	2,151,208	152%	(9,843,597)
2008	2,212,328	151%	(8,717,288)

The pension liability (asset) for the Police Pension Plan is as follows:

Annual Required Contribution (ARC)	\$ 2,674,007
Interest on the NPO	-
Adjustment to the ARC	-
Annual Pension Cost	<u>2,674,007</u>
Actual Contribution	<u>3,364,726</u>
Increase to the NPO	(690,719)
Beginning of Year NPO	(8,717,288)
Change in June 30, 2009 Estimate	<u>(1,126,309)</u>
End of Year NPO	<u><u>\$ (10,534,316)</u></u>

The required contribution for 2010 was determined as part of the July 1, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at July 1, 2009 included (a) 7.00 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, and (c) post-retirement benefit increases of 3.0 percent annually. The actuarial value of the Police Pension Plan's assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a four-year period. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the July 1, 2009 valuation was 24 years.

*Funded Status and Funding Progress* – As of July 1, 2009, the most recent actuarial valuation date, the Police Pension Plan was 63.1 percent funded. The actuarial accrued liability for benefits was \$83,415,642 and the actuarial value of assets was \$52,600,828 resulting in an underfunded actuarial accrued (UAAL) of \$30,814,814. The covered payroll (annual payroll of active employees covered by the plan) was \$8,249,582 and the ratio of the UAAL to the covered payroll was 373.53 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Firefighters' Pension Plan*

The Firefighters' Pension Plan is a single-employer defined benefit 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. The Firefighters' Pension Plan issues a separate report containing audited financial statements, disclosures, and required supplementary information, which may be obtained by writing to the City at 102 North Neil Street, Champaign, Illinois 61820.

At June 30, 2010 the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries currently receiving benefits and Terminated Employees entitled to benefits but not yet receiving them	81
Current Employees:	
Vested	61
Non-Vested	41
Total Membership	<u>183</u>

*Plan Description* – 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 salary attached to the rank at the date of retirement. The pension shall be increased by 1/12 of 2.5 percent of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75 percent 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 percent of the original pension and 3 percent compounded annually thereafter.

*Funding Policy* – Covered employees are required to contribute 9.455 percent 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.

*Annual Pension Cost* – For the fiscal year ending June 30, 2010, the City contributed an amount less than the annual pension cost of \$3,738,786.

**Three-Year Trend Information for the Regular Plan**

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 3,738,786	86%	\$ 1,732,740
2009	3,205,642	94%	1,196,569
2008	3,129,050	89%	988,799

The pension liability (asset) for the Firefighters’ Pension Plan is as follows:

Annual Required Contribution (ARC)	\$ 3,738,786
Interest on the NPO	-
Adjustment to the ARC	-
Annual Pension Cost	<u>3,738,786</u>
Actual Contribution	<u>3,202,615</u>
Increase to the NPO	536,171
Beginning of Year NPO	988,799
Change in June 30, 2009 Estimate	207,770
End of Year NPO	<u><u>\$ 1,732,740</u></u>

The required contribution for 2010 was determined as part of the July 1, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at July 1, 2009 included (a) 7.0 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent a year, attributable to inflation, (c) additional projected salary increases of 4.87 to 4.43 percent per year depending on service, and (d) post-retirement benefit increases of 3.0 percent annually. The actuarial value of the Firefighters’ Pension Plan’s assets was determined using techniques that spread the effects of short-term volatility in the market value of

investments over a four-year period. The Plan's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at the July 1, 2009 valuation was 10.5 years.

*Funded Status and Funding Progress* - As of July 1, 2009, the most recent actuarial valuation date, the Firefighters' Pension Plan was 73.5 percent funded. The actuarial accrued liability for benefits was \$70,880,310 and the actuarial value of assets was \$52,125,331 resulting in an underfunded actuarial accrued (UAAL) of \$18,754,979. The covered payroll (annual payroll of active employees covered by the plan) was \$7,196,912 and the ratio of the UAAL to the covered payroll was 260.6 percent.

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, 2009 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.

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

#### *Summary of Significant Accounting Policies and Plan Asset Matters – Police and Firefighters' Pension Plans*

##### ➤ 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.

##### ➤ Methods 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. Investments, if any, that do not have any established market are reported at estimated fair value.

➤ Significant Investments

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

Harbor International Fund	\$	3,892,513
American Funds EuroPacific Fund		3,810,114

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:

Met Life Group Annuity Contract	\$	9,817,565
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➤ Related-Party Transactions

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

**20. Other Post-Employment Benefit Plan**

*Plan Descriptions, Provisions, and Funding Policies*

In addition to providing the pension benefits described in other notes, 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 City's General Fund and the Champaign Public Library special revenue fund.

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 percent of their premium cost of the plan. Active employees do not contribute to the plan until retirement.

At June 30, 2010, membership for purposes of the actuarial liability calculation consisted of:

Retirees and Beneficiaries currently receiving benefits and Terminated Employees entitled to benefits but not yet receiving them	132
Active Employees	<u>511</u>
Total	<u><u>643</u></u>
 Participating Employers	 <u><u>1</u></u>

The City does not currently have a funding policy for the OPEB Plan.

The City had a full 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 OPEB cost for the fiscal year ended June 30, 2009. An interim update of that actuarial analysis was done for June 30, 2010 to determine the OPEB cost for fiscal year 2010.

**Three-Year Trend Information for the Plan**

Fiscal Year Ending June 30	Annual OPEB Cost	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 1,094,511	31%	\$ 1,538,969
2009	1,103,936	29%	788,396
2008	-	0%	-

The net OPEB obligation (NOPEBO) as of June 30, 2010 was calculated as follows:

Annual Required Contribution	\$ 1,103,936
Interest on the NOPEBO	39,419
Adjustment to the ARC	<u>(48,844)</u>
Annual OPEB Cost	1,094,511
Actual Contribution	<u>343,938</u>
Increase in the NOPEBO	750,573
NOPEBO - July 1, 2009	<u>788,396</u>
NOPEBO - June 30, 2010	<u><u>\$ 1,538,969</u></u>

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 multi-year 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, 2010, was as follows:

Actuarial Accrued Liability (AAL)	\$ 10,023,094
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 10,023,094
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll	\$ 32,024,139
Covered Payroll (Active Plan Members)	31%

## *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.

In the June 30, 2009 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 5.0 percent investment rate of return (including a 2.5 percent inflation assumption) and an annual healthcare cost trend rate of 9.0 percent with an ultimate rate of 5.0 percent 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 used for the June 30, 2009 valuation was 30 years.

### **21. Prior Period Adjustment**

Net assets of governmental activities at July 1, 2009 have been decreased by \$2,926,176 to correct an error in recording capital assets in fiscal year 2009 (\$2,870,178) and an error in recording depreciation in fiscal years prior to 2009 (\$55,998). Had the errors not been made, the change in net assets for the year ended June 30, 2009 would have been lower by \$2,870,178.

### **22. Adoption of GASB Standards**

The City will adopt GASB Statement 54 (*Fund Balance Reporting and Governmental Fund Type Definitions*) in fiscal year 2011. The City's management has not yet determined the impact of this new standard, if any, on the reported amount of fund balances as of June 30, 2010.

### **23. Discretely Presented Component Unit**

The following notes are provided for the City's component unit, Champaign Public Library Foundation:

#### **a. Nature of Organization**

The Champaign Public Library Foundation (the Foundation) is a nonprofit corporation organized under the laws of the State of Illinois to develop philanthropic support for the Champaign Public Library (the Library). The Foundation is

considered a component unit of the Library under the accounting standards followed by the Library; however, the Foundation is a separate legal entity. The Foundation's only program relates to the support of the operational and capital needs of the Library that lack adequate funding through the Library's available resources.

The Foundation's major sources of revenue and support are contributions from donors and investment income.

## **b. Summary of Significant Accounting Policies**

Following is a summary of the significant accounting policies of the Foundation:

1. The Foundation's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Net assets of the Foundation and changes therein are classified and reported as follows:
  - *Unrestricted Net Assets* – Net assets that are not subject to donor-imposed stipulations
  - *Temporarily Restricted Net Assets* – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Board of Directors and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
  - *Permanently Restricted Net Assets* – Net assets subject to donor-imposed stipulations that must be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned for general or specific purposes.
2. Cash and Cash Equivalents consists of deposits in checking accounts and money market accounts.
3. Investments are carried at fair market value based on quoted market prices in active markets. Unrealized gains and losses are included in the changes in net assets.
4. Contributed services are reported as contribution revenue and as assets or expenses only if the services create or enhance a non-financial asset (for example property and equipment) or:
  - Would typically need to be purchased by the Foundation if the services had not been provided by contribution

- Require specialized skills
  - Are provided by individuals with those skills
5. Pledges receivable consists of unconditional promises to give to the Foundation. The carrying amount of pledges receivable may be reduced by a valuation allowance based on management's assessment of the collectability of specific pledge balances.
  6. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.
  7. The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
  8. The financial statements for the year ended June 30, 2010 include no interest or penalties related to taxes. The Foundation's management is not aware of any tax position for which a significant change is reasonably possible within the next year. As of June 30, 2010, the federal and Illinois tax filings that fall within the applicable statutes of limitation remain open for review by tax authorities.
  9. The Foundation's management has reviewed subsequent events through October 22, 2010, which is the date the financial statements were available to be issued.
  10. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**c. Cash and Cash Equivalents**

Cash and Cash Equivalents at June 30, 2010 consists of the following:

Checking Accounts	\$ 8,708
Money Market Accounts	324,805
Total	\$ 333,513

At June 30, 2010, the Foundation's bank deposits total of \$16,700, which reconciled to the book balance of \$8,708, was held in one bank and was fully insured by federal deposit insurance. The Foundation's money market accounts are not insured.

**d. Investments**

Investments at June 30, 2010 consist of the following:

Certificates of Deposit	\$	227,958
U.S. Government Securities		141,917
Mutual Funds		116,134
Common Stocks		83,853
Private Equity Securities		28,239
Municipal Government Securities		26,588
Mortgage Backed Securities		17,816
Total	\$	<u>642,505</u>

Investment Income on the Statement of Activities consists of the following:

Interest Income	\$	22,874
Net Realized and Unrealized Gains and (Losses)		21,790
Dividends		4,653
Total	\$	<u>49,317</u>

**e. Pledges Receivable**

Pledges Receivable consists of the following at June 30, 2010:

Pledges Receivable:		
Current Portion	\$	165,011
Non-Current Portion - Receivable from 1 to 5 Years		18,950
Total	\$	<u>183,961</u>

All pledges receivable are considered collectible, thus no allowance for uncollectible pledges has been recorded. The Foundation has not discounted the non-current pledges as the estimated discount amount is immaterial.

**f. Unrestricted Net Assets**

Unrestricted Net Assets at June 30, 2010 consist of the following:

Board Designated:		
Library Material	\$	254,274
Endowment		236,189
Undesignated		101,148
Total	\$	<u>591,611</u>

**g. Temporarily Restricted Net Assets**

Temporarily restricted net assets at June 30, 2010 are available for the following purposes:

Library Building	\$	473,002
Art Fund		16,611
Grants		14,395
Books Today		12,990
Friends of the Library		8,592
Children's Programming		8,142
Trusts - Library Materials		14,581
Total	\$	<u>548,313</u>

**h. Permanently Restricted Net Assets**

Permanently restricted net assets at June 30, 2010 are held to generate income for the following purposes:

Trusts - Library Materials	\$	<u>20,000</u>
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**i. Endowments**

The Foundation has endowment funds established for the purpose of funding the acquisition of Library materials and to support Library programs. The endowments consist of donor-restricted funds as well as Board designated funds. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's management believes it is following the Uniform Prudent Management of Institutional Funds Act adopted by the State of Illinois, although the Foundation has not sought the opinion of legal counsel on the appropriateness of this assertion. As a result, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those assets are appropriated for expenditure by the Foundation. The Foundation has not yet developed a policy for the appropriation of endowment assets for expenditure.

The Foundation has adopted an investment policy, approved by the Board of Directors, for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of these endowment assets over the long-term. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return a percentage equivalent with nationally recognized indexes for each investment category. Actual returns in any given year may vary from this objective. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places an emphasis on equity-based investments and high quality fixed income securities to achieve its long-term return objectives within prudent risk parameters.

Endowment net asset composition by type of fund at June 30, 2010 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment</u>
Donor-Restricted	\$ -	\$ 14,581	\$ 20,000	\$ 34,581
Unrestricted - Board Designated	236,189	-	-	236,189
Total	<u>\$ 236,189</u>	<u>\$ 14,581</u>	<u>\$ 20,000</u>	<u>\$ 270,770</u>

Changes in endowment funds for the year ended June 30, 2010 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment</u>
Endowment Net Assets, Beginning of Year	\$ 190,932	\$ 14,764	\$ 20,000	\$ 225,696
Contributions	18,922	-	-	18,922
Interest and Dividends	6,159	829	-	6,988
Net Appreciation (Depreciation)	26,451	112	-	26,563
Expenditures	<u>(6,275)</u>	<u>(1,124)</u>	<u>-</u>	<u>(7,399)</u>
Endowment Net Assets, End of Year	<u>\$ 236,189</u>	<u>\$ 14,581</u>	<u>\$ 20,000</u>	<u>\$ 270,770</u>

**j. Fair Value Measurements**

The fair value of assets measured on a recurring basis at June 30, 2010 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment Securities	<u>\$ 642,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 642,505</u>

Level 1 – Fair value measurements are based on quoted market prices in active markets for identical assets.

Level 2 – Fair value measurements are based on significant other observable inputs.

Level 3 – Fair value measurements are based on significant unobservable inputs.

There were no changes in the valuation techniques used for measuring fair value during the year ended June 30, 2010.

**k. Related Party Transactions**

The Champaign Public Library provided donated services to the Foundation. Donated services consist of salaries of Library personnel assigned to perform management and fund raising services for the Foundation. For the year ended June 30, 2010, the amount contributed and included as in-kind revenues totaled \$87,428. An equivalent expense is included in the statement of activities with \$22,889 in “Management and General” and \$64,539 in “Fund Raising”.

Program Services expense for the year ended June 30, 2010 includes \$200,000 paid to the City of Champaign as reimbursement of the City’s funding for the new Library Building. One seat on the Library’s Board of Directors always comes from the membership of the City of Champaign’s City Council. The remaining \$85,519 of program expense was monetary support provided to the Library for materials and programs.

**l. Concentrations**

Contributions from one donor (not related to the Foundation) accounted for \$88,211 or approximately 23 percent of the total support and revenue for the year ended June 30, 2010.

**m. Commitments**

The Foundation has committed to reimburse a portion of the City of Champaign’s funding for the new Library building. The remaining commitment is \$400,000, which will be paid in \$200,000 installments over each of the next two fiscal years.

**n. Prior Period Adjustment**

Temporarily restricted net assets at July 1, 2009 have been increased by \$254,850 to correct an error in recording pledges receivable in fiscal year 2009 and prior years. Had the error not been made, the net change in temporarily restricted net assets for the year ended June 30, 2009 would have been lower by \$139,340.



