

CITY OF CHAMPAIGN, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

CITY OF CHAMPAIGN, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by:
Finance Department

Richard Schnuer, Finance Director

CITY OF CHAMPAIGN, ILLINOIS

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INTRODUCTORY SECTION

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

- Principal Officials
- Organizational Chart
- Transmittal Letter
- Certificate of Achievement for Excellence in Financial Reporting

CITY OF CHAMPAIGN, ILLINOIS

Principal Officers
June 30, 2015

LEGISLATIVE

Deborah Frank Feinen, City Mayor

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

Thomas Bruno
Will Kyles
Matthew Gladney
Clarissa Nickerson
Michael LaDue
Vic McIntosh
Marci Dodds
Paul Faraci

ADMINISTRATION

Dorothy Ann David, City Manager

Joan Walls, Deputy City Manager

Matt Roeschley, Deputy City Manager

Richard Schnuer, Finance Director

Fredrick Stavins, City Attorney

Dennis Schmidt, Director of Public Works

Bruce Knight, Planning and Economic Development Director

Kevin Jackson, Neighborhood Services Director

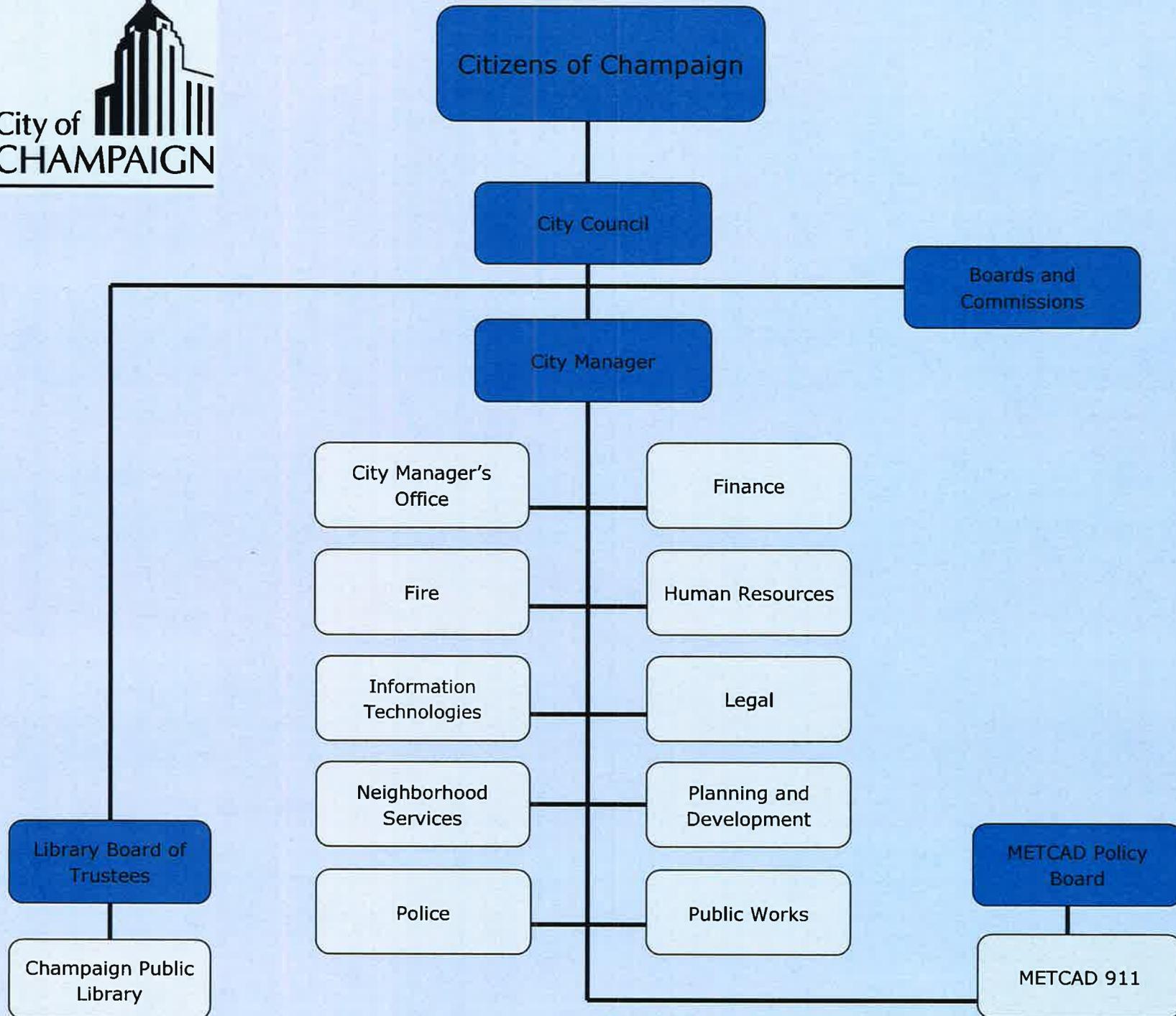
Jason Hood, Human Resources Director

Anthony Cobb, Police Chief

Gary Ludwig, Fire Chief

Marsha Grove, Library Director

Mark Toalson, Information Technologies Director





November 4, 2015

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, 2015.

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 supports its system of internal control by written policies and procedures which are 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. Management believes that the City's system of internal accounting controls adequately safeguards assets and provides reasonable assurance of proper recording of transactions.

The City of Champaign's financial statements have been audited by the firm of Lauterbach & Amen, LLP, licensed certified public accountants. The independent audit provides reasonable assurance that the financial statements of the City of Champaign for the fiscal year ended June 30, 2015, 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 unmodified opinion that the City of Champaign's financial statements for the fiscal year ended June 30, 2015, 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 grant awards. These reports are available in the City of Champaign's separately issued Report of Federal Financial Assistance.

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

Profile of the City of Champaign

The City of Champaign is a home-rule municipality incorporated in 1861 under the laws of the State of Illinois. It is located in east-central Illinois and shares the distinction with its twin city, Urbana, as home to the main campus of the University of Illinois, a major research University. The 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 her 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 and the Champaign Firefighters' Pension Trust. The Town of the City of Champaign and the Champaign Library Foundation are discretely presented component units. 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 the Finance Department and City Manager subsequently review. The City Manager determines the proposed budget and presents it to the City Council in May. The City Council reviews the proposed budget during several open meetings. State law requires the Council 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 has the authorization 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. The City uses encumbrances to strengthen budgetary control and requires them for all purchases over \$5,000. The budget shows outstanding encumbrances as a reserve of 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 required supplementary information on pages 114-116 after the Notes to the Financial Statements. For other major governmental funds with appropriated annual budgets, this comparison is presented in the other supplementary information of this report on pages 117-121. Comparisons for non-major governmental funds can be found starting on page 126.

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 Illinois Terminal, operated by the Champaign-Urbana Mass Transit District (CUMTD), provides a central transportation facility for the area's residents. Modes of transportation provided at the facility include passenger rail service (Amtrak), intra-city bus service (CUMTD), inter-city bus service, and taxi service. Regularly scheduled passenger and freight flights are available at University of Illinois/Willard Airport, approximately 5 miles south of Champaign.

The region has a varied economic base consisting of service, retail, manufacturing, and high technology industry that results in a comparatively low unemployment rate. While, the City was not immune to the economic downturn. The unemployment rate for June 2015 was 4.9%, lower than the 6.2% unemployment rate for June 2014. The University of Illinois at Urbana-Champaign is ranked among the top fifteen universities in the nation and dominates the local economy with over 10,800 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 Presence Medical Center) and two large clinics (Carle Physician Group and Christie Clinic) in addition to smaller health care providers.

Prior to fiscal year 2008/09, 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. The economic downturn slowed growth in Champaign as in other communities, but the City has enjoyed a recovery in growth since fiscal year 2010/11. The value of construction for building permits issued in fiscal year 2013/14, at \$216 million, was one of the highest the City has seen. The construction value declined in fiscal year 2014/15 to \$181 million, but this is still significantly higher than the construction value of \$83 million in fiscal year 2009/10. Property tax is the second largest revenue source of the City. In FY2014/15, the equalized assessed value (EAV) of taxable property increased by 1.5% to \$1,514,684,970, after decreasing 1.7% in FY 2013/14 and .5% in FY 2012/13. The City's property tax rate has remained at \$1.3152 since the 2012 levy year.

Sales taxes are the City's largest revenue source, which, with property, income, and utility taxes comprise the four largest revenue sources of the City. Revenue from sales and use taxes continued to increase in fiscal year 2014/15, up 7.6% over fiscal year 2013/14. An increase in the sales tax rate from 1.25% to 1.50% as of January 1, 2014 accounts for much of the increase in sales tax revenue. However, after removing the impact from the increase in the sales tax rate, the City still saw an overall increase in sales and use tax of approximately 2.6%. Fiscal year 2014/15 income taxes showed healthy growth over the previous year, increasing 8.3%. This can be attributed to the recovering economy. The City continues to strive to limit expenditure increases to help keep the City in stable financial condition.

During the past ten years, the City's expenditures related to public safety have increased not only in amount, but also as a percentage of total governmental expenditures (40.19 % in 2015 compared with 35.99 %t in 2006). Much of this increase is due to the growth of the City, requiring an additional fire station, and pension benefits of police officers and firefighters growing at a significantly faster rate than other costs and proportionately larger reductions in services not related to public safety during the recent recession. 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 have allowed it 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:

- Four 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 Visit Champaign County (the county's 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 "greenfield" development on the fringe of the city has slowed in Champaign, "infill" development in the center of the city has remained active. Recent major economic development projects include the following:

- In 2014 a new 145-room Hyatt Place Hotel opened across the street from the M2 and One Main developments in the center of downtown. The nine-story building provides the first downtown hotel for Champaign in many decades and greatly benefits local restaurants and nightlife establishments. The City provides TIF benefits and other tax rebate incentives over a maximum seven-year period or up to \$3M, whichever occurs first. Also in the downtown area, Eden Supportive Living purchased and repurposed a former hotel into an Assisted Living Facility. The facility offers an innovative approach to assisted living housing for physically disabled individuals ages 22-64. By combining apartment-style housing with personal care and services, residents live independently with dignity and privacy while avoiding the burden of maintaining a home. 24-hour support staff assists with residents' needs. Construction was completed in 2013.

