

CITY OF CHAMPAIGN, ILLINOIS

Champaign, Illinois

Comprehensive Annual Financial Report

For the Year Ended

June 30, 2011

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 and Financial Services Manager/City Accountant
- Certificate of Achievement for Excellence in Financial Reporting
- Organizational Chart
- List of Elected and Appointed Officials



Finance Department • 102 N Neil St • Champaign IL 61820 • (217) 403-8940 • fax (217) 403-8980 • www.ci.champaign.il.us

December 2, 2011

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, 2011.

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, 2011, 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, 2011, 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 also fulfilled a 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, celebrating its sesquicentennial anniversary, 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 2010 Census set the City of Champaign's population 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 38-40 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 127-129. Comparisons for non-major governmental funds can be found starting on page 113.

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, as its boundaries provide entrances to three major interstate highways with north-south and east-west access. Railroads provide both cargo and passenger service. 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 for June 2011 were at 9.0% compared with 9.5% for June 2010. 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 few 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 had slowed growth in Champaign, but the City experienced moderate growth in fiscal year 2010/2011. The value of construction for building permits issued in fiscal year 2010/11 was \$109 million compared with \$83 million in fiscal year 2009/10 and \$73 million in fiscal year 2000/2001. Sales, income, and utility taxes are three of the four largest revenue sources of the City. Revenue from sales and utility taxes increased in fiscal year 2010/2011, after declining the past two years due to the recession. 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 (38.1 percent in 2011 compared with 27.9 percent in 2002). 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 significantly faster rate than other costs and City revenue increases. The level and type of municipal pension benefits are set, but not funded by, the State of Illinois.

Despite these challenges, the City's conservative fiscal practices, long-term financial planning, and relatively stable economic base has allowed the City to maintain a 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, Urbana, and the Village of Savoy.
- 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:

- All work on the M2 on Neil building has been completed except for tenant and condominium finishes. M2 is a mixed-use project in the heart of Champaign's downtown, assisted by City incentives from the Downtown TIF District. The largest single downtown development in the City's history, the nine story M2 development includes fifty residential condominiums, four floors of office space, and one floor of retail/restaurant space. Most condominiums are occupied and office space continues to be leased. The completely-leased ground level is home to a bank, pub, and two restaurants, one of which includes a microbrewery.
- The City began a pedestrian improvement project in the Downtown TIF District in 2010 which is slated for completion in the Fall of 2011. The improvements provide pedestrian "bump out" crosswalks, fully signalized intersections, refuges and bike lanes to encourage alternative forms of transportation and reduce vehicle traffic.
- 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 Basin" project was completed this year 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 were completed in December 2010. The City believes that these projects will stimulate development within both TIF Districts.

- The University of Illinois Research Park (also part of the South Metro Zone), has grown over the past decade and now consists of approximately ninety companies employing about 1,400 people. During this time, Fox/Atkins Development, in cooperation with the University, developed the Park that boasts 12 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 eleven 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 nearly complete 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 2012. 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.
- In the fiscal year ending June 30, 2010, the City issued \$25.6 million of Build America Bonds (BABs) to finance drainage improvements for the Second Street Basin of the Boneyard Creek, John Street, and Washington Street east areas. The Boneyard Basin was completed in the fiscal year ending June 30, 2011, and work on the other two projects is expected to be completed during the 2011 construction season.

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

- At the City’s request, in December 2010 the State legislature extended the East University Avenue Tax Increment Finance District to December 2022. The extension was for a smaller “carved out” portion of the original district. The remaining properties were removed from the District and revenues from those properties are now received by each local taxing district. As part of the extension, a redevelopment plan outlines both capital improvements and financial incentives that will be provided in the district.
- In March 2011 the City Council adopted a new Comprehensive Plan, “Champaign Tomorrow”, which sets policies on future growth and development of the City. As a part of this update, the City completed a Fiscal Impact Analysis Study. It quantifies the costs and revenues of new development, as opposed to a Cost of Services study which examines the cost of individual services provided by the City using methods similar to a business determining the cost to make each product. The Fiscal Analysis Study provides information that will help the City make fiscally-sustainable decisions regarding development and infrastructure improvements.
- A new business association (Champaign Center Partnership) has been created through the merger of existing business districts in Downtown (Champaign Downtown Association) and Campustown (Campustown Business Group) with a

newly branded area of Midtown (in the East University TIF District). The goal of this organization is to link the area both physically and economically through combined marketing and promotion. As an in-kind contribution, a city staff member serves one-half time as the Executive Director and reports to an established Board of Directors.

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 is funding installation of a fiber optic network throughout the Champaign-Urbana community including the main campus of the University of Illinois. The grant will connect 140 “anchor institutions” including schools, government facilities, and community services agencies. In addition, the grant will provide “fiber to the premise” connections for 2,500 properties in 11 census blocks where residents and businesses are underserved with respect to internet access. The network will provide 1 Gbps symmetric intranet service within the community and offers internet service tiers ranging from 5 Mbps to 1 Gbps. The network will be built to offer expansion opportunities in the future.
- The City received a \$1.88 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. The City Council has given tentative approval to the fee and will formally consider the matter in 2012. The fee would provide sufficient funds to fully maintain existing systems and complete flood-prevention infrastructure improvements much more quickly than would be possible without the fee.
- The City is completing a Sustainability Plan with Federal funding from an Energy Efficiency and Conservation Block Grant. When completed, the plan will provide direction on achieving community-wide goals for energy conservation as well as recommendations for increasing efficiency within the City organization.

- In June, the City completed a year-long celebration of the 150th anniversary of its founding. Activities included 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 \$77.44 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, 2011. This was the twenty-first 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.

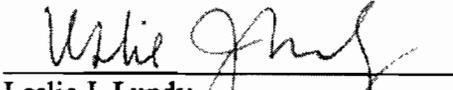
In addition, the City received the GFOA's Distinguished Budget Presentation Award for the fiscal year beginning July 1, 2011. To qualify for the Distinguished Budget Presentation Award, the City's budget document was judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Richard A. Schnuer
Finance Director



Leslie J. Lundy
Financial Services Manager/City Accountant

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, 2010

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.



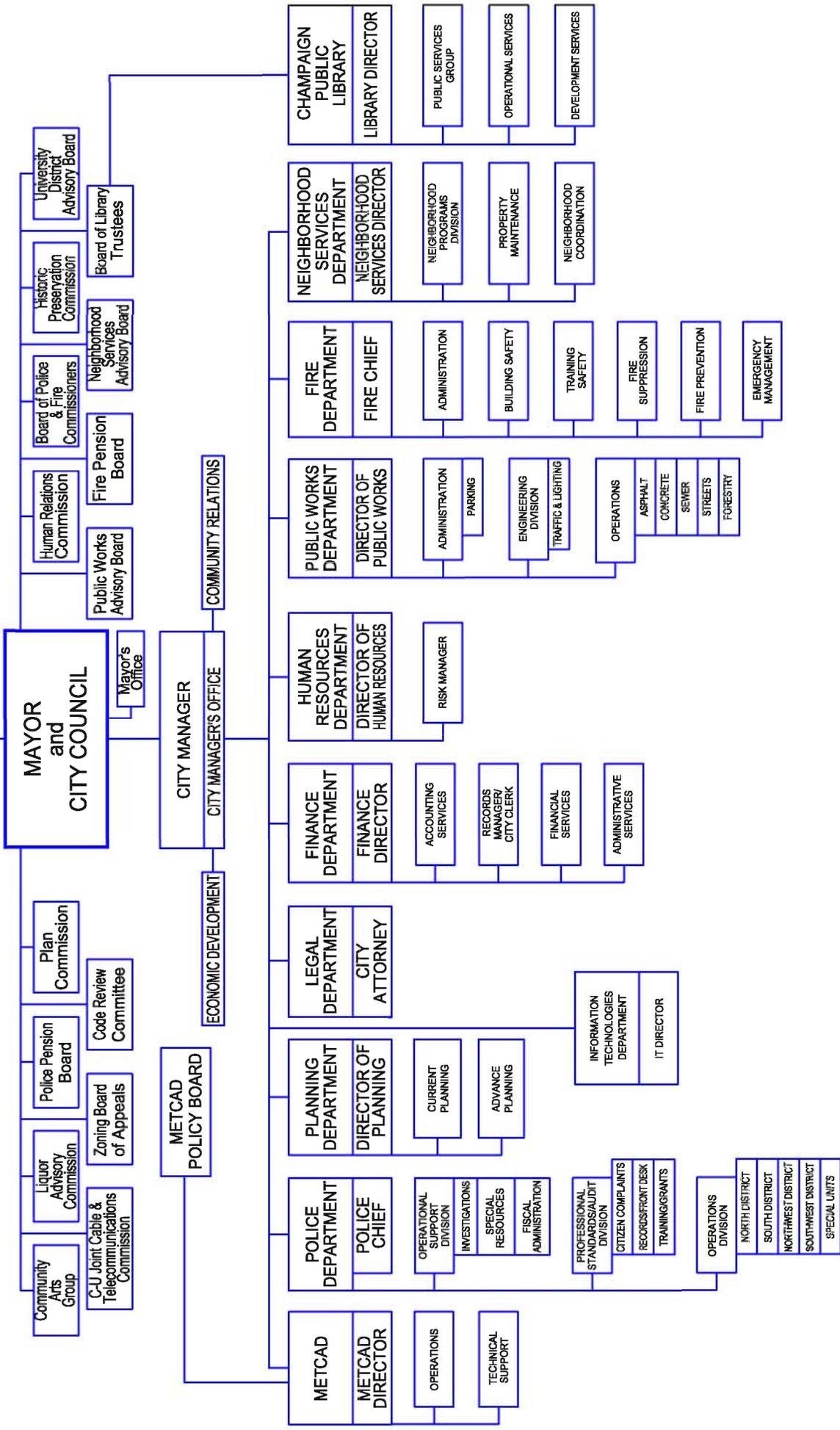
Linda C. Danison

President

Jeffrey R. Emer

Executive Director

CITIZENS OF CHAMPAIGN



LIST OF ELECTED AND APPOINTED OFFICIALS

LEGISLATIVE

Mayor	Don Gerard
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	Paul Faraci

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:

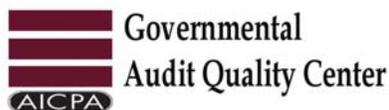
- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

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, 2011, 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 53 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, 2011, the respective changes in financial position and, cash flows, where applicable, 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 November 08, 2011, 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 16 through 30, schedules of funding progress on pages 103 and 104, and schedules of employer contributions on page 105, 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

November 08, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis provides an overview of the City of Champaign's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the transmittal letter on pages 1-9 and the City's financial statements, which begin on page 31.

FINANCIAL HIGHLIGHTS

- At June 30, 2011, the City's total assets exceeded its liabilities by \$424.9 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 \$355.3 million in capital assets, net of related debt. Restricted net assets of \$42.2 million may be used for the City's ongoing obligations related to programs with external restrictions. The remaining amount of \$27.4 million in unrestricted net assets may be used to meet the City's ongoing obligations to citizens and creditors.
- Revenues of \$100.7 million during the year exceeded expenses of \$96.5 million, increasing the City's total net assets by \$4.2 million. The increase in net assets consists of a \$3.4 million increase in net assets of the City's governmental activities and a \$0.8 million increase in net assets related to the City's business-type activities.
- At the end of the fiscal year, the City's total fund balances in its governmental funds were \$64.3 million, a \$4.9 million decrease from the prior year fund balances of \$69.2 million. The decrease is largely attributable to three reasons: a \$12.9 million decrease in the Debt Service Fund due to the spend down of debt issued in FY10, a General Fund increase of \$3.7 million, primarily due to decreased transfers to other funds, and an increase of \$6.6 million in the Motor Fuel Tax Fund from a jurisdictional transfer of Market Street from Kenyon Road to Ford Harris Road from the State of Illinois. Additionally, there was a \$2.4 million decrease in the non-major funds. The primary components of this decrease were a \$0.8 million decrease in the American Recovery and Reinvestment Act (ARRA) Fund and a decrease of \$0.6 million in the Tax Increment Financing Districts, both due to planned large project expenditures.
- The City implemented Government Accounting Standards Board (GASB) Statement #54 – Fund Balance Reporting and Governmental Fund Type Definitions as of June 30, 2011. This pronouncement changed the fund balance categories from “reserved” and “unreserved” to the new categories of: non-spendable, restricted, committed, assigned and unassigned. This is designed to more clearly show the amount of fund balances that are legally restricted versus limitations placed on fund balances by policies approved by the governing body.

Approximately \$36.1 million (or 56%) of the total fund balance in governmental funds is available for spending at the government's discretion (unassigned and committed fund balances). Of that, 52% (\$18.9 million) is in the City's General Fund, 29% (\$10.4 million) is dedicated to capital projects, 11% (\$4.1 million) is dedicated to debt service, and 8% (\$2.7 million) is dedicated to special revenue funds (primarily those that support neighborhood and economic development). A large portion of the unassigned and committed General Fund balance represents revenues owed the City as of June 30, 2011, but not received by June 30, 2011. Of the restricted funds, 59% (\$16.5 million) is

FINANCIAL HIGHLIGHTS – Continued

restricted for capital projects, 27% (\$7.5 million) is restricted for special revenue funds, and 14% (\$4.1 million) is restricted for debt service.

- The City had \$84.8 million in total long-term debt at the end of the year, 89% of which was bonded general obligation debt. Other long-term debt includes the net pension obligation, net other post-employment benefit, compensated absences, landfill closure payable and Illinois Environmental Protection Agency (IEPA) loans. Outstanding debt decreased by \$1.7, primarily due to 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.

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

USING THIS ANNUAL REPORT – Continued

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.

The City maintains 20 individual governmental funds. The City considers the following six funds "major" funds: the General Fund, Champaign Public Library Fund, Motor Fuel Tax 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 14 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.

USING THIS ANNUAL REPORT – Continued

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 heavy 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 41-43 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Champaign's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 44-45 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 46-102 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

USING THIS ANNUAL REPORT – Continued

(Illinois Municipal Retirement Fund, Sheriff’s Law Enforcement Personnel, Police Pension Fund, and Firefighters Pension Funds). Required supplementary information can be found on pages 103-105 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 106-144 of this report.

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 \$424.9 million. The largest portion of the City of Champaign’s net assets (\$355.3 million, or 83%) 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 \$29.2 million (8%) of the City’s net assets represents resources that are subject to external restrictions on their use. The remaining \$35.5 million (9%) represents unrestricted net assets and may be used to meet the government’s ongoing obligations to citizens and creditors.

	Net Assets (in Millions)					
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$ 87.2	\$ 91.0	\$ 6.2	\$ 5.4	\$ 93.4	\$ 96.4
Capital Assets	372.9	366.4	56.5	55.6	429.4	422.0
Total Assets	<u>460.1</u>	<u>457.4</u>	<u>62.7</u>	<u>61.0</u>	<u>522.8</u>	<u>518.4</u>
Long-Term Debt Outstanding	71.4	73.0	13.4	13.5	84.8	86.5
Other Liabilities	11.9	12.9	1.2	0.3	13.1	13.2
Total Liabilities	<u>83.3</u>	<u>85.9</u>	<u>14.6</u>	<u>13.8</u>	<u>97.9</u>	<u>99.7</u>
Net Assets:						
Invested in Capital Assets -						
Net of Debt	312.1	314.9	43.2	42.2	355.3	357.1
Restricted	29.2	37.9	-	-	29.2	37.9
Unrestricted (Deficit)	<u>35.5</u>	<u>18.7</u>	<u>4.9</u>	<u>5.1</u>	<u>40.4</u>	<u>23.8</u>
Total Net Assets	<u>\$376.8</u>	<u>\$371.5</u>	<u>\$ 48.1</u>	<u>\$ 47.3</u>	<u>\$424.9</u>	<u>\$418.8</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

The following table shows that net assets increased slightly (\$4.2 million) from the prior year before a prior period adjustment of \$2.0 million, resulting in a total increase of \$6.2 million over FY10.

	Net Assets (in Millions)					
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenue:						
Program Revenues:						
Charges for Services	\$ 9.0	\$ 8.1	\$ 5.1	\$ 4.9	\$ 14.1	\$ 13.0
Operating Grants/Contributions	2.4	2.4	0.5	-	2.9	2.4
Capital Grants/ Contributions	10.3	6.5	0.5	-	10.8	6.5
General Revenues:						
Property Taxes	23.7	22.9	-	-	23.7	22.9
Sales Taxes	30.2	29.2	-	-	30.2	29.2
Income Taxes	6.9	6.6	-	-	6.9	6.6
Other General Revenues	11.9	12.2	0.1	0.1	12.0	12.3
Total Revenues	<u>94.4</u>	<u>87.9</u>	<u>6.2</u>	<u>5.0</u>	<u>100.6</u>	<u>92.9</u>
Expenses:						
General Government	11.9	25.3	-	-	11.9	25.3
Public Safety	34.7	33.5	-	-	34.7	33.5
Public Works	28.1	12.1	-	-	28.1	12.1
Public Health and Welfare	5.7	3.1	-	-	5.7	3.1
Culture and Recreation	8.2	8.1	-	-	8.2	8.1
Interest on Long-Term Debt	2.5	1.9	-	-	2.5	1.9
Parking	-	-	3.3	2.5	3.3	2.5
Sewer	-	-	1.7	2.0	1.7	2.0
Environmental Services	-	-	0.4	-	0.4	-
Total Expenses	<u>91.1</u>	<u>84.0</u>	<u>5.4</u>	<u>4.5</u>	<u>96.5</u>	<u>88.5</u>
Increase in Net Assets before Transfers	3.3	3.9	0.8	0.5	4.1	4.4
Transfers	-	0.3	-	(0.3)	-	-
Increase (Decrease) in Net Assets	<u>3.3</u>	<u>4.2</u>	<u>0.8</u>	<u>0.2</u>	<u>4.1</u>	<u>4.4</u>
Net Assets - Beginning (as Previous Reported)	371.5	370.3	47.3	47.2	418.8	417.5
Prior Period Adjustments	2.0	(2.9)	-	-	2.0	(2.9)
Net Assets - Beginning (as Restated)	<u>373.5</u>	<u>367.4</u>	<u>47.3</u>	<u>47.2</u>	<u>420.8</u>	<u>414.6</u>
Net Assets - Ending	<u>\$376.8</u>	<u>\$371.6</u>	<u>\$ 48.1</u>	<u>\$ 47.4</u>	<u>\$424.9</u>	<u>\$419.0</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Net Assets - Continued

The City of Champaign's total net assets increased by \$6.2 million due to an FY11 increase of \$3.4 million and a prior period adjustment of \$2.0 million in the net assets of the City's governmental activities plus a \$0.8 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 \$1.8 million to \$355.3 million due to a prior period adjustment of \$1.9 million. This adjustment was made to correct capital asset transactions in past years, which was due to construction in progress that had not been recorded in the general ledger. The capital asset additions were offset by an additional decrease in construction in progress. Restricted net assets increased by \$4.3 million to \$42.2 million, while unrestricted net assets increased by \$3.6 million.

Total revenues increased by \$7.8 million, an 8.4% increase. The change largely resulted from a \$4.3 million increase in capital grants/contributions (due primarily to grants received from the Federal and State governments) as well as increases in service charges. Expenses increased \$7.9 million (from \$88.6 million to \$96.5 million), primarily in Public Safety and Public Works. Results for specific types of revenues and expenses are discussed below.

Governmental Activities

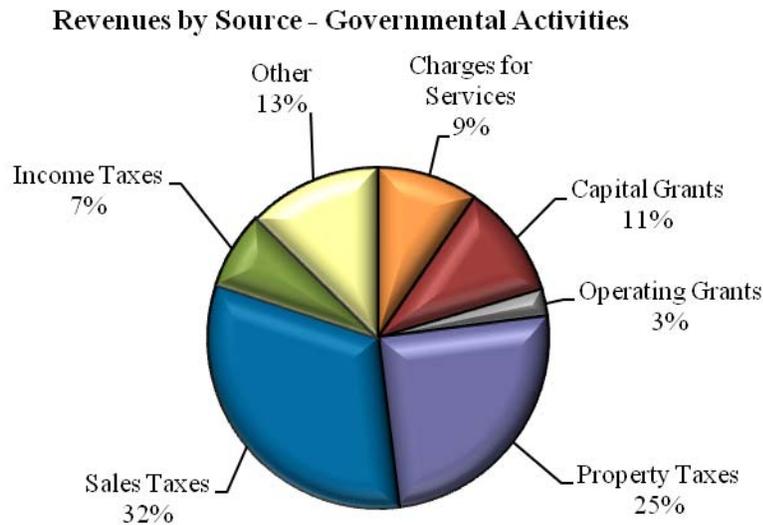
Revenues for governmental activities increased \$6.7 million (7.6%). This resulted primarily from increases in capital grants/contributions (\$3.8 million), sales taxes (\$1.0 million), charges for services (\$0.9 million), and property taxes (\$0.8 million). These increases were offset slightly by a decrease in other general revenues (\$0.2 million).

Total expenses for governmental activities increased \$7.0 million (8.3%) to \$91.1 million. The increase in expenses was primarily in Public Safety (\$1.2 million), Public Health and Welfare (\$2.6 million), and Interest on Long-term Debt (\$0.6 million). General Government expenses of \$11.9 million decreased by \$13.4 million while Public Works expenses of \$28.1 million increased by \$16.0 million. This was due primarily to the reclassification of capital asset depreciation for infrastructure from General Government to Public Works, as well as City implemented spending reductions to weather the faltering economy.

The chart below 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

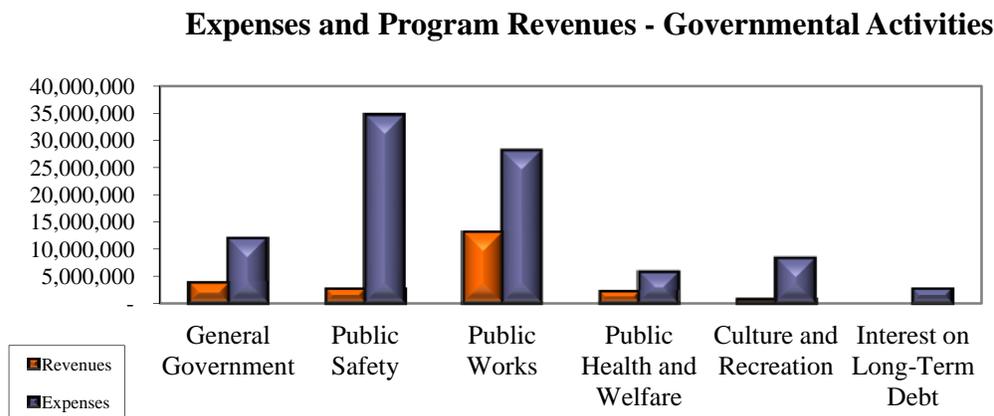
Governmental Activities (continued)



Sales tax revenues comprise 32% 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.