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## **REQUIRED SUPPLEMENTARY INFORMATION**

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

1. Schedules of Funding Progress (Unaudited)
  - a. Illinois Municipal Retirement Fund – Excluding Township Employees
  - b. Illinois Municipal Retirement Fund – Township Employees
  - c. Sheriff's Law Enforcement Personnel Fund
  - d. Police Pension Fund
  - e. Firefighters' Pension Fund
  - f. Other Post-Employment Benefit Plan
2. Schedules of Employer Contributions (Unaudited)
  - a. Police Pension Fund
  - b. Firefighters' Pension Fund

Required Supplementary Information

SCHEDULES OF FUNDING PROGRESS  
(Unaudited)

**Illinois Municipal Retirement Fund – Excluding Township Employees**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/2009	\$ 47,938,228	\$ 58,804,407	\$ 10,866,179	81.52%	\$ 19,585,787	55.48%
12/31/2008	46,210,515	55,331,407	9,120,892	83.52%	18,714,929	48.74%
12/31/2007	52,819,788	52,191,925	(627,863)	101.20%	17,718,913	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2009 was \$46,510,738.

On a market basis, the funded ratio would be 79.09 percent.

**Illinois Municipal Retirement Fund – Township Employees**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/2009	\$ 682,395	\$ 843,103	\$ 160,708	80.94%	\$ 303,691	52.92%
12/31/2008	799,602	825,378	25,776	96.88%	302,768	8.51%
12/31/2007	839,930	743,744	(96,186)	112.93%	314,402	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2009 was \$651,328.

On a market basis, the funded ratio would be 77.25 percent.

**Sheriff's Law Enforcement Personnel Fund**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/2009	\$ 173,574	\$ 327,125	\$ 153,551	53.06%	\$ 138,918	110.53%
12/31/2008	137,028	271,568	134,540	50.46%	131,330	102.44%
12/31/2007	104,938	229,653	124,715	45.69%	123,959	100.61%

On a market value basis, the actuarial value of assets as of December 31, 2009 was \$170,260.

On a market basis, the funded ratio would be 52.05 percent.

### Police Pension Fund

The actuarial information presented below for the Police Pension Plan is provided by an actuarial report commissioned by the City and used for the City's funding of the plan. The actuarial amounts presented do not reflect the disclosures in the Police Pension Plan's separately issued report.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
6/30/2009	\$ 52,600,828	\$ 83,415,642	\$ 30,814,814	63.06%	\$ 8,249,582	373.53%
6/30/2008	55,488,801	80,079,990	24,591,189	69.29%	8,033,356	306.11%
6/30/2007	56,633,283	74,952,610	18,319,327	75.56%	7,192,078	254.72%
6/30/2006	49,925,449	71,985,672	22,060,223	69.35%	7,273,004	303.32%
6/30/2005	47,255,035	68,707,507	21,452,472	68.78%	6,930,658	309.53%
6/30/2004	43,799,293	63,062,374	19,263,081	69.45%	6,619,831	290.99%

### Firefighters' Pension Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
6/30/2009	\$ 52,125,331	\$ 70,880,310	\$ 18,754,979	73.54%	\$ 7,196,912	260.60%
6/30/2008	50,393,274	67,687,588	17,294,314	74.45%	6,623,914	261.09%
6/30/2007	47,396,949	64,364,423	16,967,474	73.64%	6,489,359	261.47%
6/30/2006	44,065,639	61,773,778	17,708,139	71.33%	5,744,071	308.29%
6/30/2005	42,396,338	60,173,637	17,777,299	70.46%	5,338,139	333.02%
6/30/2004	41,279,474	54,712,535	13,433,061	75.45%	5,011,170	268.06%

### Other Post-Employment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
6/30/2010	\$ -	\$ 10,023,094	\$ 10,023,094	0.00%	\$ 32,024,139	31.30%
6/30/2009	-	9,348,610	9,348,610	0.00%	30,941,198	30.21%
6/30/2008	*					

\* - The City has prospectively adopted GASB 45, thus information for this period is not available.

Required Supplementary Information

SCHEDULES OF EMPLOYER CONTRIBUTIONS  
(Unaudited)

**Police Pension Fund**

The actuarial information presented below for the Police Pension Plan is provided by an actuarial report commissioned by the City and used for the City's funding of the plan. The actuarial amounts presented do not reflect the disclosures in the Police Pension Plan's separately issued report.

Fiscal Year Ended June 30,	Employer Contributions	Annual Required Contributions	Percent Contributed
2010	\$ 3,364,726	\$ 2,674,007	125.83%
2009	3,277,517	2,267,217	144.56%
2008	3,336,381	2,324,722	143.52%
2007	3,169,450	2,247,474	141.02%
2006	2,925,758	2,014,502	145.23%
2005	2,688,175	2,423,054	110.94%

**Firefighters' Pension Fund**

Fiscal Year Ended June 30,	Employer Contributions	Annual Required Contributions	Percent Contributed
2010	\$ 3,202,615	\$ 3,738,786	85.66%
2009	2,997,872	3,264,497	91.83%
2008	2,798,657	3,163,746	88.46%
2007	2,417,120	2,827,252	85.49%
2006	1,903,310	2,716,144	70.07%
2005	1,481,439	2,306,764	64.22%

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial schedules not required by the GASB, but are presented for purposes of additional analysis.

Such schedules include:

- Combining Schedules – Non-Major Governmental Funds
- Budgetary Comparison Schedules – Non-Major Special Revenue Funds and Capital Improvement Funds
- Budgetary Comparison Schedules – Major Debt Service Fund and Capital Improvement Funds
- Budgetary Comparison Schedules – General Fund Detail Revenues and Expenditures
- Combining Schedules – Internal Service Funds
- Budgetary Comparison Schedules – Internal Service Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Combining Schedules – Pension Trust Funds
- Budgetary Comparison Schedules – Pension Trust Funds

**OTHER SUPPLEMENTARY INFORMATION –  
NON-MAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

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

**NON-MAJOR SPECIAL REVENUE FUNDS**

**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 non-major 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 non-major fund.

**Urban Renewal Fund**

The Urban Renewal Fund is used to account for a portion of 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 non-major 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 non-major 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 City for capital improvement projects, grants for businesses and other revitalization activities aimed at reducing or eliminating blighted conditions. The Downtown TIF Fund is a non-major fund.

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

The East University Avenue TIF Fund is used to account for incremental property tax revenues from properties located in the East University Avenue area. Established in 1986, the City's second Tax Increment Financing District's 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 non-major 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 non-major fund.

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

The Foreign Fire Insurance Tax Fund is used to account for the revenues 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 non-major 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 non-major fund.

### **ARRA Grant Fund**

The ARRA Grant Fund is used to account for the revenues of the Community Development Block Grant received from stimulus funding provided by the American Recovery and Revitalization Act. Similar to the Community Development Fund, 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 ARRA Grant Fund is a non-major fund.

## **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.

### **NON-MAJOR CAPITAL PROJECTS FUNDS**

#### **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 non-major 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 non-major fund.

#### **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 non-major fund.

## CITY OF CHAMPAIGN, ILLINOIS

## Combining Balance Sheet

## Non-Major Governmental Funds

June 30, 2010

	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 11,119,026	\$ 9,561,302	\$ 20,680,328
Receivables - Net of Allowances:			
Property Taxes	1,293,095	216,417	1,509,512
Accrued Interest	9,087	8,259	17,346
Prepaid Expenses	1,445	-	1,445
Due from Other Funds	113,514	-	113,514
Other	267,978	-	267,978
	<u>12,804,145</u>	<u>9,785,978</u>	<u>22,590,123</u>
Total Assets	<u>\$ 12,804,145</u>	<u>\$ 9,785,978</u>	<u>\$ 22,590,123</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts Payable	\$ 179,378	\$ 36,962	\$ 216,340
Retainage Payable	18,399	-	18,399
Accrued Payroll	28,125	-	28,125
Due to Other Funds	113,514	-	113,514
Deferred Revenue	1,293,095	217,169	1,510,264
Total Liabilities	<u>1,632,511</u>	<u>254,131</u>	<u>1,886,642</u>
Fund Balance:			
Reserved for Tax Levy Expenditures	341,504	-	341,504
Unreserved - Special Revenue	10,830,130	-	10,830,130
Unreserved - Capital Projects	-	9,531,847	9,531,847
Total Fund Balances	<u>11,171,634</u>	<u>9,531,847</u>	<u>20,703,481</u>
Total Liabilities and Fund Balances	<u>\$ 12,804,145</u>	<u>\$ 9,785,978</u>	<u>\$ 22,590,123</u>

## CITY OF CHAMPAIGN, ILLINOIS

## Combining Balance Sheet

## Non-Major Special Revenue Funds

June 30, 2010

	Community Development	Motor Fuel Tax	Urban Renewal	Town of the City of Champaign	Downtown TIF	East University Avenue TIF	Urban Development Action Grant	Foreign Fire Insurance Tax	Narcotics Forfeitures	ARRA Grant	Total Non- Major Special Revenue Funds
<b>ASSETS</b>											
Cash and Investments	\$ 197,171	\$ 3,750,659	\$ 2,289,198	\$ 554,680	\$ 1,100,487	\$ 1,701,202	\$ 1,094,630	\$ 202,400	\$ 228,599	\$ -	\$ 11,119,026
Receivables - Net of Allowances:											
Property Taxes	-	-	-	294,412	613,448	385,235	-	-	-	-	1,293,095
Accrued Interest	-	3,364	2,103	-	869	1,465	879	195	212	-	9,087
Prepaid Expense	1,445	-	-	-	-	-	-	-	-	-	1,445
Due from Other Funds	113,514	-	-	-	-	-	-	-	-	-	113,514
Other	-	149,270	68,247	10,993	-	-	200	-	39,268	-	267,978
<b>Total Assets</b>	<b>\$ 312,130</b>	<b>\$ 3,903,293</b>	<b>\$ 2,359,548</b>	<b>\$ 860,085</b>	<b>\$ 1,714,804</b>	<b>\$ 2,087,902</b>	<b>\$ 1,095,709</b>	<b>\$ 202,595</b>	<b>\$ 268,079</b>	<b>\$ -</b>	<b>\$ 12,804,145</b>
<b>LIABILITIES AND FUND BALANCES</b>											
Liabilities:											
Accounts Payable	\$ 44,025	\$ 56,415	\$ 42,279	\$ 1,903	\$ 4,410	\$ -	\$ 10,841	\$ 11,321	\$ 3,492	\$ 4,692	\$ 179,378
Retainage Payable	-	17,592	807	-	-	-	-	-	-	-	18,399
Accrued Payroll	9,700	-	-	18,425	-	-	-	-	-	-	28,125
Due to Other Funds	-	-	-	-	-	-	-	-	-	113,514	113,514
Deferred Revenue	-	-	-	294,412	613,448	385,235	-	-	-	-	1,293,095
<b>Total Liabilities</b>	<b>53,725</b>	<b>74,007</b>	<b>43,086</b>	<b>314,740</b>	<b>617,858</b>	<b>385,235</b>	<b>10,841</b>	<b>11,321</b>	<b>3,492</b>	<b>118,206</b>	<b>1,632,511</b>
Fund Balances:											
Reserved for Tax Levy Expenditures	-	-	-	341,504	-	-	-	-	-	-	341,504
Unreserved	258,405	3,829,286	2,316,462	203,841	1,096,946	1,702,667	1,084,868	191,274	264,587	(118,206)	10,830,130
<b>Total Fund Balances</b>	<b>258,405</b>	<b>3,829,286</b>	<b>2,316,462</b>	<b>545,345</b>	<b>1,096,946</b>	<b>1,702,667</b>	<b>1,084,868</b>	<b>191,274</b>	<b>264,587</b>	<b>(118,206)</b>	<b>11,171,634</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 312,130</b>	<b>\$ 3,903,293</b>	<b>\$ 2,359,548</b>	<b>\$ 860,085</b>	<b>\$ 1,714,804</b>	<b>\$ 2,087,902</b>	<b>\$ 1,095,709</b>	<b>\$ 202,595</b>	<b>\$ 268,079</b>	<b>\$ -</b>	<b>\$ 12,804,145</b>

## CITY OF CHAMPAIGN, ILLINOIS

## Combining Balance Sheet

## Non-Major Capital Projects Funds

June 30, 2010

	Vehicle Replacement	Library Improvement	Equipment Replacement	Total Non-Major Capital Projects Funds
<b>ASSETS</b>				
Cash and Investments	\$ 4,307,789	\$ 743,340	\$ 4,510,173	\$ 9,561,302
Receivables - Net of Allowances:				
Property Taxes	-	216,417	-	216,417
Accrued Interest	3,750	624	3,885	8,259
Total Assets	<u>\$ 4,311,539</u>	<u>\$ 960,381</u>	<u>\$ 4,514,058</u>	<u>\$ 9,785,978</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 35,257	\$ -	\$ 1,705	\$ 36,962
Deferred Revenue	-	217,169	-	217,169
Total Liabilities	<u>35,257</u>	<u>217,169</u>	<u>1,705</u>	<u>254,131</u>
Fund Balances:				
Unreserved	<u>4,276,282</u>	<u>743,212</u>	<u>4,512,353</u>	<u>9,531,847</u>
Total Liabilities and Fund Balances	<u>\$ 4,311,539</u>	<u>\$ 960,381</u>	<u>\$ 4,514,058</u>	<u>\$ 9,785,978</u>



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## CITY OF CHAMPAIGN, ILLINOIS

## Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

## Non-Major Governmental Funds

For the Year Ended June 30, 2010

	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
<b>Revenues</b>			
Taxes	\$ 5,543,025	\$ 430,794	\$ 5,973,819
Intergovernmental	4,707,770	-	4,707,770
Fines and Forfeitures	182,325	-	182,325
Refunds and Reimbursements	151,839	-	151,839
Interest	218,856	196,123	414,979
Miscellaneous	32,173	200,000	232,173
Total Revenues	<u>10,835,988</u>	<u>826,917</u>	<u>11,662,905</u>
<b>Expenditures</b>			
Current:			
General Government	501,901	-	501,901
Public Safety	262,801	-	262,801
Public Works	284,038	442,449	726,487
Public Health and Welfare	2,790,496	-	2,790,496
Culture and Recreation	-	339	339
Capital Outlay	3,926,811	774,458	4,701,269
Total Expenditures	<u>7,766,047</u>	<u>1,217,246</u>	<u>8,983,293</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>3,069,941</u>	<u>(390,329)</u>	<u>2,679,612</u>
<b>Other Financing Sources (Uses)</b>			
Disposal of Capital Assets	-	87,810	87,810
Transfers In	358,319	2,214,490	2,572,809
Transfers Out	(804,816)	(503,557)	(1,308,373)
Total Other Financing Sources (Uses)	<u>(446,497)</u>	<u>1,798,743</u>	<u>1,352,246</u>
<b>Net Change in Fund Balances</b>	2,623,444	1,408,414	4,031,858
<b>Fund Balances, Beginning of Year</b>	<u>8,548,190</u>	<u>8,123,433</u>	<u>16,671,623</u>
<b>Fund Balances, End of Year</b>	<u>\$ 11,171,634</u>	<u>\$ 9,531,847</u>	<u>\$ 20,703,481</u>