- Renovation of Champaign's historic train station in downtown was completed in 2015 for use by a popular barbeque restaurant. The project was assisted with a rebate of newly generated sales and food/beverage taxes. The \$1.3M project demonstrated the strength of downtown and the interest in preserving the historic building stock.
- Redevelopment of multiple vacant parcels in the North Prospect area began in FY2013 to provide for relocation of the Worden Martin Carriage Center car dealerships (Ford, Nissan, Lincoln, and Mercury) from South Neil Street in Champaign and Savoy. This new location is visible from Interstate 74 and is expected to generate additional incremental sales taxes. The City approved a development agreement to provide incentives for moving the auto dealerships and redeveloping the vacated site on South Neil. This location is still under redevelopment with multiple commercial businesses that will generate additional sales and property taxes. Open for business are several restaurants and retail stores on the outlots. Under construction is a Home2 hotel, Haymakers Grocery Store, a gas station and a car wash. The development agreement will return city taxes generated from this new location and from the redevelopment of the Carriage Center property of up to \$6.2M or over 12 years, whichever occurs first.
- The area of Champaign known as “Campustown” has experienced significant investment and redevelopment in recent years, with many projects completed, several projects are currently under construction, others approved for development. Building on the momentum of the high-rise projects constructed at 309 East Green Street and 310 W. Springfield Avenue in 2009, the following projects are advancing the City’s goals for infill redevelopment.
 - Recently completed is 112 East Green Street, a five-story, mixed-use development with first floor commercial and 50 upper-story apartments valued at \$5M.
 - Also recently completed is 519 East Green Street which is a 14-story mixed-use development with first floor commercial and 40 upper story residential apartments. This project is valued at \$10M.
 - Opened in August 2015, 308-312 East Green Street is a 22-story mixed-use project that will include first floor commercial and 145 apartments on the upper floors.
 - Also opened in August 2015, is 526 East Green Street which was previously a city-owned parking lot. The mixed-use redevelopment include a full-service, 95-room Marriott Hotel, 12,000 square feet of retail space, 88 upper-story residential apartments and a 175-space public parking deck. The project is valued at approximately \$20M.
 - Currently under construction with a completion date of August 2016 is the Latitude mixed-use project at 501 and 601 East University Avenue. These two buildings will feature first floor commercial space and four upper floor of residential apartments within walking distance of the UofI Engineering campus. There will be over 200 apartments and over 500 bedrooms in the development. The construction value is \$50M.

With the exception of 526 East Green Street (which includes a public parking structure) none of the development projects in Campustown received public subsidy or incentives, proving the strength of that market.
- In late 2014 the City of Champaign, along with the City of Urbana, University of Illinois and the Champaign-Urbana Mass Transit District, were awarded a \$15M federal TIGER grant to rebuild infrastructure in the core of the community

including campus and its connections to downtown. The project has now been named MCORE. The City of Champaign will utilize the funding to achieve a complete reconstruction of certain sections of Green Street, White Street and Wright Street in the University District. The City expects the infrastructure improvements to provide further stimulus for economic development in the area.

- The University of Illinois Research Park (also part of the South Metro Zone) has grown over the past decade and now consists of approximately seventy companies employing over 1,300 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 Archer Daniels Midland, Abbott, John Deere, Caterpillar, iCyt, National Center for Supercomputing Applications (NCSA), State Farm, Science Applications International Corporation (SAIC), Yahoo! and Wolfram Alpha. In 2014 Yahoo! expanded within the Research Park with a new building and expects to grow the number of employees from roughly 85 to 200. Long-term plans by the University and the developer of the Research Park include additional office and laboratory buildings, a commercial complex, restaurants, and a multi-purpose facility. The City provided an incentive of up to \$750,000 (cumulatively) for the creation of new office and lab space in the Research Park.
- The City entered into an agreement with Kraft Foods, Inc. and Becknell Industrial for the redevelopment of the former AC Humko industrial site located within the City's North Mattis Avenue TIF District. Kraft completed a new 730,000 square foot warehouse with a capital investment of approximately \$38-40 million. The City will provide assistance of \$3.7 million for this project by rebating property tax increment revenue created within the TIF District on the warehouse. Staff projects that the TIF District could achieve this reimbursement in approximately 10 years.

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

- The City continues to implement a plan to redevelop the Bristol Place Neighborhood in northeast Champaign. This challenged 23-acre area has experienced disinvestment and declining property values over the years. To improve the area and provide new housing opportunities for residents, the City is currently in the process of land acquisition and clearance utilizing Urban Renewal funding. The City initiated this work after the City adopted a Master Plan for Bristol Park, a broader area that includes the Bristol Place neighborhood. Staff envisions a total of approximately 193 new residential housing units in the neighborhood. The City has studied this area for its eligibility to be designated as a Tax Increment Finance District. The report confirmed eligibility and the City plans to adopt a new TIF District in 2016. The City anticipates that a selection process for a developer to build the neighborhood in 2017 will commence.
- In 2010, the Cities of Champaign and Urbana, in conjunction with the University of Illinois, received \$26.0 million in federal and state grant funding, matched by \$3.4 million local funding, to install a fiber optic network throughout the Champaign-Urbana community including the main campus of the University of

Illinois. Work on this project, now known as Urbana Champaign Big Broadband (UC2B), was completed during FY 2013/14. Construction connected 200 “anchor institutions” including schools, government facilities, and community services agencies. In addition, construction included “fiber to the premise” connections for 1,100+ properties in 11 census blocks where residents and businesses are underserved with respect to internet access. A not for profit, the Urbana-Champaign Big Broadband NFP (UC2B NFP) was created to promote the use of the broadband system. In May of 2014, that entity entered into a long-term contract with a private company, ITV-3, for the operation and expansion of the broadband system. ITV-3 has assumed responsibility for the day to day operations of the broadband system, and has announced that it will begin to expand the broadband system in a neighborhood in Urbana as part of a broader expansion in both cities.

- In 2015 billing continued for the stormwater utility fee, which City Council had previously approved. The fee will provide an additional \$2.8 million dollars annually to fund drainage services. This new revenue will allow the City to maintain existing systems and complete flood-prevention infrastructure improvements much more quickly than would be possible without the fee.
- Interest in developing at the Curtis Road and Interstate 57 interchange has increased and the City is revisiting the vision and rules for commercial development at this location. Development is expected in the next two to three years pending changes to existing regulations.

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 nine general obligation bond series outstanding (including one Build America Bond issue) with outstanding principal totaling \$62.7 million. While property taxes secure these obligations, 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 and 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, 2014. This was the twenty-fourth 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, 2015. 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



Kay M. Nees
Financial Services Manager/City Accountant



Government Finance Officers Association

**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, 2014

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

November 4, 2015

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Champaign, Illinois, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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. Those statements were audited by other auditors whose report 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, and the Police Pension Fund section of Deposits and Investments in Note 3 – Detail Notes on all Funds, is based solely 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Champaign, Illinois, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Champaign, Illinois', financial statements as a whole. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules 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. Such information has been subjected to the auditing procedures applied 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters – Continued

Other Information – Continued

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2015, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provision 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* in considering the City’s internal control over financial reporting and compliance.


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF CHAMPAIGN, ILLINOIS
Management's Discussion and Analysis (Unaudited)
June 30, 2015

Management's Discussion and Analysis provides an overview of the City of Champaign's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the transmittal letter on pages iii-xi and the City's financial statements, which begin on page 4.

FINANCIAL HIGHLIGHTS

- At June 30, 2015, the City's total assets exceeded its liabilities by \$361.0 million. In accordance with governmental accounting standards, this includes all of the City's infrastructure assets (net of depreciation). Most of the City's net position consists of \$331.4 million net investment in capital assets. Most capital assets are infrastructure, buildings, vehicles, and equipment. The City uses them to provide specific services but cannot easily convert these assets to spendable assets (e.g. cash) to pay for other City operations and obligations such as employee pensions and debt service.
- The City can use the remaining assets of \$29.2 million for such uses with some limitations. Restricted net position of \$19.2 million may be used for the City's ongoing obligations related to programs with external restrictions, such as programs related to Public Works, Public Safety, Culture and Recreation, Debt Service and Capital Projects. The City may use the remaining amount of \$10.4 million in net position to meet the City's ongoing obligations to citizens and creditors without such restrictions.
- During the 2014/15 fiscal year, the City implemented new accounting standards requiring the City to record on its city-wide statements the liabilities and accruals related to the funding of the City's pension plans (Police, Fire and IMRF). This includes the Net Pension Liability, which is similar to the unfunded amount of the pension plans. After the inclusion of these items, the City's unrestricted net position remained positive at \$10.4 million. This is due to the City's strong financial policies, particularly the City's pension funding policies.
- Revenues of \$100.5 million exceeded expenses of \$107.1 million during the year, decreasing the City's total net position by \$6.6 million. The decrease in net position consists of a \$6.9 million decrease in net position of the City's governmental activities and a \$0.3 million increase in net position 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 \$1.0 million decrease from the prior year fund balances of \$65.3 million. The decrease is largely attributable to the following:
 - a \$0.6 million decrease in the Tax Increment Financing (TIF) and Local Motor Fuel Tax Funds due to increased capital expenditures;
 - a General Fund increase of \$3.1 million, primarily due delays in economic incentive payments, lower than anticipated maintenance contracts, and position vacancies;
 - a Champaign Public Library decrease of \$0.4 million, primarily due to capital expenditures;
 - a net decrease of \$2.4 million in the Motor Fuel Tax and Capital Improvements Funds due to the timing of completion of capital projects.