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.



Business-Type Activities

The City realized program revenues of \$6.2 million from its business-type activities: parking, sanitary sewer, and environmental services. This represents a \$1.2 million increase (24.0%) from the prior year. The increase was derived from operating grants plus capital grants and contributions

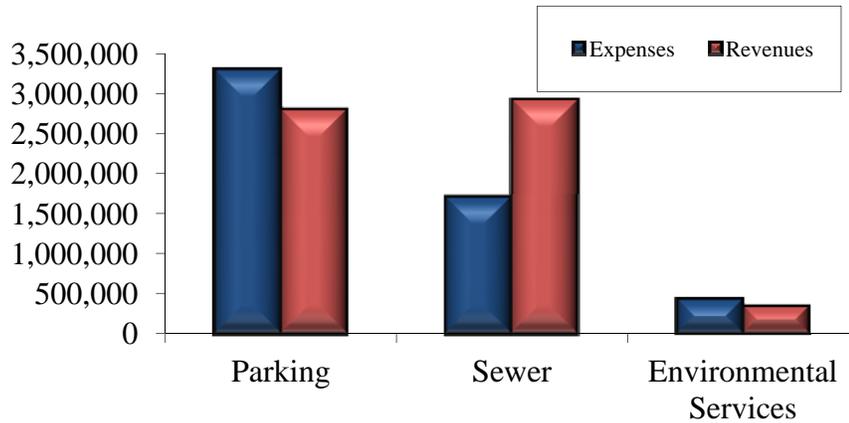
GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Business-Type Activities (continued)

due to Federal and State grants for sanitary sewer improvements and environmental services (the City’s multi-family recycling program), along with a \$0.2 million increase in charges for services.

Overall, the City’s net assets from business-type activities increased \$0.8 million. This largely resulted from a \$0.8 million positive difference between program revenues and expenses of such activities (\$6.2 million and \$5.4 million, respectively), as shown on the chart below.

Expenses and Program Revenues - Business-Type Activities



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

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, unrestricted 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 FY11 fiscal year, the governmental funds reported combined ending fund balances of \$64.3 million, a decrease of \$4.9 million (7.1%) 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 decreased by \$12.9 million due to the spend down of the \$25.6 million in Build America Bonds issued in FY10, plus by principal repayments on outstanding debt.
- The General Fund experienced an increase in fund balance of \$3.7 million. The excess of revenues over expenditures increased to \$10.5 million (as opposed to \$7.4 million in FY10), which was then offset by transfers to other funds of \$6.7 million. One of the other major

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

funds experienced a decrease in fund balance, which was the Capital Improvements Fund (\$1.4 million) as a result of planned project expenditures.

- Non-major Governmental Funds decreased by \$2.4 million (12%), mostly due to a \$0.8 million decrease in the American Recovery and Reinvestment Act (ARRA) Fund and a decrease in the Tax Increment Financing District Funds, both 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 Sanitary 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 \$1.2 million to \$37.0 million as of June 30, 2011. There were increases to charges for services of \$0.2 million as well as \$0.5 million in Capital Contributions, which are sewer infrastructure donations from developers.

The Parking Fund, another major proprietary fund, saw a decrease in net assets of \$0.4 million at June 30, 2011. The reasons include decreased operating income of \$0.1 million coupled with increased expenses and transfers out of \$0.2 million. The Fund ended the year with net assets of \$11.2 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 54,122,769	\$ 54,668,394	\$ 55,193,167
Licenses & Permits	1,898,169	1,804,658	1,929,686
Other	4,122,674	4,193,022	3,983,539
Total Revenues	<u>60,143,612</u>	<u>60,666,074</u>	<u>61,106,392</u>
Expenditures and Transfers			
Expenditures	52,132,231	52,183,708	50,598,624
Transfers Out	12,653,726	9,837,878	9,122,619
Transfers In	(2,307,102)	(2,545,367)	(2,362,301)
Total Expenditures and Transfers	<u>62,478,855</u>	<u>59,476,219</u>	<u>57,358,942</u>
Change in Fund Balance	<u>\$ (2,335,243)</u>	<u>\$ 1,189,855</u>	<u>\$ 3,747,450</u>

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

GENERAL FUND BUDGETARY HIGHLIGHTS – Continued

- 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 \$6,783,200. 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 \$61.1 million were higher than the final (estimated) budget of \$60.7 million and approximately \$1.0 million higher than the original budget. However, some of the variance between actual and the revised budget results from sales tax revenues higher than the previous year, even on a cash basis.

Total actual expenditures and transfers of \$57.3 million were 7.0% lower than the original budget and 2.3% 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 scheduled to continue into the next fiscal year or projects taking longer than expected to complete, and reduced expenditures in response to the downturn in revenues.

CAPITAL ASSETS

As shown on the following chart, the City of Champaign had a \$429.4 million investment in capital assets of its governmental and business-type activities, net of accumulated depreciation, as of June 30, 2011. Approximately 59% 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 \$5.4 million or 1.3%.

	Capital Assets - Net of Depreciation (in Millions)					
	Governmental Activities		Business-Type Activities		Total	
	2011	2010 (Restated)	2011	2010	2011	2010 (Restated)
Land	\$ 98.1	\$ 95.0	\$ 5.9	\$ 6.0	\$ 104.0	\$ 101.0
Construction in Progress	18.4	23.5	0.9	-	19.3	23.5
Buildings	32.9	34.4	11.8	12.1	44.7	46.5
Land Improvements	1.1	1.2	-	-	1.1	1.2
Improvements and Equipment	8.0	8.4	0.3	0.3	8.3	8.7
Infrastructure	214.4	205.9	37.2	36.7	251.6	242.6
Parking Meters	-	-	0.4	0.5	0.4	0.5
Total	\$ 372.9	\$ 368.4	\$ 56.5	\$ 55.6	\$ 429.4	\$ 424.0

Additions to capital assets during the 2010/11 fiscal year included the following:

- Infrastructure increased by \$8.5 million due to the jurisdictional transfer of Ford Harris

GENERAL FUND BUDGETARY HIGHLIGHTS – Continued

Road from the State of Illinois and the completion of the Boneyard Creek Second Street Reach project.

- Land increased by \$3.1 million due to property acquisitions for upcoming drainage projects.

The additions to capital assets were offset by depreciation of \$20.0 million.

Readers desiring more detailed information on capital assets activity should refer to the discussion in Note 8 to these financial statements on pages 69-71.

DEBT MANAGEMENT

The City's total outstanding bonded debt and IEPA loans as of June 30, 2011 (\$80.9 million) increased just slightly from June 30, 2010. The following table provides a detail of this outstanding debt, comparing the current fiscal year to the prior fiscal year.

	General Obligation Bonds and IEPA Loans (in Millions)					
	Governmental		Business-Type		Total	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$ 64.7	\$ 67.7	\$ 12.7	\$ 12.7	\$ 77.4	\$ 80.4
IEPA Loans Payable	-	-	0.3	0.4	0.3	0.4
Total Assets	\$ 64.7	\$ 67.7	\$ 13.0	\$ 13.1	\$ 77.7	\$ 80.8

No new debt was issued during the fiscal year. The City was awarded three IEPA loans in FY11. The drainage and sewer projects were still under construction at June 30, 2011, and no loan repayments occurred in FY11. The final amount of each loan payable will be determined after each project is completed.

The City maintained the Moody's Investors Service rating of Aaa and the Fitch Ratings of AAA based on a stable economic base, diverse revenue stream, healthy fund balance levels, and strong financial management. Additional information on the City's long-term debt can be found in Notes 9 and 10 on pages 71-76 of this report.

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.

This stability helps make Champaign's sales tax revenues more reliable than many other cities. While sales tax revenues declined slightly the prior year, revenues increased during fiscal year 2010/11 even with the lingering economic downturn. The City's sales tax revenues ended the year 2010/11 about 3.6%, or \$1,065,000, over the prior year's receipts.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET - Continued

The equalized assessed value (EAV) of taxable property in the City for the 2010 levy year (valued as of January 1, 2010 and collected in 2011) remained virtually flat, increasing by 0.11% to \$1,541,915,649. The low increase in EAV resulted from the state of the markets for both residential and commercial properties and a low level of new taxable development. Lower sales prices led to lower assessed valuations 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 59% and 41%, respectively, of the EAV for the 2010 levy year.

During the fiscal year ending June 30, 2011, the pace of development continued to be much slower than in the years just prior to FY10. Construction of single family residences and commercial projects was minimal. The value of building permits issued by the City during fiscal year 2010/11 was \$109 million compared to \$83 million in fiscal year 2009/10. The assessed value of this construction will go on the property tax rolls for the 2012 levy and later years. Staff expects the assessed value of taxable property for the 2011 levy year to decrease by 2.02% from the prior year as the increased taxable value of new development failed to offset the continued decline in the value of existing property. It should be noted that under Illinois law, the assessed value of taxable property represents an average of values for three years, and the valuation date is now 10 months in the past. For those reasons it is difficult to determine the extent to which the decline represents past events or a present trend.

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) increased in fiscal year 2010/11 by 6.6%, or \$488,000, compared with the prior year.

The City's management considered the following factors when preparing the budget for fiscal year 2011/12:

- The budget-balancing measures adopted for fiscal years 2008/09 through 2010/11, which totaled approximately \$13 million, had a significant impact on development of the budget for FY2011/12. The vast portion of the measures entailed expenditure reductions including eliminating and freezing about two dozen positions. Unfortunately those measures were not sufficient given the depth and duration of the recession. As a result, the City's Five-year Financial Forecast, prepared early in FY10/11, projected the need for significant additional measures to bring about balanced budgets for the then-current fiscal year (FY2010/11) and for FY2011/12.
- In response to the financial forecast the City undertook approximately \$5 million of additional budget balancing measures during FY2010/11. As before, most of the measures were expenditure reductions including additional personnel reductions, bringing to 42 the number of positions eliminated, frozen, or unfunded. These measures had a significant impact on the preparation of the FY2011/12 budget as follows:
 - Enactment of mid-year expenditure reductions for FY2010/11 diminished the need for further reductions in FY2011/12.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET – Continued

- Calculating the financial effects of the FY2010/11 mid-year reductions on the FY2011/12 budget was difficult because some of the reductions could be implemented during FY2010/11 while others could not be fully implemented until FY2011/12.
 - The City adopted a voluntary separation incentive program to diminish or eliminate the need for employee layoffs by encouraging voluntary separations. A portion of the incentive payments had to be factored into the FY2011/12 budget because some of the separations were not scheduled to take place until that budget year.
 - The budget balancing measures included a one-time reduction of the transfer from the General Operating Fund to the Capital Improvements Fund for FY2010/11. That required adjustments to the Capital Improvements Plan that were reflected in the adopted budget for FY2011/12.
-
- The national economic recession in 2007 and 2008 was much greater than predicted. The Gross National Product is growing but at a small pace. The Federal stimulus package appeared somewhat effective but only lessened 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 continues to decline but the rate of decline has diminished over the past 18 months. According to the University of Illinois Flash Index it is close to expansion, having risen to 98.8 in September 2011 after hitting a 26-year low of 90.0 in September of 2009. Although an increase is a positive indicator, 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).
 - The recession has taken its toll locally with unusually high unemployment (8.9% for Champaign as of August 2011), some business closings, and little new development as noted above. However, the local economy appears to have stabilized over the past year, with no announcements of major job cuts. Furthermore, some of the job reductions that have been announced are due to closures of retail stores that have struggled nationally and not necessarily locally. Due to the impact of the State's financial troubles on the University of Illinois, it has initiated major system-wide cost cutting with significant staff reductions. These measures have had a significant impact on citizens and businesses in the community, and consequently a negative impact on the City's revenues. Fortunately the University avoided a reduction in the budget adopted by the State for the budget fiscal year ending June 30, 2012.
 - As might be expected, employee compensation is the largest component of City expenditures. Going into the fiscal year ending June 30, 2012, compensation for two of the City's largest bargaining units was not resolved. However, that issue has now been resolved so compensation levels are set for all employee groups for the fiscal year ending June 30, 2012. While total compensation increases (including health care and pension benefits) are above the level of City revenue increases, the level of across the board wage increases is significantly less than in prior years.
 - In the fall of 2010 staff presented a five-year financial forecast to the City Council that projected recurring expenditures above recurring revenues for the fiscal years 2010/11 and 2011/12 if the City were to take no corrective action. The City undertook

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET - Continued

- expenditure reduction measures that resulted in the positive figures for the fiscal year ending June 30, 2011. For the fiscal year ending June 30, 2012, employee compensation levels appear close to staff projections. For that reason as well as prior budget-balancing measures, staff also projects a balanced budget within the City's policy limit for General Fund expenditures and unrestricted General Fund balance for the fiscal year ending June 30, 2012.
- 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 very susceptible to any economic downturn, remains the largest revenue resource for the City and has grown very modestly at best in the past 18 months. Staff expects other major revenues to decline slightly or grow slightly at best. Staff anticipates employee compensation to continue to grow at a greater rate than revenues in the near term, partly because State law limits the City's control over employee compensation. Therefore, despite some revenue growth and moderation of employee compensation increases, staff expects the need for further expenditure reductions or revenue increases to maintain a balanced budget in future years.

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

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, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
<i>Current Assets</i>				
Cash and Investments	\$ 60,556,253	\$ 5,669,858	\$ 66,226,111	\$ 1,101,873
Receivables, Net:				
Property Taxes	-	-	-	-
Other Taxes	11,139,611	-	11,139,611	-
Accounts Receivable	681,338	705,541	1,386,879	-
Accrued Interest	73,167	7,719	80,886	-
Other Receivables	1,128,094	-	1,128,094	28,208
Internal Balances	174,355	(174,355)	-	-
Prepaid Expenses	552,698	-	552,698	-
Inventory	169,922	-	169,922	-
Restricted Assets:				
Cash and Investments	1,030,899	-	1,030,899	-
Total Current Assets	<u>75,506,337</u>	<u>6,208,763</u>	<u>81,715,100</u>	<u>1,130,081</u>
<i>Non-Current Assets</i>				
Net Pension Asset	11,729,438	-	11,729,438	-
Non-Depreciable Capital Assets	116,517,600	6,832,788	123,350,388	-
Depreciable Capital Assets	522,413,979	63,921,050	586,335,029	-
Accumulated Depreciation	(266,030,342)	(14,241,654)	(280,271,996)	-
Total Non-Current Assets	<u>384,630,675</u>	<u>56,512,184</u>	<u>441,142,859</u>	<u>-</u>
Total Assets	<u>460,137,012</u>	<u>62,720,947</u>	<u>522,857,959</u>	<u>1,130,081</u>
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	3,164,300	1,017,902	4,182,202	-
Retainage Payable	296,605	66,543	363,148	-
Accrued Payroll	1,135,738	35,133	1,170,871	-
Claims Payable	2,314,610	-	2,314,610	-
Unearned Revenue	281,370	3,960	285,330	-
Other Liabilities	1,030,899	-	1,030,899	-
Compensated Absences Payable	983,965	35,854	1,019,819	-
Landfill Closure Payable	67,867	-	67,867	-
IEPA Loans Payable	-	65,797	65,797	-
General Obligation Bonds Payable, Net	2,615,599	22,156	2,637,755	-
Total Current Liabilities	<u>11,890,953</u>	<u>1,247,345</u>	<u>13,138,298</u>	<u>-</u>
<i>Non-Current Liabilities</i>				
Net Pension Obligation Payable	2,030,518	-	2,030,518	-
Net Other Post-employment Benefit Payable	2,443,809	-	2,443,809	-
Compensated Absences Payable	3,935,861	143,418	4,079,279	-
Landfill Closure Payable	650,000	-	650,000	-
IEPA Loans Payable	-	280,689	280,689	-
General Obligation Bonds Payable, Net	62,291,355	12,992,857	75,284,212	-
Total Non-Current Liabilities	<u>71,351,543</u>	<u>13,416,964</u>	<u>84,768,507</u>	<u>-</u>
Total Liabilities	<u>83,242,496</u>	<u>14,664,309</u>	<u>97,906,805</u>	<u>-</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	312,109,692	43,150,685	355,260,377	-
Restricted:				
Tax Levy Expenditures	403,979	-	403,979	-
Special Revenue Purposes				
Public Works	13,967,353	-	13,967,353	-
Public Health and Welfare	3,215,505	-	3,215,505	-
Culture and Recreation	1,096,231	-	1,096,231	-
Public Safety	440,627	-	440,627	-
Debt Service	4,070,876	-	4,070,876	-
Capital Projects	6,034,263	-	6,034,263	-
Donor Restricted Purposes	-	-	-	399,381
Unrestricted	<u>35,555,990</u>	<u>4,905,953</u>	<u>40,461,943</u>	<u>730,700</u>
Total Net Assets	<u>\$ 376,894,516</u>	<u>\$ 48,056,638</u>	<u>\$ 424,951,154</u>	<u>\$ 1,130,081</u>

See Accompanying Notes

CITY OF CHAMPAIGN, ILLINOIS

Statement of Activities - Component Unit

For the Year Ended June 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenue				
Contributions	\$ 55,457	\$ 177,828	\$ -	\$ 233,285
Contributions - In-Kind	90,537	-	-	90,537
Investment Income	91,311	13,293	-	104,604
Net Assets Released from Restrictions	360,053	(360,053)	-	-
Total Support and Revenue	<u>597,358</u>	<u>(168,932)</u>	<u>-</u>	<u>428,426</u>
Expenses				
Program Services	<u>335,319</u>	<u>-</u>	<u>-</u>	<u>335,319</u>
Supporting Services:				
Management and General	39,183	-	-	39,183
Fund Raising	<u>83,767</u>	<u>-</u>	<u>-</u>	<u>83,767</u>
Total Support Services	<u>122,950</u>	<u>-</u>	<u>-</u>	<u>122,950</u>
Total Expenses	<u>458,269</u>	<u>-</u>	<u>-</u>	<u>458,269</u>
Change in Net Assets	139,089	(168,932)	-	(29,843)
Net Assets, Beginning of Year	<u>591,611</u>	<u>548,313</u>	<u>20,000</u>	<u>1,159,924</u>
Net Assets, End of Year	<u>\$ 730,700</u>	<u>\$ 379,381</u>	<u>\$ 20,000</u>	<u>\$ 1,130,081</u>

See Accompanying Notes

CITY OF CHAMPAIGN, ILLINOIS

Balance Sheet

Governmental Funds

June 30, 2011

Major Funds

	General	Champaign Public Library	Motor Fuel Tax	Debt Service	Stormwater Management	Capital Improvements	Non-Major Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Investments	\$ 8,780,988	\$ 1,409,447	\$ 10,423,793	\$ 8,180,047	\$ 3,896,801	\$ 6,001,996	\$ 18,127,850	\$ 56,820,922
Receivables - Net of Allowances:								
Property Taxes	5,473,543	2,987,731	-	-	666,341	462,936	2,168,125	11,758,676
Other Taxes	11,139,611	-	-	-	-	-	-	11,139,611
Accrued Interest	10,979	-	13,782	6,238	5,923	10,876	21,228	69,026
Prepays	11,966	-	-	-	2,035	650	940	15,591
Other	246,437	-	141,780	-	-	217,783	67,253	673,253
Due from Other Funds	362,781	-	-	-	-	-	860,412	1,223,193
Restricted Assets:								
Cash and Investments	-	-	-	-	1,030,899	-	-	1,030,899
Total Assets	\$ 26,026,305	\$ 4,397,178	\$ 10,579,355	\$ 8,186,285	\$ 5,601,999	\$ 6,694,241	\$ 21,245,808	\$ 82,731,171
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 511,178	\$ 106,386	\$ 117,927	\$ -	\$ 923,236	\$ 1,046,423	\$ 423,199	\$ 3,128,349
Retainage Payable	-	-	7,527	-	218,017	71,061	-	296,605
Accrued Payroll	974,714	119,126	-	-	-	-	29,310	1,123,150
Due to Other Fund	-	-	-	-	-	-	860,412	860,412
Deferred Revenue	5,635,582	3,075,435	-	-	677,661	479,547	2,171,821	12,040,046
Other Liabilities	-	-	-	-	1,030,899	-	-	1,030,899
Total Liabilities	7,121,474	3,300,947	125,454	-	2,849,813	1,597,031	3,484,742	18,479,461
Fund Balances:								
Non-Spendable	11,966	-	-	-	-	-	940	12,906
Restricted	-	1,096,231	10,453,901	4,070,876	-	5,097,210	7,382,522	28,100,740
Committed	-	-	-	4,115,409	2,752,186	-	11,382,303	18,249,898
Unassigned	18,892,865	-	-	-	-	-	(1,004,699)	17,888,166
Total Fund Balances	18,904,831	1,096,231	10,453,901	8,186,285	2,752,186	5,097,210	17,761,066	64,251,710
Total Liabilities and Fund Balances	\$ 26,026,305	\$ 4,397,178	\$ 10,579,355	\$ 8,186,285	\$ 5,601,999	\$ 6,694,241	\$ 21,245,808	\$ 82,731,171

See Accompanying Notes

CITY OF CHAMPAIGN, ILLINOIS

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

June 30, 2011

Total Fund Balance - Governmental Funds	\$ 64,251,710
- Remove property taxes receivable not earned.	(11,758,676)
- Add grant receivable for grant revenue earned on accrual basis.	1,128,094
- Debt issuance costs are expensed over the term of the related debt rather than in the year of payment.	233,760
- Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	370,531,302
- The net pension asset in the governmental activities is not a financial resource and therefore is not reported in the funds.	11,729,438
- 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.	3,949,130
- Remove deferred revenue for property taxes not received.	11,758,676
- Long-term liabilities not due and payable in the current period and therefore not reported in the funds:	
Net Pension Obligation Payable	(2,030,518)
Net Other Post-employment Benefit Payable	(2,443,809)
Compensated Absences Payable	(4,829,770)
Landfill Closure and Post-Closure Payable	(717,867)
General Obligation Bonds Payable	(64,735,000)
Unamortized Bond Premium	(171,954)
	<u>376,894,516</u>
Net Assets of Governmental Activities	<u>\$ 376,894,516</u>

See Accompanying Notes

CITY OF CHAMPAIGN, ILLINOIS
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2011