CITY OF CHAMPAIGN, ILLINOIS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Special Revenue Funds

For the Year Ended June 30, 2010

	Community Development	Motor Fuel Tax	Urban Renewal	Town of the City of Champaign
<b>Revenues</b>				
Taxes	\$ -	\$ 1,937,243	\$ 845,558	\$ 600,184
Intergovernmental	970,375	3,016,100	-	-
Fines and Forfeitures	-	-	-	-
Refunds and Reimbursements	14,549	4,713	1,202	26,315
Interest	1,082	104,298	41,243	560
Miscellaneous	13,384	-	-	1,677
Total Revenues	<u>999,390</u>	<u>5,062,354</u>	<u>888,003</u>	<u>628,736</u>
<b>Expenditures</b>				
Current:				
General Government	-	-	-	501,901
Public Safety	-	-	-	-
Public Works	-	284,038	-	-
Public Health and Welfare	854,077	-	128,377	58,031
Capital Outlay	-	1,631,038	376,182	-
Total Expenditures	<u>854,077</u>	<u>1,915,076</u>	<u>504,559</u>	<u>559,932</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>145,313</u>	<u>3,147,278</u>	<u>383,444</u>	<u>68,804</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	108,319	250,000	-	-
Transfers Out	(2,548)	-	(343,614)	-
Total Other Financing Sources (Uses)	<u>105,771</u>	<u>250,000</u>	<u>(343,614)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	251,084	3,397,278	39,830	68,804
<b>Fund Balances, Beginning of Year</b>	<u>7,321</u>	<u>432,008</u>	<u>2,276,632</u>	<u>476,541</u>
<b>Fund Balances, End of Year</b>	<u>\$ 258,405</u>	<u>\$ 3,829,286</u>	<u>\$ 2,316,462</u>	<u>\$ 545,345</u>

Downtown TIF	East University Avenue TIF	Urban Development Action Grant	Foreign Fire Insurance Tax	Narcotics Forfeitures	ARRA Grant	Total Non-Major Special Revenue Funds
\$ 1,272,931	\$ 769,592	\$ -	\$ 117,517	\$ -	\$ -	\$ 5,543,025
-	-	717,023	-	-	4,272	4,707,770
-	-	-	-	182,325	-	182,325
45,060	-	60,000	-	-	-	151,839
25,775	17,289	17,871	4,910	5,828	-	218,856
-	-	17,112	-	-	-	32,173
<u>1,343,766</u>	<u>786,881</u>	<u>812,006</u>	<u>122,427</u>	<u>188,153</u>	<u>4,272</u>	<u>10,835,988</u>
-	-	-	-	-	-	501,901
-	-	-	122,657	140,144	-	262,801
-	-	-	-	-	-	284,038
691,167	153,376	807,563	-	-	97,905	2,790,496
17,708	1,901,429	-	427	-	27	3,926,811
<u>708,875</u>	<u>2,054,805</u>	<u>807,563</u>	<u>123,084</u>	<u>140,144</u>	<u>97,932</u>	<u>7,766,047</u>
<u>634,891</u>	<u>(1,267,924)</u>	<u>4,443</u>	<u>(657)</u>	<u>48,009</u>	<u>(93,660)</u>	<u>3,069,941</u>
-	-	-	-	-	-	358,319
(328,102)	(35,000)	(63,973)	-	(7,033)	(24,546)	(804,816)
<u>(328,102)</u>	<u>(35,000)</u>	<u>(63,973)</u>	<u>-</u>	<u>(7,033)</u>	<u>(24,546)</u>	<u>(446,497)</u>
306,789	(1,302,924)	(59,530)	(657)	40,976	(118,206)	2,623,444
<u>790,157</u>	<u>3,005,591</u>	<u>1,144,398</u>	<u>191,931</u>	<u>223,611</u>	<u>-</u>	<u>8,548,190</u>
<u>\$ 1,096,946</u>	<u>\$ 1,702,667</u>	<u>\$ 1,084,868</u>	<u>\$ 191,274</u>	<u>\$ 264,587</u>	<u>\$ (118,206)</u>	<u>\$ 11,171,634</u>

## CITY OF CHAMPAIGN, ILLINOIS

## Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

## Non-Major Capital Projects Funds

For the Year Ended June 30, 2010

	Vehicle Replacement	Library Improvement	Equipment Replacement	Total Non-Major Capital Projects Projects Funds
<b>Revenues</b>				
Taxes	\$ -	\$ 430,794	\$ -	\$ 430,794
Refunds and Reimbursements	-	-	-	-
Interest	88,302	11,999	95,822	196,123
Miscellaneous	-	200,000	-	200,000
Total Revenues	<u>88,302</u>	<u>642,793</u>	<u>95,822</u>	<u>826,917</u>
<b>Expenditures</b>				
Current:				
Public Works	442,449	-	-	442,449
Culture and Recreation	-	339	-	339
Capital Outlay	469,454	11,997	293,007	774,458
Total Expenditures	<u>911,903</u>	<u>12,336</u>	<u>293,007</u>	<u>1,217,246</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(823,601)</u>	<u>630,457</u>	<u>(197,185)</u>	<u>(390,329)</u>
<b>Other Financing Sources (Uses)</b>				
Disposal of Capital Assets	87,810	-	-	87,810
Transfers In	1,132,857	-	1,081,633	2,214,490
Transfers Out	(19,800)	(439,213)	(44,544)	(503,557)
Total Other Financing Sources (Uses)	<u>1,200,867</u>	<u>(439,213)</u>	<u>1,037,089</u>	<u>1,798,743</u>
<b>Net Change in Fund Balances</b>	377,266	191,244	839,904	1,408,414
<b>Fund Balances, Beginning of Year</b>	<u>3,899,016</u>	<u>551,968</u>	<u>3,672,449</u>	<u>8,123,433</u>
<b>Fund Balances, End of Year</b>	<u>\$ 4,276,282</u>	<u>\$ 743,212</u>	<u>\$ 4,512,353</u>	<u>\$ 9,531,847</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## Community Development - Special Revenue Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Intergovernmental	\$ 960,043	\$ 1,289,062	\$ 970,375
Refunds and Reimbursements	25,000	25,000	14,549
Interest	1,000	-	1,082
Miscellaneous	19,500	19,500	13,384
Total Revenues	<u>1,005,543</u>	<u>1,333,562</u>	<u>999,390</u>
<b>Expenditures</b>			
Public Health and Welfare:			
Personnel Services	503,282	448,539	443,243
Contractual Services	532,319	706,916	403,331
Commodities	9,310	10,060	7,503
Capital Outlay	-	-	-
Total Expenditures	<u>1,044,911</u>	<u>1,165,515</u>	<u>854,077</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(39,368)</u>	<u>168,047</u>	<u>145,313</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	37,302	139,092	108,319
Transfers Out	(4,731)	(207,349)	(2,548)
Total Other Financing Sources (Uses)	<u>32,571</u>	<u>(68,257)</u>	<u>105,771</u>
<b>Net Change in Fund Balance</b>	<u>\$ (6,797)</u>	<u>\$ 99,790</u>	251,084
<b>Fund Balance, Beginning of Year</b>			<u>7,321</u>
<b>Fund Balance, End of Year</b>			<u>\$ 258,405</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## Motor Fuel Tax - Special Revenue Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 1,979,180	\$ 1,882,760	\$ 1,937,243
Intergovernmental	-	3,016,100	3,016,100
Refunds and Reimbursements	-	4,713	4,713
Interest	(10,153)	38,182	104,298
Total Revenues	<u>1,969,027</u>	<u>4,941,755</u>	<u>5,062,354</u>
<b>Expenditures</b>			
Public Works:			
Contractual Services	349,436	567,800	284,038
Capital Outlay	<u>1,752,048</u>	<u>3,005,132</u>	<u>1,631,038</u>
Total Expenditures	<u>2,101,484</u>	<u>3,572,932</u>	<u>1,915,076</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(132,457)</u>	<u>1,368,823</u>	<u>3,147,278</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	250,000	250,000	250,000
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ 117,543</u>	<u>\$ 1,618,823</u>	3,397,278
<b>Fund Balance, Beginning of Year</b>			<u>432,008</u>
<b>Fund Balance, End of Year</b>			<u>\$ 3,829,286</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## Urban Renewal - Special Revenue Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Utility Taxes	\$ 963,113	\$ 870,519	\$ 845,558
Refunds and Reimbursements	-	-	1,202
Interest	16,877	11,295	41,243
Total Revenues	<u>979,990</u>	<u>881,814</u>	<u>888,003</u>
<b>Expenditures</b>			
Public Health and Welfare:			
Contractual Services	257,185	702,880	115,441
Commodities	8,450	19,848	12,936
Capital Outlay	553,208	1,423,000	376,182
Total Expenditures	<u>818,843</u>	<u>2,145,728</u>	<u>504,559</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	161,147	(1,263,914)	383,444
<b>Other Financing Sources (Uses)</b>			
Transfers Out	<u>(408,255)</u>	<u>(381,185)</u>	<u>(343,614)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (247,108)</u>	<u>\$ (1,645,099)</u>	39,830
<b>Fund Balance, Beginning of Year</b>			<u>2,276,632</u>
<b>Fund Balance, End of Year</b>			<u>\$ 2,316,462</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

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

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes:			
Property Taxes	\$ 518,574	\$ 518,795	\$ 527,165
Other Taxes	72,828	72,828	73,019
Refunds and Reimbursements	25,000	25,000	26,315
Interest	500	-	560
Miscellaneous	1,226	1,000	1,677
Total Revenues	<u>618,128</u>	<u>617,623</u>	<u>628,736</u>
<b>Expenditures</b>			
General Government:			
Personnel Services	452,831	395,539	394,334
Commodities	18,000	12,650	3,513
Contractual Services	87,908	142,462	104,054
Public Health and Welfare:			
Contractual Services	115,500	125,000	58,031
Total Expenditures	<u>674,239</u>	<u>675,651</u>	<u>559,932</u>
<b>Net Change in Fund Balance</b>	<u>\$ (56,111)</u>	<u>\$ (58,028)</u>	68,804
<b>Fund Balance, Beginning of Year</b>			<u>476,541</u>
<b>Fund Balance, End of Year</b>			<u>\$ 545,345</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## Downtown TIF - Special Revenue Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Property Taxes	\$ 1,550,808	\$ 1,445,782	\$ 1,272,931
Refunds and Reimbursements	-	-	45,060
Interest	9,769	12,628	25,775
Total Revenues	<u>1,560,577</u>	<u>1,458,410</u>	<u>1,343,766</u>
<b>Expenditures</b>			
Public Health and Welfare:			
Contractual Services	1,363,881	1,432,956	691,167
Capital Outlay	112,500	70,000	17,708
Total Expenditures	<u>1,476,381</u>	<u>1,502,956</u>	<u>708,875</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	84,196	(44,546)	634,891
<b>Other Financing Sources (Uses)</b>			
Transfers Out	<u>(328,102)</u>	<u>(328,102)</u>	<u>(328,102)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (243,906)</u>	<u>\$ (372,648)</u>	306,789
<b>Fund Balance, Beginning of Year</b>			<u>790,157</u>
<b>Fund Balance, End of Year</b>			<u>\$ 1,096,946</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## East University Avenue TIF - Special Revenue Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes:			
Property Taxes	\$ 733,944	\$ 782,344	\$ 769,592
Interest	13,765	18,124	17,289
Total Revenues	<u>747,709</u>	<u>800,468</u>	<u>786,881</u>
<b>Expenditures</b>			
Public Health and Welfare:			
Contractual Services	372,910	469,649	153,376
Commodities	618	100	-
Capital Outlay	2,210,077	2,094,016	1,901,429
Total Expenditures	<u>2,583,605</u>	<u>2,563,765</u>	<u>2,054,805</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,835,896)</u>	<u>(1,763,297)</u>	<u>(1,267,924)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	-	-
Transfers Out	(35,000)	(35,000)	(35,000)
Total Other Financing Sources (Uses)	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,870,896)</u>	<u>\$ (1,798,297)</u>	(1,302,924)
<b>Fund Balance, Beginning of Year</b>			<u>3,005,591</u>
<b>Fund Balance, End of Year</b>			<u>\$ 1,702,667</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## Urban Development Action Grant - Special Revenue Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Intergovernmental Grants	\$ 381,721	\$ 1,126,170	\$ 717,023
Refunds and Reimbursements	15,000	75,000	60,000
Interest	16,534	27,318	17,871
Miscellaneous	14,525	14,525	17,112
Total Revenues	<u>427,780</u>	<u>1,243,013</u>	<u>812,006</u>
<b>Expenditures</b>			
Public Health and Welfare:			
Contractual Services	<u>1,565,427</u>	<u>1,069,263</u>	<u>807,563</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,137,647)</u>	<u>173,750</u>	<u>4,443</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	-	-
Transfers Out	<u>(36,302)</u>	<u>(36,302)</u>	<u>(63,973)</u>
Total Other Financing Sources (Uses)	<u>(36,302)</u>	<u>(36,302)</u>	<u>(63,973)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,173,949)</u>	<u>\$ 137,448</u>	<u>(59,530)</u>
<b>Fund Balance, Beginning of Year</b>			<u>1,144,398</u>
<b>Fund Balance, End of Year</b>			<u>\$ 1,084,868</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## Foreign Fire Insurance Tax - Special Revenue Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Foreign Fire Insurance Tax	\$ 103,000	\$ 117,517	\$ 117,517
Interest	4,500	4,500	4,910
Total Revenues	<u>107,500</u>	<u>122,017</u>	<u>122,427</u>
<b>Expenditures</b>			
Public Safety:			
Commodities	68,610	110,969	110,479
Contractual Services	16,400	16,400	12,178
Capital Outlay	8,000	8,000	427
Total Expenditures	<u>93,010</u>	<u>135,369</u>	<u>123,084</u>
<b>Net Change in Fund Balance</b>	<u>\$ 14,490</u>	<u>\$ (13,352)</u>	(657)
<b>Fund Balance, Beginning of Year</b>			<u>191,931</u>
<b>Fund Balance, End of Year</b>			<u>\$ 191,274</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## Narcotics Forfeitures - Special Revenue Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Drug Forfeitures	\$ 150,000	\$ 172,000	\$ 182,325
Interest	7,000	7,000	5,828
Total Revenues	<u>157,000</u>	<u>179,000</u>	<u>188,153</u>
<b>Expenditures</b>			
Public Safety:			
Commodities	42,840	61,055	46,159
Contractual Services	129,370	115,627	93,985
Total Expenditures	<u>172,210</u>	<u>176,682</u>	<u>140,144</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(15,210)	2,318	48,009
<b>Other Financing Sources (Uses)</b>			
Transfers Out	<u>(15,675)</u>	<u>(7,033)</u>	<u>(7,033)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (30,885)</u>	<u>\$ (4,715)</u>	40,976
<b>Fund Balance, Beginning of Year</b>			<u>223,611</u>
<b>Fund Balance, End of Year</b>			<u>\$ 264,587</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## ARRA Grant - Special Revenue Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 162,070	4,272
Total Revenues	<u>-</u>	<u>162,070</u>	<u>4,272</u>
<b>Expenditures</b>			
Public Health and Welfare:			
Contractual Services	-	147,616	97,905
Capital Outlay	-	139,265	27
Total Expenditures	<u>-</u>	<u>286,881</u>	<u>97,932</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(124,811)</u>	<u>(93,660)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	204,801	-
Transfers Out	-	(79,990)	(24,546)
Total Other Financing Sources (Uses)	<u>-</u>	<u>124,811</u>	<u>(24,546)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(118,206)</u>
<b>Fund Balance, Beginning of Year</b>			<u>-</u>
<b>Fund Balance, End of Year</b>			<u>\$ (118,206)</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## Vehicle Replacement - Capital Projects Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Interest	\$ 100,000	\$ 95,000	\$ 88,302
<b>Expenditures</b>			
Public Works:			
Contractual Services	25,817	20,712	442,449
Capital Outlay	1,711,525	1,421,525	469,454
Total Expenditures	1,737,342	1,442,237	911,903
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(1,637,342)	(1,347,237)	(823,601)
<b>Other Financing Sources (Uses)</b>			
Disposal of Capital Assets	113,000	113,000	87,810
Transfers In	1,238,836	1,177,010	1,132,857
Transfers Out	-	(19,800)	(19,800)
Total Other Financing Sources (Uses)	1,351,836	1,270,210	1,200,867
<b>Net Change in Fund Balance</b>	\$ (285,506)	\$ (77,027)	377,266
<b>Fund Balance, Beginning of Year</b>			3,899,016
<b>Fund Balance, End of Year</b>			\$ 4,276,282