- At June 30, 2015, approximately \$44.2 million (69%) of the total fund balance in governmental funds is available for spending at the government’s discretion (unassigned and committed fund balances). Of that, 60% (\$26.7 million) is in the City’s General Fund, 27% (\$12.0 million) is dedicated to capital projects, and 13% (\$5.5 million) is dedicated to special revenue funds (primarily those that support neighborhood and economic development). Over 47% of the unassigned and committed General Fund balance represents revenues owed the City as of June 30, 2015, but not received by June 30, 2015. The majority of the revenues are due to the City from the State of Illinois and represent the normal amount of time it takes for the State of Illinois to collect and disburse the funds. Of the restricted funds, 24% (\$4.7 million) is restricted for capital projects, 56% (\$10.7 million) is restricted for special revenue funds, and 20% (\$3.8 million) is restricted for debt service.
- The City had \$120.1 million in total long-term liabilities at the end of the year, 54% of which was bonded general obligation debt. Other long-term liabilities includes the net pension liability, net other post-employment benefit, compensated absences, landfill closure payable and Illinois Environmental Protection Agency (IEPA) loans. The increase in long-term liabilities from the prior year is due to the addition of the net pension liability in the current year financial statements.

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.

This financial report includes not only the City of Champaign itself (known as the “primary government”), but also two additional entities, the Champaign Police Pension Trust, and the Champaign Firefighters Pension Trust. Although legally separate, the City of Champaign has responsibility for ensuring that the funds obligations are met and includes these “blended component units” in its financial report in accordance with governmental accounting standards. Both of the pension funds issue separate annual financial reports.

This report also includes the two “discretely presented component units”: the Town of the City of Champaign (Township) and the Champaign Public Library Foundation. In past years, the Township was a “blended component unit”. However, the City now presents the Township as a discrete component unit due a change in accounting standards. The membership of the governing body (Township Trustees) of the Township is the same as the membership of the City’s governing body (City Council). The Township issues a separate annual financial report. 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 as a fund in this report.

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 4 - 7 of this report.

The Statement of Net Position reports information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Champaign that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City of Champaign include general government (including development planning and regulation, and economic development), public safety, public works (including streets, sidewalks, bridges, storm water management, and City buildings), public health and welfare (primarily housing rehabilitation), and culture and recreation (primarily library services). The business-type activities of the City include a sanitary sewer collection system, environmental services, and parking operations.

Fund Financial Statements

A fund is a grouping of related accounts 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

The term "governmental funds" refers to 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 21 individual governmental funds. The City considers the following six as “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 15 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for its governmental funds. This report includes a budgetary comparison schedule for the major funds to demonstrate compliance with the budget. The governmental fund basic financial statements can be found on pages 8 – 13 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 related to the multi-family recycling program, 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 other expensive 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 14 - 19 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government and include the Firefighters’ and Police Pension funds. 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 20 - 21 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 - 104 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City's employee pension obligations (Illinois Municipal Retirement Fund, Police Pension Fund, and Firefighters Pension Funds). Required supplementary information can be found on pages 105 -116 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. Combining and individual fund statements and schedules can be found on pages 117 - 153 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Net position 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 \$361.0 million. The largest portion of the City of Champaign's net assets (\$331.4 million, or 92%) reflects its investment in capital assets (for example, streets, sewers, land, and buildings) less any outstanding debt 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 the debt related to capital assets must be provided from other sources, since the City cannot generally use the capital assets themselves to liquidate these liabilities.

An additional \$19.2 million (5%) of the City's net position represents resources that are subject to external restrictions on their use. The remaining \$10.4 million (3%) represents unrestricted net position that the City may use to meet its ongoing obligations to citizens and creditors.

Net Position (in Millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 89.6	\$ 107.1	\$ 8.9	\$ 9.5	\$ 98.5	\$ 116.6
Capital Assets	341.4	348.9	55.3	55.8	396.7	404.7
Total Assets	431.0	456.0	64.2	65.3	495.2	521.3
Deferred Outflows of Resources	15.8	1.3	0.3	-	16.1	1.3
Total Assets and Deferred Outflows of Resources	446.8	457.3	64.5	65.3	511.3	522.6
Long-Term Debt Outstanding	108.3	62.9	11.8	12.3	120.1	75.2
Other Liabilities	14.6	14.9	1.2	1.8	15.8	16.7
Total Liabilities	122.9	77.8	13.0	14.1	135.9	91.9
Deferred Inflows of Resources	14.4	11.5	-	-	14.4	11.5
Total Liabilities and Deferred Inflows of Resources	137.3	89.3	13.0	14.1	150.3	103.4
Net Position						
Net Investment in Capital Assets	288.3	293.2	43.1	42.9	331.4	336.1
Restricted	19.2	24.0	-	-	19.2	24.0
Unrestricted (Deficit)	2.0	50.8	8.4	8.3	10.4	59.1
Total Net Position	\$ 309.5	\$ 368.0	\$ 51.5	\$ 51.2	\$ 361.0	\$ 419.2

The following table shows that net position decreased by \$58.2 million from FY14.

Changes in Net Position (in millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Services	\$ 10.4	\$ 10.1	\$ 5.5	\$ 5.6	\$ 15.9	\$ 15.7
Operating Grants/Contributions	4.7	1.5	-	-	4.7	1.5
Capital Grants/Contributions	0.1	3.7	-	-	0.1	3.7
General Revenues						
Property Taxes	22.9	22.7	-	-	22.9	22.7
Sales Taxes	35.7	33.2	-	-	35.7	33.2
Income Taxes	8.4	8.7	-	-	8.4	8.7
Other General Revenues	12.7	15.0	0.1	3.8	12.8	18.8
Total Revenues	94.9	94.9	5.6	9.4	100.5	104.3
Expenses:						
General Government	14.5	12.2	-	-	14.5	12.2
Public Safety	38.2	35.1	-	-	38.2	35.1
Public Works	34.1	36.7	-	-	34.1	36.7
Public Health and Welfare	3.7	3.6	-	-	3.7	3.6
Culture and Recreation	7.6	8.1	-	-	7.6	8.1
Interest on Long-Term Debt	3.0	2.6	-	-	3.0	2.6
Parking	-	-	3.3	3.1	3.3	3.1
Sewer	-	-	2.3	1.9	2.3	1.9
Environmental Services	-	-	0.4	0.4	0.4	0.4
Total Expenses	101.1	98.3	6.0	5.4	107.1	103.7
Increase in Net Position Before Transfers	(6.2)	(3.4)	(0.4)	4.0	(6.6)	0.6
Transfers	(0.7)	0.2	0.7	(0.2)	-	-
Increase (Decrease) in Net Position	(6.9)	(3.2)	0.3	3.8	(6.6)	0.6
Net Position- Beginning (as Prev Reported)	368.0	371.2	51.2	47.4	419.2	418.6
Prior Period Adjustments	(51.6)	-	-	-	(51.6)	-
Net Position - Beginning (as Restated)	316.4	371.2	51.2	47.4	367.6	418.6
Net Position - Ending	\$ 309.5	\$ 368.0	\$51.5	\$51.2	\$ 361.0	\$ 419.2

The City of Champaign's total net position decreased by \$58.2 million due to an FY2014/15 decrease of \$58.5 million in the net position of the City's governmental activities plus a \$0.3 million increase in net assets of business-type activities. The decrease in governmental activities net position is primarily due to the implementation of new auditing standards and the related restatement of net position. This restatement reflects the addition of the Net Pension Liability, which is similar to the unfunded portion of the pension plans, as well as other accruals related to the funding of the pension plans. The remaining decrease is due to increases in the Net Pension Liability primarily associated with lower than anticipated investment earnings. The City of Champaign can generally only use net position of business-type activities to finance sanitary sewer collection services, environmental services, and parking operations.

Net investment in capital assets decreased by \$4.7 million to \$331.4 million. This is due to annual depreciation expense of \$18.4 million offsetting the capital asset additions. Restricted net position decreased by \$4.8 million to \$19.2 million, while unrestricted net position decreased by \$48.7 million.

Total revenues decreased by \$3.8 million, a 3.0% decrease. The change largely resulted from the following: a \$3.8 million gain on the sale of property parking lot in Campustown recorded in FY14, a \$1.3 million decrease in grant revenues and \$2.4 million in additional tax revenue. Expenses increased \$3.4 million (from \$103.7 million to \$107.1 million), primarily in General Government, Public Safety and Public Works. Results for specific types of revenues and expenses are discussed below.

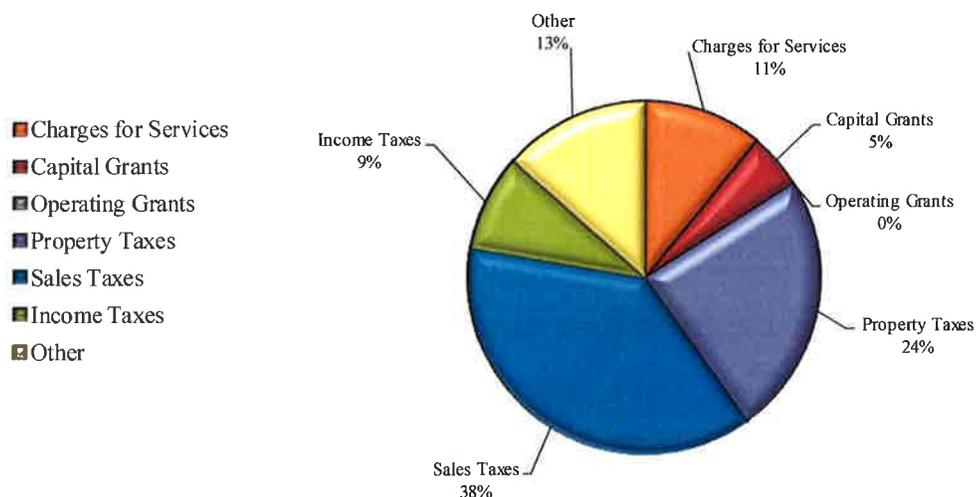
Governmental Activities

Revenues for governmental activities remained consistent from the prior year at \$94.9 million. Sales tax revenues increased \$2.5 million due to an increase in the Home Rule sales tax rate from 1.25% to 1.5% in January 2014. In addition, there was a decrease of \$2.3 million in other general revenues (namely Interest Income, Miscellaneous Revenues and Motor Fuel Taxes due to lower fuel prices).

Total expenses for governmental activities increased \$2.8 million (2.8%) to \$101.1 million primarily in General Government and Public Safety as a result of normal inflation.

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.