	Major Funds						Non-Major Governmental Funds	Total Governmental Funds
	General	Champaign Public Library	Motor Fuel Tax	Debt Service	Stormwater Management	Capital Improvements		
Revenues								
Taxes	\$ 55,193,167	\$ 6,162,482	\$ 1,936,006	\$ -	\$ 1,326,119	\$ 946,700	\$ 5,995,689	\$ 71,560,163
Intergovernmental	340,184	148,645	5,453,204	-	-	576,374	1,351,673	7,870,080
Licenses, Permits, and Fees	1,929,686	-	-	-	47,912	-	-	1,977,598
Charges for Services	1,194,498	95,858	-	-	-	-	-	1,290,356
Fines and Forfeitures	1,503,679	298,927	-	-	-	-	98,259	1,900,865
Refunds and Reimbursements	677,797	-	4,713	-	668,057	1,982,674	172,942	3,506,183
Interest	102,757	5,845	173,441	70,475	12,272	75,094	152,391	592,275
Miscellaneous	135,748	135,460	-	-	-	-	222,155	493,363
Total Revenues	61,077,516	6,847,217	7,567,364	70,475	2,054,360	3,580,842	7,993,109	89,190,883
Expenditures								
Current:								
General Government	10,381,483	-	-	-	-	-	738,487	11,119,970
Public Safety	33,587,630	-	-	-	-	-	252,130	33,839,760
Public Works	6,226,640	-	339,569	-	3,104,886	1,792,008	1,095,330	12,558,433
Public Health and Welfare	402,871	-	-	-	-	-	5,239,596	5,642,467
Culture and Recreation	-	6,341,742	-	-	-	-	339	6,342,081
Capital Outlay	-	142,364	853,180	-	11,744,286	3,938,965	2,251,029	18,929,824
Debt Service:								
Principal Retirement	-	-	-	2,935,000	-	-	-	2,935,000
Interest and Fiscal Charges	-	-	-	2,969,447	-	-	-	2,969,447
Total Expenditures	50,598,624	6,484,106	1,192,749	5,904,447	14,849,172	5,730,973	9,576,911	94,336,982
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,478,892	363,111	6,374,615	(5,833,972)	(12,794,812)	(2,150,131)	(1,583,802)	(5,146,099)
Other Financing Sources (Uses)								
Disposal of Capital Assets	28,876	-	-	-	-	-	116,653	145,529
Transfers In	2,362,301	-	250,000	6,460,175	17,043,632	951,779	1,941,658	29,009,545
Transfers Out	(9,122,619)	(252,135)	-	(13,570,894)	(2,945,884)	(156,475)	(2,874,621)	(28,922,628)
Total Other Financing Sources (Uses)	(6,731,442)	(252,135)	250,000	(7,110,719)	14,097,748	795,304	(816,310)	232,446
Net Change in Fund Balances	3,747,450	110,976	6,624,615	(12,944,691)	1,302,936	(1,354,827)	(2,400,112)	(4,913,653)
Fund Balances, Beginning of Year	15,157,381	985,255	3,829,286	21,130,976	1,449,250	6,452,037	20,161,178	69,165,363
Fund Balances, End of Year	\$ 18,904,831	\$ 1,096,231	\$ 10,453,901	\$ 8,186,285	\$ 2,752,186	\$ 5,097,210	\$ 17,761,066	\$ 64,251,710

See Accompanying Notes

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, 2011

Net Change in Fund Balances - Total Governmental Funds	\$	(4,913,653)
- Governmental activities recognize grant revenue as it is earned regardless of when the funds are received.		892,796
- Contributed capital assets do not provide or utilize current financial resources.		3,974,780
- 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		18,344,758
Depreciation Expense		(18,037,956)
Disposals - Cost Net of Accumulated Depreciation		(24,354)
- The utilization of the net pension asset to reduce current year pension contributions consumes financial resources.		1,195,122
- 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		(297,778)
Additions to Net Other Post-employment Benefit Payable		(904,840)
Additions to Compensated Absences Payable		(276,800)
Deductions to Landfill Closure and Post-Closure Payable		34,467
Amortization of Deferred Debt Issuance Costs		(13,170)
Retirement of General Obligation Bonds		2,935,000
Amortization of Unamortized Bond Premium		20,599
- 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.		105,524
		105,524
Changes in Net Assets of Governmental Activities	\$	3,435,489

See Accompanying Notes

CITY OF CHAMPAIGN, ILLINOIS

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

General Fund

For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		(Actual - Final Budget)
Revenues				
Taxes	\$ 54,122,769	\$ 54,668,394	\$ 55,193,167	\$ 524,773
Intergovernmental	705,413	713,548	340,184	(373,364)
Licenses, Permits, and Fees	1,898,169	1,804,658	1,929,686	125,028
Charges for Services	1,084,500	1,101,274	1,194,498	93,224
Fines and Forfeitures	1,274,335	1,388,552	1,503,679	115,127
Refunds and Reimbursements	680,000	670,523	677,797	7,274
Interest	286,000	165,000	102,757	(62,243)
Miscellaneous	71,425	131,125	135,748	4,623
Total Revenues	<u>60,122,611</u>	<u>60,643,074</u>	<u>61,077,516</u>	<u>434,442</u>
Expenditures				
Current:				
General Government	11,596,378	11,580,047	10,381,483	(1,198,564)
Public Safety	34,011,451	34,020,271	33,587,630	(432,641)
Public Works	6,144,058	6,153,158	6,226,640	73,482
Public Health and Welfare	380,344	430,232	402,871	(27,361)
Total Expenditures	<u>52,132,231</u>	<u>52,183,708</u>	<u>50,598,624</u>	<u>(1,585,084)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,990,380</u>	<u>8,459,366</u>	<u>10,478,892</u>	<u>2,019,526</u>
Other Financing Sources (Uses)				
Disposal of Capital Assets	21,000	23,000	28,876	5,876
Transfers In	2,307,103	2,545,367	2,362,301	(183,066)
Transfers Out	(12,653,726)	(9,837,878)	(9,122,619)	715,259
Total Other Financing Sources (Uses)	<u>(10,325,623)</u>	<u>(7,269,511)</u>	<u>(6,731,442)</u>	<u>538,069</u>
Net Change in Fund Balance	<u>\$ (2,335,243)</u>	<u>\$ 1,189,855</u>	<u>3,747,450</u>	<u>\$ 2,557,595</u>
Fund Balance, Beginning of Year			<u>15,157,381</u>	
Fund Balance, End of Year			<u>\$ 18,904,831</u>	

See Accompanying Notes

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, 2011

	Budget		Actual	Variance
	Original	Final		(Actual - Final Budget)
Revenues				
Taxes:				
Property Taxes	\$ 6,168,008	\$ 6,041,422	\$ 6,069,714	\$ 28,292
Replacement Taxes	71,665	102,042	92,768	(9,274)
Intergovernmental:				
Capital Grants	94,068	76,842	-	(76,842)
Other Grants	123,705	127,455	148,645	21,190
Charges for Services	76,144	82,000	95,858	13,858
Fines and Forfeitures	295,000	297,000	298,927	1,927
Interest	10,030	5,706	5,845	139
Miscellaneous	77,400	109,541	135,460	25,919
Total Revenues	<u>6,916,020</u>	<u>6,842,008</u>	<u>6,847,217</u>	<u>5,209</u>
Expenditures				
Current:				
Culture and Recreation	6,562,533	6,383,780	6,341,742	(42,038)
Capital Outlay	364,230	262,069	142,364	(119,705)
Total Expenditures	<u>6,926,763</u>	<u>6,645,849</u>	<u>6,484,106</u>	<u>(161,743)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,743)	196,159	363,111	166,952
Other Financing Sources (Uses)				
Transfers Out	<u>(252,135)</u>	<u>(252,135)</u>	<u>(252,135)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (262,878)</u>	<u>\$ (55,976)</u>	110,976	<u>\$ 166,952</u>
Fund Balance, Beginning of Year			<u>985,255</u>	
Fund Balance, End of Year			<u>\$ 1,096,231</u>	

See Accompanying Notes

CITY OF CHAMPAIGN, ILLINOIS

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

Motor Fuel Tax - Special Revenue Fund

For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		(Actual - Final Budget)
Revenues				
Motor Fuel Tax	\$ 1,979,180	\$ 2,050,692	\$ 1,936,006	\$ (114,686)
Intergovernmental	1,066,500	5,680,204	5,453,204	(227,000)
Refunds and Reimbursements	-	4,713	4,713	-
Interest	39,850	118,611	173,441	54,830
Total Revenues	<u>3,085,530</u>	<u>7,854,220</u>	<u>7,567,364</u>	<u>(286,856)</u>
Expenditures				
Current:				
Public Works:				
Personnel Services	59,836	85,053	81,067	(3,986)
Contractual Services	536,114	1,017,019	258,502	(758,517)
Capital Outlay	<u>2,592,721</u>	<u>2,616,310</u>	<u>853,180</u>	<u>(1,763,130)</u>
Total Expenditures	<u>3,188,671</u>	<u>3,718,382</u>	<u>1,192,749</u>	<u>(2,525,633)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(103,141)</u>	<u>4,135,838</u>	<u>6,374,615</u>	<u>2,238,777</u>
Other Financing Sources (Uses)				
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>	<u>-</u>
Net Change in Fund Balance	<u>\$ 146,859</u>	<u>\$ 4,385,838</u>	<u>6,624,615</u>	<u>\$ 2,238,777</u>
Fund Balance, Beginning of Year			<u>3,829,286</u>	
Fund Balance, End of Year			<u>\$ 10,453,901</u>	

See Accompanying Notes

CITY OF CHAMPAIGN, ILLINOIS

Statement of Net Assets

Proprietary Funds

June 30, 2011

	Business-Type Activities - Enterprise Funds				Governmental
	Major		Non-Major	Totals	Internal Service
	Parking	Sewer	Environmental Services		
ASSETS					
Current Assets:					
Cash and Investments	\$ 5,333,984	\$ 335,874	\$ -	\$ 5,669,858	\$ 3,735,331
Receivables - Net of Allowances:					
Accounts	6,870	675,546	23,125	705,541	8,085
Accrued Interest	7,458	518	(257)	7,719	4,141
Inventory	-	-	-	-	169,922
Prepays	-	-	-	-	303,347
Total Current Assets	<u>5,348,312</u>	<u>1,011,938</u>	<u>22,868</u>	<u>6,383,118</u>	<u>4,220,826</u>
Capital Assets:					
Non-Depreciable Capital Assets	4,798,776	2,034,012	-	6,832,788	-
Depreciable Capital Assets	16,514,936	47,406,114	-	63,921,050	9,425,151
Accumulated Depreciation	(2,244,518)	(11,997,136)	-	(14,241,654)	(7,055,216)
Total Capital Assets	<u>19,069,194</u>	<u>37,442,990</u>	<u>-</u>	<u>56,512,184</u>	<u>2,369,935</u>
Total Assets	<u>24,417,506</u>	<u>38,454,928</u>	<u>22,868</u>	<u>62,895,302</u>	<u>6,590,761</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	50,980	943,678	23,244	1,017,902	35,951
Retainage Payable	-	66,543	-	66,543	-
Accrued Payroll	21,061	12,435	1,637	35,133	12,588
Due to Other Fund	-	-	174,355	174,355	188,426
Claims Payable	-	-	-	-	2,314,610
Unearned Revenue	3,960	-	-	3,960	-
Compensated Absences Payable	19,168	15,991	695	35,854	18,011
General Obligation Bonds Payable - Net	22,156	-	-	22,156	-
IEPA Loan Payable	-	65,797	-	65,797	-
Total Current Liabilities	<u>117,325</u>	<u>1,104,444</u>	<u>199,931</u>	<u>1,421,700</u>	<u>2,569,586</u>
Long-Term Liabilities:					
Compensated Absences Payable	76,674	63,965	2,779	143,418	72,045
General Obligation Bonds Payable - Net	12,992,857	-	-	12,992,857	-
IEPA Loan Payable	-	280,689	-	280,689	-
Total Long-Term Liabilities	<u>13,069,531</u>	<u>344,654</u>	<u>2,779</u>	<u>13,416,964</u>	<u>72,045</u>
Total Liabilities	<u>13,186,856</u>	<u>1,449,098</u>	<u>202,710</u>	<u>14,838,664</u>	<u>2,641,631</u>
NET ASSETS					
Invested in Capital Assets - Net of Related Debt	6,054,181	37,096,504	-	43,150,685	2,369,935
Unrestricted	5,176,469	(90,674)	(179,842)	4,905,953	1,579,195
Total Net Assets	<u>\$ 11,230,650</u>	<u>\$ 37,005,830</u>	<u>\$ (179,842)</u>	<u>\$ 48,056,638</u>	<u>\$ 3,949,130</u>

See Accompanying Notes

CITY OF CHAMPAIGN, ILLINOIS
Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major		Non-Major		Internal Service
	Parking	Sewer	Environmental Services	Totals	
Operating Revenues					
Charges for Services	\$ 2,800,828	\$ 2,015,317	\$ 286,388	\$ 5,102,533	\$ 5,310,110
Operating Expenses					
Personnel Services	1,633,564	436,235	108,528	2,178,327	1,106,528
Contractual Services	599,067	439,082	189,817	1,227,966	2,916,025
Commodities	54,046	67,801	127,092	248,939	706,086
Capital Outlay	-	121,746	-	121,746	-
Depreciation and Amortization	461,824	631,118	-	1,092,942	885,261
Total Operating Expenses	<u>2,748,501</u>	<u>1,695,982</u>	<u>425,437</u>	<u>4,869,920</u>	<u>5,613,900</u>
Operating Income (Loss)	<u>52,327</u>	<u>319,335</u>	<u>(139,049)</u>	<u>232,613</u>	<u>(303,790)</u>
Non-Operating Revenues (Expenses)					
Intergovernmental	-	380,802	54,000	434,802	-
Reimbursements from Outside Agencies	2,265	27,552	-	29,817	448,740
Interest Income	57,019	6,411	-	63,430	32,683
Interest Expense	(532,463)	(11,337)	(4,003)	(547,803)	-
Miscellaneous Income	-	-	-	-	2,956
Disposal of Capital Assets	(24,468)	(5,297)	-	(29,765)	32,800
Total Non-Operating Revenues (Expenses)	<u>(497,647)</u>	<u>398,131</u>	<u>49,997</u>	<u>(49,519)</u>	<u>517,179</u>
Income (Loss) Before Transfers and Capital Contribution	<u>(445,320)</u>	<u>717,466</u>	<u>(89,052)</u>	<u>183,094</u>	<u>213,389</u>
Transfers In	200,000	124,410	-	324,410	-
Transfers Out	(120,554)	(135,133)	(47,775)	(303,462)	(107,865)
Capital Contribution	<u>-</u>	<u>506,751</u>	<u>-</u>	<u>506,751</u>	<u>-</u>
Change in Net Assets	<u>(365,874)</u>	<u>1,213,494</u>	<u>(136,827)</u>	<u>710,793</u>	<u>105,524</u>
Net Assets, Beginning of Year	<u>11,596,524</u>	<u>35,792,336</u>	<u>(43,015)</u>	<u>47,345,845</u>	<u>3,843,606</u>
Net Assets, End of Year	<u>\$ 11,230,650</u>	<u>\$ 37,005,830</u>	<u>\$ (179,842)</u>	<u>\$ 48,056,638</u>	<u>\$ 3,949,130</u>

See Accompanying Notes

CITY OF CHAMPAIGN, ILLINOIS

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds				Governmental
	Major		Non-Major		Activities
	Parking	Sewer	Environmental Services	Totals	Internal Service
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 2,800,867	\$ 1,634,069	\$ 263,263	\$ 4,698,199	\$ 5,313,066
Payment to Employees	(1,619,284)	(427,568)	(104,606)	(2,151,458)	(1,104,679)
Payment to Suppliers	(641,336)	(220,275)	(239,665)	(1,101,276)	(2,876,874)
Net Cash Provided by (Used in) Operating Activities	<u>540,247</u>	<u>986,226</u>	<u>(81,008)</u>	<u>1,445,465</u>	<u>1,331,513</u>
Cash Flows from Non-Capital Financing Activities					
Transfers In	200,000	124,410	-	324,410	-
Advances from Other Funds	-	-	174,355	174,355	188,426
Payments to Other Funds	-	(21,652)	(41,800)	(63,452)	(15,427)
Interest Paid on Operating Advances	-	-	(4,003)	(4,003)	-
Transfers Out	(120,554)	(135,133)	(47,775)	(303,462)	(107,865)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>79,446</u>	<u>(32,375)</u>	<u>80,777</u>	<u>127,848</u>	<u>65,134</u>
Cash Flows from Capital and Related Financing Activities					
Proceeds from Sales of Capital Assets	-	-	-	-	33,300
Purchase of Capital Assets	(7,390)	(548,383)	-	(555,773)	(1,106,261)
Interest Paid on Capital Debt	(532,463)	(11,337)	-	(543,800)	-
Principal Paid on Capital Debt	-	(63,938)	-	(63,938)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(539,853)</u>	<u>(623,658)</u>	<u>-</u>	<u>(1,163,511)</u>	<u>(1,072,961)</u>
Cash Flows from Investing Activities					
Interest Received	54,390	5,681	231	60,302	31,199
Net Change in Cash and Cash Equivalents	<u>134,230</u>	<u>335,874</u>	<u>-</u>	<u>470,104</u>	<u>354,885</u>
Cash and Cash Equivalents, Beginning of Year	<u>5,199,754</u>	<u>-</u>	<u>-</u>	<u>5,199,754</u>	<u>3,380,446</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,333,984</u>	<u>\$ 335,874</u>	<u>\$ -</u>	<u>\$ 5,669,858</u>	<u>\$ 3,735,331</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	\$ 52,327	\$ 319,335	\$ (139,049)	\$ 232,613	\$ (303,790)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation and Amortization Expense	461,824	631,118	-	1,092,942	885,261
Other Income/Expense	2,265	408,354	54,000	464,619	451,696
(Increase) Decrease in Assets	39	(381,248)	(23,125)	(404,334)	14,732
Increase (Decrease) in Liabilities	23,792	8,667	27,166	59,625	283,614
Net Cash Provided by (Used in) Operating Activities	<u>\$ 540,247</u>	<u>\$ 986,226</u>	<u>\$ (81,008)</u>	<u>\$ 1,445,465</u>	<u>\$ 1,331,513</u>
Supplemental Disclosure of Non-Cash Capital					
Donated Property and Equipment	\$ -	\$ 506,751	\$ -	\$ 506,751	\$ -

See Accompanying Notes

CITY OF CHAMPAIGN, ILLINOIS

Statement of Net Assets

Fiduciary Funds

June 30, 2011

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 240,404
Investments:	
U.S. Government and Agency Securities	62,191,821
State and Local Obligations	3,091,950
Mutual Funds	27,045,068
Insurance Company Contracts	11,980,114
Common Stock	20,823,820
Receivables:	
Accrued Interest	231,558
Contributions from Plan Members	25,247
Prepays	<u>10,568</u>
 Total Assets	 <u>125,640,550</u>
LIABILITIES	
Due To Treasury Fund	287,744
Accounts Payable	<u>31,549</u>
Total Liabilities	<u>319,293</u>
NET ASSETS	
Net Plan Assets Held in Trust for Pension Benefits	<u><u>\$ 125,321,257</u></u>

See Accompanying Notes

CITY OF CHAMPAIGN, ILLINOIS

Statement of Changes in Net Assets

Fiduciary Funds

For the Year Ended June 30, 2011

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 7,176,942
Contributions - Plan Members	1,540,712
Other Income	141,159
Total Contributions	<u>8,858,813</u>
Investment Income:	
Interest Earned	2,417,633
Net Change in Fair Value	13,466,357
Total Investment Income	<u>15,883,990</u>
Less: Investment Expenses	<u>(398,387)</u>
Net Investment Income	<u>15,485,603</u>
Total Additions	<u>24,344,416</u>
Deductions	
Administrative Expenses	152,042
Benefits and Refunds	<u>7,775,581</u>
Total Deductions	<u>7,927,623</u>
Change in Net Assets	16,416,793
Net Plan Assets Held in Trust for Pension Benefits, Beginning of Year	<u>108,904,464</u>
Net Plan Assets Held in Trust for Pension Benefits, End of Year	<u><u>\$ 125,321,257</u></u>

See Accompanying Notes

CITY OF CHAMPAIGN, ILLINOIS

Notes to Financial Statements

June 30, 2011

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's reporting entity consists of the following:

Primary Government:	City of Champaign
Blended Component Unit:	Town of the City of Champaign
Discrete Component Unit:	Champaign Public Library Foundation
Fiduciary Fund Component Units:	Police Pension Employees Retirement System Firefighters' Pension Employees Retirement System

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 Unit and Fiduciary Fund Component Units

Blended Component Unit

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.

Fiduciary Fund 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.

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 and report the proceeds of the specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The City maintains two major special revenue funds and eleven 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.

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.

Debt Service Funds – Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. The City maintains one debt service fund, the Debt Service Fund. The City’s management has chosen to present this fund as major due to its general importance to the overall operation of the City.

Capital Projects Funds – Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital related outflows financed by business-type/proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. 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. The City’s

management has chosen to present this fund as major due to its general importance to the overall operation of the City.

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 fleet services, workers compensation liability payments, and retained risk liability payments provided internally by a City fund 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 \$126,000 has been recorded in the General Fund against miscellaneous receivables, an allowance of \$38,061 has been recorded in the Sewer Fund against sewer receivables, and an allowance of \$15,073 has been recorded in the Environmental Services Fund against recycling fee receivable. 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, 2011, as well as other long-term receivables, are offset by restricted 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. Fund Balance

As of these financial statements, the City has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. The components of fund balance indicate the extent to which there are constraints on the specific purposes for which amounts in the fund can be spent. The fund balance classifications are as follows:

Non-Spendable – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact

Restricted – Amounts that can be spent only for specific purposes because of the City Charter, state or federal laws, or externally imposed conditions by grantors or creditors

Committed – Amounts that can be used only for specific purposes determined by a formal action or resolution by the City Council

Assigned – Amounts that are designated by the City Council for a specific purpose

Unassigned – All amounts not included in other spendable classifications
When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned

funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

q. 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

r. 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.

s. 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.

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 2010 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 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 activities 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 ten budget amendments during fiscal year 2011.

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, 2011:

<u>Fund</u>	<u>Amount</u>
Capital Improvements	\$ 5,619,894
Stormwater Management	2,231,663
Non-Major Governmental	1,574,888
Motor Fuel Tax	846,869
General	726,375
Sewer	619,301
Parking	155,952
Total Encumbrances	<u>\$ 11,774,942</u>

f. Expenditures in Excess of Budgets and Appropriations

The following City fund had total expenditures and transfers for the fiscal year ended June 30, 2011 that materially exceeded budget by the noted amount:

<u>Fund</u>	<u>Amount</u>
Workers Compensation Fund	\$ 421,376

The above overexpenditure was due to greater than anticipated loss events occurring within the fiscal year.