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## Library Improvement - Capital Projects Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Property Taxes	\$ 439,213	\$ 431,156	\$ 430,794
Interest	11,301	10,714	11,999
Miscellaneous	200,000	200,000	200,000
Total Revenues	<u>650,514</u>	<u>641,870</u>	<u>642,793</u>
<b>Expenditures</b>			
Culture and Recreation:			
Contractual Services	-	-	339
Capital Outlay	-	33,854	11,997
Total Expenditures	<u>-</u>	<u>33,854</u>	<u>12,336</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	650,514	608,016	630,457
<b>Other Financing (Uses)</b>			
Transfers Out	<u>(439,213)</u>	<u>(439,213)</u>	<u>(439,213)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 211,301</u>	<u>\$ 168,803</u>	191,244
<b>Fund Balance, Beginning of Year</b>			<u>551,968</u>
<b>Fund Balance, End of Year</b>			<u>\$ 743,212</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## Equipment Replacement - Capital Projects Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Interest	\$ 60,000	\$ 93,000	\$ 95,822
<b>Expenditures</b>			
Public Works:			
Contractual Services	12,000	-	-
Capital Outlay	4,142,335	711,315	293,007
Total Expenditures	4,154,335	711,315	293,007
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(4,094,335)</u>	<u>(618,315)</u>	<u>(197,185)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	1,052,423	1,081,633	1,081,633
Transfers Out	-	-	(44,544)
Total Other Financing Sources (Uses)	<u>1,052,423</u>	<u>1,081,633</u>	<u>1,037,089</u>
<b>Net Change in Fund Balance</b>	<u>\$ (3,041,912)</u>	<u>\$ 463,318</u>	839,904
<b>Fund Balance, Beginning of Year</b>			<u>3,672,449</u>
<b>Fund Balance, End of Year</b>			<u>\$ 4,512,353</u>

**OTHER SUPPLEMENTARY INFORMATION –  
MAJOR GOVERNMENTAL FUNDS**

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## Debt Service Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Interest	\$ 43,330	\$ 68,560	\$ 86,404
<b>Expenditures</b>			
Debt Service:			
Principal Retirement	2,530,000	2,780,000	2,780,000
Interest and Fiscal Charges	1,636,210	1,602,022	1,590,498
Issuance Costs	-	272,082	260,100
Total Expenditures	4,166,210	4,654,104	4,630,598
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(4,122,880)</u>	<u>(4,585,544)</u>	<u>(4,544,194)</u>
<b>Other Financing Sources (Uses)</b>			
Debt Issuance	-	25,620,000	25,620,000
Transfers In	4,754,387	4,990,175	4,105,000
Transfers Out	-	(11,241,924)	(8,315,938)
Total Other Financing Sources (Uses)	4,754,387	19,368,251	21,409,062
<b>Net Change in Fund Balance</b>	<u>\$ 631,507</u>	<u>\$ 14,782,707</u>	16,864,868
<b>Fund Balance, Beginning of Year</b>			<u>4,266,108</u>
<b>Fund Balance, End of Year</b>			<u>\$ 21,130,976</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual

## Stormwater Management - Capital Projects Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Property Taxes	\$ 1,269,381	\$ 1,280,863	\$ 1,279,490
Intergovernmental	3,900,000	-	-
Refunds and Reimbursements	51,500	7,238	84,886
Interest	251,810	18,306	46,166
Miscellaneous	120,000	120,000	14,250
Total Revenues	<u>5,592,691</u>	<u>1,426,407</u>	<u>1,424,792</u>
<b>Expenditures</b>			
Public Works:			
Contractual Services	2,634,716	3,332,756	2,417,083
Commodities	5,000	5,000	2,682
Capital Outlay	10,808,107	11,325,695	9,604,617
Total Expenditures	<u>13,447,823</u>	<u>14,663,451</u>	<u>12,024,382</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(7,855,132)</u>	<u>(13,237,044)</u>	<u>(10,599,590)</u>
<b>Other Financing Sources (Uses)</b>			
Debt Issuance	20,525,000	-	-
Transfers In	3,522,055	13,984,286	11,072,557
Transfers Out	(2,158,266)	(2,289,472)	(1,330,727)
Total Other Financing Sources (Uses)	<u>21,888,789</u>	<u>11,694,814</u>	<u>9,741,830</u>
<b>Net Change in Fund Balance</b>	<u>\$ 14,033,657</u>	<u>\$ (1,542,230)</u>	<u>(857,760)</u>
<b>Fund Balance, Beginning of Year</b>			<u>2,307,010</u>
<b>Fund Balance, End of Year</b>			<u>\$ 1,449,250</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
Budget and Actual

## Capital Improvements - Capital Projects Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Property Taxes	\$ 898,278	\$ 906,403	\$ 921,537
Intergovernmental	120,000	119,950	93,148
Refunds and Reimbursements	2,653,919	5,401,834	2,326,642
Interest	89,207	63,957	139,669
Total Revenues	<u>3,761,404</u>	<u>6,492,144</u>	<u>3,480,996</u>
<b>Expenditures</b>			
Public Works:			
Contractual Services	2,377,774	4,214,514	1,732,289
Commodities	209,781	169,971	79,092
Capital Outlay	6,143,979	13,666,076	7,448,996
Total Expenditures	<u>8,731,534</u>	<u>18,050,561</u>	<u>9,260,377</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(4,970,130)</u>	<u>(11,558,417)</u>	<u>(5,779,381)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	4,391,661	4,934,185	4,934,003
Transfers Out	(156,475)	(153,681)	(153,681)
Total Other Financing Sources (Uses)	<u>4,235,186</u>	<u>4,780,504</u>	<u>4,780,322</u>
<b>Net Change in Fund Balance</b>	<u>\$ (734,944)</u>	<u>\$ (6,777,913)</u>	(999,059)
<b>Fund Balance, Beginning of Year</b>			<u>7,451,096</u>
<b>Fund Balance, End of Year</b>			<u>\$ 6,452,037</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues-  
Budget and Actual

## General Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property Taxes	\$ 11,365,415	\$ 11,144,983	\$ 11,130,304
Sales Taxes	30,500,426	28,864,731	29,154,241
Income Taxes	7,642,260	7,021,885	6,593,639
Utility Taxes	2,568,300	2,321,381	2,255,131
Telecommunications Taxes	2,736,423	2,789,036	2,716,397
Hotel/Motel Taxes	1,534,279	1,424,993	1,425,198
Other Taxes	129,500	608,693	583,666
Total Taxes	<u>56,476,603</u>	<u>54,175,702</u>	<u>53,858,576</u>
<b>Intergovernmental</b>			
Public Safety Grants	72,829	271,023	246,338
Other Grants	29,800	65,392	36,691
Total Intergovernmental	<u>102,629</u>	<u>336,415</u>	<u>283,029</u>
<b>Licenses, Permits, and Fees</b>			
Licenses and Permits	1,301,820	1,043,401	1,102,522
Public Safety Service Fees	636,000	679,000	641,913
Total Licenses, Permits, and Fees	<u>1,937,820</u>	<u>1,722,401</u>	<u>1,744,435</u>
<b>Charges for Services</b>	<u>762,600</u>	<u>987,100</u>	<u>1,074,553</u>
<b>Fines and Forfeitures</b>	<u>1,248,192</u>	<u>1,149,810</u>	<u>1,186,485</u>
<b>Refunds and Reimbursements</b>	<u>2,793,982</u>	<u>3,014,020</u>	<u>554,429</u>
<b>Interest</b>	<u>300,000</u>	<u>286,000</u>	<u>120,540</u>
<b>Miscellaneous</b>	<u>634,100</u>	<u>81,033</u>	<u>78,987</u>
<b>Total Revenues</b>	<u>\$ 64,255,926</u>	<u>\$ 61,752,481</u>	<u>\$ 58,901,034</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Expenditures-  
Budget and Actual

## General Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>General Government</b>			
Mayor and Council	\$ 200,443	\$ 196,767	\$ 188,536
City Manager's Office	2,603,907	2,707,401	2,426,363
Legal	1,038,822	964,822	935,976
Finance	2,470,680	877,926	1,761,941
Human Resources	986,389	1,029,415	909,478
Risk Management	2,186,740	2,187,740	2,187,740
Planning	1,074,260	1,063,731	1,059,008
Neighborhood Services	997,570	983,853	914,257
Information Technologies	2,426,480	2,187,993	1,568,116
Total General Government	<u>13,985,291</u>	<u>12,199,648</u>	<u>11,951,415</u>
<b>Public Safety</b>			
Police	18,286,305	18,268,736	18,043,011
Fire	14,337,439	14,353,873	14,556,711
Emergency Services Disaster Agency	47,386	51,395	37,974
Total Public Safety	<u>32,671,130</u>	<u>32,674,004</u>	<u>32,637,696</u>
<b>Public Works</b>	<u>9,043,316</u>	<u>8,473,886</u>	<u>6,518,329</u>
<b>Public Health and Welfare</b>	<u>352,874</u>	<u>491,672</u>	<u>419,399</u>
<b>Total Expenditures</b>	<u>\$ 56,052,611</u>	<u>\$ 53,839,210</u>	<u>\$ 51,526,839</u>

**OTHER SUPPLEMENTARY INFORMATION –  
INTERNAL SERVICE FUNDS**

**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 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 other departments of the City on a cost-reimbursement basis. The Fleet Services Fund is a non-major fund.

**Retained Risk Fund**

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

**Workers Compensation Fund**

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

## CITY OF CHAMPAIGN, ILLINOIS

## Combining Schedule of Net Assets

## Internal Service Funds

June 30, 2010

	<u>Fleet Services</u>	<u>Retained Risk</u>	<u>Workers'</u> <u>Compensation</u>	<u>Totals</u>
<b>Assets</b>				
Current Assets:				
Cash and Investments	\$ -	\$ 2,469,730	\$ 910,716	\$ 3,380,446
Receivables - Net of Allowances:				
Accounts	-	6,336	1,749	8,085
Accrued Interest	57	2,049	551	2,657
Inventory	137,955	-	-	137,955
Prepays	-	283,400	66,646	350,046
Total Current Assets	<u>138,012</u>	<u>2,761,515</u>	<u>979,662</u>	<u>3,879,189</u>
Non-Current Assets:				
Capital Assets:				
Depreciable Capital Assets	9,385,668	-	-	9,385,668
Accumulated Depreciation	<u>(7,236,233)</u>	<u>-</u>	<u>-</u>	<u>(7,236,233)</u>
Total Non-Current Assets	<u>2,149,435</u>	<u>-</u>	<u>-</u>	<u>2,149,435</u>
Total Assets	<u>2,287,447</u>	<u>2,761,515</u>	<u>979,662</u>	<u>6,028,624</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable	33,519	-	17,802	51,321
Accrued Payroll	11,520	-	-	11,520
Due to Other Fund	15,427	-	-	15,427
Claims Payable	-	408,265	1,609,210	2,017,475
Compensated Absences Payable	<u>12,699</u>	<u>-</u>	<u>-</u>	<u>12,699</u>
Total Current Liabilities	<u>73,165</u>	<u>408,265</u>	<u>1,627,012</u>	<u>2,108,442</u>
Non-Current Liabilities:				
Compensated Absences Payable	<u>76,576</u>	<u>-</u>	<u>-</u>	<u>76,576</u>
Total Liabilities	<u>149,741</u>	<u>408,265</u>	<u>1,627,012</u>	<u>2,185,018</u>
<b>Net Assets</b>				
Invested in Capital Assets	2,149,435	-	-	2,149,435
Unrestricted	<u>(11,729)</u>	<u>2,353,250</u>	<u>(647,350)</u>	<u>1,694,171</u>
Total Net Assets	<u>\$ 2,137,706</u>	<u>\$ 2,353,250</u>	<u>\$ (647,350)</u>	<u>\$ 3,843,606</u>

## CITY OF CHAMPAIGN, ILLINOIS

## Combining Schedule of Revenues, Expenses, and Changes in Net Assets

## Internal Service Funds

For the Year Ended June 30, 2010

	Fleet Services	Retained Risk	Workers' Compensation	Totals
<b>Operating Revenues</b>				
Charges for Services	\$ 1,661,444	\$ 824,229	\$ 1,654,868	\$ 4,140,541
<b>Operating Expenses</b>				
Personnel Services	510,219	-	-	510,219
Contractual Services	171,022	(701,102)	(647,400)	(1,177,480)
Commodities	635,305	-	250	635,555
Depreciation	680,430	-	-	680,430
Total Operating Expenses	<u>1,996,976</u>	<u>(701,102)</u>	<u>(647,150)</u>	<u>648,724</u>
Operating Income (Loss)	<u>(335,532)</u>	<u>1,525,331</u>	<u>2,302,018</u>	<u>3,491,817</u>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Income	(375)	51,754	18,539	69,918
Refunds and Reimbursements	2,793	115,251	247,839	365,883
Miscellaneous Income	9,043	-	-	9,043
Disposal of Capital Assets	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>11,461</u>	<u>167,005</u>	<u>266,378</u>	<u>444,844</u>
Income (Loss) Before Transfers	<u>(324,071)</u>	<u>1,692,336</u>	<u>2,568,396</u>	<u>3,936,661</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	-	-
Transfers Out	(238,536)	(63,762)	(321,021)	(623,319)
Total Other Financing Sources (Uses)	<u>(238,536)</u>	<u>(63,762)</u>	<u>(321,021)</u>	<u>(623,319)</u>
<b>Change in Net Assets</b>	(562,607)	1,628,574	2,247,375	3,313,342
<b>Net Assets, Beginning of Year</b>	<u>2,700,313</u>	<u>724,676</u>	<u>(2,894,725)</u>	<u>530,264</u>
<b>Net Assets, End of Year</b>	<u>\$ 2,137,706</u>	<u>\$ 2,353,250</u>	<u>\$ (647,350)</u>	<u>\$ 3,843,606</u>