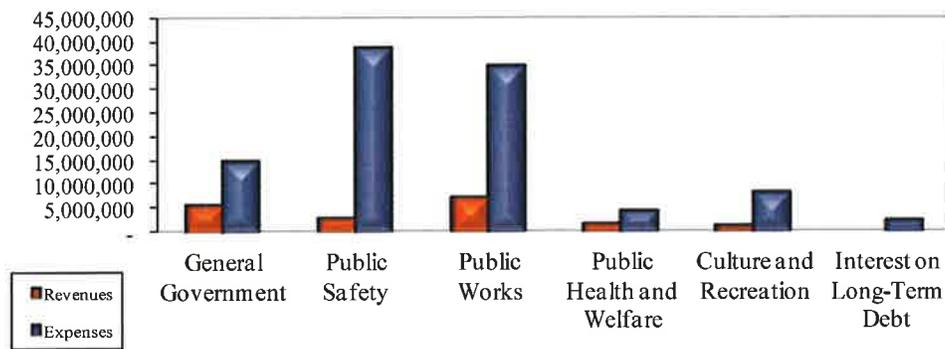
Revenues by Source - Governmental Activities



Sales tax revenues comprise 38% 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, is 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.

Expenses and Program Revenues - Governmental Activities

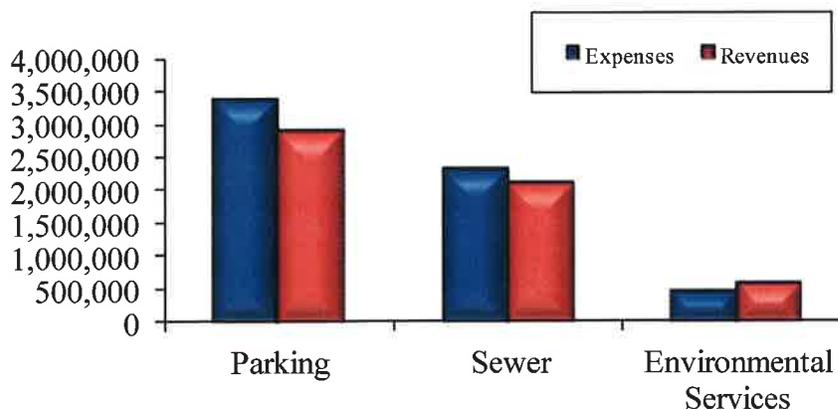


Business-Type Activities

The City realized revenues of \$5.6 million from its business-type activities: parking, sanitary sewer, and environmental services. This represents a \$3.8 million decrease (40%) from the prior year due to the gain on the sale of Parking Lot J for \$3.8 million recognized in FY14.

Overall, the City’s net position from business-type activities increased \$0.3 million. This largely resulted from an increase in transfers in of \$0.9 million coupled with increased expenses due to normal inflation. This chart depicts the expenses and program revenues of the City’s business-like activities: the Parking Fund, Sewer Fund and Environmental Services Fund.

Expenses and Program Revenues - Business-Type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The City's governmental funds 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 2015 fiscal year, the governmental funds reported combined ending fund balances of \$64.3 million, a decrease of \$1.0 million (1.5%) from the prior year.

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

- The General Fund experienced an increase in fund balance of \$3.1 million. The excess of revenues over expenditures increased \$14.7 million, which was largely offset by net transfers to other funds of \$11.6 million. This is mainly due to lower than anticipated expenditures, mainly attributable to vacancies throughout all City Departments, delays in economic incentive payments, and lower than anticipated maintenance contracts.
- The Champaign Public Library Fund had a decrease in fund balance of \$0.4 million due to a planned operating deficit in fiscal year 2014/15.
- Non-major funds had a decrease in fund balance of \$0.7 million. This decrease was the result of additional capital project expenditures.
- Debt Service had a decrease in fund balance totaling \$0.6 million due to the timing of transfers.
- The Motor Fuel Tax had a decrease of \$2.5 million due to several large planned capital projects within that fund.

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. (A separate governmental entity, the Urbana & Champaign Sanitary District, performs sewage treatment and maintains the large interceptor sewers that transport sewage from the collection system to the treatment plants.) Net position in this fund decreased \$0.4 million to \$36.4 million as of June 30, 2015. This can be primarily attributed to capital asset disposals.

The Parking Fund, another major proprietary fund, saw an increase in net position of \$0.6 million at June 30, 2015. Operating income slightly decreased by \$0.1 million, while operating expenses increased by \$0.3 million, interest and investment income decreased by \$0.1 million, and transfers in increased by \$1.0 million. The Fund ended the year with a net position of \$14.7 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 36,928,115	\$ 36,877,715	\$ 37,124,746
Intergovernmental	27,055,371	27,666,741	27,650,520
Licenses & Permits	2,446,327	2,645,532	2,581,357
Other	3,654,927	3,336,869	3,741,098
Total Revenues	<u>70,084,740</u>	<u>70,526,857</u>	<u>71,097,721</u>
Expenditures and Transfers			
Expenditures	62,368,390	61,183,160	56,403,813
Transfers Out	16,737,504	16,943,115	12,390,822
Transfers In	(4,964,821)	(5,167,623)	(800,366)
Total Expenditures and Transfers	<u>74,141,073</u>	<u>72,958,652</u>	<u>67,994,269</u>
Change in Fund Balance	<u>\$ (4,056,333)</u>	<u>\$ (2,431,795)</u>	<u>\$ 3,103,452</u>

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

- Re-appropriation of unliquidated amounts in outstanding encumbrances at the end of the prior year to authorize their expenditure in the new fiscal year. 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 \$71.1 million were slightly higher than the final (estimated) budget and approximately \$1.0 million higher than the original budget. The variance between the actual and the revised budget results from the City receiving higher sales, income, and utility tax revenues than the previous year.

Total actual expenditures and transfers of \$68.8 million were 8.3% lower than the original budget and 6.8% lower than final budget. A main contributor was extended vacancies throughout all City departments and delays in the payments of economic development incentives. Hiring for Police and Fire entry level positions requires specific steps that lengthen the recruitment process and time for these positions.

CAPITAL ASSETS

As shown on the following chart, the City of Champaign had a \$396.7 million investment in capital assets of its governmental and business-type activities, net of accumulated depreciation, as of June 30, 2015. Approximately 59% of this investment represents infrastructure including roads, sidewalks, bridges, and sewers, and a quarter of the City's capital assets are comprised of land. Overall, the City's investment in capital assets decreased by \$8.0 million or 2.0%.

Capital Assets - Net of Depreciation (in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 100.3	\$ 100.3	\$ 5.8	\$ 5.8	\$ 106.1	\$ 106.1
Construction in Progress	5.4	15.8	1.3	1.1	6.7	16.9
Buildings	28.3	29.6	10.6	10.9	38.9	40.5
Land Improvements	0.8	0.8	-	-	0.8	0.8
Improvements and Equipment	9.5	8.7	0.2	0.2	9.7	8.9
Infrastructure	197.1	193.7	37.2	37.5	234.3	231.2
Parking Meters	-	-	0.2	0.3	0.2	0.3
Total	\$ 341.4	\$ 348.9	\$ 55.3	\$ 55.8	\$ 396.7	\$ 404.7

Changes to capital assets during the 2014/15 fiscal year included the following:

- Infrastructure increased by \$3.0 million as several significant road projects were completed during the year.
- Construction in progress decreased \$10.2 million as significant road and drainage projects were completed and only a few new projects began.
- Depreciation of capital assets by \$18.4 million.

Readers desiring more detailed information on capital assets activity should refer to the discussion in Note 3 to these financial statements on pages 45 - 46.

DEBT MANAGEMENT

The City's total outstanding bonded debt and IEPA loans as of June 30, 2015 (\$65.9 million) decreased \$4.0 million from June 30, 2014. The following table provides a detail of this outstanding debt, comparing the current fiscal year to the previous fiscal year.

General Obligation Bonds and IEPA Loans (in Millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 52.9	\$ 56.6	\$ 11.6	\$ 11.8	\$ 64.5	\$ 68.4
IEPA Loans Payable	0.4	0.4	1.0	1.1	1.4	1.5
Total	\$ 53.3	\$ 60.0	\$ 12.6	\$ 13.4	\$ 65.9	\$ 69.9

The City issued bonds in the amount of \$8.7 million during the fiscal year to refinance the 2008 series.

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 Note 3 on pages 48 - 54 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 10,000 employees) and purchases a variety of goods and services locally. The regional health care providers also provide a significant level of stable employment in the area.

This stability helps make Champaign's sales tax revenues more reliable than many other cities. Sales tax revenues increased 7.6% during fiscal year 2014/15. Along with the budget adoption, City Council increased the home rule sales tax rate by 0.25% to 1.50% effective January 1, 2014. The rate increase accounts for 66% of the total sales tax increase. Excluding the rate increase revenues, sales tax growth is modest and in line with growth in the state and national economies. The City's sales tax revenues ended the year \$2,507,530 over the prior year's receipts.

The equalized assessed value (EAV) of taxable property in the City for the 2014 levy year (valued as of January 1, 2014 and collected in 2015) increased by 1.5% to \$1,514,684,970. The increase in EAV resulted from new construction values being added to the tax rolls. 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 \$4.5 billion. Residential and commercial properties made up 56% and 43%, respectively, of the EAV for the 2014 levy year.

The value of construction for building permits issued in fiscal year 2014/15, at \$181 million, was lower than the value of \$240 million in fiscal year 2013/14, and significantly higher compared with \$114 million in fiscal year 2012/13. The assessed value of the new construction will go on the property tax rolls for the 2015 and later levy years. Staff expects the assessed value of taxable property for the 2015 levy year to increase by 2.7% from the prior year due to the stabilization of existing property values and an increase from new development and improvements to existing buildings. In accordance with State of Illinois law, assessors base the EAV on property valuations for the past three years.

The State collects income taxes, the City's third largest revenue source, 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 2014/15 by 0.50%, or \$39,590 (\$0.49 per capita), compared with the prior year.