4. Deposits and Investments

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

At June 30, 2011, the City held the following investments:

Illinois Metropolitan Investment Fund - Convenience Fund	\$ 20,727,596
Mutual Fund - Short-Term Federal Securities	16,888,284
Bonds and Notes - Not Primary Obligations of the U.S. Government:	
Federal Home Loan Bank	5,404,446
Federal Farm Credit Bank	2,012,520
Federal Home Loan Mortgage Corporation	1,990,480
Federal National Mortgage Association	12,524,550
U.S. Treasury Notes	4,166,560
Certificates of Deposit - Non-Negotiable	490,000
Illinois Funds	640,283
	<u>\$ 64,844,719</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, 2011, none of the City's bank balance of \$6,014,416 was exposed to custodial credit risk.

At June 30, 2011, the City held \$20,727,596 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, 2011, the City held \$640,283 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, 2011, 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, 2011, 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	\$ 16,888,284
Federal National Mortgage Association Notes	Aaa	12,524,550
Federal Home Loan Bank Notes	Aaa	5,404,446
Federal Farm Credit Bank Notes	Aaa	2,012,520
Federal Home Loan Mortgage Corporation Notes	Aaa	1,990,480
		<u>\$ 38,820,280</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, 2011, 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	\$ 16,888,284	2.4
Federal National Mortgage Association Notes	12,524,550	4.4
Federal Home Loan Bank Notes	5,404,446	4.8
U.S. Treasury Notes	4,166,560	2.6
Federal Farm Credit Bank Notes	2,012,520	0.9
Federal Home Loan Mortgage Corporation Notes	1,990,480	5.0
	<u>\$ 42,986,840</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, 2011, 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 National Mortgage Association	19.51%
Federal Home Loan Bank	8.42%

Champaign Public Library Fund

At June 30, 2011, the Library held no investments.

Custodial Credit Risk – Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Library’s deposits may not be returned to it. 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, 2011, \$2,819,647 of the Library’s bank balance of \$3,319,647 was exposed to custodial credit risk. The \$2,819,647 was fully collateralized at June 30, 2011 by securities pledged by the bank. The pledged securities, which had a fair value of \$3,053,531 at June 30, 2011, 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, 2011 the carrying amount of the Fund's deposits totaled \$179,683 and the bank balances totaled \$179,683 all of which is covered by federal depository insurance.

The following table presents the fair value of investments at June 30, 2011. Investments that represent 5 percent or more of the Fund's net assets are separately identified.

U. S. Government and Agency Obligations	\$ 30,538,860
Municipal Obligations	3,091,950
Equity Investments	22,556,460
Harbor International Fund - 77,953.185 Shares	5,058,382
American Funds EuroPacific Fund - 114,593.642 Shares	4,955,029
Total Investments	<u>\$ 66,200,681</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, 2011 and 2010, 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 \$6,572,401 and 3,789,232, respectively as follows:

NET APPRECIATION (DEPRECIATION) IN FAIR VALUE

	Year Ended June 30, 2011	Year Ended June 30, 2010
U.S. Government and Agency Obligations	\$ (288,402)	\$ 771,459
Municipal Obligations	26,569	25,875
Equity Investments	6,834,234	2,991,898
	<u>\$ 6,572,401</u>	<u>\$ 3,789,232</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 Treasurer 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, 2011, the Fund had the following investment in fixed income:

	<u>Fair Value</u>
Mutual Funds - Bond	<u>\$ 31,652,961</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, 2011, 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, 2011, the Fund held the following investments subject to interest rate risk:

	<u>Fair Market Value</u>	<u>Average Maturity (Years)</u>
Mutual Funds - Bond	<u>\$ 31,652,961</u>	<u>4.0</u>

The Fund also diversifies the portfolio so that the impact of a potential drop in the market value of 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
Fixed Income	\$ 31,652,961	53.7%	45.0%	55.0%	50.0%
U.S. Equity	19,673,014	33.4%	30.0%	40.0%	35.0%
International Equity	6,149,381	10.4%	7.5%	17.5%	12.5%
Real Estate	1,456,736	2.5%	0.0%	5.0%	2.5%
Total	<u>\$ 58,932,092</u>				

All investments at June 30, 2011 are within the Fund's investment policy.

Credit Risk

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 the United States Treasury and agencies of the United States government that are explicitly guaranteed by the United States government. The Fund has no other formal policy for reducing credit risk.

At June 30, 2011, the Fund held the following investment subject to credit risk:

	Credit Rating	Carrying Value
Mutual Funds - Bond	Aaa	<u>\$31,652,961</u>

5. 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 2009 levy and fifty percent of the calendar 2010 levy related to fiscal year 2011. 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 2011 property tax revenue on the statement of activities consists of fifty percent of the calendar year 2009 levy and fifty percent of the calendar year 2010 levy, less allowances. For fiscal year 2011, 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 2011 were based on equalized assessed value as of January 1, 2010 and on tax levies set in December 2010.

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 2010, all property taxes were distributed by November 19. Interest earned on taxes before distribution goes to the local governments.

6. Property Taxes Receivable

Property taxes receivable for the governmental funds consists of property taxes levied in 2010, for which a legal claim exists in 2011. The revenue associated with the 2010 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, 2011 is shown below:

<u>Fund Type</u>	Property Taxes Levied and for TIF Districts	Property Taxes Receivable	Deferred Revenue
General	\$ 11,131,089	\$ 5,473,543	\$ 5,565,545
Special Revenue:			
Non-TIF	6,627,879	3,259,623	3,309,466
TIF	3,365,038	1,682,519	1,682,519
Capital Projects	2,749,235	1,342,991	1,374,617
Total	<u>\$ 23,873,241</u>	<u>\$ 11,758,676</u>	<u>\$ 11,932,147</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.

7. Unearned and Deferred Revenue

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

Unearned Property Taxes	\$ 123,629
Unearned Parking Revenue	3,960
Unearned Grant Revenue	142,741
Unearned Other Revenue	15,000
Total	<u>\$ 285,330</u>

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

Deferred Property Taxes	\$ 11,932,147
Unearned Other Revenue	107,899
Total	<u>\$ 12,040,046</u>

8. Capital Assets

Governmental Activities

Governmental capital asset activity for the year ended June 30, 2011 was as follows:

	June 30, 2010			
	Restated	Additions	Deductions	June 30, 2011
Non-Depreciable				
Capital Assets:				
Land	\$ 95,047,116	\$ 3,060,942	\$ -	\$ 98,108,058
Construction in Progress	23,479,064	6,507,461	11,576,983	18,409,542
	<u>118,526,180</u>	<u>9,568,403</u>	<u>11,576,983</u>	<u>116,517,600</u>
Depreciable				
Capital Assets:				
Buildings	47,556,599	5,500	52,099	47,510,000
Land Improvements Improvements and Equipment	1,242,518	-	-	1,242,518
Infrastructure	24,425,346	2,145,437	2,241,273	24,329,510
	<u>426,209,003</u>	<u>23,282,941</u>	<u>159,993</u>	<u>449,331,951</u>
	<u>499,433,466</u>	<u>25,433,878</u>	<u>2,453,365</u>	<u>522,413,979</u>
Less: Accumulated				
Depreciation:				
Buildings	13,129,094	1,496,804	52,099	14,573,799
Land Improvements Improvements and Equipment	124,242	62,121	-	186,363
Infrastructure	16,027,290	2,549,151	2,237,918	16,338,523
	<u>220,255,510</u>	<u>14,815,141</u>	<u>138,994</u>	<u>234,931,657</u>
	<u>249,536,136</u>	<u>18,923,217</u>	<u>2,429,011</u>	<u>266,030,342</u>
Total Depreciable				
Capital Assets	<u>249,897,330</u>	<u>6,510,661</u>	<u>24,354</u>	<u>256,383,637</u>
Total Capital Assets	<u>\$ 368,423,510</u>	<u>\$ 16,079,064</u>	<u>\$ 11,601,337</u>	<u>\$ 372,901,237</u>

Depreciation expense was charged to governmental activities for fiscal year 2011 as follows:

General Government	\$ 526,494
Culture and Recreation	1,812,226
Public Safety	1,216,290
Public Works	15,363,213
Public Health and Welfare	4,994
	<u>\$ 18,923,217</u>

Prior to fiscal year 2011, the City considered infrastructure assets as part of the general government function and the related depreciation was included in the general government function expenses on the statement of activities. For fiscal year 2011, and for future fiscal years, the majority of infrastructure assets are considered part of the public works function and the related depreciation is included in the public works function expenses on the statement of activities. This change in philosophy has decreased the expenses of the general government function and increased the expenses of the public works function by approximately \$14,200,000 for fiscal year 2011 as compared to fiscal year 2010.

Business-Type Activities

Business-type capital asset activity for the year ended June 30, 2011 was as follows:

	June 30, 2010	Increases	Decreases	June 30, 2011
Non-Depreciable				
Capital Assets:				
Land	\$ 5,951,418	\$ -	\$ -	\$ 5,951,418
Construction in Progress	43,500	837,870	-	881,370
	<u>5,994,918</u>	<u>837,870</u>	<u>-</u>	<u>6,832,788</u>
Depreciable				
Capital Assets:				
Buildings	12,468,509	-	-	12,468,509
Improvements and Equipment	1,124,422	7,390	116,355	1,015,457
Parking Meters	721,235	-	-	721,235
Infrastructure	48,579,331	1,162,758	26,240	49,715,849
	<u>62,893,497</u>	<u>1,170,148</u>	<u>142,595</u>	<u>63,921,050</u>
Less: Accumulated				
Depreciation:				
Buildings	374,713	311,712	-	686,425
Improvements and Equipment	781,410	38,555	91,887	728,078
Parking Meters	262,192	34,378	-	296,570
Infrastructure	11,821,071	730,453	20,943	12,530,581
	<u>13,239,386</u>	<u>1,115,098</u>	<u>112,830</u>	<u>14,241,654</u>
Total Depreciable				
Capital Assets	<u>49,654,111</u>	<u>55,050</u>	<u>29,765</u>	<u>49,679,396</u>
Total Capital Assets	<u>\$ 55,649,029</u>	<u>\$ 892,920</u>	<u>\$ 29,765</u>	<u>\$ 56,512,184</u>

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

Parking	\$ 483,980
Sewer	631,118
Total Depreciation	<u>\$ 1,115,098</u>

9. 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, 2011:

	June 30, 2010	Issued	Retired	June 30, 2011	Due Within One Year
General Obligation					
Bonds	\$ 67,670,000	\$ -	\$ 2,935,000	\$ 64,735,000	\$ 2,595,000
Claims Payable	2,017,475	2,134,888	1,837,753	2,314,610	2,314,610
Accrued Compensated					
Absences	4,642,245	4,198,422	3,920,841	4,919,826	983,965
Net Other Post-					
Employment Liability	1,538,969	1,108,842	204,002	2,443,809	-
Net Pension Obligation	1,732,740	3,784,177	3,486,399	2,030,518	-
Landfill Closure and					
Post-Closure Liability	752,334	-	34,467	717,867	67,867
Unamortized Bond					
Premiums	192,553	-	20,599	171,954	20,599
Total Long-Term Debt	<u>\$ 78,546,316</u>	<u>\$ 11,226,329</u>	<u>\$ 12,439,061</u>	<u>\$ 77,333,584</u>	<u>\$ 5,982,041</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, 2011:

	June 30, 2010	Issued	Retired	June 30, 2011	Due Within One Year
General Obligation					
Bonds	\$ 12,700,000	\$ -	\$ -	\$ 12,700,000	\$ -
IEPA Loans Payable	410,424	-	63,938	346,486	65,797
Unamortized Bond					
Premiums	337,169	-	22,156	315,013	22,156
Accrued Compensated					
Absences	156,172	171,424	148,324	179,272	35,854
Total Long-Term Debt	<u>\$ 13,603,765</u>	<u>\$ 171,424</u>	<u>\$ 234,418</u>	<u>\$ 13,540,771</u>	<u>\$ 123,807</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, \$90,056 of internal service funds compensated absences are included in the above governmental activities amounts.

10. 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, 2011 are as follows:

<u>Issue</u>	<u>Fund Debt Retired By</u>	<u>June 30, 2010</u>	<u>Issuances</u>	<u>Retirements</u>	<u>June 30, 2011</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	1,500,000	-	425,000	1,075,000
\$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	22,700,000	-	1,195,000	21,505,000
\$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, 2010	Issuances	Retirements	June 30, 2011
\$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	7,910,000	-	1,315,000	6,595,000
\$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>\$ 80,370,000</u>	<u>\$ -</u>	<u>\$2,935,000</u>	<u>\$77,435,000</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, 2011 are as follows:

<u>Issue</u>	<u>Fund Debt Retired By</u>	<u>June 30, 2010</u>	<u>Issuances</u>	<u>Retirements</u>	<u>June 30, 2011</u>
\$384,071 loan due March 1, 2015, at 3.015 percent payable semi-annually	Sewer	\$ 120,735	\$ -	\$ 22,724	\$ 98,011
\$741,188 loan due August 16, 2016, at 2.815 percent payable semi-annually	Sewer	289,689	-	41,215	248,474
		<u>\$ 410,424</u>	<u>\$ -</u>	<u>\$ 63,939</u>	<u>\$ 346,485</u>

For fiscal year 2011, the City has three new loans from IEPA totaling \$2,249,566 of available financing. The notes have an interest rate of 1.25 percent and mature at different times. Under the terms of these loans, the City does not repay 25 percent, or \$562,392, of the principal. The City recognizes this portion of the loans as grant revenue as it is utilized.

- The first note payable totals \$705,501. The first payment is due on May 15, 2012 and matures on November 15, 2031. At June 30, 2011, the City recorded \$176,375 in grant revenue related to this note.
- The second note payable totals \$817,708. The first payment is due on March 2, 2012 and matures on September 2, 2031. At June 30, 2011, the City recorded \$204,427 in grant revenue related to this note.
- The third note payable totals \$726,357. The first payment is due on December 29, 2012 and matures on June 29, 2032. At June 30, 2011, the City did not record grant revenue related to this note.

The City did not record any outstanding principal for these loans at June 30, 2011.

Demand Bonds

The 2004B General Obligation Bonds are demand bonds.

Interest

For fiscal year 2011, total interest incurred and expensed/expended by the governmental activities/governmental funds was \$2,547,854 and total interest expense incurred and expensed by the enterprise funds was \$547,803.

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 June 30, 2011, the estimated remaining liability is \$717,867. 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.

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.

In April 2011, the City Council approved the ceding of private activity bond authority to the Eastern Illinois Economic Development Authority with a cap amount of \$7,627,170.

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
2012	\$ 2,595,000	\$ 2,600,956	\$ -	\$ 532,462	\$ 65,797	\$ 9,478
2013	2,680,000	2,528,969	485,000	523,369	67,710	7,566
2014	3,740,000	2,438,619	635,000	502,369	69,678	5,597
2015	3,390,000	2,329,301	710,000	477,150	71,704	3,571
2016	3,615,000	2,210,456	665,000	451,369	47,397	1,684
2017	3,710,000	2,076,218	1,225,000	406,231	24,200	341
2018	3,340,000	1,944,820	1,345,000	339,938	-	-
2019	4,495,000	1,801,464	1,330,000	279,712	-	-
2020	4,375,000	1,632,090	1,415,000	224,813	-	-
2021	3,495,000	1,470,303	1,220,000	172,112	-	-
2022	3,930,000	1,308,763	440,000	138,913	-	-
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	81,312	-	-
2026	3,825,000	588,344	545,000	60,013	-	-
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	-	-	-	-
Total	\$ 64,735,000	\$ 26,828,931	\$ 12,700,000	\$ 4,461,964	\$ 346,486	\$ 28,237

11. Restricted Net Assets

At June 30, 2011, the City had restricted net assets for the following purposes:

Restricted Due to Enabling Legislation:

Unspent Tax Levies	\$ 403,979
Culture and Recreation	1,096,231
Public Health and Welfare	3,215,505
Public Safety	440,627
Public Works	13,967,353
Debt Service	4,070,876
Capital Projects	6,034,263
Total	<u>\$ 29,228,834</u>

12. Non-Spendable, Restricted, Committed, and Deficit Fund Equity

a. Non-Spendable, Restricted, and Committed

In the fund financial statements, governmental funds report non-spendable, restrictions of, and commitments of fund balance for amounts that are not available for appropriation, are restricted by outside parties for use for a specific purpose, or are committed for a specific purpose by an action of the City Council, respectively. As of June 30, 2011, such fund balances are composed of the following:

	General Fund	Other Major Governmental Funds	Nonmajor Governmental Funds	Total Governmental Funds
Non-Spendable:				
Prepaid Items	\$ 11,966	\$ -	\$ 940	\$ 12,906
Restricted:				
Public Safety	-	-	399,721	399,721
Library Improvements	-	-	937,053	937,053
Tax Levy Expenditures	-	-	674,996	674,996
Housing Development	-	-	974,271	974,271
Neighborhood Revitalization	-	-	2,175,179	2,175,179
Cultural and Recreation	-	1,096,231	-	1,096,231
Capital Projects	-	15,551,111	2,221,302	17,772,413
Debt Service	-	4,070,876	-	4,070,876
	<u>-</u>	<u>20,718,218</u>	<u>7,382,522</u>	<u>28,100,740</u>
Committed:				
Campustown Improvements	-	-	3,722,239	3,722,239
Vehicles and Equipment	-	-	7,660,064	7,660,064
Other Capital Projects	-	6,867,595	-	6,867,595
	<u>-</u>	<u>6,867,595</u>	<u>11,382,303</u>	<u>18,249,898</u>
Total Non-Spendable, Restricted, and Committed	<u>\$ 11,966</u>	<u>\$ 27,585,813</u>	<u>\$ 18,765,765</u>	<u>\$ 46,363,544</u>

b. Deficit Fund Equity

At June 30, 2011, the following funds had deficit fund equity:

- North Campus Area TIF District Fund - \$26,269
- Environmental Services Fund - \$179,842
- ARRA Grant Fund - \$906,245
- Community Development Fund - \$71,245

These deficits are expected to be eliminated in fiscal year 2012.

13. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables consist of the following as of June 30, 2011:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General	Fleet Services	\$ 188,426
General	Non-Major Proprietary	174,355
Non-Major Governmental	Non-Major Governmental	860,412
Total Interfund Balances		<u>\$ 1,223,193</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, 2011 are summarized below:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Champaign Public Library	\$ 252,135
General	Parking	50,000
General	Sewer	50,000
General	Non-Major Governmental	1,914,969
General	Workers Compensation	95,197
Stormwater Management	General	3,472,738
Stormwater Management	Debt Service	13,570,894
Capital Improvements	General	951,779
Motor Fuel Tax	General	250,000
Debt Service	General	2,694,291
Debt Service	Stormwater Management	2,945,884
Debt Service	Capital Improvement	156,475
Debt Service	Non-Major Governmental	663,525

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Non-Major Governmental	General	1,753,811
Non-Major Governmental	Parking	70,554
Non-Major Governmental	Sewer	85,133
Non-Major Governmental	Non-Major Governmental	19,492
Non-Major Governmental	Fleet Services	12,668
Parking	Non-Major Governmental	200,000
Sewer	Non-Major Governmental	124,410
Total Interfund Transfers		<u>\$ 29,333,955</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

14. 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 \$600,000 per occurrence with no aggregate limit and has supplemental per-occurrence coverage with a commercial carrier for all amounts over \$600,000.

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, 2011. 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, 2011. The amount of settlements in both funds did not exceed insurance coverage in fiscal year 2011 or the previous two fiscal years.

Changes in the claim liability amounts in fiscal years 2011 and 2010 were as follows:

	2011		2010	
	Retained Risk	Workers' Compensation	Retained Risk	Workers' Compensation
Claims Liability - July 1	\$ 408,265	\$ 1,609,210	\$ 1,749,056	\$ 3,482,145
Claims Incurred	274,182	1,860,706	(1,116,886)	(817,184)
Claims Paid	<u>(458,392)</u>	<u>(1,379,361)</u>	<u>(223,905)</u>	<u>(1,055,751)</u>
Claims Liability - June 30	<u>\$ 224,055</u>	<u>\$ 2,090,555</u>	<u>\$ 408,265</u>	<u>\$ 1,609,210</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. Management determined the source used for fiscal year 2010 is reliable and more consistently available for periodic assessment. Had this same source been used at June 30, 2009, the liability for retained risk would have been \$186,666 and the liability for workers' compensation would have been \$1,408,516 at June 30, 2009. The claims incurred for retained risk would have been \$445,504 for fiscal year 2010. The claims incurred for workers' compensation would have been \$1,256,445 for fiscal year 2010.

15. 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.

16. 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, 2011 is as follows:

Total Assets	<u>\$ 141,033</u>	Total Revenues	\$ 44,026
		Total Expenses	<u>38,005</u>
Total Liabilities	\$ 21,388	Net Income (Loss)	6,021
Total Equity	<u>119,645</u>	Total Equity - July 1	<u>113,624</u>
Total Liabilities and Equity	<u>\$ 141,033</u>	Total Equity - June 30	<u>\$ 119,645</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 2007 through 2011 allocations is not expected until the years 2012 through 2016, 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 three CHDO's, the Homestead Corporation, the Illinois Center for Citizen Involvement, and Habitat for Humanity of Champaign County.

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, 2011 is as follows:

Total Assets	<u>\$ 57,563</u>	Total Revenues	\$ 1,046,165
Total Liabilities	\$ 57,563	Total Expenses	<u>1,046,165</u>
Total Equity	<u>-</u>	Net Income (Loss)	-
Total Liabilities and Equity	<u>\$ 57,563</u>	Total Equity - July 1	<u>-</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, 2011 is as follows:

Total Assets	<u>\$ 10,606,128</u>	Total Revenues	\$ 3,925,008
Total Liabilities	\$ 292,268	Total Expenses	<u>4,261,026</u>
Total Equity	<u>10,313,860</u>	Net Income (Loss)	(336,018)
Total Liabilities and Equity	<u>\$ 10,606,128</u>	Total Equity - July 1	<u>10,649,878</u>
		Total Equity - June 30	<u>\$ 10,313,860</u>

17. 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, 2011 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, 2011, the amount contributed and included as in-kind revenue and expense in the financial statements of the Foundation totaled \$90,537.

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, 2011 was \$135,319.

18. 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.

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 annual required contribution rate for calendar year 2010 was 11.05 percent. 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, 2011, the City's annual pension cost of \$2,221,754 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</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ 2,221,754	100%	\$ -
6/30/10	1,890,925	100%	-
6/30/09	1,580,013	100%	-

As of June 30, 2011, the City's net pension obligation remains at \$0.