## CITY OF CHAMPAIGN, ILLINOIS

## Combining Schedule of Cash Flows

## Internal Service Funds

For the Year Ended June 30, 2010

	Fleet Services	Retained Risk	Workers' Compensation	Totals
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers and Users	\$ 1,670,734	\$ 824,254	\$ 1,654,868	\$ 4,149,856
Payments to Employees	(518,509)	-	-	(518,509)
Payments to Suppliers	(823,671)	(547,161)	(968,583)	(2,339,415)
Net Cash Provided by Operating Activities	<u>328,554</u>	<u>277,093</u>	<u>686,285</u>	<u>1,291,932</u>
<b>Cash Flows from Non-Capital Financing Activities</b>				
Advances from Other Fund	15,427	-	-	15,427
Transfers Out	(238,536)	(63,762)	(321,021)	(623,319)
Net Cash Used in Non-Capital Financing Activities	<u>(223,109)</u>	<u>(63,762)</u>	<u>(321,021)</u>	<u>(607,892)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchase of Capital Assets	(397,527)	-	-	(397,527)
<b>Cash Flows from Investing Activities</b>				
Interest Received	250	53,641	18,339	72,230
<b>Net Change in Cash and Cash Equivalents</b>	(291,832)	266,972	383,603	358,743
<b>Cash and Cash Equivalents, Beginning of Year</b>	291,832	2,202,758	527,113	3,021,703
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ -</u>	<u>\$ 2,469,730</u>	<u>\$ 910,716</u>	<u>\$ 3,380,446</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>				
Operating Income (Loss)	\$ (335,532)	\$ 1,525,331	\$ 2,302,018	\$ 3,491,817
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Depreciation Expense	680,430	-	-	680,430
Other Income	11,836	115,251	247,839	374,926
(Increase) Decrease in Assets	(24,549)	(14,871)	-	(39,420)
Increase (Decrease) in Liabilities	(3,631)	(1,348,618)	(1,863,572)	(3,215,821)
Net Cash Provided by Operating Activities	<u>\$ 328,554</u>	<u>\$ 277,093</u>	<u>\$ 686,285</u>	<u>\$ 1,291,932</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenses, and Changes in Net Assets -  
Budget and Actual

## Fleet Services - Internal Service Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Operating Revenues</b>			
Charges for Services	\$ 1,462,271	\$ 1,369,488	\$ 1,661,444
<b>Operating Expenses</b>			
Personnel Services	528,830	516,436	510,219
Contractual Services	165,944	203,096	171,022
Commodities	689,837	666,954	635,305
Capital Outlay	76,835	-	-
Depreciation	-	-	680,430
Total Operating Expenses	1,461,446	1,386,486	1,996,976
Operating Income (Loss)	825	(16,998)	(335,532)
<b>Non-Operating Revenues (Expenses)</b>			
Interest Income	3,000	4,000	(375)
Refunds and Reimbursements	1,000	3,470	2,793
Miscellaneous Income	7,500	7,500	9,043
Disposal of Capital Assets	-	-	-
Total Non-Operating Revenues (Expenses)	11,500	14,970	11,461
Income (Loss) Before Transfers	12,325	(2,028)	(324,071)
<b>Other Financing Sources (Uses)</b>			
Transfers In	-	-	-
Transfers Out	(239,053)	(238,536)	(238,536)
Total Other Financing Sources (Uses)	(239,053)	(238,536)	(238,536)
<b>Change in Net Assets</b>	\$ (226,728)	\$ (240,564)	(562,607)
<b>Net Assets, Beginning of Year</b>			2,700,313
<b>Net Assets, End of Year</b>			\$ 2,137,706

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenses, and Changes in Net Assets -  
Budget and Actual

## Retained Risk - Internal Service Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Operating Revenues</b>			
Charges for Services	\$ 820,060	\$ 824,230	\$ 824,229
<b>Operating Expenses</b>			
Contractual Services	<u>1,002,771</u>	<u>1,015,234</u>	<u>(701,102)</u>
Operating Income (Loss)	<u>(182,711)</u>	<u>(191,004)</u>	<u>1,525,331</u>
<b>Non-Operating Revenues (Expenses)</b>			
Interest Income	48,331	48,331	51,754
Refunds and Reimbursements	<u>138,550</u>	<u>138,550</u>	<u>115,251</u>
Total Non-Operating Revenues (Expenses)	<u>186,881</u>	<u>186,881</u>	<u>167,005</u>
Income (Loss) Before Transfers	4,170	(4,123)	1,692,336
<b>Other Financing Sources (Uses)</b>			
Transfers Out	<u>(107,413)</u>	<u>(107,915)</u>	<u>(63,762)</u>
<b>Changes in Net Assets</b>	<u>\$ (103,243)</u>	<u>\$ (112,038)</u>	1,628,574
<b>Net Assets, Beginning of Year</b>			<u>724,676</u>
<b>Net Assets, End of Year</b>			<u>\$ 2,353,250</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenses, and Changes in Net Assets -  
Budget and Actual

## Workers Compensation - Internal Service Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Operating Revenues</b>			
Charges for Services	\$ 1,654,868	\$ 1,654,868	\$ 1,654,868
<b>Operating Expenses</b>			
Contractual Services	1,482,433	1,482,433	(647,400)
Commodities	5,150	5,150	250
Total Operating Expenses	1,487,583	1,487,583	(647,150)
Operating Income (Loss)	167,285	167,285	2,302,018
<b>Non-Operating Revenues (Expenses)</b>			
Refunds and Reimbursements	273,042	273,042	247,839
Interest Income	7,619	7,619	18,539
Total Non-Operating Revenues (Expenses)	280,661	280,661	266,378
Income (Loss) Before Transfers	447,946	447,946	2,568,396
<b>Other Financing Sources (Uses)</b>			
Transfers Out	(354,696)	(355,867)	(321,021)
<b>Change in Net Assets</b>	\$ 93,250	\$ 92,079	2,247,375
<b>Net Assets, Beginning of Year</b>			(2,894,725)
<b>Net Assets, End of Year</b>			\$ (647,350)

**OTHER SUPPLEMENTARY INFORMATION –  
MAJOR PROPRIETARY FUNDS**

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenses, and Changes in Net Assets -  
Budget and Actual

## Parking - Enterprise Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Operating Revenues</b>			
Charges for Services:			
Parking Fees	\$ 3,558,526	\$ 2,822,355	\$ 2,879,411
<b>Operating Expenses</b>			
Personnel Services	903,370	923,820	940,053
Contractual Services	821,961	1,250,086	477,549
Commodities	162,940	65,382	53,897
Capital Outlay	127,275	462,376	-
Depreciation and Amortization	22,156	22,156	478,182
Total Operating Expenses	2,037,702	2,723,820	1,949,681
Operating Income (Loss)	1,520,824	98,535	929,730
<b>Non-Operating Revenues (Expenses)</b>			
Refunds and Reimbursements	-	-	-
Interest Income	88,828	59,724	106,615
Interest Expense	(532,463)	(532,463)	(532,463)
Disposal of Capital Assets	-	-	-
Total Non-Operating Revenues (Expenses)	(443,635)	(472,739)	(425,848)
Income (Loss) Before Transfers	1,077,189	(374,204)	503,882
<b>Other Financing Sources (Uses)</b>			
Transfers In	200,000	200,000	244,544
Transfers Out	(749,527)	(745,876)	(745,876)
Total Other Financing Sources (Uses)	(549,527)	(545,876)	(501,332)
<b>Change in Net Assets</b>	\$ 527,662	\$ (920,080)	2,550
<b>Net Assets, Beginning of Year</b>			11,593,974
<b>Net Assets, End of Year</b>			\$ 11,596,524

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenses, and Changes in Net Assets -  
Budget and Actual

## Sewer - Enterprise Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Operating Revenues</b>			
Charges for Services:			
Sewer Charges	\$ 2,078,509	\$ 1,961,775	\$ 1,844,940
<b>Operating Expenses</b>			
Personnel Services	757,616	727,093	681,881
Contractual Services	1,079,276	989,204	571,930
Commodities	168,222	106,387	73,774
Capital Outlay	2,074,735	1,106,149	17,451
Depreciation	-	-	639,949
Total Operating Expenses	4,079,849	2,928,833	1,984,985
Operating Income (Loss)	(2,001,340)	(967,058)	(140,045)
<b>Non-Operating Revenues (Expenses)</b>			
Intergovernmental	1,400,000	-	-
Interest Income	-	-	-
Refunds and Reimbursements	112,427	-	198,544
Interest Expense	(8,247)	(8,468)	(16,842)
Disposal of Capital Assets	-	-	(5,916)
Total Non-Operating Revenues (Expenses)	1,504,180	(8,468)	175,786
Income (Loss) Before Transfers	(497,160)	(975,526)	35,741
<b>Other Financing Sources (Uses)</b>			
Transfers In	639,644	663,087	582,011
Transfers Out	(386,561)	(391,751)	(391,751)
Total Other Financing Sources (Uses)	253,083	271,336	190,260
<b>Change in Net Assets</b>	\$ (244,077)	\$ (704,190)	226,001
<b>Net Assets, Beginning of Year</b>			35,566,335
<b>Net Assets, End of Year</b>			\$ 35,792,336

**OTHER SUPPLEMENTARY INFORMATION –  
NON-MAJOR PROPRIETARY FUND**

**NON-MAJOR ENTERPRISE FUND**

**Environmental Services Fund**

The Environmental Services Fund is used to account for the revenues and expenses related to the City's multi-family recycling program.

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues, Expenses, and Changes in Net Assets -  
Budget and Actual

## Environmental Services - Enterprise Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Operating Revenues</b>			
Charges for Services	\$ -	\$ -	\$ -
<b>Operating Expenses</b>			
Personnel Services	-	22,605	14,959
Contractual Services	-	29,280	1,651
Commodities	-	4,000	4,192
Total Operating Expenses	-	55,885	20,802
Operating Income (Loss)	-	(55,885)	(20,802)
<b>Non-Operating Revenues (Expenses)</b>			
Interest Expense	-	-	(503)
Income (Loss) Before Transfers	-	(55,885)	(21,305)
<b>Other Financing Sources (Uses)</b>			
Transfers Out	-	(21,710)	(21,710)
<b>Change in Net Assets</b>	\$ -	\$ (77,595)	(43,015)
<b>Net Assets, Beginning of Year</b>			-
<b>Net Assets, End of Year</b>			\$ (43,015)

**OTHER SUPPLEMENTARY INFORMATION –  
FIDUCIARY FUNDS**

**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  
Combining Schedule of Net Plan Assets

Pension Trust Funds

June 30, 2010

	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 56,329	\$ 34,882	\$ 91,211
Investments:			
U.S. Government and Agency Securities	30,181,571	30,391,061	60,572,632
State and Local Obligations	658,125	-	658,125
Mutual Funds	13,899,687	9,587,293	23,486,980
Insurance Company Contracts	-	9,817,565	9,817,565
Common Stock	12,841,835	1,178,921	14,020,756
Receivables:	-		
Accrued Interest	264,870	-	264,870
Contributions from Plan Members	24,235	-	24,235
Prepays	12,975	-	12,975
Total Assets	57,939,627	51,009,722	108,949,349
<b>LIABILITIES</b>			
Accounts Payable	37,963	6,922	44,885
<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.)	\$ 57,901,664	\$ 51,002,800	\$ 108,904,464

## CITY OF CHAMPAIGN, ILLINOIS

## Combining Schedule of Changes in Net Plan Assets

## Pension Trust Funds

For the Year Ended June 30, 2010

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - Employer	\$ 3,364,726	\$ 3,202,615	\$ 6,567,341
Contributions - Plan Members	825,996	667,230	1,493,226
Total Contributions	<u>4,190,722</u>	<u>3,869,845</u>	<u>8,060,567</u>
Investment Income:			
Interest Earned	1,762,653	667,674	2,430,327
Net Change in Fair Value	3,789,232	4,589,166	8,378,398
Total Investment Income	<u>5,551,885</u>	<u>5,256,840</u>	<u>10,808,725</u>
Less: Investment Expenses	<u>(239,788)</u>	<u>(99,109)</u>	<u>(338,897)</u>
Net Investment Income	<u>5,312,097</u>	<u>5,157,731</u>	<u>10,469,828</u>
Total Additions	<u>9,502,819</u>	<u>9,027,576</u>	<u>18,530,395</u>
<b>Deductions</b>			
Administrative Expenses	116,314	9,096	125,410
Benefits and Refunds	4,085,669	3,507,982	7,593,651
Total Deductions	<u>4,201,983</u>	<u>3,517,078</u>	<u>7,719,061</u>
<b>Change in Net Assets</b>	5,300,836	5,510,498	10,811,334
<b>Net Plan Assets, Beginning of Year</b>	<u>52,600,828</u>	<u>45,492,302</u>	<u>98,093,130</u>
<b>Net Plan Assets, End of Year</b>	<u>\$ 57,901,664</u>	<u>\$ 51,002,800</u>	<u>\$ 108,904,464</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Changes in Net Plan Assets -  
Budget and Actual

## Police Pension - Pension Trust Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - Employer	\$ 3,243,483	\$ 3,243,483	\$ 3,364,726
Contributions - Plan Members	-	-	825,996
Total Contributions	<u>3,243,483</u>	<u>3,243,483</u>	<u>4,190,722</u>
Investment income:			
Interest Earned	-	-	1,762,653
Net Change in Fair Value	-	-	3,789,232
Total Investment Income	-	-	5,551,885
Less: Investment Expenses	-	-	(239,788)
Net Investment Income	<u>-</u>	<u>-</u>	<u>5,312,097</u>
Total Additions	<u>3,243,483</u>	<u>3,243,483</u>	<u>9,502,819</u>
<b>Deductions</b>			
Administrative Expenses	-	-	116,314
Benefits and Refunds	3,243,483	3,243,483	4,085,669
Total Deductions	<u>3,243,483</u>	<u>3,243,483</u>	<u>4,201,983</u>
<b>Change in Net Assets</b>	<u>\$ -</u>	<u>\$ -</u>	5,300,836
<b>Net Plan Assets, Beginning of Year</b>			<u>52,600,828</u>
<b>Net Plan Assets, End of Year</b>			<u>\$ 57,901,664</u>

## CITY OF CHAMPAIGN, ILLINOIS

Schedule of Changes in Net Plan Assets -  
Budget and Actual

## Firefighters' Pension - Pension Trust Fund

For the Year Ended June 30, 2010

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - Employer	\$ 3,197,529	\$ 3,198,061	\$ 3,202,615
Contributions - Plan Members	730,000	730,000	667,230
Total Contributions	<u>3,927,529</u>	<u>3,928,061</u>	<u>3,869,845</u>
Investment Income:			
Interest Earned	450,000	663,000	667,674
Net Change in Fair Value	1,000,000	3,993,000	4,589,166
Total Investment Income	<u>1,450,000</u>	<u>4,656,000</u>	<u>5,256,840</u>
Less: Investment Expenses	<u>(141,755)</u>	<u>(141,755)</u>	<u>(99,109)</u>
Net Investment Income	<u>1,308,245</u>	<u>4,514,245</u>	<u>5,157,731</u>
Total Additions	<u>5,235,774</u>	<u>8,442,306</u>	<u>9,027,576</u>
<b>Deductions</b>			
Administrative Expenses	8,575	8,925	9,096
Benefits and Refunds	3,917,474	3,517,474	3,507,982
Total Deductions	<u>3,926,049</u>	<u>3,526,399</u>	<u>3,517,078</u>
<b>Change in Net Assets</b>	<u>\$ 1,309,725</u>	<u>\$ 4,915,907</u>	5,510,498
<b>Net Plan Assets, Beginning of Year</b>			<u>45,492,302</u>
<b>Net Plan Assets, End of Year</b>			<u>\$ 51,002,800</u>

**STATISTICAL SECTION**  
**(Unaudited)**

This part of the City of Champaign, Illinois' 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 City's overall financial health.