The City's management considered the following factors when preparing the budget for fiscal year 2015/16:

- The City Council has a policy of adopting structurally sound, sustainable budgets where recurring revenues exceed recurring expenditures. In addition, the City budgets an unassigned General Fund balance of 10% of expenditures (minus transfers) that can be used for any unforeseen event because it is not dedicated to a specific purpose. (The policy refers to the "budgetary" basis of accounting, in which fund balances generally include only revenue actually collected rather than also including amounts due to the City. As a result, the unassigned balances shown in this report significantly exceed the balances measured on a budgetary basis.)
- For the FY 2015/16 budget, the unassigned General Fund balance is 13% (\$7.0 million) or \$1.6 million greater than target. In light of the State of Illinois' budget difficulties, the Administration recommended not allocating the \$1.6 million above target to allow time to enact recurring reductions in the event of State-shared revenue reductions. If the State does not enact a significant revenue cut, the Administration would recommend using the unallocated funding to replace the financial, human resources, and supporting software system.
- Budget development for FY2015/16 was guided by fiscal policies that include keeping recurring expenditures at or below 98.5% of recurring revenues and maintaining a minimum unassigned General Fund balance of 10% of expenditures, not including transfers. The strategy to bring the adopted General Fund budget for FY2015/16 in conformance with policy was:
 - Prepare the proposed budget consistent with the City's financial policies and service levels currently funded on a recurring basis
 - Keep the overall 2014 adopted property tax levy at the same overall rate as the 2013 adopted levy and hold the capital improvements levy at the 2013 dollar amount
- The FY2015/16 Financial Plan (adopted budget) builds upon the City of Champaign's long history of fiscal discipline. The budget embraces growth, allows for the continued delivery of essential services, and preserves our vibrant community. The City's AAA bond rating is evidence of Champaign's fiscal strength and provides the solid foundation on which the adopted financial plan is built. This strong foundation ensures continuation of the high quality of City services which our citizens have come to expect. The adopted budget is balanced and supports the budget message's theme: Celebrating Growth, Embracing Community.
- The adopted budget continues critical investments in community building, neighborhood revitalization, and neighborhood-based economic development. Initiatives like the Champaign County Community Coalition and Bristol Park Neighborhood Redevelopment are helping to transform our future and reinvigorate our community with an infusion of new housing and park space, while also improving public safety, transportation, and the health and well-being of our residents. Thanks to proactive planning and sound fiscal management in the past, the City has the resources needed to continue investing in Champaign's future.

- The adopted budget is balanced, provides the resources for existing recurring services, and recommends mainly one-time investment to further support existing services. The adopted budget meets the City's financial policies and provides a cushion to allow the City time to react thoughtfully if the State of Illinois' adopted FY 2015/16 budget includes significant cuts to City revenues. Going forward, the City will continue to explore strategies to maintain long-term fiscal sustainability to keep City expenditures within policy target levels.

The national and local economies have been growing consistently for more than a year. However, the pace of growth in economic output will likely continue to be slow, so the positive effects on job growth, household income, real estate prices, construction, and retail sales will be modest.

- Closer to home, the Illinois state economy is improving but at a lower rate than most other states. The University of Illinois Flash Index has climbed to 106.0 for September 2015. This is positive since a reading above 100 indicates an expanding economy.
- Although the flash index is a positive indicator, it is important to remember that Illinois still lags in other indicators. As of June 2015, the State's unemployment rate was 5.9%, while the nation's was 5.3%. The local economy has struggled, but not as badly as others due to the stability provided by the University of Illinois and the two regional health care providers, the conservative business practices by most local lenders, and other factors. Champaign's unemployment rate was 5.7% for June 2015, below the state rate.
- The sales tax, which is most susceptible among the City's major revenues to any economic downturn, remains the largest revenue resource for the City. The increase in the home rule sales tax rate of 0.25% has increased the City's reliance on this revenue. Sales tax shows an almost immediate reflection of the positive trends in the economy through steady progress with average recurring growth of 2.5% over the past four fiscal years.
- Other revenues take longer to show the impact of increased economic activity. Property tax revenue is based on the prior three years' equalized assessed value of taxable property (EAV). At the same rate as the prior year (1.3152), the 2014 property tax levy (collected in calendar year 2015) revealed EAV growth of 1.51% over the 2013 extended levy resulting in a projected \$290,000 increase in receipts for FY 2015/16. As new construction values are added to the EAV, property values will likely continue to increase with the 2015 levy. Staff anticipates the EAV of taxable property for the 2015 levy to increase 2.7% from the 2014 extended levy.

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:

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

BASIC FINANCIAL STATEMENTS

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

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

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

CITY OF CHAMPAIGN, ILLINOIS

**Statement of Net Position
June 30, 2015**

See Following Page

CITY OF CHAMPAIGN, ILLINOIS

Statement of Net Position
June 30, 2015

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Totals	Champaign Public Library Foundation	Town of the City of Champaign
ASSETS					
Current Assets					
Cash and Investments	\$ 62,108,619	6,396,592	68,505,211	1,234,803	904,406
Receivables - Net					
Property Taxes	11,178,607	-	11,178,607	-	283,993
Other Taxes	13,248,439	-	13,248,439	-	15,895
Accounts	1,535,623	499,546	2,035,169	35,362	2,234
Accrued Interest	43,819	3,427	47,246	-	-
Land Held for Resale	704,070	-	704,070	-	-
Inventory/Prepays	838,392	-	838,392	-	6,781
Total Current Assets	89,657,569	6,899,565	96,557,134	1,270,165	1,213,309
Noncurrent Assets					
Capital Assets					
Nondepreciable	105,760,594	7,222,501	112,983,095	-	-
Depreciable	563,121,048	65,722,018	628,843,066	-	215,602
Accumulated Depreciation	(327,436,240)	(17,603,732)	(345,039,972)	-	(189,563)
Total Capital Assets	341,445,402	55,340,787	396,786,189	-	26,039
Other Assets					
Notes Receivables	-	1,940,000	1,940,000	-	-
Other Receivables	-	-	-	29,233	-
Total Other Assets	-	1,940,000	1,940,000	29,233	-
Total Noncurrent Assets	341,445,402	57,280,787	398,726,189	29,233	26,039
Total Assets	431,102,971	64,180,352	495,283,323	1,299,398	1,239,348
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Items - IMRF	5,006,704	-	5,006,704	-	96,599
Deferred Items - Police	6,923,394	-	6,923,394	-	-
Deferred Items - Fire	3,641,454	-	3,641,454	-	-
Unamortized Refunding Loss	219,654	305,981	525,635	-	-
Total Deferred Outflows of Resources	15,791,206	305,981	16,097,187	-	96,599
Total Assets and Deferred Outflows of Resources	446,894,177	64,486,333	511,380,510	1,299,398	1,335,947

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

	Primary Government			Component Units	
	Governmental	Business-Type	Totals	Champaign	Town of the
	Activities	Activities		Public Library	City of
	Activities		Foundation	Champaign	
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 3,490,372	77,183	3,567,555	-	5,379
Retainage Payable	177,069	43,122	220,191	-	-
Accrued Payroll	1,647,095	63,210	1,710,305	-	24,995
Claims Payable	2,938,903	-	2,938,903	-	-
Other Liabilities	1,569,828	-	1,569,828	-	970
Current Portion of Long-Term Liabilities	4,807,412	1,020,074	5,827,486	-	3,098
Total Current Liabilities	14,630,679	1,203,589	15,834,268	-	34,442
Noncurrent Liabilities					
Compensated Absences Payable	3,803,094	213,287	4,016,381	-	12,390
Net Pension Liability	49,347,780	-	49,347,780	-	27,721
Net Other Post-Employment Benefit Payable	5,306,068	-	5,306,068	-	-
Landfill Closure Payable	350,000	-	350,000	-	-
IEPA Loans Payable	373,360	864,882	1,238,242	-	-
General Obligation Bonds Payable - Net	49,156,332	10,759,546	59,915,878	-	-
Total Noncurrent Liabilities	108,336,634	11,837,715	120,174,349	-	40,111
Total Liabilities	122,967,313	13,041,304	136,008,617	-	74,553
DEFERRED INFLOWS OF RESOURCES					
Property Taxes	11,697,167	-	11,697,167	-	299,706
Grants	94,011	-	94,011	-	-
Deferred Items - Fire	2,582,884	-	2,582,884	-	-
Total Deferred Inflows of Resources	14,374,062	-	14,374,062	-	299,706
Total Liabilities and Deferred Inflows of Resources	137,341,375	13,041,304	150,382,679	-	374,259
NET POSITION					
Net Investment in Capital Assets	288,386,303	43,055,588	331,441,891	-	26,039
Restricted					
Tax Levy Expenses	-	-	-	-	366,647
Special Revenues					
Public Works	2,941,272	-	2,941,272	-	-
Public Health and Welfare	5,826,047	-	5,826,047	-	-
Culture and Recreation	1,461,981	-	1,461,981	-	-
Public Safety	454,217	-	454,217	-	-
Debt Service	3,828,496	-	3,828,496	-	-
Capital Projects	4,654,526	-	4,654,526	-	-
Donor Restricted Purposes	-	-	-	210,387	-
Unrestricted	1,999,960	8,389,441	10,389,401	1,089,011	569,002
Total Net Position	309,552,802	51,445,029	360,997,831	1,299,398	961,688

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

CITY OF CHAMPAIGN, ILLINOIS

**Statement of Activities
For the Fiscal Year Ended June 30, 2015**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions
Governmental Activities				
General Government	\$ 14,436,613	4,489,627	377,287	-
Public Safety	38,230,052	2,088,106	96,826	-
Public Works	34,121,391	3,221,030	3,180,236	-
Public Health and Welfare	3,726,961	10,868	1,034,951	-
Culture and Recreation	7,622,802	557,260	15,953	123,807
Interest on Long-Term Debt	2,963,178	-	-	-
Total Governmental Activities	101,100,997	10,366,891	4,705,253	123,807
Business-Type Activities				
Parking	3,336,986	2,856,875	-	-
Sewer	2,277,476	2,067,234	-	-
Environmental Services	419,703	545,468	-	-
Total Business-Type Activities	6,034,165	5,469,577	-	-
Total Primary Government	107,135,162	15,836,468	4,705,253	123,807
Component Units				
Champaign Public Library Foundation	318,117	409,642	-	-
Town of the City of Champaign	743,369	-	-	-
Total Component Units	1,061,486	409,642	-	-
			General Revenues	
			Taxes	
			Property Taxes	
			Home Rule Sales Taxes	
			Utility Taxes	
			Telecommunications Taxes	
			Hotel/Motel Taxes	
			Food and Beverage Taxes	
			Foreign Fire Insurance Taxes	
			Local Motor Fuel Taxes	
			Other Taxes	
			Intergovernmental	
			State and Use Taxes	
			Income Taxes	
			Replacement Taxes	
			Interest Income	
			Miscellaneous	
			Internal Activity - Transfers	
			Change in Net Position	
			Net Position - Beginning as Restated	
			Net Position - Ending	