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, 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 20 percent corridor between the actuarial and market value of assets. The employer plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress - As of December 31, 2010, the most recent actuarial valuation date, the plan was 81.52 percent funded. The actuarial accrued liability for benefits was \$61,784,560 and the actuarial value of assets was \$50,363,920, resulting in an underfunded actuarial accrued (UAAL) of \$11,420,640. The covered payroll for calendar 2010 (annual payroll of active employees covered by the plan) was

\$19,876,857 and the ratio of the UAAL to the covered payroll was 57 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.

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

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

Funding Policy – As set by statute, the Township’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 2010 used by the Township was 8.63 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 9.16 percent. The Township 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 fiscal year ending June 30, 2011, the Township’s actual contribution for pension cost for the Regular Plan members was \$27,647. The Township’s required contribution for fiscal year 2011 was \$28,347.

Three-Year Trend Information for the Regular Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ 28,347	98%	\$ 1,413
6/30/10	24,352	97%	713
6/30/09	20,545	100%	-

The City has not recorded the immaterial net pension obligation on the government-wide financial statements as management expects to reduce this obligation to \$0 in fiscal year 2012.

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3 percent annually. The actuarial value of the Township's Regular Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The Township's Regular Plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress - As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 77.66 percent funded. The actuarial accrued liability for benefits was \$945,581 and the actuarial value of assets was \$734,342, resulting in an underfunded actuarial accrued liability (UAAL) of \$211,239. The covered payroll (annual payroll of active employees covered by the plan) for calendar year 2010 was \$301,713 and the ratio of UAAL to the covered payroll was 70 percent.

The schedule of funding progress, presented as RSI 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.

The Township provides no other postemployment benefits to employees.

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.

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 annual required contribution rate for calendar year 2010 was 18.06 percent. 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, 2011, the City's annual pension cost of \$26,158 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</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ 26,158	100%	\$ -
6/30/10	25,293	100%	-
6/30/09	23,908	100%	-

As of June 30, 2011, the City's net pension obligation remains at \$0.

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, 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 20 percent corridor between the actuarial and market value of assets. The employer Sheriff's Law Enforcement Personnel Plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress - As of December 31, 2010, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel Plan was 57.06 percent funded. The actuarial accrued liability for benefits was \$377,864 and the actuarial value of assets was \$215,618, resulting in an underfunded actuarial accrued (UAAL) of \$162,246. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$143,096 and the ratio of the UAAL to the covered payroll was 113 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.

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, 2011 the Police Pension Plan membership consisted of:

Retirees and Beneficiaries currently receiving benefits and Terminated Employees entitled to benefits but not yet receiving them	102
Inactive Members	8
Current Employees:	
Vested	80
Non-Vested	43
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, 2011, the City contributed an amount in excess of the annual pension cost of \$2,755,582.

Three-Year Trend Information for the Pension Plan

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 2,755,582	134%	\$ (11,729,438)
2010	2,413,846	139%	(10,794,477)
2009	2,151,208	152%	(9,843,597)

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

Annual Required Contribution (ARC)	\$ 2,755,582
Interest on the NPO	-
Adjustment to the ARC	-
Annual Pension Cost	2,755,582
Actual Contribution	3,690,543
Increase to the NPO	(934,961)
Beginning of Year NPO	(10,534,316)
Change in June 30, 2010 Estimate	(260,161)
End of Year NPO	<u>\$ (11,729,438)</u>

The interest on the NPO and the adjustment to the ARC are not presented above as these amounts are unknown as of the issuance date of the financial statements.

The required contribution for 2011 was determined as part of the July 1, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at July 1, 2010 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, 2010 valuation was 23 years.

Funded Status and Funding Progress – As of July 1, 2010, the most recent actuarial valuation date, the Police Pension Plan was 66.8 percent funded. The actuarial accrued liability for benefits was \$86,627,280 and the actuarial value of assets was \$57,901,666

resulting in an underfunded actuarial accrued (UAAL) of \$28,725,614. The covered payroll (annual payroll of active employees covered by the plan) was \$8,447,873 and the ratio of the UAAL to the covered payroll was 340.0 percent.

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..

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 contribution requirements of the plan members and the City are governed by Illinois Compiled Statutes (ILCS) and may only be amended by the Illinois legislature. Administrative costs are financed through investment earnings. 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, 2011, the Firefighters' Pension Plan membership consisted of the following:

Retirees and Beneficiaries Currently Receiving Benefits	81
Terminated Plan Members Entitled To but Not Yet Receiving Benefits	2
Active Plan Members:	
Vested	64
Non-Vested	36
Total Membership	<u>183</u>

Plan Description - The following is a summary of the Firefighters' Pension Plan as provided for in ILCS.

The Firefighters' Pension Plan provides retirement, disability, and death benefits, as well as automatic annual cost of living adjustments, to plan members and their beneficiaries. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held 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 salary. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a firefighter who retires after January 1, 1977, shall, upon either the first of the month following the first anniversary of the date of retirement if 55 years of age or over, or upon the first day of the month following attainment of age 55 if it occurs after the first anniversary of retirement, be increased by one-twelfth of 3 percent

of the originally granted monthly pension for each full month that has elapsed since the pension began, and by an additional 3 percent in each January 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 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 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, 2011, the City contributed an amount less than the annual pension cost of \$3,865,208.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 3,865,208	90%	\$ 2,030,518
2010	3,657,755	88%	1,651,709
2009	3,205,642	94%	1,196,569

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

Annual Required Contribution (ARC)	\$ 3,865,208
Interest on the NPO	-
Adjustment to the ARC	-
Annual Pension Cost	3,865,208
Actual Contribution	3,486,399
Increase to the NPO	378,809
Beginning of Year NPO	1,732,740
Change in June 30, 2010 Estimate	(81,031)
End of Year NPO	<u>\$ 2,030,518</u>

The interest on the NPO and the adjustment to the ARC are not presented above as these amounts are unknown as of the issuance date of the financial statements.

The required contribution for 2011 was determined as part of the July 1, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at July 1, 2010 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, 2010 valuation was 9.5 years.

Funded Status and Funding Progress - As of July 1, 2010, the most recent actuarial valuation date, the Firefighters' Pension Plan was 74.2 percent funded. The actuarial accrued liability for benefits was \$72,951,486 and the actuarial value of assets was \$54,144,243 resulting in an underfunded actuarial accrued (UAAL) of \$18,807,243. The covered payroll (annual payroll of active employees covered by the plan) was \$7,017,586 and the ratio of the UAAL to the covered payroll was 268.0 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	\$	5,058,382
American Funds EuroPacific Fund		4,955,029

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	\$	11,980,114
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➤ Related-Party Transactions

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

19. 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, 2011, membership for purposes of the actuarial liability calculation consisted of:

Retirees and beneficiaries currently receiving benefits and terminated benefits and terminated employees entitled to benefits but not yet receiving them	69
Active Employees	458
Total	<u>527</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, 2011 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, 2011.

Three-Year Trend Information for the Plan

Fiscal Year Ending June 30	Annual OPEB Cost	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 1,108,842	18%	\$ 2,443,809
2010	1,094,511	31%	1,538,969
2009	1,103,936	29%	788,396

The net OPEB obligation (NOPEBO) as of June 30, 2011 was calculated as follows:

Annual Required Contribution	\$ 1,127,238
Interest on the NOPEBO	76,948
Adjustment to the ARC	<u>(95,344)</u>
Annual OPEB Cost	1,108,842
Actual Contribution	<u>204,002</u>
Increase in the NOPEBO	904,840
NOPEBO - July 1, 2010	<u>1,538,969</u>
NOPEBO - June 30, 2011	<u><u>\$ 2,443,809</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, 2011, was as follows:

Actuarial Accrued Liability (AAL)	\$	9,797,928
Actuarial Value of Plan Assets	\$	-
Unfunded Actuarial Accrued Liability (UAAL)	\$	9,797,928
Funded Ratio (Actuarial Value of Plan Assets/AAL)		0%
Covered Payroll	\$	28,816,486
AAL as a percent of Covered Payroll (Active Plan Members)		34%

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, 2011 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 advanced 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, 2011 valuation was 30 years.

20. 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 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 change 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, 2011 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, 2011, 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 September 8, 2011, 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

Cash at June 30, 2011 consists of the following:

Checking Accounts	\$ 34,728
Money Market Accounts	107,848
Total	<u>\$ 142,576</u>

At June 30, 2011, the Foundation's bank deposits total of \$36,732, which reconciled to the book balance of \$34,728, 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, 2011 consist of the following:

Certificates of Deposit	\$	176,382
U.S. Government Securities		186,042
Mutual Funds		286,691
Common Stocks		166,036
Private Equity Securities		51,618
Municipal Government Securities		77,541
Mortgage Backed Securities		14,987
Total	\$	<u>959,297</u>

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

Interest Income	\$	17,990
Net Realized and Unrealized Gains and (Losses)		77,803
Dividends		8,811
Total	\$	<u>104,604</u>

e. Pledges Receivable

Pledges Receivable consists of the following at June 30, 2011:

Current Portion	\$	23,208
Non-Current Portion - Receivable from 1 to 5 Years		5,000
Total	\$	<u>28,208</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, 2011 consists of the following:

Board Designated:		
Schwartz Fund for Library Material	\$	288,309
Endowment		406,341
Undesignated		36,050
Total	\$	<u>730,700</u>

g. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2011 are available for the following purposes:

Library Building	\$	232,119
Richard McDonald Endowment		50,969
Art Fund		41,168
Children's Programming		12,684
R.D. Burnham Trust - Library Materials		9,540
J.F. Burnham Trust - Library Materials		9,483
Friends of the Library		7,528
Books Today		7,028
Read Me a Future		5,691
Grants		3,171
Total	\$	<u>379,381</u>

h. Permanently Restricted Net Assets

Permanently restricted net assets at June 30, 2011 are held to generate income for the following purposes:

R.D. Burnham Trust - Library Materials	\$	10,000
J.F. Burnham Trust - Library Materials		10,000
Total	\$	<u>20,000</u>

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, 2011 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment</u>
Donor Restricted	\$ -	\$ 19,023	\$ 20,000	\$ 39,023
Unrestricted - Board Designated	406,341	-	-	406,341
Total	<u>\$ 406,341</u>	<u>\$ 19,023</u>	<u>\$ 20,000</u>	<u>\$ 445,364</u>

Changes in endowment funds for the year ended June 30, 2011 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment</u>
Endowment Net Assets, Beginning of Year	\$ 236,189	\$ 14,581	\$ 20,000	\$ 270,770
Contributions	46,394	-	-	46,394
Reclassification of Prior Year Contributions	88,211	-	-	88,211
Interest and Dividends	10,121	1,049	-	11,170
Net Appreciation (Depreciation)	37,667	4,498	-	42,165
Expenditures	<u>(12,241)</u>	<u>(1,105)</u>	<u>-</u>	<u>(13,346)</u>
Endowment Net Assets, End of Year	<u>\$ 406,341</u>	<u>\$ 19,023</u>	<u>\$ 20,000</u>	<u>\$ 445,364</u>

j. Fair Value Measurements

The fair values of assets measured on a recurring basis at June 30, 2011 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment Securities	<u>\$ 959,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 959,297</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, 2011.

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, 2011, the amount contributed and included as in-kind revenues totaled \$90,537. An equivalent expense is included in the Statement of Activities with \$22,889 in “Management and General” and \$67,648 in “Fund Raising”.

Program Services expense for the year ended June 30, 2011 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 \$135,319 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 \$50,000 or approximately 12 percent of the total support and revenue for the year ended June 30, 2011.

m. Commitments

The Foundation has committed to reimburse a portion of the City of Champaign’s annual debt payment for the new Library building. The remaining commitment is \$200,000, which will be paid in June 2012 using funds that are temporarily restricted at June 30, 2011.

The Foundation has committed to pay an artist for murals for the children’s section of the Library. The remaining commitment is \$60,000, which will be paid in fiscal year 2012 as the artistic services are provided and the murals are delivered.

21. Subsequent Event

Subsequent to year end, the City entered into an intergovernmental agreement with the University of Illinois at Urbana-Champaign and City of Urbana for \$9,329,000 to construct a fiber-optic infrastructure to provide high-speed internet at low cost to local residents. The sub-award will be funded with federal money from the U.S. Department of Commerce. The University of Illinois will act as a pass-through entity and will subaward the funding to the City of Urbana, Illinois and City of Champaign, Illinois.

22. Prior Period Adjustment

Net assets of governmental activities at July 1, 2010 have been increased by \$2,013,913 to correct an error in recording capital assets in fiscal year 2010. Had the error not been made, the change in net assets for the year ended June 30, 2010 would have been higher by \$2,013,913.

23. Construction Commitments

Through the date of the independent auditors’ report, the City has entered into construction related contracts for the following:

<u>Purpose</u>	<u>Commitment</u>
Sanitary Sewer Rehabilitation	\$ 317,112
Staley Road	488,577
Fourth Street (John to Armory)	730,142
Fiber Optic Connection	10,627,807
North Fourth Street Extension Plan	670,500
Washington Street Drainage (Including Land Acquisition of \$900,000)	1,192,685



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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
12/31/2010	\$ 50,363,920	\$ 61,784,560	\$ 11,420,640	81.52%	\$ 19,876,958	57.46%
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%

On a market value basis, the actuarial value of assets as of December 31, 2010 was \$53,653,091.
On a market basis, the funded ratio would be 86.84 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
12/31/2010	\$ 734,342	\$ 945,581	\$ 211,239	77.66%	\$ 301,713	70.01%
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%

On a market value basis, the actuarial value of assets as of December 31, 2010 was \$803,418.
On a market basis, the funded ratio would be 84.97 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
12/31/2010	\$ 215,618	\$ 377,864	\$ 162,246	57.06%	\$ 143,096	113.38%
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%

On a market value basis, the actuarial value of assets as of December 31, 2010 was \$224,514.
On a market basis, the funded ratio would be 59.42 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
6/30/2010	\$ 57,901,666	\$ 86,627,280	\$ 28,725,614	66.84%	\$ 8,447,873	340.03%
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%

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
06/30/10	\$ 54,144,243	\$ 72,951,486	\$ 18,807,243	74.22%	\$ 7,017,586	268.00%
06/30/09	52,125,331	70,880,310	18,754,979	73.54%	7,196,912	260.60%
06/30/08	50,393,274	67,687,588	17,294,314	74.45%	6,623,914	261.09%
06/30/07	47,396,949	64,364,423	16,967,474	73.64%	6,489,359	261.47%
06/30/06	44,065,639	61,773,778	17,708,139	71.33%	5,744,071	308.29%
06/30/05	42,396,338	60,173,637	17,777,299	70.46%	5,338,139	333.02%

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
6/30/2011	\$ -	\$ 9,797,928	\$ 9,797,928	0.00%	\$ 28,816,486	34.00%
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%

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
2011	\$ 3,690,543	\$ 2,755,582	133.93%
2010	3,364,726	2,528,050	133.10%
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%

Firefighters' Pension Fund

Fiscal Year Ended June 30,	Employer Contributions	Annual Required Contributions	Percent Contributed
2011	\$ 3,486,399	\$ 3,865,208	90.20%
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%

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial schedules, which are 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 and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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

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. The Food and Beverage Tax Fund is a non-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. The North Campus Area TIF District 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 used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital related outflows financed by business-type/proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

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, 2011

	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
ASSETS			
Cash and Investments	\$ 9,512,955	\$ 8,614,895	\$ 18,127,850
Receivables - Net of Allowances:			
Property Taxes	1,954,411	213,714	2,168,125
Accrued Interest	12,090	9,138	21,228
Prepaid Expenses	940	-	940
Due from Other Funds	860,412	-	860,412
Other	67,253	-	67,253
	<u>12,408,061</u>	<u>8,837,747</u>	<u>21,245,808</u>
Total Assets	<u>\$ 12,408,061</u>	<u>\$ 8,837,747</u>	<u>\$ 21,245,808</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 399,979	\$ 23,220	\$ 423,199
Retainage Payable	-	-	-
Accrued Payroll	29,310	-	29,310
Due to Other Funds	860,412	-	860,412
Deferred Revenue	1,954,411	217,410	2,171,821
Total Liabilities	<u>3,244,112</u>	<u>240,630</u>	<u>3,484,742</u>
Fund Balance:			
Non-Spendable	940	-	940
Restricted	6,445,469	937,053	7,382,522
Committed	3,722,239	7,660,064	11,382,303
Unassigned	(1,004,699)	-	(1,004,699)
Total Fund Balances	<u>9,163,949</u>	<u>8,597,117</u>	<u>17,761,066</u>
Total Liabilities and Fund Balances	<u>\$ 12,408,061</u>	<u>\$ 8,837,747</u>	<u>\$ 21,245,808</u>

CITY OF CHAMPAIGN, ILLINOIS

Combining Balance Sheet

Non-Major Special Revenue Funds

June 30, 2011

	Community Development	Food & Beverage	North Campus Area TIF	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
ASSETS												
Cash and Investments	\$ 9,543	\$ 2,915,185	\$ -	\$ 2,200,245	\$ 690,537	\$ 991,016	\$ 1,292,869	\$ 1,004,975	\$ 205,629	\$ 202,956	\$ -	\$ 9,512,955
Receivables - Net of Allowances:												
Property Taxes	-	-	450,608	-	271,892	890,457	341,454	-	-	-	-	1,954,411
Accrued Interest	-	5,089	(319)	3,046	-	908	1,518	1,274	283	291	-	12,090
Prepaid Expense	940	-	-	-	-	-	-	-	-	-	-	940
Due from Other Funds	-	860,412	-	-	-	-	-	-	-	-	-	860,412
Other	-	(10,782)	-	66,180	11,655	-	-	200	-	-	-	67,253
Total Assets	\$ 10,483	\$ 3,769,904	\$ 450,289	\$ 2,269,471	\$ 974,084	\$ 1,882,381	\$ 1,635,841	\$ 1,006,449	\$ 205,912	\$ 203,247	\$ -	\$ 12,408,061
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts Payable	\$ 71,501	\$ 47,665	\$ -	\$ 48,169	\$ 8,113	\$ 108,895	\$ 2,237	\$ 32,178	\$ 5,486	\$ 3,952	\$ 71,783	\$ 399,979
Retainage Payable	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Payroll	10,227	-	-	-	19,083	-	-	-	-	-	-	29,310
Due to Other Funds	-	-	25,950	-	-	-	-	-	-	-	834,462	860,412
Deferred Revenue	-	-	450,608	-	271,892	890,457	341,454	-	-	-	-	1,954,411
Total Liabilities	81,728	47,665	476,558	48,169	299,088	999,352	343,691	32,178	5,486	3,952	906,245	3,244,112
Fund Balances:												
Non-Spendable	940	-	-	-	-	-	-	-	-	-	-	940
Restricted	-	-	-	2,221,302	674,996	883,029	1,292,150	974,271	200,426	199,295	-	6,445,469
Committed	-	3,722,239	-	-	-	-	-	-	-	-	-	3,722,239
Unassigned	(72,185)	-	(26,269)	-	-	-	-	-	-	-	(906,245)	(1,004,699)
Total Fund Balances	(71,245)	3,722,239	(26,269)	2,221,302	674,996	883,029	1,292,150	974,271	200,426	199,295	(906,245)	9,163,949
Total Liabilities and Fund Balances	\$ 10,483	\$ 3,769,904	\$ 450,289	\$ 2,269,471	\$ 974,084	\$ 1,882,381	\$ 1,635,841	\$ 1,006,449	\$ 205,912	\$ 203,247	\$ -	\$ 12,408,061

CITY OF CHAMPAIGN, ILLINOIS

Combining Balance Sheet

Non-Major Capital Projects Funds

June 30, 2011

	Vehicle Replacement	Library Improvement	Equipment Replacement	Total Non-Major Capital Projects Funds
ASSETS				
Cash and Investments	\$ 3,078,028	\$ 939,585	\$ 4,597,282	\$ 8,614,895
Receivables - Net of Allowances:				
Property Taxes	-	213,714	-	213,714
Accrued Interest	3,987	1,164	3,987	9,138
	<u>3,987</u>	<u>1,164</u>	<u>3,987</u>	<u>9,138</u>
Total Assets	<u>\$ 3,082,015</u>	<u>\$ 1,154,463</u>	<u>\$ 4,601,269</u>	<u>\$ 8,837,747</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 80	\$ -	\$ 23,140	\$ 23,220
Deferred Revenue	-	217,410	-	217,410
Total Liabilities	<u>80</u>	<u>217,410</u>	<u>23,140</u>	<u>240,630</u>
Fund Balances:				
Restricted	-	937,053	-	937,053
Committed	3,081,935	-	4,578,129	7,660,064
Total Fund Balances	<u>3,081,935</u>	<u>937,053</u>	<u>4,578,129</u>	<u>8,597,117</u>
Total Liabilities and Fund Balances	<u>\$ 3,082,015</u>	<u>\$ 1,154,463</u>	<u>\$ 4,601,269</u>	<u>\$ 8,837,747</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, 2011

	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
Revenues			
Taxes	\$ 5,563,830	\$ 431,859	\$ 5,995,689
Intergovernmental	1,351,673	-	1,351,673
Fines and Forfeitures	98,259	-	98,259
Reimbursements from Outside Agencies	172,942	-	172,942
Interest Income	97,706	54,685	152,391
Miscellaneous	22,155	200,000	222,155
Total Revenues	<u>7,306,565</u>	<u>686,544</u>	<u>7,993,109</u>
Expenditures			
Current:			
General Government	738,487	-	738,487
Public Safety	252,130	-	252,130
Public Works	-	1,095,330	1,095,330
Public Health and Welfare	5,239,596	-	5,239,596
Culture and Recreation	-	339	339
Capital Outlay	1,661,692	589,337	2,251,029
Total Expenditures	<u>7,891,905</u>	<u>1,685,006</u>	<u>9,576,911</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(585,340)</u>	<u>(998,462)</u>	<u>(1,583,802)</u>
Other Financing Sources (Uses)			
Disposal of Capital Assets	-	116,653	116,653
Transfers In	-	1,941,658	1,941,658
Transfers Out	(880,042)	(1,994,579)	(2,874,621)
Total Other Financing Sources (Uses)	<u>(880,042)</u>	<u>63,732</u>	<u>(816,310)</u>
Net Change in Fund Balances	(1,465,382)	(934,730)	(2,400,112)
Fund Balances, Beginning of Year	<u>10,629,331</u>	<u>9,531,847</u>	<u>20,161,178</u>
Fund Balances, End of Year	<u>\$ 9,163,949</u>	<u>\$ 8,597,117</u>	<u>\$ 17,761,066</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, 2011