**Financial Trend Schedules - Schedule 38 through Schedule 41**

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 Schedules - Schedule 42 through Schedule 47**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

**Debt Capacity Schedules - Schedule 48 through Schedule 51**

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

**Demographic and Economic Information Schedules - Schedule 52 and Schedule 53**

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 Schedules - Schedule 54 through Schedule 57**

These schedules contain service and infrastructure information 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.

*Sources – Unless otherwise noted on the Schedules, the information in these Schedules is derived from the comprehensive annual financial reports for relevant years.*

## CITY OF CHAMPAIGN, ILLINOIS

Net Assets by Component  
Last Ten Fiscal Years  
(Unaudited)

## Accrual Basis of Accounting

	2001	2002	2003	2004	2005	2006	2007	Restated 2008	Restated 2009	2010
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt				\$ 60,144,896	\$ 62,593,414	\$ 287,896,301	\$ 301,573,900	\$ 306,786,895	\$ 315,565,419	\$ 314,850,738
Restricted				23,383,380	20,254,221	26,241,714	28,357,405	33,290,768	34,068,087	37,896,845
Unrestricted				8,589,909	17,577,206	20,778,318	20,976,283	22,308,092	17,725,715	18,697,531
Total Governmental Activities, Net Assets				<u>\$ 92,118,185</u>	<u>\$ 100,424,841</u>	<u>\$ 334,916,333</u>	<u>\$ 350,907,588</u>	<u>\$ 362,385,755</u>	<u>\$ 367,359,221</u>	<u>\$ 371,445,114</u>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt				\$ 14,468,346	\$ 16,488,071	\$ 40,740,067	\$ 41,323,953	\$ 46,156,247	\$ 42,266,662	\$ 42,201,436
Restricted				-	-	-	-	-	-	-
Unrestricted				105,429	886,566	1,693,698	2,262,863	122,127	4,893,647	5,144,409
Total Business-Type Activities, Net Assets				<u>\$ 14,573,775</u>	<u>\$ 17,374,637</u>	<u>\$ 42,433,765</u>	<u>\$ 43,586,816</u>	<u>\$ 46,278,374</u>	<u>\$ 47,160,309</u>	<u>\$ 47,345,845</u>
<b>Primary Government</b>										
Invested in Capital Assets, Net of Related Debt				\$ 74,613,242	\$ 79,081,485	\$ 328,636,368	\$ 342,897,853	\$ 352,943,142	\$ 357,832,081	\$ 357,052,174
Restricted				23,383,380	20,254,221	26,241,714	28,357,405	33,290,768	34,068,087	37,896,845
Unrestricted				8,695,338	18,463,772	22,472,016	23,239,146	22,430,219	22,619,362	23,841,940
Total Primary Government, Net Assets				<u>\$ 106,691,960</u>	<u>\$ 117,799,478</u>	<u>\$ 377,350,098</u>	<u>\$ 394,494,404</u>	<u>\$ 408,664,129</u>	<u>\$ 414,519,530</u>	<u>\$ 418,790,959</u>

CITY OF CHAMPAIGN, ILLINOIS

Changes in Net Assets  
Last Ten Fiscal Years  
(Unaudited)

Accrual Basis of Accounting

	2001	2002	2003	2004	2005	2006	2007	Restated 2008	Restated 2009	2010
<b>Expenses</b>										
Governmental Activities:										
General Government				\$ 10,383,475	\$ 10,117,659	\$ 26,643,673	\$ 26,967,534	\$ 27,470,878	\$ 28,374,127	\$ 25,053,945
Public Safety				23,129,316	25,816,784	27,953,689	28,928,846	30,859,387	32,445,764	33,518,572
Public Works		INFORMATION PRIOR TO		8,414,214	10,669,018	14,043,056	13,377,570	15,182,509	14,608,311	12,375,110
Public Health and Welfare		2004 IS NOT AVAILABLE		3,523,211	2,764,797	3,218,608	3,286,854	3,455,929	3,570,883	3,116,510
Culture and Recreation				4,728,193	6,107,887	5,393,791	5,720,914	6,977,674	8,727,487	8,100,600
Interest on Long-Term Debt				804,180	989,594	2,002,350	1,978,522	2,003,464	1,997,004	1,937,398
Total Governmental Activities				50,982,589	56,465,739	79,255,167	80,260,240	85,949,841	89,723,576	84,102,135
Business-Type Activities:										
Parking				1,682,435	1,169,294	1,228,843	1,346,506	1,237,600	2,052,596	2,482,144
Sewer				1,358,037	1,491,549	1,643,878	2,022,687	2,334,841	2,069,803	2,007,743
Environmental Services				-	-	-	-	-	-	21,305
Total Business-Type Activities				3,040,472	2,660,843	2,872,721	3,369,193	3,572,441	4,122,399	4,511,192
Total Primary Government Expenses				54,023,061	59,126,582	82,127,888	83,629,433	89,522,282	93,845,975	88,613,327
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government				2,932,363	3,338,242	4,217,665	5,001,025	4,647,907	5,359,733	2,989,633
Public Safety				1,602,429	1,656,062	1,891,465	1,862,730	1,789,122	1,795,972	2,010,723
Public Works				104,828	505,228	1,719,611	1,130,618	1,316,934	145,364	2,615,881
Public Health and Welfare				176,928	281,720	98,435	187,411	30,213	40,708	147,126
Culture and Recreation				218,478	291,708	216,909	225,647	238,350	301,117	307,097
Operating Grants and Contributions				2,071,630	2,353,369	2,707,652	1,825,637	1,349,429	1,106,851	2,382,305
Capital Grants and Contributions				122,503	312,836	139,200	12,171,448	12,530,729	13,301,529	6,521,242
Total Governmental Activities				7,229,159	8,739,165	10,990,937	22,404,516	21,902,684	22,051,274	16,974,007
Business-Type Activities:										
Charges for Services:										
Parking				2,414,318	2,520,077	2,605,048	2,359,053	2,523,646	2,935,263	2,879,411
Sewer				1,820,751	1,950,699	2,233,306	2,232,610	2,256,737	1,613,004	2,043,484
Operating Grants and Contributions				-	563,563	-	689,566	-	-	-
Capital Grants and Contributions				-	-	-	-	1,688,811	447,420	-
Total Business-Type Activities				4,235,069	5,034,339	4,838,354	5,281,229	6,469,194	4,995,687	4,922,895
Total Primary Government Program Revenues				11,464,228	13,773,504	15,829,291	27,685,745	28,371,878	27,046,961	21,896,902
<b>Net (Expense) Revenue</b>										
Governmental Activities				(43,753,430)	(47,726,574)	(68,264,230)	(57,855,724)	(64,047,157)	(67,672,302)	(67,128,128)
Business-Type Activities				1,194,597	2,373,496	1,965,633	1,912,036	2,896,753	873,288	411,703
Total Primary Government Net (Expense) Revenue				(42,558,833)	(45,353,078)	(66,298,597)	(55,943,688)	(61,150,404)	(66,799,014)	(66,716,425)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Taxes:										
Property Taxes				12,792,348	14,513,612	16,135,528	18,382,602	20,056,963	21,895,060	22,897,278
Sales Taxes				24,058,568	26,345,124	29,282,829	30,058,556	30,742,138	29,642,446	29,154,241
Utility Taxes				2,569,596	2,909,424	3,328,903	3,121,319	3,208,575	3,291,675	3,100,689
Telecommunications Taxes				1,652,517	2,289,458	2,762,936	2,721,309	2,729,475	2,776,705	2,716,397
Motor Fuel Taxes				1,992,811	2,001,675	2,004,147	2,071,621	2,138,538	1,980,616	1,937,243
Hotel/Motel Taxes				962,236	1,035,297	1,045,992	1,185,373	1,403,567	1,452,562	1,425,198
Food and Beverage Taxes				853,654	920,500	994,347	1,028,984	1,090,962	1,098,374	606,686
Other Taxes				311,993	361,834	335,118	308,132	333,768	366,221	848,583
Intergovernmental:										
Income Taxes				4,639,846	5,588,823	6,240,629	7,151,328	8,161,593	7,262,288	6,593,639
Interest Income				424,264	521,468	1,692,504	2,896,269	2,486,470	1,541,276	960,673
Miscellaneous				1,551,125	1,330,981	1,090,705	2,423,231	2,679,118	1,068,426	640,612
Internal Activity - Transfers				515,887	634,843	826,891	658,418	494,157	270,119	332,782
Total Governmental Activities				52,324,845	58,453,039	65,740,529	72,007,142	75,525,324	72,645,768	71,214,021
Business-Type Activities:										
Taxes:										
Property Taxes				595,754	643,333	300,174	(212,534)	-	-	-
Interest Income				39,366	28,459	41,156	111,967	288,962	315,410	106,615
Miscellaneous				-	390,417	-	-	-	(36,644)	-
Internal Activity - Transfers				(515,887)	(634,843)	(826,891)	(658,418)	(494,157)	(270,119)	(332,782)
Total Business-Type Activities				119,233	427,366	(485,561)	(758,985)	(205,195)	8,647	(226,167)
Total Primary Government General Revenues and Other Changes in Net Assets				52,444,078	58,880,405	65,254,968	71,248,157	75,320,129	72,654,415	70,987,854
<b>Change in Net Assets</b>										
Governmental Activities				8,571,415	10,726,465	(2,523,701)	14,151,418	11,478,167	4,973,466	4,085,893
Business-Type Activities				1,313,830	2,800,862	1,480,072	1,153,051	2,691,558	881,935	185,536
Total Change in Net Assets				\$ 9,885,245	\$ 13,527,327	\$ (1,043,629)	\$ 15,304,469	\$ 14,169,725	\$ 5,855,401	\$ 4,271,429

CITY OF CHAMPAIGN, ILLINOIS

Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Unaudited)

Modified Accrual Basis of Accounting

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund										
Reserved	\$ 802,477	\$ 710,019	\$ 914,435	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,134
Unreserved	<u>11,150,170</u>	<u>10,564,928</u>	<u>11,550,997</u>	<u>13,206,559</u>	<u>16,615,018</u>	<u>18,698,999</u>	<u>18,460,497</u>	<u>19,408,702</u>	<u>17,550,062</u>	<u>15,139,247</u>
Total General Fund	<u>\$ 11,952,647</u>	<u>\$ 11,274,947</u>	<u>\$ 12,465,432</u>	<u>\$ 13,206,559</u>	<u>\$ 16,615,018</u>	<u>\$ 18,698,999</u>	<u>\$ 18,460,497</u>	<u>\$ 19,408,702</u>	<u>\$ 17,550,062</u>	<u>\$ 15,157,381</u>
All Other Governmental Funds										
Reserved	\$ 11,085,283	\$ 9,442,293	\$ 9,751,871	\$ 2,993,876	\$ 2,963,957	\$ 22,149,457	\$ 10,613,560	\$ 5,620,783	\$ 4,533,016	\$ 21,472,480
Unreserved, Reported in:										
Special Revenue Funds	6,481,108	1,794,549	(4,256,459)	(1,123,295)	5,923,940	8,971,716	10,597,404	10,704,511	11,920,440	15,102,368
Capital Projects Funds	<u>8,904,613</u>	<u>11,705,145</u>	<u>13,159,631</u>	<u>16,062,803</u>	<u>11,665,872</u>	<u>13,985,807</u>	<u>15,198,901</u>	<u>19,231,249</u>	<u>17,881,539</u>	<u>17,433,134</u>
Total All Other Governmental Funds	<u>\$ 26,471,004</u>	<u>\$ 22,941,987</u>	<u>\$ 18,655,043</u>	<u>\$ 17,933,384</u>	<u>\$ 20,553,769</u>	<u>\$ 45,106,980</u>	<u>\$ 36,409,865</u>	<u>\$ 35,556,543</u>	<u>\$ 34,334,995</u>	<u>\$ 54,007,982</u>

## CITY OF CHAMPAIGN, ILLINOIS

Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Unaudited)