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

Net (Expense)/Revenue`				
Governmental Activities	Primary Government		Component Units	
	Business-Type Activities	Totals	Champaign Public Library Foundation	Town of the City of Champaign
(9,569,699)	-	(9,569,699)	-	-
(36,045,120)	-	(36,045,120)	-	-
(27,720,125)	-	(27,720,125)	-	-
(2,681,142)	-	(2,681,142)	-	-
(6,925,782)	-	(6,925,782)	-	-
(2,963,178)	-	(2,963,178)	-	-
<u>(85,905,046)</u>	-	<u>(85,905,046)</u>	-	-
-	(480,111)	(480,111)	-	-
-	(210,242)	(210,242)	-	-
-	125,765	125,765	-	-
-	(564,588)	(564,588)	-	-
<u>(85,905,046)</u>	<u>(564,588)</u>	<u>(86,469,634)</u>	-	-
-	-	-	91,525	-
-	-	-	-	(743,369)
-	-	-	91,525	(743,369)
22,890,767	-	22,890,767	-	592,113
17,978,195	-	17,978,195	-	-
3,464,485	-	3,464,485	-	-
2,403,152	-	2,403,152	-	-
2,038,467	-	2,038,467	-	-
743,750	-	743,750	-	-
118,221	-	118,221	-	-
1,333,063	-	1,333,063	-	-
1,177,163	-	1,177,163	-	-
17,726,613	-	17,726,613	-	-
8,409,157	-	8,409,157	-	-
953,718	-	953,718	-	96,832
465,229	52,889	518,118	-	136
58,224	61,556	119,780	-	31,925
(750,885)	750,885	-	-	-
<u>79,009,319</u>	<u>865,330</u>	<u>79,874,649</u>	-	<u>721,006</u>
(6,895,727)	300,742	(6,594,985)	91,525	(22,363)
<u>316,448,529</u>	<u>51,144,287</u>	<u>367,592,816</u>	<u>1,207,873</u>	<u>984,051</u>
<u>309,552,802</u>	<u>51,445,029</u>	<u>360,997,831</u>	<u>1,299,398</u>	<u>961,688</u>

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

CITY OF CHAMPAIGN, ILLINOIS

**Balance Sheet - Governmental Funds
June 30, 2015**

	General	Special Revenue	
		Champaign Public Library	Motor Fuel Tax
ASSETS			
Cash and Investments	\$ 15,450,096	1,815,493	2,212,177
Receivables - Net of Allowances			
Property Taxes	5,323,954	2,831,284	-
Other Taxes	12,887,187	-	114,886
Accrued Interest	9,150	-	13,207
Other	1,037,963	-	-
Due from Other Funds	110,275	-	-
Land Held for Resale	-	-	-
Prepays	5,000	-	-
Total Assets	<u>34,823,625</u>	<u>4,646,777</u>	<u>2,340,270</u>
LIABILITIES			
Accounts Payable	898,148	50,512	155,065
Retainage Payable	-	-	51,322
Accrued Payroll	1,464,212	150,355	-
Other Liabilities	36,755	-	-
Due to Other Funds	-	-	-
Total Liabilities	<u>2,399,115</u>	<u>200,867</u>	<u>206,387</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	5,611,151	2,983,929	-
Grants	94,011	-	-
Total Deferred Inflows of Resources	<u>5,705,162</u>	<u>2,983,929</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>8,104,277</u>	<u>3,184,796</u>	<u>206,387</u>
FUND BALANCES			
Nonspendable	5,000	-	-
Restricted	-	1,461,981	2,133,883
Committed	4,782,422	-	-
Unassigned	21,931,926	-	-
Total Fund Balances	<u>26,719,348</u>	<u>1,461,981</u>	<u>2,133,883</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>34,823,625</u>	<u>4,646,777</u>	<u>2,340,270</u>

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

Debt Service	Capital Projects		Nonmajor	Totals
	Stormwater Management	Capital Improvements		
3,826,156	6,190,004	5,241,911	21,117,224	55,853,061
-	630,508	453,178	1,939,683	11,178,607
-	-	-	246,366	13,248,439
2,340	2,297	2,554	11,037	40,585
-	277,638	413	218,460	1,534,474
-	-	-	-	110,275
-	-	-	704,070	704,070
-	-	-	218,758	223,758
<u>3,828,496</u>	<u>7,100,447</u>	<u>5,698,056</u>	<u>24,455,598</u>	<u>82,893,269</u>
-	382,246	614,417	1,346,829	3,447,217
-	10,018	78,799	36,930	177,069
-	-	-	13,983	1,628,550
-	1,533,073	-	-	1,569,828
-	-	-	3,140	3,140
-	1,925,337	693,216	1,400,882	6,825,804
-	674,563	477,355	1,950,169	11,697,167
-	-	-	-	94,011
-	674,563	477,355	1,950,169	11,791,178
-	2,599,900	1,170,571	3,351,051	18,616,982
-	-	-	922,828	927,828
3,828,496	-	4,527,485	7,214,694	19,166,539
-	4,500,547	-	12,967,025	22,249,994
-	-	-	-	21,931,926
<u>3,828,496</u>	<u>4,500,547</u>	<u>4,527,485</u>	<u>21,104,547</u>	<u>64,276,287</u>
<u>3,828,496</u>	<u>7,100,447</u>	<u>5,698,056</u>	<u>24,455,598</u>	<u>82,893,269</u>

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

CITY OF CHAMPAIGN, ILLINOIS

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

June 30, 2015

Total Governmental Fund Balances	\$ 64,276,287
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	341,445,402
Internal Service Funds	(2,666,080)
Deferred Outflows (Inflows) of Resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	5,006,704
Deferred Items - Police	6,923,394
Deferred Items - Fire	1,058,570
Internal service funds are used by the City to charge the costs of internal service provided to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	6,305,333
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(4,753,868)
Internal Service Funds	127,584
Net Pension Liability	(49,347,780)
Net Other Post-Employment Benefit Payable	(5,306,068)
Landfill Closure and Post-Closure Payable	(457,577)
IEPA Loans Payable	(393,615)
General Obligation Bonds Payable	(52,120,000)
Unamortized Refunding Loss	219,654
Unamortized Bond Premium	<u>(765,138)</u>
 Net Position of Governmental Activities	 <u>309,552,802</u>

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

CITY OF CHAMPAIGN, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2015**

See Following Page

CITY OF CHAMPAIGN, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General	Special Revenue	
		Champaign Public Library	Motor Fuel Tax
Revenues			
Taxes	\$ 37,124,746	5,913,300	-
Intergovernmental	27,650,520	233,717	2,372,694
Licenses, Permits and Fees	2,581,357	-	-
Charges for Services	1,365,596	149,749	-
Fines and Forfeitures	1,150,656	255,554	-
Refunds and Reimbursements	1,049,124	-	4,713
Interest	138,517	2,248	4,994
Gifts from the Champaign Public Library Foundation	-	151,957	-
Miscellaneous	26,383	7,743	-
Total Revenues	71,086,899	6,714,268	2,382,401
Expenditures			
Current			
General Government	11,268,307	-	-
Public Safety	37,818,937	-	-
Public Works	7,075,615	-	2,722,428
Public Health and Welfare	240,954	-	-
Culture and Recreation	-	6,501,176	-
Capital Outlay	-	568,404	2,175,256
Debt Service			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	56,403,813	7,069,580	4,897,684
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,683,086	(355,312)	(2,515,283)
Other Financing Sources (Uses)			
Disposal of Capital Assets	10,822	-	-
Transfers In	800,366	-	-
Transfers Out	(12,390,822)	-	-
	(11,579,634)	-	-
Net Change in Fund Balances	3,103,452	(355,312)	(2,515,283)
Fund Balances - Beginning	23,615,896	1,817,293	4,649,166
Fund Balances - Ending	26,719,348	1,461,981	2,133,883

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

Debt Service	Capital Projects		Nonmajor	Totals
	Stormwater Management	Capital Improvements		
-	1,336,794	981,884	5,363,519	50,720,243
-	7,876	799,666	2,604,526	33,668,999
-	2,777,204	-	-	5,358,561
-	-	-	-	1,515,345
-	-	-	128,240	1,534,450
-	413,554	-	17,132	1,484,523
31,956	29,831	39,755	166,363	413,664
-	-	-	-	151,957
-	-	4,500	16,878	55,504
31,956	4,565,259	1,825,805	8,296,658	94,903,246
-	-	-	986,784	12,255,091
-	-	-	200,156	38,019,093
-	2,708,415	1,518,130	812,195	14,836,783
-	-	-	2,969,807	3,210,761
-	-	-	660	6,501,836
-	3,315,481	4,208,636	3,956,597	14,224,374
3,500,000	20,004	-	-	3,520,004
2,024,289	5,108	-	-	2,029,397
5,524,289	6,049,008	5,726,766	8,926,199	94,597,339
(5,492,333)	(1,483,749)	(3,900,961)	(629,541)	305,907
-	-	-	201,679	212,501
4,891,072	3,819,214	4,742,567	2,841,875	17,095,094
-	(2,546,793)	(517,900)	(3,131,979)	(18,587,494)
4,891,072	1,272,421	4,224,667	(88,425)	(1,279,899)
(601,261)	(211,328)	323,706	(717,966)	(973,992)
4,429,757	4,711,875	4,203,779	21,822,513	65,250,279
3,828,496	4,500,547	4,527,485	21,104,547	64,276,287

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

CITY OF CHAMPAIGN, ILLINOIS

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

For the Fiscal Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds \$ (973,992)

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

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

Capital Outlays	8,974,929
Depreciation Expense	(16,212,994)
Disposals - Net of Accumulated Depreciation	(14,939)

Grant revenues collected as of the year end are considered available revenues
in the governmental funds. These are the amounts that were considered
revenues in the prior year.