	Community Development	Food & Beverage	North Campus Area TIF	Urban Renewal	Town of the City of Champaign
Revenues					
Taxes	\$ -	\$ 620,163	\$ 772,633	\$ 888,073	\$ 640,678
Intergovernmental	489,430	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Reimbursements from Outside Agencies	5,420	109,999	-	-	28,685
Interest Income	-	41,351	-	20,986	678
Miscellaneous	9,280	-	-	-	1,155
Total Revenues	<u>504,130</u>	<u>771,513</u>	<u>772,633</u>	<u>909,059</u>	<u>671,196</u>
Expenditures					
Current:					
General Government	-	262,783	-	-	475,704
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Public Health and Welfare	832,146	-	61,025	786,261	65,841
Capital Outlay	-	147,826	-	217,958	-
Total Expenditures	<u>832,146</u>	<u>410,609</u>	<u>61,025</u>	<u>1,004,219</u>	<u>541,545</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(328,016)</u>	<u>360,904</u>	<u>711,608</u>	<u>(95,160)</u>	<u>129,651</u>
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	(1,634)	-	(663,525)	-	-
Total Other Financing Sources (Uses)	<u>(1,634)</u>	<u>-</u>	<u>(663,525)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(329,650)</u>	<u>360,904</u>	<u>48,083</u>	<u>(95,160)</u>	<u>129,651</u>
Fund Balances, Beginning of Year	<u>258,405</u>	<u>3,361,335</u>	<u>(74,352)</u>	<u>2,316,462</u>	<u>545,345</u>
Fund Balances, End of Year	<u>\$ (71,245)</u>	<u>\$ 3,722,239</u>	<u>\$ (26,269)</u>	<u>\$ 2,221,302</u>	<u>\$ 674,996</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
\$ 1,735,897	\$ 798,217	\$ -	\$ 108,169	\$ -	\$ -	\$ 5,563,830
-	-	557,689	-	-	304,554	1,351,673
-	-	-	-	98,259	-	98,259
-	-	28,510	-	-	328	172,942
10,554	11,294	8,398	2,249	2,196	-	97,706
-	-	11,720	-	-	-	22,155
<u>1,746,451</u>	<u>809,511</u>	<u>606,317</u>	<u>110,418</u>	<u>100,455</u>	<u>304,882</u>	<u>7,306,565</u>
-	-	-	-	-	-	738,487
-	-	-	101,266	150,864	-	252,130
-	-	-	-	-	-	-
1,634,408	135,028	716,914	-	-	1,007,973	5,239,596
125,960	1,085,000	-	-	-	84,948	1,661,692
<u>1,760,368</u>	<u>1,220,028</u>	<u>716,914</u>	<u>101,266</u>	<u>150,864</u>	<u>1,092,921</u>	<u>7,891,905</u>
<u>(13,917)</u>	<u>(410,517)</u>	<u>(110,597)</u>	<u>9,152</u>	<u>(50,409)</u>	<u>(788,039)</u>	<u>(585,340)</u>
-	-	-	-	-	-	-
(200,000)	-	-	-	(14,883)	-	(880,042)
<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,883)</u>	<u>-</u>	<u>(880,042)</u>
(213,917)	(410,517)	(110,597)	9,152	(65,292)	(788,039)	(1,465,382)
1,096,946	1,702,667	1,084,868	191,274	264,587	(118,206)	10,629,331
<u>\$ 883,029</u>	<u>\$ 1,292,150</u>	<u>\$ 974,271</u>	<u>\$ 200,426</u>	<u>\$ 199,295</u>	<u>\$ (906,245)</u>	<u>\$ 9,163,949</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, 2011

	Vehicle Replacement	Library Improvement	Equipment Replacement	Total Non-Major Capital Projects Funds
Revenues				
Taxes	\$ -	\$ 431,859	\$ -	\$ 431,859
Reimbursements from Outside Agencies	-	-	-	-
Interest Income	17,459	10,186	27,040	54,685
Miscellaneous	-	200,000	-	200,000
Total Revenues	<u>17,459</u>	<u>642,045</u>	<u>27,040</u>	<u>686,544</u>
Expenditures				
Current:				
Public Works	1,080,372	-	14,958	1,095,330
Culture and Recreation	-	339	-	339
Capital Outlay	161,009	-	428,328	589,337
Total Expenditures	<u>1,241,381</u>	<u>339</u>	<u>443,286</u>	<u>1,685,006</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,223,922)</u>	<u>641,706</u>	<u>(416,246)</u>	<u>(998,462)</u>
Other Financing Sources (Uses)				
Disposal of Capital Assets	116,653	-	-	116,653
Transfers In	1,247,499	-	694,159	1,941,658
Transfers Out	<u>(1,334,577)</u>	<u>(447,865)</u>	<u>(212,137)</u>	<u>(1,994,579)</u>
Total Other Financing Sources (Uses)	<u>29,575</u>	<u>(447,865)</u>	<u>482,022</u>	<u>63,732</u>
Net Change in Fund Balances	<u>(1,194,347)</u>	<u>193,841</u>	<u>65,776</u>	<u>(934,730)</u>
Fund Balances, Beginning of Year	<u>4,276,282</u>	<u>743,212</u>	<u>4,512,353</u>	<u>9,531,847</u>
Fund Balances, End of Year	<u>\$ 3,081,935</u>	<u>\$ 937,053</u>	<u>\$ 4,578,129</u>	<u>\$ 8,597,117</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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ 930,279	\$ 946,830	\$ 489,430
Reimbursements from Outside Agencies	22,600	22,600	5,420
Interest Income	-	-	-
Miscellaneous	14,300	14,300	9,280
Total Revenues	<u>967,179</u>	<u>983,730</u>	<u>504,130</u>
Expenditures			
Public Health and Welfare:			
Personnel Services	458,429	615,111	462,758
Contractual Services	498,267	592,210	364,530
Commodities	8,850	8,900	4,858
Capital Outlay	-	-	-
Total Expenditures	<u>965,546</u>	<u>1,216,221</u>	<u>832,146</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,633</u>	<u>(232,491)</u>	<u>(328,016)</u>
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	(1,194)	(1,634)	(1,634)
Total Other Financing Sources (Uses)	<u>(1,194)</u>	<u>(1,634)</u>	<u>(1,634)</u>
Net Change in Fund Balance	<u>\$ 439</u>	<u>\$ (234,125)</u>	<u>(329,650)</u>
Fund Balance, Beginning of Year			<u>258,405</u>
Fund Balance, End of Year			<u>\$ (71,245)</u>

CITY OF CHAMPAIGN, ILLINOIS

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

Food and Beverage Tax - Special Revenue Fund

For the Year Ended June 30, 2011

	Budget		Actual
	Original	Final	
Revenues			
Food and Beverage Tax	\$ 621,205	\$ 603,241	\$ 620,163
Reimbursements from Outside Agencies	362,812	334,738	109,999
Interest Income	55,930	52,374	41,351
Total Revenues	<u>1,039,947</u>	<u>990,353</u>	<u>771,513</u>
Expenditures			
Current:			
General Government:			
Personnel Services	69,667	110,690	110,165
Contractual Services	230,202	144,000	152,618
Capital Outlay	-	267,205	147,826
Total Expenditures	<u>299,869</u>	<u>521,895</u>	<u>410,609</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	740,078	468,458	360,904
Other Financing Sources (Uses)			
Transfers Out	-	-	-
Net Change in Fund Balance	<u>\$ 740,078</u>	<u>\$ 468,458</u>	360,904
Fund Balance, Beginning of Year			<u>3,361,335</u>
Fund Balance, End of Year			<u>\$ 3,722,239</u>

CITY OF CHAMPAIGN, ILLINOIS

Schedule 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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Property Taxes	\$ 651,771	\$ 760,097	\$ 772,633
Interest Income	125	997	-
Miscellaneous	-	-	-
Total Revenues	<u>651,896</u>	<u>761,094</u>	<u>772,633</u>
Expenditures			
Current:			
Public Health and Welfare:			
Contractual Services	90,000	90,000	61,025
Capital Outlay	-	-	-
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>61,025</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>561,896</u>	<u>671,094</u>	<u>711,608</u>
Other Financing Sources (Uses)			
Transfers Out	(753,525)	(663,525)	(663,525)
Total Other Financing Sources (Uses)	<u>(753,525)</u>	<u>(663,525)</u>	<u>(663,525)</u>
Net Change in Fund Balance	<u>\$ (191,629)</u>	<u>\$ 7,569</u>	48,083
Fund Balance, Beginning of Year			<u>(74,352)</u>
Fund Balance, End of Year			<u>\$ (26,269)</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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Utility Taxes	\$ 887,929	\$ 926,756	\$ 888,073
Reimbursements from Outside Agencies	10,000	-	-
Interest Income	817	11,901	20,986
Total Revenues	<u>898,746</u>	<u>938,657</u>	<u>909,059</u>
Expenditures			
Public Health and Welfare:			
Personnel Services	422,753	361,874	345,264
Contractual Services	373,053	779,147	429,029
Commodities	8,450	16,425	11,968
Capital Outlay	803,493	1,191,965	217,958
Total Expenditures	<u>1,607,749</u>	<u>2,349,411</u>	<u>1,004,219</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(709,003)	(1,410,754)	(95,160)
Other Financing Sources (Uses)			
Transfers Out	-	-	-
Net Change in Fund Balance	<u>\$ (709,003)</u>	<u>\$ (1,410,754)</u>	(95,160)
Fund Balance, Beginning of Year			<u>2,316,462</u>
Fund Balance, End of Year			<u>\$ 2,221,302</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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Taxes:			
Property Taxes	\$ 532,500	\$ 528,771	\$ 545,986
Other Taxes	54,803	92,167	94,692
Reimbursements from Outside Agencies	25,000	25,000	28,685
Interest Income	-	-	678
Miscellaneous	1,000	1,000	1,155
Total Revenues	<u>613,303</u>	<u>646,938</u>	<u>671,196</u>
Expenditures			
General Government:			
Personnel Services	409,407	409,407	409,868
Commodities	14,800	7,680	7,150
Contractual Services	102,506	86,929	58,686
Public Health and Welfare:			
Contractual Services	126,500	84,100	65,841
Total Expenditures	<u>653,213</u>	<u>588,116</u>	<u>541,545</u>
Net Change in Fund Balance	<u>\$ (39,910)</u>	<u>\$ 58,822</u>	129,651
Fund Balance, Beginning of Year			<u>545,345</u>
Fund Balance, End of Year			<u>\$ 674,996</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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Property Taxes	\$ 1,482,855	\$ 1,607,378	\$ 1,735,897
Reimbursements from Outside Agencies	-	-	-
Interest Income	12,281	5,574	10,554
Total Revenues	<u>1,495,136</u>	<u>1,612,952</u>	<u>1,746,451</u>
Expenditures			
Public Health and Welfare:			
Personnel Services	179,903	179,903	183,820
Contractual Services	1,435,651	1,654,716	1,450,588
Commodities	1,025	-	-
Capital Outlay	274,750	284,457	125,960
Total Expenditures	<u>1,891,329</u>	<u>2,119,076</u>	<u>1,760,368</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(396,193)	(506,124)	(13,917)
Other Financing Sources (Uses)			
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>
Net Change in Fund Balance	<u>\$ (596,193)</u>	<u>\$ (706,124)</u>	(213,917)
Fund Balance, Beginning of Year			<u>1,096,946</u>
Fund Balance, End of Year			<u>\$ 883,029</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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Property Taxes	\$ 769,113	\$ 469,729	\$ 798,217
Interest Income	2,997	10,666	11,294
Total Revenues	<u>772,110</u>	<u>480,395</u>	<u>809,511</u>
Expenditures			
Public Health and Welfare:			
Personnel Services	40,498	-	-
Contractual Services	353,250	353,250	135,028
Commodities	100	100	-
Capital Outlay	1,085,000	1,085,000	1,085,000
Total Expenditures	<u>1,478,848</u>	<u>1,438,350</u>	<u>1,220,028</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(706,738)</u>	<u>(957,955)</u>	<u>(410,517)</u>
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (706,738)</u>	<u>\$ (957,955)</u>	<u>(410,517)</u>
Fund Balance, Beginning of Year			<u>1,702,667</u>
Fund Balance, End of Year			<u>\$ 1,292,150</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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental Grants	\$ 476,802	\$ 476,802	\$ 557,689
Reimbursements from Outside Agencies	15,000	38,589	28,510
Interest Income	25,651	25,651	8,398
Miscellaneous	14,525	14,525	11,720
Total Revenues	<u>531,978</u>	<u>555,567</u>	<u>606,317</u>
Expenditures			
Public Health and Welfare:			
Personnel Services	63,802	75,104	-
Contractual Services	1,430,290	880,561	716,914
Total Expenditures	<u>1,494,092</u>	<u>955,665</u>	<u>716,914</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(962,114)</u>	<u>(400,098)</u>	<u>(110,597)</u>
Other Financing Sources (Uses)			
Disposal of Capital Assets	240,000	240,000	-
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>240,000</u>	<u>240,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (722,114)</u>	<u>\$ (160,098)</u>	<u>(110,597)</u>
Fund Balance, Beginning of Year			<u>1,084,868</u>
Fund Balance, End of Year			<u>\$ 974,271</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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Foreign Fire Insurance Tax	\$ 103,000	\$ 108,169	\$ 108,169
Interest Income	4,500	3,000	2,249
Total Revenues	<u>107,500</u>	<u>111,169</u>	<u>110,418</u>
Expenditures			
Public Safety:			
Commodities	113,605	113,605	88,100
Contractual Services	13,045	13,045	13,166
Capital Outlay	-	-	-
Total Expenditures	<u>126,650</u>	<u>126,650</u>	<u>101,266</u>
Net Change in Fund Balance	<u>\$ (19,150)</u>	<u>\$ (15,481)</u>	9,152
Fund Balance, Beginning of Year			<u>191,274</u>
Fund Balance, End of Year			<u>\$ 200,426</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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Drug Forfeitures	\$ 150,000	\$ 127,000	\$ 98,259
Interest Income	7,000	2,300	2,196
Total Revenues	<u>157,000</u>	<u>129,300</u>	<u>100,455</u>
Expenditures			
Public Safety:			
Commodities	61,850	72,536	59,351
Contractual Services	<u>131,164</u>	<u>133,316</u>	<u>91,513</u>
Total Expenditures	<u>193,014</u>	<u>205,852</u>	<u>150,864</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,014)	(76,552)	(50,409)
Other Financing Sources (Uses)			
Transfers Out	<u>(14,883)</u>	<u>(14,883)</u>	<u>(14,883)</u>
Net Change in Fund Balance	<u>\$ (50,897)</u>	<u>\$ (91,435)</u>	(65,292)
Fund Balance, Beginning of Year			<u>264,587</u>
Fund Balance, End of Year			<u>\$ 199,295</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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ 1,302,680	\$ 123,233	\$ 304,554
Interest Income	-	-	-
Reimbursements from Outside Agencies	-	-	328
Total Revenues	<u>1,302,680</u>	<u>123,233</u>	<u>304,882</u>
Expenditures			
Public Health and Welfare:			
Personnel Services	-	-	29,783
Contractual Services	1,302,680	1,140,746	978,190
Capital Outlay	-	139,265	84,948
Total Expenditures	<u>1,302,680</u>	<u>1,280,011</u>	<u>1,092,921</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(1,156,778)</u>	<u>(788,039)</u>
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (1,156,778)</u>	<u>(788,039)</u>
Fund Balance, Beginning of Year			<u>(118,206)</u>
Fund Balance, End of Year			<u>\$ (906,245)</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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 75,000	\$ 80,000	\$ 17,459
Expenditures			
Public Works:			
Contractual Services	24,119	24,980	1,080,372
Commodities	-	-	-
Capital Outlay	775,692	1,478,062	161,009
Total Expenditures	799,811	1,503,042	1,241,381
Excess (Deficiency) of Revenues Over (Under) Expenditures	(724,811)	(1,423,042)	(1,223,922)
Other Financing Sources (Uses)			
Disposal of Capital Assets	76,146	157,000	116,653
Transfers In	1,147,701	1,291,652	1,247,499
Transfers Out	(1,174,037)	(1,334,577)	(1,334,577)
Total Other Financing Sources (Uses)	49,810	114,075	29,575
Net Change in Fund Balance	\$ (675,001)	\$ (1,308,967)	(1,194,347)
Fund Balance, Beginning of Year			4,276,282
Fund Balance, End of Year			\$ 3,081,935

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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Property Taxes	\$ 441,466	\$ 432,406	\$ 431,859
Interest Income	13,778	13,781	10,186
Miscellaneous	200,000	200,000	200,000
Total Revenues	<u>655,244</u>	<u>646,187</u>	<u>642,045</u>
Expenditures			
Culture and Recreation:			
Contractual Services	-	-	339
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>339</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	655,244	646,187	641,706
Other Financing (Uses)			
Transfers Out	<u>(447,865)</u>	<u>(447,865)</u>	<u>(447,865)</u>
Net Change in Fund Balance	<u>\$ 207,379</u>	<u>\$ 198,322</u>	193,841
Fund Balance, Beginning of Year			<u>743,212</u>
Fund Balance, End of Year			<u>\$ 937,053</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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Reimbursements from Outside Agencies	\$ 200,000	\$ -	\$ -
Interest Income	93,000	49,000	27,040
Total Revenues	<u>293,000</u>	<u>49,000</u>	<u>27,040</u>
Expenditures			
Public Works:			
Contractual Services	12,000	15,000	14,958
Capital Outlay	4,490,000	2,434,952	428,328
Total Expenditures	<u>4,502,000</u>	<u>2,449,952</u>	<u>443,286</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,209,000)</u>	<u>(2,400,952)</u>	<u>(416,246)</u>
Other Financing Sources (Uses)			
Transfers In	652,502	701,549	694,159
Transfers Out	(200,000)	(212,137)	(212,137)
Total Other Financing Sources (Uses)	<u>452,502</u>	<u>489,412</u>	<u>482,022</u>
Net Change in Fund Balance	<u>\$ (3,756,498)</u>	<u>\$ (1,911,540)</u>	65,776
Fund Balance, Beginning of Year			<u>4,512,353</u>
Fund Balance, End of Year			<u>\$ 4,578,129</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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Interest Income	\$ 82,670	\$ 60,850	\$ 70,475
Expenditures			
Debt Service:			
Principal Retirement	2,935,000	2,935,000	2,935,000
Interest and Fiscal Charges	2,418,444	2,971,700	2,969,447
Total Expenditures	5,353,444	5,906,700	5,904,447
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,270,774)	(5,845,850)	(5,833,972)
Other Financing Sources (Uses)			
Transfers In	5,645,000	5,570,000	6,460,175
Transfers Out	(11,297,622)	(15,577,392)	(13,570,894)
Total Other Financing Sources (Uses)	(5,652,622)	(10,007,392)	(7,110,719)
Net Change in Fund Balance	\$ (10,923,396)	\$ (15,853,242)	(12,944,691)
Fund Balance, Beginning of Year			21,130,976
Fund Balance, End of Year			\$ 8,186,285

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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Property Taxes	\$ 1,307,619	\$ 1,315,132	\$ 1,326,119
Licenses, Permits, and Fees	163,600	158,484	47,912
Reimbursements from Outside Agencies	522,604	756,357	668,057
Interest Income	(7,103)	53,791	12,272
Total Revenues	<u>1,986,720</u>	<u>2,283,764</u>	<u>2,054,360</u>
Expenditures			
Public Works:			
Personnel Services	1,671,642	1,609,172	1,559,138
Contractual Services	1,649,066	2,017,651	1,544,180
Commodities	5,000	2,500	1,568
Capital Outlay	<u>13,045,128</u>	<u>14,156,265</u>	<u>11,744,286</u>
Total Expenditures	<u>16,370,836</u>	<u>17,785,588</u>	<u>14,849,172</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,384,116)</u>	<u>(15,501,824)</u>	<u>(12,794,812)</u>
Other Financing Sources (Uses)			
Transfers In	14,710,503	18,981,853	17,043,632
Transfers Out	<u>(2,045,709)</u>	<u>(2,055,709)</u>	<u>(2,945,884)</u>
Total Other Financing Sources (Uses)	<u>12,664,794</u>	<u>16,926,144</u>	<u>14,097,748</u>
Net Change in Fund Balance	<u>\$ (1,719,322)</u>	<u>\$ 1,424,320</u>	1,302,936
Fund Balance, Beginning of Year			<u>1,449,250</u>
Fund Balance, End of Year			<u>\$ 2,752,186</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, 2011

	Budget		Actual
	Original	Final	
Revenues			
Property Taxes	\$ 925,337	\$ 952,498	\$ 946,700
Intergovernmental	503,238	10,884,412	576,374
Reimbursements from Outside Agencies	1,754,655	1,975,121	1,982,674
Interest Income	43,862	17,771	75,094
Total Revenues	<u>3,227,092</u>	<u>13,829,802</u>	<u>3,580,842</u>
Expenditures			
Public Works:			
Personnel Services	604,165	512,467	451,273
Contractual Services	909,196	2,999,456	1,223,446
Commodities	175,179	217,790	117,289
Capital Outlay	6,648,077	19,188,775	3,938,965
Total Expenditures	<u>8,336,617</u>	<u>22,918,488</u>	<u>5,730,973</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,109,525)</u>	<u>(9,088,686)</u>	<u>(2,150,131)</u>
Other Financing Sources (Uses)			
Transfers In	3,951,779	951,779	951,779
Transfers Out	(156,475)	(156,475)	(156,475)
Total Other Financing Sources (Uses)	<u>3,795,304</u>	<u>795,304</u>	<u>795,304</u>
Net Change in Fund Balance	<u>\$ (1,314,221)</u>	<u>\$ (8,293,382)</u>	<u>(1,354,827)</u>
Fund Balance, Beginning of Year			<u>6,452,037</u>
Fund Balance, End of Year			<u>\$ 5,097,210</u>

CITY OF CHAMPAIGN, ILLINOIS

Schedule of Revenues -
Budget and Actual

General Fund

For the Year Ended June 30, 2011

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 11,418,114	\$ 11,103,011	\$ 11,083,591
Sales Taxes	28,962,167	29,655,760	30,218,339
Income Taxes	6,499,850	6,925,845	6,905,954
Utility Taxes	2,367,810	2,471,348	2,368,522
Telecommunications Taxes	2,816,926	2,488,870	2,532,760
Hotel/Motel Taxes	1,439,243	1,446,299	1,491,306
Other Taxes	618,659	577,261	592,695
Total Taxes	<u>54,122,769</u>	<u>54,668,394</u>	<u>55,193,167</u>
Intergovernmental			
Public Safety Grants	390,413	404,548	252,954
Other Grants	315,000	309,000	87,230
Total Intergovernmental	<u>705,413</u>	<u>713,548</u>	<u>340,184</u>
Licenses, Permits, and Fees			
Licenses and Permits	1,223,169	1,114,300	1,241,082
Public Safety Service Fees	675,000	690,358	688,604
Total Licenses, Permits, and Fees	<u>1,898,169</u>	<u>1,804,658</u>	<u>1,929,686</u>
Charges for Services	<u>1,084,500</u>	<u>1,101,274</u>	<u>1,194,498</u>
Fines and Forfeitures	<u>1,274,335</u>	<u>1,388,552</u>	<u>1,503,679</u>
Reimbursements from Outside Agencies	<u>680,000</u>	<u>670,523</u>	<u>677,797</u>
Interest Income	<u>286,000</u>	<u>165,000</u>	<u>102,757</u>
Miscellaneous	<u>71,425</u>	<u>131,125</u>	<u>135,748</u>
Total Revenues	<u>\$ 60,122,611</u>	<u>\$ 60,643,074</u>	<u>\$ 61,077,516</u>