## Modified Accrual Basis of Accounting

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Taxes	\$ 46,920,934	\$ 47,294,286	\$ 48,806,079	\$ 49,833,569	\$ 55,965,747	\$ 62,130,429	\$ 66,029,224	\$ 69,865,579	\$ 69,765,947	\$ 69,279,954
Intergovernmental	1,957,404	1,851,703	2,060,964	2,194,133	2,666,205	2,846,852	2,024,846	2,237,721	2,101,218	5,260,527
Licenses, Permits, and Fees	849,267	773,023	810,127	1,308,247	1,604,430	1,894,778	1,893,676	2,017,250	1,732,653	1,744,435
Charges for Services	914,060	785,126	715,475	841,352	772,514	777,796	771,750	872,119	917,506	1,159,820
Fines and Forfeitures	1,144,285	980,321	1,166,549	1,316,070	1,356,510	1,571,115	1,549,510	1,436,495	1,401,466	1,590,640
Investment Income	2,366,651	1,471,886	611,873	390,543	484,711	1,614,578	2,771,719	2,370,212	1,455,183	890,755
Miscellaneous	7,043,550	6,613,071	7,552,630	2,486,625	3,135,037	4,302,866	4,181,606	5,700,991	3,932,089	3,850,283
Total Revenues	<u>61,196,151</u>	<u>59,769,416</u>	<u>61,723,697</u>	<u>58,370,539</u>	<u>65,985,154</u>	<u>75,138,414</u>	<u>79,222,331</u>	<u>84,500,367</u>	<u>81,306,062</u>	<u>83,776,414</u>
<b>Expenditures</b>										
General Government	16,854,734	18,638,536	13,309,140	8,871,275	9,695,717	10,372,876	11,595,038	11,543,107	12,007,990	12,555,079
Public Safety	17,608,759	17,999,584	22,036,653	23,064,957	24,884,237	26,727,479	28,522,105	30,566,526	32,250,638	32,900,497
Public Works	7,320,029	7,319,667	7,907,557	8,620,897	12,616,994	13,613,298	12,903,067	16,692,612	13,326,716	11,475,962
Public Welfare	2,458,577	2,195,992	2,545,351	3,504,881	2,762,144	3,200,406	3,271,874	3,442,950	3,727,077	3,220,880
Culture and Recreation	3,860,034	4,187,352	4,442,553	4,334,832	5,501,586	4,953,318	5,320,934	6,127,030	6,668,037	6,498,950
Capital Outlay	14,467,823	11,893,656	14,000,708	13,044,908	9,088,295	11,774,994	25,056,339	17,788,740	14,345,840	21,888,965
Debt Service										
Principal	1,303,011	1,374,406	1,450,842	1,475,000	1,555,000	1,640,000	1,725,000	4,970,000	2,080,000	2,780,000
Interest and Fiscal Charges	982,586	929,607	872,848	789,279	978,391	1,978,168	1,944,690	2,003,464	2,005,237	1,850,598
Total Expenditures	<u>64,855,553</u>	<u>64,538,800</u>	<u>66,565,652</u>	<u>63,706,029</u>	<u>67,082,364</u>	<u>74,260,539</u>	<u>90,339,047</u>	<u>93,134,429</u>	<u>86,411,535</u>	<u>93,170,931</u>
<b>Excess (Deficit) of</b>										
Revenues Over Expenditures	<u>(3,659,402)</u>	<u>(4,769,384)</u>	<u>(4,841,955)</u>	<u>(5,335,490)</u>	<u>(1,097,210)</u>	<u>877,875</u>	<u>(11,116,716)</u>	<u>(8,634,062)</u>	<u>(5,105,473)</u>	<u>(9,394,517)</u>
<b>Other Financing Sources (Uses)</b>										
Disposal of Capital Assets	58,948	195,119	74,697	75,674	75,311	372,665	1,929,143	479,920	808,103	98,722
Debt Issuance	-	-	-	2,915,000	4,900,000	24,015,000	-	7,025,000	9,280,000	25,620,000
Debt Issuance Premium	-	-	-	30,569	-	-	-	139,957	114,923	-
Payment to Escrow Agent	-	-	-	-	-	-	-	-	(9,060,000)	-
Transfers In	12,879,287	13,110,418	12,521,300	15,625,281	18,124,024	21,409,947	31,747,555	25,938,910	18,423,126	25,437,333
Transfers Out	(11,881,717)	(11,832,867)	(11,256,381)	(13,918,375)	(16,189,863)	(20,038,295)	(30,651,210)	(24,854,842)	(17,540,867)	(24,481,232)
Total Other Financing Sources (Uses):	<u>1,056,518</u>	<u>1,472,670</u>	<u>1,339,616</u>	<u>4,728,149</u>	<u>6,909,472</u>	<u>25,759,317</u>	<u>3,025,488</u>	<u>8,728,945</u>	<u>2,025,285</u>	<u>26,674,823</u>
<b>Net Change in Fund Balances</b>	<u>\$ (2,602,884)</u>	<u>\$ (3,296,714)</u>	<u>\$ (3,502,339)</u>	<u>\$ (607,341)</u>	<u>\$ 5,812,262</u>	<u>\$ 26,637,192</u>	<u>\$ (8,091,228)</u>	<u>\$ 94,883</u>	<u>\$ (3,080,188)</u>	<u>\$ 17,280,306</u>
<b>Debt Service as a Percent of Non-Capital Expenditures</b>	<u>4.54%</u>	<u>4.38%</u>	<u>4.42%</u>	<u>4.47%</u>	<u>4.37%</u>	<u>5.79%</u>	<u>6.91%</u>	<u>11.13%</u>	<u>7.27%</u>	<u>6.44%</u>

## CITY OF CHAMPAIGN, ILLINOIS

General Government Revenues by Source  
Last Ten Fiscal Years  
(Unaudited)

Modified Accrual Basis of Accounting

Source	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Taxes	\$ 46,920,934	\$ 47,294,286	\$ 48,806,079	\$ 49,833,569	\$ 55,965,747	\$ 62,130,429	\$ 66,029,224	\$ 69,865,579	\$ 69,765,947	\$ 69,279,954
Intergovernmental	1,957,404	1,851,703	2,060,964	2,194,133	2,666,205	2,846,852	2,024,846	2,237,721	2,101,218	5,260,527
Licenses, Permits, and Fees	849,267	773,023	810,127	1,308,247	1,604,430	1,894,778	1,893,676	2,017,250	1,732,653	1,744,435
Charges for Services	914,060	785,126	715,475	841,352	772,514	777,796	771,750	872,119	917,506	1,159,820
Fines and Forfeitures	1,144,285	980,321	1,166,549	1,316,070	1,356,510	1,571,115	1,549,510	1,436,495	1,401,466	1,590,640
Interest	2,366,651	1,471,886	611,873	390,543	484,711	1,614,578	2,771,719	2,370,212	1,455,183	890,755
Miscellaneous	7,043,550	6,613,071	7,552,630	2,486,625	3,135,037	4,302,866	4,181,606	5,700,991	3,932,089	3,850,283
Total	<u>\$ 61,196,151</u>	<u>\$ 59,769,416</u>	<u>\$ 61,723,697</u>	<u>\$ 58,370,539</u>	<u>\$ 65,985,154</u>	<u>\$ 75,138,414</u>	<u>\$ 79,222,331</u>	<u>\$ 84,500,367</u>	<u>\$ 81,306,062</u>	<u>\$ 83,776,414</u>

## CITY OF CHAMPAIGN, ILLINOIS

General Government Expenditures By Function  
Last Ten Fiscal Years  
(Unaudited)

## Modified Accrual Basis of Accounting

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	\$ 16,854,734	\$ 18,638,536	\$ 13,309,140	\$ 8,871,275	\$ 9,695,717	\$ 10,372,876	\$ 11,595,038	\$ 11,543,107	\$ 12,007,990	\$ 12,555,079
Public Safety	17,608,759	17,999,584	22,036,653	23,064,957	24,884,237	26,727,479	28,522,105	30,566,526	32,250,638	32,900,497
Public Works	7,320,029	7,319,667	7,907,557	8,620,897	12,616,994	13,613,298	12,903,067	16,692,612	13,326,716	11,475,962
Public Health and Welfare	2,458,577	2,195,992	2,545,351	3,504,881	2,762,144	3,200,406	3,271,874	3,442,950	3,727,077	3,220,880
Culture and Recreation	3,860,034	4,187,352	4,442,553	4,334,832	5,501,586	4,953,318	5,320,934	6,127,030	6,668,037	6,498,950
Capital Outlay	14,467,823	11,893,656	14,000,708	13,044,908	9,088,295	11,774,994	25,056,339	17,788,740	14,345,840	21,888,965
Debt Service										
Principal Retirement	1,303,011	1,374,406	1,450,842	1,475,000	1,555,000	1,640,000	1,725,000	4,970,000	2,080,000	2,780,000
Interest and Fiscal Charges	982,586	929,607	872,848	789,279	978,391	1,978,168	1,944,690	2,003,464	2,005,237	1,850,598
Total	<u>\$ 64,855,553</u>	<u>\$ 64,538,800</u>	<u>\$ 66,565,652</u>	<u>\$ 63,706,029</u>	<u>\$ 67,082,364</u>	<u>\$ 74,260,539</u>	<u>\$ 90,339,047</u>	<u>\$ 93,134,429</u>	<u>\$ 86,411,535</u>	<u>\$ 93,170,931</u>

## CITY OF CHAMPAIGN, ILLINOIS

## Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years  
(Unaudited)

Tax Levy Year	Fiscal Year	Residential Property	Farm	Commercial Property	Industrial Property	Total	Railroad	Total Assessed Value	Assessed Value as a Percent of Actual Value
2009	2009/2010	\$ 904,749,950	\$ 472,480	\$ 620,905,933	\$ 13,330,860	\$ 1,539,459,223	\$ 747,330	1,540,206,553	1.2942
2008	2008/2009	914,636,140	538,130	604,280,501	12,940,420	1,532,395,191	608,574	1,533,003,765	1.2942
2007	2007/2008	879,192,204	457,210	554,431,171	13,121,150	1,447,201,735	511,677	1,447,713,412	1.2942
2006	2006/2007	798,244,474	323,850	513,119,952	12,438,140	1,324,126,416	474,016	1,324,600,432	1.2659
2005	2005/2006	711,817,507	463,300	466,974,314	11,127,730	1,190,382,851	437,157	1,190,820,008	1.3120
2004	2004/2005	586,361,596	614,590	433,511,282	10,814,070	1,031,301,538	462,928	1,031,764,466	1.3120
2003	2003/2004	553,118,365	361,860	411,078,408	9,083,478	973,642,111	509,102	974,151,213	1.3120
2002	2002/2003	514,447,110	404,270	393,578,418	8,946,940	917,376,738	492,268	917,869,006	1.3120
2001	2001/2002	480,549,865	433,000	374,678,497	8,479,122	864,140,484	480,841	864,621,325	1.3030
2000	2000/2001	439,757,880	496,000	357,364,226	6,428,801	804,046,907	468,930	804,515,837	1.2879

Source: Champaign County Clerk

## CITY OF CHAMPAIGN, ILLINOIS

## Property Tax Rates - Direct and Overlapping Governments

Last Ten Fiscal Years  
(Unaudited)

	Levy Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	Fiscal Years	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
City of Champaign											
Corporate		0.2302	0.2315	0.2348	0.1996	0.1680	0.1409	0.1259	0.1324	0.2071	0.1678
Library		0.3820	0.3913	0.3940	0.3940	0.3940	0.3940	0.3940	0.3940	0.3940	0.3940
Library Capital		0.0273	0.0280	0.0282	0.0282	0.0282	0.0282	0.0282	0.0282	0.0282	0.0282
Fire Pension		0.1231	0.1363	0.1363	0.1265	0.1372	0.1774	0.1878	0.1855	0.1890	0.1941
Police Pension		0.2115	0.2216	0.2485	0.2349	0.2464	0.2383	0.2280	0.2168	0.1933	0.2099
IMRF		0.1432	0.1195	0.0942	0.1576	0.1649	0.1705	0.1493	0.1434	0.1422	0.1545
Capital Improvement		0.1706	0.1748	0.1760	0.1712	0.1733	0.1627	0.1527	0.1939	0.1404	0.1457
Total Direct Tax Rate		1.2879	1.3030	1.3120	1.3120	1.3120	1.3120	1.2659	1.2942	1.2942	1.2942
County		0.6201	0.6200	0.7117	0.7048	0.7981	0.7801	0.7616	0.7389	0.7426	0.7487
Forest Preserve		0.0855	0.0859	0.0850	0.0840	0.0839	0.0818	0.0800	0.0779	0.0783	0.0790
Township		0.0400	0.0243	0.0397	0.0387	0.0380	0.0368	0.0357	0.0350	0.0350	0.0357
Park		0.6395	0.6627	0.6754	0.6843	0.6782	0.6597	0.6414	0.6190	0.6157	0.6300
Public Health		0.1170	0.1172	0.1152	0.1135	0.1126	0.1087	0.1060	0.1049	0.1052	0.1071
Parkland College		0.4660	0.4556	0.4652	0.4838	0.4847	0.4776	0.4720	0.4688	0.5115	0.5082
School Unit 4		4.1456	4.1098	4.0214	3.9645	3.9271	3.8288	3.7273	3.6296	3.6554	3.6546
Mass Transit		0.2768	0.2772	0.2728	0.2695	0.2677	0.2623	0.2592	0.2544	0.2575	0.2619
Total		7.6784	7.6557	7.6984	7.6551	7.7023	7.5478	7.3491	7.2227	7.2954	7.3194

Note: Tax rates per \$100 of assessed value

Source: Champaign County Clerk

CITY OF CHAMPAIGN, ILLINOIS

Principal Property Taxpayers

Current Tax Levy Year and Nine Years Ago  
(Unaudited)

Name of Company	2009			2000		
	Taxable Assessed Valuation	Rank	Percent of Total City Assessed Valuation	Taxable Assessed Valuation	Rank	Percent of Total City Assessed Valuation
Champaign Market Place, LLC	\$24,444,330	1	1.59%	\$ 18,692,310	1	2.32%
Campus Property Management	21,281,070	2	1.38%	\$ 13,069,610	2	1.62%
Shapland Realty, LLC	13,098,220	3	0.85%	6,006,190	5	0.75%
Bankier Family	10,618,880	4	0.69%	6,940,000	4	0.86%
Shaub Properties, LLC	8,600,850	5	0.56%			
Baytowne Apartments, LLC	7,561,680	6	0.49%			
The Carle Foundation	7,381,290	7	0.48%			
Pickus Companies	7,251,030	8	0.47%			
Christie Management Co., Inc.	6,604,310	9	0.43%			
JSM Apartments	6,152,760	10	0.40%	4,122,610	9	0.51%
Par 3 Development				9,355,860	3	1.16%
Wal-Mart Store, Inc.				5,115,830	6	0.64%
BankIllinois				4,520,150	7	0.56%
Royse & Brinkmeyer				4,443,580	8	0.55%
Rose, Irwin R.				3,971,930	10	0.49%
Total	<u>\$112,994,420</u>		<u>7.34%</u>	<u>\$76,238,070</u>		<u>9.46%</u>

Source: Champaign County Clerk

CITY OF CHAMPAIGN, ILLINOIS

Property Tax Levies and Collections

Last Ten Fiscal Years  
(Unaudited)

Fiscal Years Ended June 30	Total Tax Levy for Fiscal Years	Collected Within the First Listed Fiscal Year		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percent Levy		Amount	Percent Levy
2009/2010	\$ 19,933,353	\$ 10,004,754	50.19%	N/A	\$ 10,004,754	50.19%
2008/2009	19,840,134	9,880,397	49.80%	9,832,031	19,712,428	99.36%
2007/2008	18,736,307	9,402,062	50.18%	9,218,966	18,621,028	99.38%
2006/2007	16,768,114	8,505,840	50.73%	8,213,314	16,719,154	99.71%
2005/2006	15,623,559	8,052,571	51.54%	7,563,454	15,616,025	99.95%
2004/2005	13,536,750	6,941,680	51.28%	6,539,186	13,480,866	99.59%
2003/2004	12,780,864	6,401,297	50.09%	6,360,349	12,761,646	99.85%
2002/2003	12,042,441	6,170,325	51.24%	5,854,595	12,024,920	99.85%
2001/2002	11,266,016	5,640,786	50.07%	5,597,542	11,238,328	99.75%
2000/2001	10,361,360	4,930,792	47.59%	5,415,033	10,345,825	99.85%

Source: City of Champaign

CITY OF CHAMPAIGN, ILLINOIS

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Total Equalized Assessed Value (EAV)	Percentage of EAV	Population	Personal Income	Percentage of Personal Income	Per Capita
	General Obligation Bonds	IEPA Loan	General Obligation Bonds								
2010	\$ 67,670,000	\$ 410,424	\$ 12,700,000		\$ 80,780,424	\$ 1,540,206,553	5.24%	75,254	\$ 2,623,279,186	3.08%	\$ 1,073.44
2009	44,830,000	472,556	12,700,000		58,002,556	1,533,003,765	3.78%	75,254	2,613,044,642	2.22%	770.76
2008	46,690,000	532,933	12,700,000		59,922,933	1,447,713,412	4.14%	75,254	2,478,264,728	2.42%	796.28
2007	44,635,000	591,605	-		45,226,605	1,324,600,432	3.41%	75,254	2,331,444,174	1.94%	600.99
2006	46,360,000	648,620	-		47,008,620	1,190,820,008	3.95%	72,140	2,140,538,080	2.20%	651.63
2005	23,985,000	704,024	-		24,689,024	1,031,764,466	2.39%	71,426	2,198,206,576	1.12%	345.66
2004	20,640,000	757,864	-		21,397,864	974,151,213	2.20%	70,718	2,224,788,280	0.96%	302.58
2003	19,200,000	810,183	-		20,010,183	917,869,006	2.18%	70,018	1,965,965,404	1.02%	285.79
2002	20,600,000	861,024	-		21,461,024	864,621,325	2.48%	69,325	1,926,888,375	1.11%	309.57
2001	21,925,000	910,429	-		22,835,429	804,515,837	2.84%	68,639	1,820,649,475	1.25%	332.69

Source: Champaign County Clerk

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

## CITY OF CHAMPAIGN, ILLINOIS

## Ratio of Net General Bonded Debt Outstanding

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	General Obligation Bonds	Less Amount Available in Debt Service Funds	Net General Bonded Debt	Percent of Estimated Actual Taxable Property Value	Per Capita
2010	\$ 67,670,000	\$ 2,510,000	\$ 65,160,000	4.23%	\$ 865.87
2009	44,830,000	2,530,000	42,300,000	2.76%	\$ 562.10
2008	46,690,000	2,080,000	44,610,000	3.08%	\$ 592.79
2007	44,635,000	1,820,000	42,815,000	3.23%	\$ 568.94
2006	46,360,000	1,725,000	44,635,000	3.75%	\$ 618.73
2005	23,985,000	1,640,000	22,345,000	2.17%	\$ 312.84
2004	20,640,000	1,555,000	19,085,000	1.96%	\$ 269.87
2003	19,200,000	1,475,000	17,725,000	1.93%	\$ 253.15
2002	20,600,000	1,400,000	19,200,000	2.22%	\$ 276.96
2001	21,925,000	1,325,000	20,600,000	2.56%	\$ 300.12

Note: Demographic information for population is presented in Schedule 52.  
Actual taxable property value is presented in Schedule 44.

Source: City of Champaign

## CITY OF CHAMPAIGN, ILLINOIS

## Direct and Overlapping Bonded Debt

## General Obligation Debt

June 30, 2010  
(Unaudited)

Governmental Unit	Bonded Debt Outstanding	Percentage of Debt Applicable to the City	Amount Applicable to the City (2)
Champaign County	\$ 52,408,319	43.54%	\$ 22,818,582
Champaign Park District	982,000	99.64%	978,465
Champaign School District Unit #4	100,973,096	78.57%	79,334,562
Champaign Urbana Public Health District	3,054,239	73.75%	2,252,501
Parkland College	57,735,000	32.42%	18,717,687
Champaign County Forest Preserve	97,500	42.94%	41,867
Subtotal, Overlapping Debt (1)	215,250,154		124,143,664
City of Champaign	67,670,000	100.00%	67,670,000
Total Direct and Overlapping Debt	\$ 282,920,154		\$ 191,813,664

Source: City of Champaign and overlapping government records

## Notes:

- (1) Overlapping governments are those that coincide, at least in part, with the boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of the City. This estimate produces a schedule that recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.
- (2) Computed by dividing the City's assessed value by the assessed value of the overlapping governments and multiplying this rate by the overlapping governments' outstanding debt. An overlapping government unit is any that levies a tax on a citizen of the City. This schedule does not include revenue-supported debt.

CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenue Supported Bond Coverage

Last Ten Fiscal Years  
(Unaudited)

<u>Fiscal Year</u>	<u>Revenue</u>	<u>Expense</u>	<u>Available for Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage</u>
2010							
2009							
2008							
2007							
2006							
2005							
2004							
2003							
2002							
2001							

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.

Source: City of Champaign

## CITY OF CHAMPAIGN, ILLINOIS

## Demographic and Economic Statistics

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	(1) Population	Personal Income Expressed in Thousands	(2) Per Capita Income	(3) Median Age	(4) School Enrollment	(5) Unemployment Rate
2010	75,254	\$ 2,623,279	\$ 34,859	24	9,497	9.5%
2009	75,254	2,613,045	34,723	24	9,400	8.4%
2008	75,254	2,478,265	32,932	25	9,329	6.5%
2007	75,254	2,331,444	30,981	25	9,342	4.8%
2006	72,140	2,140,538	29,672	25	9,346	4.2%
2005	71,426	2,198,207	30,776	25	9,382	4.7%
2004	70,718	2,224,788	31,460	25	9,345	4.8%
2003	70,018	1,965,965	28,078	25	9,300	5.0%
2002	69,325	1,926,888	27,795	25	9,250	5.0%
2001	68,639	1,820,649	26,525	25	9,298	4.0%

Notes: (1) Population for 2007 - 2010 is from a Special Census conducted by the U.S. Bureau of the Census. 2001 - 2006 population is calculated by adding 1% per annum to the 2000 census.

(2) U.S. Department of Commerce Bureau of Economic Analysis.

(3) U.S. Census Bureau

(4) Champaign Unit 4 School District

(5) U.S. Department of Labor, Bureau of Labor Statistics

## CITY OF CHAMPAIGN, ILLINOIS

## Principal Employers

Current Fiscal Year and Nine Fiscal Years Earlier  
(Unaudited)

Name of Company	2010			2001 (3)		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
University of Illinois at Urbana-Champaign (1)	11,676	1	29.6%	10,500	1	28.5%
Champaign Unit 4 School District	1,351	2	3.4%	1,000	3	2.7%
Kraft Foods, Inc. (2)	1,300	3	3.3%	1,500	2	4.1%
Parkland College	1,200	4	3.0%	882	4	2.4%
PlastiPak Packaging, Inc. (2)	810	5	2.1%	550	7	1.5%
Christie Clinic Association	700	6	1.8%	725	5	2.0%
Hobbico, Inc.	700	7	1.8%	700	6	1.9%
City of Champaign	633	8	1.6%	500	8	1.4%
Devonshire Group, LLC	555	9	1.4%			
Horizon Hobby, Inc.	550	10	1.4%			
U.S. Army Corps of Engineering CERL				450	9	1.2%
U.S. Postal Service				409	10	1.1%
Total	<u>19,475</u>		<u>49.4%</u>	<u>17,216</u>		<u>46.8%</u>

Source: Economic Development Commission and Bureau of Labor Statistics.

Note: (1) The University of Illinois is located in both Champaign and Urbana.

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

Note: (3) Data for June 30, 2001 is not available. Data is as of December 31, 1999.

## CITY OF CHAMPAIGN, ILLINOIS

## Full-Time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years  
(Unaudited)

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government:										
Administration	12	12	12	12	12	12	12	11	12	9
Economic Development	1	1	1	-	-	1	1	2	2	2
Legal	9	11	11	10	10	10	10	10	10	10
Finance	14	15	15	15	15	15	16	16	16	16
Human Resources	6	6	6	6	6	6	6	6	6	6
Risk Management	2	2	2	2	2	2	2	2	2	2
Planning	12	12	12	11	11	11	12	12	12	12
Neighborhood Services	13	14	14	9	10	11	11	11	11	12
Information Technology	5	7	7	7	8	8	8	10	10	10
Public Safety:										
Police:										
Sworn	112	112	112	112	113	115	117	119	119	118
Civilian	38	38	38	37	38	38	37	37	37	37
Fire:										
Sworn	91	90	93	93	93	105	108	108	108	108
Civilian	14	14	14	13	13	14	14	15	15	14
Public Works:										
Engineering	22	23	23	23	21	21	23	23	24	22
Transportation	15	15	15	15	15	15	15	15	15	14
Other	41	41	41	40	43	43	44	45	45	44
Public Health & Welfare	5	4	4	8	7	7	7	7	7	7
Culture & Recreation	66	68	68	67	67	68	81	82	82	82
Parking	11	13	13	15	16	16	15	15	15	15
Sewer	11	11	11	11	10	10	10	10	10	10
TOTAL	<u>500</u>	<u>509</u>	<u>512</u>	<u>506</u>	<u>510</u>	<u>528</u>	<u>549</u>	<u>556</u>	<u>558</u>	<u>550</u>

Source: City of Champaign

CITY OF CHAMPAIGN, ILLINOIS  
Operating Indicators by Function/Program

Last Ten Fiscal Years  
(Unaudited)

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Public Safety:</b>										
Fire (1):										
Number of Fire Calls	272	271	325	292	327	301	334	288	289	228
Number of EMS/Rescue Calls	2,311	2,831	2,822	2,916	2,938	2,954	3,115	3,421	3,388	3,532
ISO Rating	2	2	2	2	2	2	2	2	2	2
Police:										
Arrests	7,434	6,623	6,394	6,286	6,972	6,691	6,769	7,153	6,823	6,151
Parking Violations	5,505	4,325	4,142	3,014	2,240	1,854	1,617	1,285	970	1,621
Traffic Violations (2)	13,371	10,711	10,959	10,453	11,300	11,059	11,590	10,848	11,672	8,186
<b>Public Works:</b>										
Street Resurfacing Miles	N/A	N/A	N/A	N/A	N/A	13.54	12.30	4.20	4.60	10.40
Potholes Repaired	18,998	12,717	11,311	14,978	12,752	19,213	13,103	17,703	18,208	17,768
Street Lights Maintained (3)	3,020	3,020	3,020	3,278	3,020	3,278	3,368	3,312	3,225	3,367
<b>Community Development:</b>										
Number of Building Permits Issued	578	637	588	635	962	1,112	873	638	507	505
Number of Building Inspections	2,455	2,576	2,490	2,348	3,134	4,503	3,697	3,261	3,191	2,837
<b>Culture &amp; Recreation:</b>										
Total Circulation	1,140,324	1,262,142	1,338,251	1,449,668	1,536,847	1,668,652	1,786,773	1,980,259	2,492,033	2,640,627
Materials (Print and Non-Print)	N/A	241,916	238,350	242,556	250,860	246,709	256,533	355,129	396,906	374,005
Library Cards Issued	N/A	N/A	N/A	4,922	5,828	5,631	5,129	8,808	7,441	6,316
Library Visits - Main Library/Bookmobile	458,867	487,828	516,775	546,165	553,316	578,604	585,059	626,342	760,137	804,424
Library Visits - Douglass Branch	75,495	89,259	88,308	92,245	74,914	61,717	69,568	70,920	59,092	61,210

N/A: Not Available

Source: City of Champaign

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

(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. 2003-2010 are traffic tickets only.

(3) The number of street lights maintained have included City owned and IP leased, but should have included City owned only. The number of IP leased street lights has been approximately 1,330 since at least 2000. Subtract 1,330 from total through 2005 to estimate City owned street lights. Actual numbers used for 2006-2010.

CITY OF CHAMPAIGN, ILLINOIS  
Capital Asset Statistics by Function/Program

Last Ten Fiscal Years  
(Unaudited)

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	N/A									
Fire Stations	5	5	5	5	5	5	6	6	6	6
Public Works										
Streets (Miles) (1)	220	220	220	598	598	642	642	685	684	696
Sidewalks (Miles)	N/A									
Streetlights (2)	3,020	3,020	3,020	3,278	3,020	3,278	3,368	3,312	3,225	3,367
Sewer										
Sanitary Sewers (Miles)	189	189	191	191	193	193	195	205	209	209
Manholes	4,725	4,725	4,775	4,775	4,825	4,825	4,875	5,128	5,215	5,216

N/A: Not Available  
Source: City of Champaign

## Notes:

- (1) Center line miles were reported 1998-2003, and lane miles were reported 2004-2010.
- (2) The number of street lights maintained have included City owned and IP leased, but should have included City owned only. The number of IP leased street lights has been approximately 1,330 since at least 2000. Subtract 1,330 from total through 2005 to estimate City owned street lights. Actual numbers used for 2006-2010.

## CITY OF CHAMPAIGN, ILLINOIS

## City Awards Received

## Last Ten Fiscal Years

(Unaudited)

Award Received	Awarded By
Distinguished Budget Presentation Award	Government Finance Officers Association
Certificate of Achievement for Excellence in Financial Reporting	Government Finance Officers Association
Tree City USA Award	Arbor Day Foundation
Honorable Mention in 2009 Government Programming Awards for the City-produced series, "Champaign Connection"	National Association of Telecommunications Officers and Advisors
2009 Design Excellence Award for the Champaign Public Library	Chicago Chapter of the American Institute of Architects
The Champaign Public Library was named among America's top libraries with a 3-star rating	<i>Library Journal</i> magazine
Certificate of Appreciation for proper display of the American flag - Champaign Public Library	Champaign American Legion Post 24
2009 Silver Award - Champaign Public Library	Brick in Architecture Awards - Brick Industry Association
National "Top 100" List of U.S. Public Libraries - Champaign Public Library	Hennen's American Public Library Ratings
Champaign Police Department Accreditation	Illinois Law Enforcement Accreditation Program
Outstanding Financial Support to the 2009 Law Enforcement Torch Run for Special Olympics - Champaign Police Department	Illinois Law Enforcement Torch Run and Special Olympics
Public Works Project of the Year 2010 (Environment - \$2 million to \$10 million) Scott Park, Boneyard Creek Channel Improvements	American Public Works Association
Public Works Project of the Year 2010 (Historic Restoration Preservation - less than \$2 million) City Building Masonry Rehabilitation Project	American Public Works Association
Bicycle Friendly Business	League of American Bicyclists
"Building Champaign Parks" award for work on Scott Park renovation and Boneyard Creek project	Champaign Park District