CITY OF CHAMPAIGN, ILLINOIS

Schedule of Expenditures -
Budget and Actual

General Fund

For the Year Ended June 30, 2011

	Budget		Actual
	Original	Final	
General Government			
Mayor and Council	\$ 203,563	\$ 192,167	\$ 179,365
City Manager's Office	2,498,717	2,632,190	2,355,609
Legal	881,105	876,418	846,412
Finance	1,185,811	1,805,740	1,405,064
Human Resources	793,526	712,230	510,897
Risk Management	2,365,358	2,365,358	2,365,358
Planning	835,593	729,818	711,368
Neighborhood Services	518,517	501,783	515,184
Information Technologies	2,314,188	1,764,343	1,492,226
Total General Government	<u>11,596,378</u>	<u>11,580,047</u>	<u>10,381,483</u>
Public Safety			
Police	19,054,686	18,863,487	18,642,771
Fire	14,927,385	15,110,862	14,912,317
Emergency Services Disaster Agency	29,380	45,922	32,542
Total Public Safety	<u>34,011,451</u>	<u>34,020,271</u>	<u>33,587,630</u>
Public Works	<u>6,144,058</u>	<u>6,153,158</u>	<u>6,226,640</u>
Public Health and Welfare	<u>380,344</u>	<u>430,232</u>	<u>402,871</u>
Total Expenditures	<u>\$ 52,132,231</u>	<u>\$ 52,183,708</u>	<u>\$ 50,598,624</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, 2011

	<u>Fleet Services</u>	<u>Retained Risk</u>	<u>Workers'</u> <u>Compensation</u>	<u>Totals</u>
Assets				
Current Assets:				
Cash and Investments	\$ -	\$ 2,674,464	\$ 1,060,867	\$ 3,735,331
Receivables - Net of Allowances:				
Accounts	-	6,336	1,749	8,085
Accrued Interest	(150)	3,261	1,030	4,141
Inventory	169,922	-	-	169,922
Prepays	179	238,921	64,247	303,347
Total Current Assets	<u>169,951</u>	<u>2,922,982</u>	<u>1,127,893</u>	<u>4,220,826</u>
Non-Current Assets:				
Capital Assets:				
Depreciable Capital Assets	9,425,151	-	-	9,425,151
Accumulated Depreciation	<u>(7,055,216)</u>	<u>-</u>	<u>-</u>	<u>(7,055,216)</u>
Total Non-Current Assets	<u>2,369,935</u>	<u>-</u>	<u>-</u>	<u>2,369,935</u>
Total Assets	<u>2,539,886</u>	<u>2,922,982</u>	<u>1,127,893</u>	<u>6,590,761</u>
Liabilities				
Current Liabilities:				
Accounts Payable	35,668	271	12	35,951
Accrued Payroll	12,588	-	-	12,588
Due to Other Fund	188,426	-	-	188,426
Claims Payable	-	224,055	2,090,555	2,314,610
Compensated Absences Payable	<u>18,011</u>	<u>-</u>	<u>-</u>	<u>18,011</u>
Total Current Liabilities	<u>254,693</u>	<u>224,326</u>	<u>2,090,567</u>	<u>2,569,586</u>
Non-Current Liabilities:				
Compensated Absences Payable	<u>72,045</u>	<u>-</u>	<u>-</u>	<u>72,045</u>
Total Liabilities	<u>326,738</u>	<u>224,326</u>	<u>2,090,567</u>	<u>2,641,631</u>
Net Assets				
Invested in Capital Assets	2,369,935	-	-	2,369,935
Unrestricted	<u>(156,787)</u>	<u>2,698,656</u>	<u>(962,674)</u>	<u>1,579,195</u>
Total Net Assets	<u>\$ 2,213,148</u>	<u>\$ 2,698,656</u>	<u>\$ (962,674)</u>	<u>\$ 3,949,130</u>

CITY OF CHAMPAIGN, ILLINOIS

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

Internal Service Funds

For the Year Ended June 30, 2011

	Fleet Services	Retained Risk	Workers' Compensation	Totals
Operating Revenues				
Charges for Services	\$ 2,627,029	\$ 895,823	\$ 1,787,258	\$ 5,310,110
Operating Expenses				
Personnel Services	753,655	64,844	288,029	1,106,528
Contractual Services	227,314	692,257	1,996,454	2,916,025
Commodities	706,086	-	-	706,086
Depreciation	885,261	-	-	885,261
Total Operating Expenses	<u>2,572,316</u>	<u>757,101</u>	<u>2,284,483</u>	<u>5,613,900</u>
Operating Income (Loss)	<u>54,713</u>	<u>138,722</u>	<u>(497,225)</u>	<u>(303,790)</u>
Non-Operating Revenues (Expenses)				
Interest Income (Expense)	(2,741)	27,886	7,538	32,683
Reimbursements from Outside Agencies	382	178,798	269,560	448,740
Miscellaneous Income	2,956	-	-	2,956
Disposal of Capital Assets	32,800	-	-	32,800
Total Non-Operating Revenues (Expenses)	<u>33,397</u>	<u>206,684</u>	<u>277,098</u>	<u>517,179</u>
Income (Loss) Before Transfers	88,110	345,406	(220,127)	213,389
Transfers In	-	-	-	-
Transfers Out	<u>(12,668)</u>	<u>-</u>	<u>(95,197)</u>	<u>(107,865)</u>
Change in Net Assets	75,442	345,406	(315,324)	105,524
Net Assets, Beginning of Year	<u>2,137,706</u>	<u>2,353,250</u>	<u>(647,350)</u>	<u>3,843,606</u>
Net Assets, End of Year	<u>\$ 2,213,148</u>	<u>\$ 2,698,656</u>	<u>\$ (962,674)</u>	<u>\$ 3,949,130</u>

CITY OF CHAMPAIGN, ILLINOIS

Combining Schedule of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2011

	Fleet Services	Retained Risk	Workers' Compensation	Totals
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,629,985	\$ 895,823	\$ 1,787,258	\$ 5,313,066
Payments to Employees	(751,806)	(64,844)	(288,029)	(1,104,679)
Payments to Suppliers	(963,015)	(652,919)	(1,260,940)	(2,876,874)
Net Cash Provided by (Used in) Operating Activities	915,164	178,060	238,289	1,331,513
Cash Flows from Non-Capital Financing Activities				
Advances from Other Fund	188,426	-	-	188,426
Payments to Other Fund	(15,427)	-	-	(15,427)
Transfers Out	(12,668)	-	(95,197)	(107,865)
Net Cash Provided by (Used in) Non-Capital Financing Activities	160,331	-	(95,197)	65,134
Cash Flows from Capital and Related Financing Activities				
Proceeds from Sales of Capital Assets	33,300	-	-	33,300
Purchase of Capital Assets	(1,106,261)	-	-	(1,106,261)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,072,961)	-	-	(1,072,961)
Cash Flows from Investing Activities				
Interest Received	(2,534)	26,674	7,059	31,199
Net Change in Cash and Cash Equivalents	-	204,734	150,151	354,885
Cash and Cash Equivalents, Beginning of Year	-	2,469,730	910,716	3,380,446
Cash and Cash Equivalents, End of Year	\$ -	\$ 2,674,464	\$ 1,060,867	\$ 3,735,331
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	\$ 54,713	\$ 138,722	\$ (497,225)	\$ (303,790)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation Expense	885,261	-	-	885,261
Other Income	3,338	178,798	269,560	451,696
(Increase) Decrease in Assets	(32,146)	44,479	2,399	14,732
Increase (Decrease) in Liabilities	3,998	(183,939)	463,555	283,614
Net Cash Provided by (Used in) Operating Activities	\$ 915,164	\$ 178,060	\$ 238,289	\$ 1,331,513

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, 2011

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,591,684	\$ 1,650,241	\$ 2,627,029
Operating Expenses			
Personnel Services	772,884	761,993	753,655
Contractual Services	167,802	211,202	227,314
Commodities	666,971	694,917	706,086
Capital Outlay	70,964	-	-
Depreciation	-	-	885,261
Total Operating Expenses	1,678,621	1,668,112	2,572,316
Operating Income (Loss)	(86,937)	(17,871)	54,713
Non-Operating Revenues (Expenses)			
Interest Income (Expense)	4,500	5,000	(2,741)
Reimbursements from Outside Agencies	500	-	382
Miscellaneous Income	6,000	-	2,956
Disposal of Capital Assets	-	-	32,800
Total Non-Operating Revenues (Expenses)	11,000	5,000	33,397
Income (Loss) Before Transfers	(75,937)	(12,871)	88,110
Transfers In	-	-	-
Transfers Out	(10,243)	(12,668)	(12,668)
Change in Net Assets	\$ (86,180)	\$ (25,539)	75,442
Net Assets, Beginning of Year			2,137,706
Net Assets, End of Year			\$ 2,213,148

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, 2011

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 888,323	\$ 893,823	\$ 895,823
Operating Expenses			
Personnel Services	64,049	64,844	64,844
Contractual Services	1,040,260	1,045,088	692,257
Total Operating Expenses	1,104,309	1,109,932	757,101
Operating Income (Loss)	(215,986)	(216,109)	138,722
Non-Operating Revenues (Expenses)			
Interest Income	45,784	45,784	27,886
Reimbursements from Outside Agencies	144,706	145,674	178,798
Total Non-Operating Revenues (Expenses)	190,490	191,458	206,684
Income (Loss) Before Transfers	(25,496)	(24,651)	345,406
Transfers Out	(44,153)	(44,153)	-
Changes in Net Assets	\$ (69,649)	\$ (68,804)	345,406
Net Assets, Beginning of Year			2,353,250
Net Assets, End of Year			\$ 2,698,656

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, 2011

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,787,258	\$ 1,787,258	\$ 1,787,258
Operating Expenses			
Personnel Services	308,109	309,965	288,029
Contractual Services	1,542,490	1,553,142	1,996,454
Commodities	5,305	-	-
Total Operating Expenses	1,855,904	1,863,107	2,284,483
Operating Income (Loss)	(68,646)	(75,849)	(497,225)
Non-Operating Revenues (Expenses)			
Interest Income	9,950	9,950	7,538
Reimbursements from Outside Agencies	287,297	287,297	269,560
Total Non-Operating Revenues (Expenses)	297,247	297,247	277,098
Income (Loss) Before Transfers	228,601	221,398	(220,127)
Transfers Out	(50,000)	(95,197)	(95,197)
Change in Net Assets	\$ 178,601	\$ 126,201	(315,324)
Net Assets, Beginning of Year			(647,350)
Net Assets, End of Year			\$ (962,674)

**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, 2011

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services:			
Parking Fees	\$ 3,008,485	\$ 2,856,750	\$ 2,800,828
Operating Expenses			
Personnel Services	1,657,334	1,692,933	1,633,564
Contractual Services	767,661	942,081	599,067
Commodities	75,158	66,459	54,046
Capital Outlay	638,828	42,435	-
Depreciation and Amortization	22,156	22,156	461,824
Total Operating Expenses	3,161,137	2,766,064	2,748,501
Operating Income (Loss)	(152,652)	90,686	52,327
Non-Operating Revenues (Expenses)			
Reimbursements from Outside Agencies	-	-	2,265
Interest Income	50,560	71,055	57,019
Interest Expense	(532,463)	(532,463)	(532,463)
Disposal of Capital Assets	-	-	(24,468)
Total Non-Operating Revenues (Expenses)	(481,903)	(461,408)	(497,647)
Income (Loss) Before Transfers	(634,555)	(370,722)	(445,320)
Transfers In	200,000	200,000	200,000
Transfers Out	(57,830)	(77,944)	(120,554)
Change in Net Assets	\$ (492,385)	\$ (248,666)	(365,874)
Net Assets, Beginning of Year			11,596,524
Net Assets, End of Year			\$ 11,230,650

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, 2011

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services:			
Sewer Charges	\$ 2,016,581	\$ 1,992,226	\$ 2,015,317
Operating Expenses			
Personnel Services	668,826	532,977	436,235
Contractual Services	612,485	593,484	439,082
Commodities	184,828	62,443	67,801
Capital Outlay	1,320,522	2,034,233	121,746
Depreciation	-	-	631,118
Total Operating Expenses	2,786,661	3,223,137	1,695,982
Operating Income (Loss)	(770,080)	(1,230,911)	319,335
Non-Operating Revenues (Expenses)			
Intergovernmental	672,900	997,500	380,802
Reimbursements from Outside Agencies	156,669	10,000	27,552
Interest Income	-	-	6,411
Interest Expense	(8,420)	(3,393)	(11,337)
Disposal of Capital Assets	-	-	(5,297)
Total Non-Operating Revenues (Expenses)	821,149	1,004,107	398,131
Income (Loss) Before Transfers and Capital Contribution	51,069	(226,804)	717,466
Transfers In	-	124,410	124,410
Transfers Out	(103,983)	(135,133)	(135,133)
Capital Contribution	-	-	506,751
Change in Net Assets	\$ (52,914)	\$ (237,527)	1,213,494
Net Assets, Beginning of Year			35,792,336
Net Assets, End of Year			\$ 37,005,830

**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, 2011

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services:			
Recycling Fee	\$ 150,000	\$ 301,802	\$ 286,388
Operating Expenses			
Personnel Services	114,167	153,742	108,528
Contractual Services	422,474	376,727	189,817
Commodities	110,200	127,290	127,092
Total Operating Expenses	646,841	657,759	425,437
Operating Income (Loss)	(496,841)	(355,957)	(139,049)
Non-Operating Revenues (Expenses)			
Intergovernmental	60,000	60,000	54,000
Interest Expense	-	(4,000)	(4,003)
Total Non-Operating Revenues (Expenses)	60,000	56,000	49,997
Income (Loss) Before Transfers	(436,841)	(299,957)	(89,052)
Transfers Out	(2,975)	(2,975)	(47,775)
Change in Net Assets	\$ (439,816)	\$ (302,932)	(136,827)
Net Assets, Beginning of Year			(43,015)
Net Assets, End of Year			\$ (179,842)

**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, 2011

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 179,683	\$ 60,721	\$ 240,404
Investments:			
U.S. Government and Agency Securities	30,538,860	31,652,961	62,191,821
State and Local Obligations	3,091,950	-	3,091,950
Mutual Funds	13,324,503	13,720,565	27,045,068
Insurance Company Contracts	-	11,980,114	11,980,114
Common Stock	19,245,368	1,578,452	20,823,820
Receivables:	-		
Accrued Interest	231,558	-	231,558
Contributions from Plan Members	25,247	-	25,247
Prepays	10,568	-	10,568
Total Assets	66,647,737	58,992,813	125,640,550
LIABILITIES			
Due To Treasury Fund	-	287,744	287,744
Accounts Payable	24,123	7,426	31,549
Total Liabilities	24,123	295,170	319,293
NET ASSETS			
Net Plan Assets Held in Trust for Pension Benefits	\$ 66,623,614	\$ 58,697,643	\$ 125,321,257

CITY OF CHAMPAIGN, ILLINOIS

Combining Schedule of Changes in Net Plan Assets

Pension Trust Funds

For the Year Ended June 30, 2011

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 3,690,543	\$ 3,486,399	\$ 7,176,942
Contributions - Plan Members	904,850	635,862	1,540,712
Other Income	137,467	3,692	141,159
Total Contributions	<u>4,732,860</u>	<u>4,125,953</u>	<u>8,858,813</u>
Investment Income:			
Interest Earned	1,959,487	458,146	2,417,633
Net Change in Fair Value	6,572,401	6,893,956	13,466,357
Total Investment Income	8,531,888	7,352,102	15,883,990
Less: Investment Expenses	(285,376)	(113,011)	(398,387)
Net Investment Income	<u>8,246,512</u>	<u>7,239,091</u>	<u>15,485,603</u>
Total Additions	<u>12,979,372</u>	<u>11,365,044</u>	<u>24,344,416</u>
Deductions			
Administrative Expenses	129,478	22,564	152,042
Benefits and Refunds	4,127,944	3,647,637	7,775,581
Total Deductions	<u>4,257,422</u>	<u>3,670,201</u>	<u>7,927,623</u>
Change in Net Assets	8,721,950	7,694,843	16,416,793
Net Plan Assets, Beginning of Year	<u>57,901,664</u>	<u>51,002,800</u>	<u>108,904,464</u>
Net Plan Assets, End of Year	<u>\$ 66,623,614</u>	<u>\$ 58,697,643</u>	<u>\$ 125,321,257</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, 2011

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 3,704,794	\$ 3,704,857	\$ 3,690,543
Contributions - Plan Members	-	-	904,850
Other Income	-	-	137,467
Total Contributions	<u>3,704,794</u>	<u>3,704,857</u>	<u>4,732,860</u>
Investment Income:			
Interest Earned	-	-	1,959,487
Net Change in Fair Value	-	-	6,572,401
Total Investment Income	<u>-</u>	<u>-</u>	<u>8,531,888</u>
Less: Investment Expenses	-	-	(285,376)
Net Investment Income	<u>-</u>	<u>-</u>	<u>8,246,512</u>
Total Additions	<u>3,704,794</u>	<u>3,704,857</u>	<u>12,979,372</u>
Deductions			
Administrative Expenses	-	-	129,478
Benefits and Refunds	<u>3,704,794</u>	<u>3,704,857</u>	<u>4,127,944</u>
Total Deductions	<u>3,704,794</u>	<u>3,704,857</u>	<u>4,257,422</u>
Change in Net Assets	<u>\$ -</u>	<u>\$ -</u>	8,721,950
Net Plan Assets, Beginning of Year			<u>57,901,664</u>
Net Plan Assets, End of Year			<u>\$ 66,623,614</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, 2011

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 3,484,133	\$ 3,484,088	\$ 3,486,399
Contributions - Plan Members	744,600	660,000	635,862
Other Income	-	-	3,692
Total Contributions	<u>4,228,733</u>	<u>4,144,088</u>	<u>4,125,953</u>
Investment Income:			
Interest Earned	400,000	400,000	458,146
Net Change in Fair Value	<u>2,500,000</u>	<u>2,500,000</u>	<u>6,893,956</u>
Total Investment Income	<u>2,900,000</u>	<u>2,900,000</u>	<u>7,352,102</u>
Less: Investment Expenses	<u>(142,000)</u>	<u>(142,000)</u>	<u>(113,011)</u>
Net Investment Income	<u>2,758,000</u>	<u>2,758,000</u>	<u>7,239,091</u>
Total Additions	<u>6,986,733</u>	<u>6,902,088</u>	<u>11,365,044</u>
Deductions			
Administrative Expenses	8,575	8,750	22,564
Benefits and Refunds	<u>3,587,823</u>	<u>3,616,635</u>	<u>3,647,637</u>
Total Deductions	<u>3,596,398</u>	<u>3,625,385</u>	<u>3,670,201</u>
Change in Net Assets	<u>\$ 3,390,335</u>	<u>\$ 3,276,703</u>	7,694,843
Net Plan Assets, Beginning of Year			<u>51,002,800</u>
Net Plan Assets, End of Year			<u>\$ 58,697,643</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 39 through Schedule 42

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 43 through Schedule 48

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

Debt Capacity Schedules - Schedule 49 through Schedule 52

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 53 and Schedule 54

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 55 through Schedule 58

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

	2002	2003	2004	2005	2006	2007	2008	2009	Restated 2010	2011
Governmental Activities										
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	\$ 316,864,651	\$ 312,109,692
Restricted			23,383,380	20,254,221	26,241,714	28,357,405	33,290,768	34,068,087	37,896,845	29,228,834
Unrestricted			8,589,909	17,577,206	20,778,318	20,976,283	22,308,092	17,725,715	18,697,531	35,555,990
Total Governmental Activities, Net Assets		INFORMATION PRIOR TO 2004 IS NOT AVAILABLE	<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>\$ 373,459,027</u>	<u>\$ 376,894,516</u>
Business-Type Activities										
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	\$ 43,150,685
Restricted			-	-	-	-	-	-	-	-
Unrestricted			105,429	886,566	1,693,698	2,262,863	122,127	4,893,647	5,144,409	4,905,953
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>	<u>\$ 48,056,638</u>
Primary Government										
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	\$ 359,066,087	\$ 355,260,377
Restricted			23,383,380	20,254,221	26,241,714	28,357,405	33,290,768	34,068,087	37,896,845	29,228,834
Unrestricted			8,695,338	18,463,772	22,472,016	23,239,146	22,430,219	22,619,362	23,841,940	40,461,943
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>\$ 420,804,872</u>	<u>\$ 424,951,154</u>

CITY OF CHAMPAIGN, ILLINOIS

Changes in Net Assets
Last Ten Fiscal Years
(Unaudited)

Accrual Basis of Accounting

	2002	2003	2004	2005	2006	2007	2008	2009	Restated 2010	2011
Expenses										
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	\$ 11,908,847
Public Safety			23,129,316	25,816,784	27,953,689	28,928,846	30,859,387	32,445,764	33,518,572	34,675,122
Public Works			8,414,214	10,669,018	14,043,056	13,377,570	15,182,509	14,608,311	10,361,197	28,106,711
Public Health and Welfare			3,523,211	2,764,797	3,218,608	3,286,854	3,455,929	3,570,883	3,116,510	5,652,333
Culture and Recreation			4,728,193	6,107,887	5,393,791	5,720,914	6,977,674	8,727,487	8,100,600	8,211,390
Interest on Long-Term Debt			804,180	989,594	2,002,350	1,978,522	2,003,464	1,997,004	1,937,398	2,547,854
Total Governmental Activities			50,982,589	56,465,739	79,255,167	80,260,240	85,949,841	89,723,576	82,088,222	91,102,257
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	3,305,432
Sewer			1,358,037	1,491,549	1,643,878	2,022,687	2,334,841	2,069,803	2,007,743	1,712,616
Environmental Services			-	-	-	-	-	-	21,305	429,440
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	5,447,488
Total Primary Government Expenses			54,023,061	59,126,582	82,127,888	83,629,433	89,522,282	93,845,975	86,599,414	96,549,745
Program Revenues										
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	3,533,997
Public Safety			1,602,429	1,656,062	1,891,465	1,862,730	1,789,122	1,795,972	2,010,723	2,290,542
Public Works			104,828	505,228	1,719,611	1,130,618	1,316,934	145,364	2,615,881	2,703,356
Public Health and Welfare			176,928	281,720	98,435	187,411	30,213	40,708	147,126	62,943
Culture and Recreation			218,478	291,708	216,909	225,647	238,350	301,117	307,097	394,785
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	2,428,744
Capital Grants and Contributions			122,503	312,836	139,200	12,171,448	12,530,729	13,301,529	6,521,242	10,308,912
Total Governmental Activities			7,229,159	8,739,165	10,990,937	22,404,516	21,902,684	22,051,274	16,974,007	21,723,279
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	2,803,093
Sewer			1,820,751	1,950,699	2,233,306	2,232,610	2,256,737	1,613,004	2,043,484	2,042,869
Environmental Services			-	-	-	-	-	-	-	286,388
Operating Grants and Contributions			-	563,563	-	689,566	-	-	-	434,802
Capital Grants and Contributions			-	-	-	-	1,688,811	447,420	-	506,751
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	6,073,903
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	27,797,182
Net (Expense) Revenue										
Governmental Activities			(43,753,430)	(47,726,574)	(68,264,230)	(57,855,724)	(64,047,157)	(67,672,302)	(65,114,215)	(69,378,978)
Business-Type Activities			1,194,597	2,373,496	1,965,633	1,912,036	2,896,753	873,288	411,703	626,415
Total Primary Government Net (Expense) Revenue			(42,558,833)	(45,353,078)	(66,298,597)	(55,943,688)	(61,150,404)	(66,799,014)	(64,702,512)	(68,752,563)
General Revenues and Other Changes in Net Assets										
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	23,710,716
Sales Taxes			24,058,568	26,345,124	29,282,829	30,058,556	30,742,138	29,642,446	29,154,241	30,218,339
Utility Taxes			2,569,596	2,909,424	3,328,903	3,121,319	3,208,575	3,291,675	3,100,689	3,256,595
Telecommunications Taxes			1,652,517	2,289,458	2,762,936	2,721,309	2,729,475	2,776,705	2,716,397	2,532,760
Motor Fuel Taxes			1,992,811	2,001,675	2,004,147	2,071,621	2,138,538	1,980,616	1,937,243	1,936,006
Hotel/Motel Taxes			962,236	1,035,297	1,045,992	1,185,373	1,403,567	1,452,562	1,425,198	1,491,306
Food and Beverage Taxes			853,654	920,500	994,347	1,028,984	1,090,962	1,098,374	606,686	620,163
Other Taxes			311,993	361,834	335,118	308,132	333,768	366,221	848,583	888,324
Intergovernmental:										
Income Taxes			4,639,846	5,588,823	6,240,629	7,151,328	8,161,593	7,262,288	6,593,639	6,905,954
Interest Income			424,264	521,468	1,692,504	2,896,269	2,486,470	1,541,276	960,673	624,958
Miscellaneous			1,551,125	1,330,981	1,090,705	2,423,231	2,679,118	1,068,426	640,612	650,294
Internal Activity - Transfers			515,887	634,843	826,891	658,418	494,157	270,119	332,782	(20,948)
Total Governmental Activities			52,324,845	58,453,039	65,740,529	72,007,142	75,525,324	72,645,768	71,214,021	72,814,467
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	63,430
Miscellaneous			-	390,417	-	-	-	(36,644)	-	-
Internal Activity - Transfers			(515,887)	(634,843)	(826,891)	(658,418)	(494,157)	(270,119)	(332,782)	20,948
Total Business-Type Activities			119,233	427,366	(485,561)	(758,985)	(205,195)	8,647	(226,167)	84,378
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	72,898,845
Change in Net Assets										
Governmental Activities			8,571,415	10,726,465	(2,523,701)	14,151,418	11,478,167	4,973,466	6,099,806	3,435,489
Business-Type Activities			1,313,830	2,800,862	1,480,072	1,153,051	2,691,558	881,935	185,536	710,793
Total Change in Net Assets			\$ 9,885,245	\$ 13,527,327	\$ (1,043,629)	\$ 15,304,469	\$ 14,169,725	\$ 5,855,401	\$ 6,285,342	\$ 4,146,282

CITY OF CHAMPAIGN, ILLINOIS

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

Modified Accrual Basis of Accounting

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
PRE-GASB 54 CONVERSION										
General Fund										
Reserved	\$ 710,019	\$ 914,435	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,134	\$ -
Unreserved	10,564,928	11,550,997	13,206,559	16,615,018	18,698,999	18,460,497	19,408,702	17,550,062	15,139,247	-
Total General Fund	<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>	<u>\$ -</u>
All Other Governmental Funds										
Reserved	\$ 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	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	11,705,145	13,159,631	16,062,803	11,665,872	13,985,807	15,198,901	19,231,249	17,881,539	17,433,134	-
Total All Other Governmental Funds	<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>	<u>\$ -</u>
POST-GASB 54 CONVERSION										
General Fund										
Non-Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,966
Unassigned	-	-	-	-	-	-	-	-	-	18,892,865
Total General Fund	<u>\$ -</u>	<u>\$ 18,904,831</u>								
All Other Governmental Funds										
Non-Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 940
Restricted	-	-	-	-	-	-	-	-	-	28,100,740
Committed	-	-	-	-	-	-	-	-	-	18,249,898
Unassigned	-	-	-	-	-	-	-	-	-	(1,004,699)
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ 45,346,879</u>								

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Note: Prior to Fiscal Year 2011, fund balance information in the GASB 54 format is not readily available.

CITY OF CHAMPAIGN, ILLINOIS

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

Modified Accrual Basis of Accounting

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 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	\$ 71,560,163
Intergovernmental	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	7,870,080
Licenses, Permits, and Fees	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	1,977,598
Charges for Services	785,126	715,475	841,352	772,514	777,796	771,750	872,119	917,506	1,159,820	1,290,356
Fines and Forfeitures	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	1,900,865
Investment Income	1,471,886	611,873	390,543	484,711	1,614,578	2,771,719	2,370,212	1,455,183	890,755	592,275
Miscellaneous	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	3,999,546
Total Revenues	<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>	<u>89,190,883</u>
Expenditures										
General Government	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	11,119,970
Public Safety	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	33,839,760
Public Works	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	12,558,433
Public Health and Welfare	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	5,642,467
Culture and Recreation	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	6,342,081
Capital Outlay	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	18,929,824
Debt Service:										
Principal	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	2,935,000
Interest and Fiscal Charges	929,607	872,848	789,279	978,391	1,978,168	1,944,690	2,003,464	2,005,237	1,850,598	2,969,447
Total Expenditures	<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>	<u>94,336,982</u>
Excess (Deficit) of Revenues Over Expenditures	<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>	<u>(5,146,099)</u>
Other Financing Sources (Uses)										
Disposal of Capital Assets	195,119	74,697	75,674	75,311	372,665	1,929,143	479,920	808,103	98,722	145,529
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	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	29,009,545
Transfers Out	(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)	(28,922,628)
Total Other Financing Sources (Uses):	<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>	<u>232,446</u>
Net Change in Fund Balances	<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>	<u>\$ (4,913,653)</u>
Debt Service as a Percent of Non-Capital Expenditures	<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>6.08%</u>	<u>7.77%</u>

CITY OF CHAMPAIGN, ILLINOIS

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

Modified Accrual Basis of Accounting

Source	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Taxes	\$ 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	\$ 71,560,163
Intergovernmental	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	7,870,080
Licenses, Permits, and Fees	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	1,977,598
Charges for Services	785,126	715,475	841,352	772,514	777,796	771,750	872,119	917,506	1,159,820	1,290,356
Fines and Forfeitures	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	1,900,865
Interest	1,471,886	611,873	390,543	484,711	1,614,578	2,771,719	2,370,212	1,455,183	890,755	592,275
Miscellaneous	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	3,999,546
Total	<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>	<u>\$ 89,190,883</u>

CITY OF CHAMPAIGN, ILLINOIS

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

Modified Accrual Basis of Accounting

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	\$ 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	\$ 11,119,970
Public Safety	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	33,839,760
Public Works	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	12,558,433
Public Health and Welfare	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	5,642,467
Culture and Recreation	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	6,342,081
Capital Outlay	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	18,929,824
Debt Service:										
Principal Retirement	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	2,935,000
Interest and Fiscal Charges	929,607	872,848	789,279	978,391	1,978,168	1,944,690	2,003,464	2,005,237	1,850,598	2,969,447
Total	<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>	<u>\$ 94,336,982</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	Total Direct Tax Rate	Actual Value	Assessed Value as a Percent of Actual Value
2010	2010/2011	\$ 902,553,042	\$ 515,170	\$ 624,502,192	\$ 13,537,720	\$ 1,541,108,124	\$ 807,525	\$ 1,541,915,649	1.2942	\$ 4,625,746,947	33.33%
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	4,620,619,659	33.33%
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	4,599,011,295	33.33%
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	4,343,140,236	33.33%
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	3,973,801,296	33.33%
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	3,572,460,024	33.33%
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	3,095,293,398	33.33%
2003	2003/2004	553,118,365	361,860	411,078,408	9,083,478	973,642,111	509,102	974,151,213	1.3120	2,922,453,639	33.33%
2002	2002/2003	514,447,110	404,270	393,578,418	8,946,940	917,376,738	492,268	917,869,006	1.3120	2,753,607,018	33.33%
2001	2001/2002	480,549,865	433,000	374,678,497	8,479,122	864,140,484	480,841	864,621,325	1.3030	2,593,863,975	33.33%

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Source: Champaign County Clerk

CITY OF CHAMPAIGN, ILLINOIS

Property Tax Rates - Direct and Overlapping Governments

Last Ten Fiscal Years
(Unaudited)

	Levy Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	Fiscal Years	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
City of Champaign											
Corporate		0.2315	0.2348	0.1996	0.1680	0.1409	0.1259	0.1324	0.2071	0.1678	0.1062
Library		0.3913	0.3940	0.3940	0.3940	0.3940	0.3940	0.3940	0.3940	0.3940	0.3940
Library Capital		0.0280	0.0282	0.0282	0.0282	0.0282	0.0282	0.0282	0.0282	0.0282	0.0282
Fire Pension		0.1363	0.1363	0.1265	0.1372	0.1774	0.1878	0.1855	0.1890	0.1941	0.2221
Police Pension		0.2216	0.2485	0.2349	0.2464	0.2383	0.2280	0.2168	0.1933	0.2099	0.2326
IMRF		0.1195	0.0942	0.1576	0.1649	0.1705	0.1493	0.1434	0.1422	0.1545	0.1610
Capital Improvement		0.1748	0.1760	0.1712	0.1733	0.1627	0.1527	0.1939	0.1404	0.1457	0.1501
Total Direct Tax Rate		<u>1.3030</u>	<u>1.3120</u>	<u>1.3120</u>	<u>1.3120</u>	<u>1.3120</u>	<u>1.2659</u>	<u>1.2942</u>	<u>1.2942</u>	<u>1.2942</u>	<u>1.2942</u>
County		0.6200	0.7117	0.7048	0.7981	0.7801	0.7616	0.7389	0.7426	0.7487	0.7688
Forest Preserve		0.0859	0.0850	0.0840	0.0839	0.0818	0.0800	0.0779	0.0783	0.0790	0.0817
Township		0.0243	0.0397	0.0387	0.0380	0.0368	0.0357	0.0350	0.0350	0.0357	0.0371
Park		0.6627	0.6754	0.6843	0.6782	0.6597	0.6414	0.6190	0.6157	0.6300	0.6529
Public Health		0.1172	0.1152	0.1135	0.1126	0.1087	0.1060	0.1049	0.1052	0.1071	0.1075
Parkland College		0.4556	0.4652	0.4838	0.4847	0.4776	0.4720	0.4688	0.5115	0.5082	0.5064
School Unit 4		4.1098	4.0214	3.9645	3.9271	3.8288	3.7273	3.6296	3.6554	3.6546	3.7238
Mass Transit		<u>0.2772</u>	<u>0.2728</u>	<u>0.2695</u>	<u>0.2677</u>	<u>0.2623</u>	<u>0.2592</u>	<u>0.2544</u>	<u>0.2575</u>	<u>0.2619</u>	<u>0.2725</u>
Total		<u><u>7.6557</u></u>	<u><u>7.6984</u></u>	<u><u>7.6551</u></u>	<u><u>7.7023</u></u>	<u><u>7.5478</u></u>	<u><u>7.3491</u></u>	<u><u>7.2227</u></u>	<u><u>7.2954</u></u>	<u><u>7.3194</u></u>	<u><u>7.4449</u></u>

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	2010			2001		
	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%	\$ 19,103,570	1	2.21%
Campus Property Management	21,497,260	2	1.39%	14,239,060	2	1.65%
Shapland Realty, LLC	12,729,610	3	0.83%	6,936,200	4	0.80%
Campus Investors LLC	11,512,720	4	0.75%			
Bankier Family	10,618,880	5	0.69%	7,154,810	3	0.83%
Shaub Properties, LLC	8,600,850	6	0.56%			
Baytowne Apartments, LLC	7,561,680	7	0.49%			
The Carle Foundation	7,382,560	8	0.48%			
Pickus Companies	7,251,030	9	0.47%			
Christie Management Co., Inc.	6,715,760	10	0.44%			
Wal-Mart Store, Inc.				5,253,620	5	0.61%
Par 3 Development				4,983,620	6	0.58%
BankIllinois				4,590,900	7	0.53%
Par 3 Development, LLC				4,578,140	8	0.53%
Jeffrey R. Hartman				4,407,890	9	0.51%
Royse & Brinkmeyer				4,297,190	10	0.50%
Total	\$118,314,680		7.67%	\$75,545,000		8.72%

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
2010/2011	\$ 19,955,472	\$ 10,142,608	50.83%	N/A	\$ 10,142,608	50.83%
2009/2010	19,933,353	10,004,754	50.19%	9,796,232	19,800,986	99.34%
2008/2009	19,840,134	9,880,397	49.80%	9,844,355	19,724,752	99.42%
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%

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							
2011	\$ 64,735,000	\$ 346,486	\$ 12,700,000	\$ 77,781,486	\$ 1,541,915,649	5.04%	81,055	\$ 2,788,129,890	2.79%	\$ 959.61
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

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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	Governmental Activities	Business-Type Activities	Total	Less Amount	Net General Bonded Debt	Percent of Estimated Actual Taxable Property Value	Per Capita
	General Obligation Bonds	General Obligation Bonds	General Obligation Bonds	Available in Debt Service Funds			
2011	\$ 64,735,000	\$ 12,700,000	\$ 77,435,000	\$ 2,595,000	\$ 74,840,000	4.85%	\$ 923.32
2010	67,670,000	12,700,000	80,370,000	2,510,000	77,860,000	5.06%	1,034.63
2009	44,830,000	12,700,000	57,530,000	2,530,000	55,000,000	3.59%	730.86
2008	46,690,000	12,700,000	59,390,000	2,080,000	57,310,000	3.96%	761.55
2007	44,635,000	-	44,635,000	1,820,000	42,815,000	3.23%	568.94
2006	46,360,000	-	46,360,000	1,725,000	44,635,000	3.75%	618.73
2005	23,985,000	-	23,985,000	1,640,000	22,345,000	2.17%	312.84
2004	20,640,000	-	20,640,000	1,555,000	19,085,000	1.96%	269.87
2003	19,200,000	-	19,200,000	1,475,000	17,725,000	1.93%	253.15
2002	20,600,000	-	20,600,000	1,400,000	19,200,000	2.22%	276.96

Note: Demographic information for population is presented in Schedule 53.
Actual taxable property value is presented in Schedule 45.

Source: City of Champaign

CITY OF CHAMPAIGN, ILLINOIS

Direct and Overlapping Governmental Activities Debt

General Obligation Debt

June 30, 2011

(Unaudited)

Governmental Unit	Bonded Debt Outstanding	Percentage of Debt Applicable to the City	Amount Applicable to the City (2)
Champaign County	\$ 51,541,757	43.29%	\$ 22,312,427
Champaign Park District	1,006,000	99.47%	1,000,668
Champaign School District Unit #4	101,168,096	78.63%	79,548,474
Champaign Urbana Public Health District	2,929,086	73.57%	2,154,929
Parkland College	67,440,000	32.14%	21,675,216
Champaign County Forest Preserve	204,000	42.69%	87,088
Subtotal, Overlapping Debt (1)	224,288,939		126,778,802
City of Champaign	64,735,000	100.00%	64,735,000
Total Direct and Overlapping Debt	\$ 289,023,939		\$ 191,513,802

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 residents and businesses 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)

Fiscal Year	Revenue	Expense	Available for Debt Service	Principal	Interest	Total	Coverage
2011	Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements. The City has						
2010	not had revenue bonds outstanding for any of the last ten fiscal years.						
2009							
2008	Source: City of Champaign						
2007							
2006							
2005							
2004							
2003							
2002							

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
2011	81,055	\$ 2,788,130	\$ 34,398	26	9,421	9.0%
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%

Notes: (1) Population for 2011 is from the 2010 census. 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 percent 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	2011			2002 (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	29.4%	10,500	1	28.5%
Champaign Unit 4 School District	1,423	2	3.6%	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	2.0%	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	576	8	1.4%	500	8	1.4%
Horizon Hobby, Inc.	550	9	1.4%			
Busey Bank	510	10	1.3%			
U.S. Army Corps of Engineering CERL				450	9	1.2%
U.S. Postal Service				409	10	1.1%
Total	<u>19,445</u>		<u>49.0%</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, 2002 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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government:										
Administration	12	12	12	12	12	12	11	12	9	8
Economic Development	1	1	-	-	1	1	2	2	2	2
Legal	11	11	10	10	10	10	10	10	10	8
Finance	15	15	15	15	15	16	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	11	11	11	12	12	12	12	10
Neighborhood Services	14	14	9	10	11	11	11	11	12	10
Information Technology	7	7	7	8	8	8	10	10	10	10
Public Safety:										
Police:										
Sworn	112	112	112	113	115	117	119	119	118	120
Civilian	38	38	37	38	38	37	37	37	37	33
Fire:										
Sworn	90	93	93	93	105	108	108	108	108	107
Civilian	14	14	13	13	14	14	15	15	14	13
Public Works:										
Engineering	23	23	23	21	21	23	23	24	22	19
Transportation	15	15	15	15	15	15	15	15	14	14
Other	41	41	40	43	43	44	45	45	44	39
Public Health & Welfare	4	4	8	7	7	7	7	7	7	6
Culture & Recreation	68	68	67	67	68	81	82	82	82	82
Parking	13	13	15	16	16	15	15	15	15	15
Sewer	11	11	11	10	10	10	10	10	10	8
Environmental Services	-	-	-	-	-	-	-	-	-	1
Total	<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>	<u>529</u>

Source: City of Champaign

CITY OF CHAMPAIGN, ILLINOIS
Operating Indicators by Function/Program

Function/Program	Last Ten Fiscal Years (Unaudited)									
Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety:										
Fire (1):										
Number of Fire Calls	271	325	292	327	301	334	288	289	228	274
Number of EMS/Rescue Calls	2,831	2,822	2,916	2,938	2,954	3,115	3,421	3,388	3,532	3,518
ISO Rating	2	2	2	2	2	2	2	2	2	2
Police:										
Arrests	6,623	6,394	6,286	6,972	6,691	6,769	7,153	6,823	6,151	6,185
Parking Violations	4,325	4,142	3,014	2,240	1,854	1,617	1,285	970	1,621	1,563
Traffic Violations (1)	10,711	10,959	10,453	11,300	11,059	11,590	10,848	11,672	8,186	8,486
Public Works:										
Street Resurfacing Miles	N/A	N/A	N/A	N/A	13.54	12.30	4.20	4.60	10.40	11.00
Potholes Repaired	12,717	11,311	14,978	12,752	19,213	13,103	17,703	18,208	17,768	22,401
Street Lights Maintained (2)	3,020	3,020	3,278	3,020	3,278	3,368	3,312	3,225	3,367	3,470
Community Development:										
Number of Building Permits Issued	637	588	635	962	1,112	873	638	507	505	494
Number of Building Inspections	2,576	2,490	2,348	3,134	4,503	3,697	3,261	3,191	2,837	2,735
Culture & Recreation:										
Total Circulation	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	2,495,499
Materials (Print and Non-Print)	241,916	238,350	242,556	250,860	246,709	256,533	355,129	396,906	374,005	373,054
Library Cards Issued	N/A	N/A	4,922	5,828	5,631	5,129	8,808	7,441	6,316	5,840
Library Visits - Main Library/Bookmobile	487,828	516,775	546,165	553,316	578,604	585,059	626,342	760,137	804,424	912,582
Library Visits - Douglass Branch	89,259	88,308	92,245	74,914	61,717	69,568	70,920	59,092	61,210	61,404

N/A: Not Available

Source: City of Champaign

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

- (1) 1997-2002 are traffic tickets and warnings. 2003-2011 are traffic tickets only.
- (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 2006-2011.

CITY OF CHAMPAIGN, ILLINOIS
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years
 (Unaudited)

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	N/A									
Fire Stations	5	5	5	5	5	6	6	6	6	6
Public Works:										
Streets (Miles) (1)	220	220	598	598	642	642	685	684	696	696
Sidewalks (Miles)	N/A									
Streetlights (2)	3,020	3,020	3,278	3,020	3,278	3,368	3,312	3,225	3,367	3,470
Sewer:										
Sanitary Sewers (Miles)	189	191	191	193	193	195	205	209	209	211
Manholes	4,725	4,775	4,775	4,825	4,825	4,875	5,128	5,215	5,216	5,275

N/A: Not Available
 Source: City of Champaign

Notes:

- (1) Center line miles were reported 2002-2003, and lane miles were reported 2004-2011.
- (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 2006-2011.

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
2011 CCDCF Outstanding Design Award for the Boneyard Creek Second Street Reach Project	Champaign Council Design and Conservation Foundation
2011 Public Works Project of the Year for the Curtis Road Improvements	American Public Works Association
Exceptional Performance Award - Journalism for CU Sharing the Road Video	American Public Works Association - Illinois Chapter
The Champaign Public Library was named among America's top libraries with a 3-Star Rating	<i>Library Journal</i> magazine
2011 Daniel Burnham Award for a Comprehensive Plan - Champaign Tomorrow Comprehensive Plan	American Planning Association - Illinois Chapter
Certificate of Sustainability for efforts to promote and facilitate textile re-use and recycling	USAgain