(323,431)

The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Change in Deferred Items - IMRF	1,941,047
Change in Deferred Items - Police Pension	1,607,244
Change in Deferred Items - Firefighters' Pension	5,790,809

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.

Decrease to Compensated Absences Payable	133,495
Additions to Net Pension Liability	(10,919,073)
Increase to Net Other Post-Employment Benefit Payable	(592,681)
Decrease to Landfill Closure and Post-Closure Payable	18,346
Retirement of IEPA Loan Payable	20,004
Retirement of General Obligation Bonds	3,500,000
Amortization of Refunding Loss	(1,116,262)
Amortization of Bond Premium	182,481

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

The net revenue of certain activities of internal service funds is
reported with governmental activities.

1,089,290

Changes in Net Position of Governmental Activities

(6,895,727)

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

CITY OF CHAMPAIGN, ILLINOIS

**Statement of Net Assets - Proprietary Funds
June 30, 2015**

See Following Page

CITY OF CHAMPAIGN, ILLINOIS

**Statement of Net Position - Proprietary Funds
June 30, 2015**

		<u>Parking</u>
ASSETS		
Current Assets		
Cash and Investments		\$ 5,718,762
Receivables - Net of Allowances		
Accounts		192,981
Accrued Interest		3,125
Inventory		-
Prepays		-
Total Current Assets		<u>5,914,868</u>
Noncurrent Assets		
Capital Assets		
Nondepreciable		6,069,858
Depreciable		15,996,515
Accumulated Depreciation		<u>(3,684,605)</u>
		18,381,768
Other Assets		
Note Receivable		1,940,000
Unamortized Refunding Loss		<u>305,981</u>
		2,245,981
Total Noncurrent Assets		<u>20,627,749</u>
Total Assets		<u>26,542,617</u>
LIABILITIES		
Current Liabilities		
Accounts Payable		37,586
Retainage Payable		43,122
Accrued Payroll		34,114
Claims Payable		-
Due to Other Funds		-
Current Portion of Long-Term Debt		<u>897,021</u>
Total Current Liabilities		<u>1,011,843</u>
Long-Term Liabilities		
Compensated Absences Payable		109,580
IEPA Loan Payable		-
General Obligation Bonds Payable - Net		<u>10,759,546</u>
Total Long-Term Liabilities		<u>10,869,126</u>
Total Liabilities		<u>11,880,969</u>
NET POSITION		
Net Investment in Capital Assets		7,058,577
Unrestricted		<u>7,603,071</u>
Total Net Position		<u>14,661,648</u>

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

Business-Type Activities			Governmental
Sewer	Nonmajor	Totals	Activities
	Environmental Services		Internal Service
296,096	381,734	6,396,592	6,255,558
302,015	4,550	499,546	1,149
118	184	3,427	3,234
-	-	-	229,551
-	-	-	385,083
598,229	386,468	6,899,565	6,874,575
1,152,643	-	7,222,501	-
49,725,503	-	65,722,018	11,310,204
(13,919,127)	-	(17,603,732)	(8,644,124)
36,959,019	-	55,340,787	2,666,080
-	-	1,940,000	-
-	-	305,981	-
-	-	2,245,981	-
36,959,019	-	57,586,768	2,666,080
37,557,248	386,468	64,486,333	9,540,655
16,613	22,984	77,183	43,155
-	-	43,122	-
26,532	2,564	63,210	18,545
-	-	-	2,938,903
-	-	-	107,135
122,494	559	1,020,074	25,517
165,639	26,107	1,203,589	3,133,255
101,470	2,237	213,287	102,067
864,882	-	864,882	-
-	-	10,759,546	-
966,352	2,237	11,837,715	102,067
1,131,991	28,344	13,041,304	3,235,322
35,997,011	-	43,055,588	2,666,080
428,246	358,124	8,389,441	3,639,253
36,425,257	358,124	51,445,029	6,305,333

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

CITY OF CHAMPAIGN, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended June 30, 2015

	<u>Parking</u>
Operating Revenues	
Charges for Services	<u>\$ 2,856,875</u>
Operating Expenses	
Personnel Services	1,597,267
Contractual Services	739,308
Commodities	57,240
Capital Outlay	-
Depreciation and Amortization	532,644
Total Operating Expenses	<u>2,926,459</u>
Operating Income (Loss)	<u>(69,584)</u>
Nonoperating Revenues (Expenses)	
Interest Income	48,692
Refunds and Reimbursements	9,058
Interest Expense	(354,023)
Disposal of Capital Assets	(56,504)
	<u>(352,777)</u>
Income (Loss) Before Contributions and Transfers	<u>(422,361)</u>
Transfers In	1,200,000
Transfers Out	(196,622)
	<u>1,003,378</u>
Change in Net Position	581,017
Net Position - Beginning	<u>14,080,631</u>
Net Position - Ending	<u>14,661,648</u>

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

Business-Type Activities - Enterprise Funds			Governmental
Sewer	Nonmajor Environmental Services	Totals	Activities Internal Service
2,067,234	545,468	5,469,577	5,403,628
666,379	117,278	2,380,924	1,266,999
572,995	300,409	1,612,712	2,386,405
72,249	2,016	131,505	799,698
171,116	-	171,116	-
684,104	-	1,216,748	979,091
2,166,843	419,703	5,513,005	5,432,193
(99,609)	125,765	(43,428)	(28,565)
1,004	3,193	52,889	51,565
52,498	-	61,556	322,055
(15,163)	-	(369,186)	-
(95,470)	-	(151,974)	2,720
(57,131)	3,193	(406,715)	376,340
(156,740)	128,958	(450,143)	347,775
-	-	1,200,000	761,589
(248,862)	(3,631)	(449,115)	(20,074)
(248,862)	(3,631)	750,885	741,515
(405,602)	125,327	300,742	1,089,290
36,830,859	232,797	51,144,287	5,216,043
36,425,257	358,124	51,445,029	6,305,333

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

CITY OF CHAMPAIGN, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended June 30, 2015**

	<u>Parking</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 2,724,062
Payment to Employees	(741,079)
Payment to Suppliers	<u>(2,248,889)</u>
	<u>(265,906)</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	1,200,000
Transfers Out	<u>(196,622)</u>
	<u>1,003,378</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(653,785)
Disposal of Capital Assets	-
Interest on Capital Debt	(354,023)
Issuance of Capital Debt	9,335,424
Principal on Capital Debt	<u>(9,899,145)</u>
	<u>(1,571,529)</u>
Cash Flows from Investing Activities	
Interest Received	<u>48,692</u>
Net Change in Cash and Cash Equivalents	(785,365)
Cash and Cash Equivalents - Beginning	<u>6,504,127</u>
Cash and Cash Equivalents - Ending	<u><u>5,718,762</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	(69,584)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and Amortization Expense	532,644
Other Income/Expense	9,058
(Increase) Decrease in Current Assets	(141,871)
Increase (Decrease) in Current Liabilities	<u>(596,153)</u>
Net Cash Provided by Operating Activities	<u><u>(265,906)</u></u>
Noncash Capital Activities	
Contributions of Capital Assets from City	<u><u>-</u></u>

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

Business-Type Activities - Enterprise Funds			Governmental
Sewer	Nonmajor Environmental Services	Totals	Activities Internal Service
2,139,869	549,270	5,413,201	5,718,633
(475,793)	(56,782)	(1,273,654)	(852,440)
(1,129,695)	(382,459)	(3,761,043)	(4,421,523)
534,381	110,029	378,504	444,670
-	-	1,200,000	-
(248,862)	(3,631)	(449,115)	(20,074)
(248,862)	(3,631)	750,885	(20,074)
(477,891)	-	(1,131,676)	-
264,510	-	264,510	-
(15,163)	-	(369,186)	-
-	-	9,335,424	-
(120,818)	-	(10,019,963)	-
(349,362)	-	(1,920,891)	-
1,004	3,193	52,889	51,565
(62,839)	109,591	(738,613)	476,161
358,935	272,143	7,135,205	5,779,397
296,096	381,734	6,396,592	6,255,558
(99,609)	125,765	(43,428)	(28,565)
684,104	-	1,216,748	979,091
52,498	-	61,556	324,775
20,137	3,802	(117,932)	(9,770)
(122,749)	(19,538)	(738,440)	(820,861)
534,381	110,029	378,504	444,670
-	-	-	761,589

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

CITY OF CHAMPAIGN, ILLINOIS

**Statement of Net Position - Fiduciary Funds
June 30, 2015**

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,877,043
Investments	
U.S. Treasuries	16,335,565
U.S. Agencies	8,374,212
State and Local Obligations	1,457,680
Corporate Bonds	10,848,251
Equities	53,352,838
Mutual Funds	42,653,051
Annuities	19,304,505
Common Stock	6,588,799
Real Estate Investment Portfolio	4,077,676
Receivables	
Accrued Interest	276,893
Other	66,370
Prepays	<u>4,061</u>
Total Assets	165,216,944
LIABILITIES	
Accounts Payable	<u>86,716</u>
NET POSITION	
Held in Trust for Pension Benefits	<u><u>165,130,228</u></u>

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

CITY OF CHAMPAIGN, ILLINOIS

Statement of Changes in Net Position - Fiduciary Funds
For the Fiscal Year Ended June 30, 2015

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 8,184,440
Contributions - Plan Members	1,622,106
Other Income	678
Total Contributions	<u>9,807,224</u>
Investment Income	
Interest Earned	2,865,279
Net Change in Fair Value	3,207,991
	<u>6,073,270</u>
Less Investment Expenses	(590,230)
	<u>5,483,040</u>
Total Additions	<u>15,290,264</u>
Deductions	
Administration	5,488,240
Benefits and Refunds	4,890,797
	<u>10,379,037</u>
Change in Net Position	4,911,227
Net Position Held in Trust for Pension Benefits	
Beginning	<u>160,219,001</u>
Ending	<u><u>165,130,228</u></u>

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

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

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CITY OF CHAMPAIGN, ILLINOIS

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June 30, 2015**

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CITY OF CHAMPAIGN, ILLINOIS

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June 30, 2015**

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CITY OF CHAMPAIGN, ILLINOIS

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June 30, 2015**

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CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements

June 30, 2015

NOTE 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, 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 government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the City's accounting policies established in GAAP and used by the City are described below.

REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government:	City of Champaign
Discretely Presented Component Units:	Champaign Public Library Foundation
	Town of the City of Champaign

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the City.

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 City's 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.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

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

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

Champaign Public Library Foundation

The Champaign Public Library Foundation (the Foundation) is an Illinois not-for-profit corporation, established to create a secure future for the Library and to promote community enrichment education by encouraging private support to the Library. 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 Library, the Library has the ability to access those resources, and those resources are significant to the Library. The assets, liabilities, net position, revenues, and expenditures of the Foundation are included in the basic financial statements of the City. The Foundation issues financial statements, which may be obtained by contacting the Champaign Public Library Foundation, 200 West Green Street, Champaign, Illinois 61820-5193.

Town of the City of Champaign

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

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements

June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

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

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

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

Governmental Funds

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

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

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains 14 special revenue funds. The Champaign Public Library Fund is used to account for the operations and maintenance of the public library within the City of Champaign. The Champaign Public Library Fund is a major fund. The Motor Fuel Tax Fund is used to account for the revenues received from the City's allocation of state gasoline taxes and the expenditures for street construction and maintenance, which must be authorized by the Illinois Department of Transportation. The Motor Fuel Tax Fund is a major fund.

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

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements

June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains four capital projects funds. The Stormwater Management Fund is used to provide a funding source for maintenance and rehabilitation of the Boneyard Creek and all related sanitary sewer and drainage facilities. The Stormwater Management Fund is a major fund. The Capital Improvements Fund accounts for all resources used for the acquisition of capital assets by the City, except those financed by Proprietary Funds or accounted for in another capital projects fund. The Capital Improvements Fund is a major fund.

Proprietary Funds

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

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains three major enterprise funds. The Parking Fund is used to account for the provision of public parking services for commuters. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection. The Parking Fund is a major fund. The Sewer Fund is used to account for the provision of sewer repair and improvement services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection. The Sewer Fund is a major fund.

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. The City maintains three internal service funds. The Fleet Services Fund is used to account for the goods and services provided by the City's municipal garage to the other operating departments of the City on a cost-reimbursement basis. The Retained Risk Fund is used to account for the City's self-insured general liability program. The Workers Compensation Fund is used to account for the City's self-insured workers compensation program.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

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

Fiduciary Funds

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

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

The City's 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 statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

Measurement Focus

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

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

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

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

Basis of Accounting

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

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

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

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

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements

June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

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

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

Interfund Receivables, Payables and Activity

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

Prepays/Inventories – Land Held for Resale

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepaids/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Receivables

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

Capital Assets

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

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

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

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

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

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements

June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Compensated Absences

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

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

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. 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.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow or resources (expense)/inflow of resources (revenue) until that future time.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position

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

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets”.

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

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

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

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.

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.

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 or unencumbered lapse at year-end. The City Council approved nine budget amendments during fiscal year 2015.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

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

Fund	Excess
Library Improvement	\$ 660
Fleet Services	93,131
Police Pension	483,485
Firefighters' Pension	19,337

DEFICIT FUND BALANCE/NET POSITON

The following fund had deficit net positon as of the date of this report:

Fund	Deficit
Workers' Compensation	\$ 85,976

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

Permitted Deposits and Investments – Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund.

The deposits and investments of the Pension Funds are held separately from those of other City funds. Statutes authorize the Pension 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 Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), 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 and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position 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 net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements

June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

City Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the City’s deposits for governmental and business-type activities totaled \$7,322,626 and the bank balances totaled \$7,195,917.

Investments. At year-end, the City has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Treasuries	\$ 8,057,820
U.S. Agencies	25,022,150
State and Local Obligations	581,775
Illinois Funds	3,157,879
IMET	3,613,342
Mutual Funds	<u>20,749,619</u>
Totals	<u><u>61,182,585</u></u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s investment policy addresses interest rate risk by setting the maximum weighted average maturity of the portfolio at two years. The City’s investment in the Illinois Funds and IMET has an average maturity of one to three years.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

At June 30, 2015, the City held the following investments subject to interest rate risk:

Investment	Fair Value	Weighted Average Maturity (Years)
U.S. Treasuries	\$ 8,057,820	1.83
U.S. Agencies	25,022,150	2.87
State and Local Obligations	581,775	0.25
	33,661,745	

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City limits its exposure to credit risk by limiting investments to a select group of investment types. Following are the more prominent of the allowable investments:

- Certificates of deposit fully insured by the FDIC or collateralized with 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 a maximum maturity of five years.
- Obligations of the 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 objectives include maintaining a one dollar share value, and whose portfolios consist of only 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.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements
June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Credit Risk. – Continued. At June 30, 2015, the City held the following investments subject to credit risk:

Investment	Fair Value	Credit Rating
U.S. Agencies	\$ 25,022,150	AAA
U.S. Treasuries	8,057,820	AAA
State and Local Obligations	581,775	AAA
Illinois Funds	3,157,879	AAAm
IMET	3,613,342	AAAf
	40,432,966	

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

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the City’s investments were all held through a Securities Investor Protection Corporation (SIPC) member brokerage firm. Illinois Funds and IMET are not subject to custodial credit risk.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the City’s investment in a single issuer. To limit this risk, the City’s investment policy requires that various allowable investment categories be limited to maximum percentages in the total portfolio. The City’s investment policy allows up to 50 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, 2015, the City had more than five percent of its investments in the debt securities of the following issuers that are not back by the full faith and credit of the United States:

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Concentration of Credit Risk – Continued.

Investment	Percent of Investments
Federeal Home Loan Mortgage Corporation	14.59%
Federal National Mortgage Association	14.62%
Vanguard - Short Term Federal Admin	30.29%

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$241,197 and the bank balances totaled \$249,565.

Investments. The Fund’s investment policy limits the amount of the portfolio that can be invested in any one investment vehicle to 65 percent equities and 55 percent bonds and fixed income with a minimum of 45 percent in each category. The target for both equity and bonds and fixed income is 50 percent. The Fund has the following investment fair values and maturities invested in fixed income securities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasuries	\$ 10,125,629	90,453	5,494,224	3,844,053	696,899
U.S. Agencies	7,446,390	9,689	579,693	1,271,055	5,585,953
State and Local Obligations	3,064,443	-	917,314	1,673,987	473,142
Corporate Bonds	831,263	-	606,151	225,112	-
Totals	21,467,725	100,142	7,597,382	7,014,207	6,755,994

Interest Rate Risk. The Fund’s formal investment policy utilizes institutional investors and a third part consultant to maintain a balance of assets designated to meet its actuarial assumed rate of return while complying with statutory and investment policy guidelines. The Fund believes this process helps to diversify its investments by security type and across varying maturities in order to meet the required funding and benefits of the Fund. The investment policy does not limit the maximum maturity length of investments in the Fund. Information about the exposure of the Fund’s debt type investments utilizing the segmented time distribution model and the fair value of each type of investment as June 30, 2015 is shown in the above table.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements

June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Credit Risk. The Fund's investment policy also limits its municipal debt investments to a quality rating of at least AA. The Fund's policy also 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. Other investments are invested as permitted by the Illinois Pension Code of the Illinois Compiled Statutes. Foreign currency risk, the risk that changes in exchange rates will adversely affect the fair value of an investment, is expected to be minor based on investment allocations.

At June 30, 2015, the Fund held the following investments subject to credit risk:

Investment	Fair Value	Credit Rating
Corporate Debt	\$ 1,217,050	AAA
Corporate Debt	1,847,393	AA
Mutual Funds	9,999,145	AAA
State and Local Obligations	225,112	AAA
State and Local Obligations	606,151	AA
	<u>13,894,851</u>	

Custodial Credit Risk – Deposits. The Fund's investment policy requires all bank balances to be covered by federal depository insurance (FDIC). At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund's investment in U.S. Treasury and Agency securities as well as local government obligations are categorized as insured, registered, or held by the Fund or its agent in the Fund's name.

Custodial Credit Risk – Investments. To limit its exposure, the Fund requires all security transactions exposed to custodial direct risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. Money market mutual funds and equity mutual funds are not subject to custodial credit risk.

Concentration of Credit Risk. The Fund's policy for reducing this risk is to limit any single debt security from comprising more than 10 percent of the portfolio, no more than 8 percent for large capitalization core equities at the time of purchase and no more than 10 percent of the equity allocation of the portfolio after accounting for price appreciation, no more than 5 percent for large capitalization growth equities, mid-cap value equities and small capitalization growth equities at the time of purchase and no more than 10 percent of the equity allocation of the portfolio after accounting for price appreciation for all three. In addition to the securities and fair values listed above, the Fund also has \$9,999,145 invested in mutual funds, \$53,352,838 invested in equities and \$4,077,676 invested in real estate investments. At year-end, the Fund has over 10 percent of net position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Goldman Sachs Financial Square Treasury Obligation Fund of \$9,999,145.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The Fund’s investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Bonds and Fixed Income	36%	1.65%
Equities	64%	6.45-6.95%

Illinois Compiled Statutes (ILCS) limit the Fund’s investments in equities, mutual funds and variable annuities to 55%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund’s investments was determined using a block method which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of June 30, 2015 are listed in the table above.

Rate of Return

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.88%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters’ Pension Fund Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$1,635,847 and the bank balances totaled \$1,626,545.

Investments. At year-end, the Fund has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Treasuries	\$ 6,209,936
U.S. Agencies	927,822
State and Local Obligations	626,417
Corporate Bonds	7,783,808
Mutual Funds	32,653,906
Annuities	19,304,505
Common Stock	<u>6,588,799</u>
Totals	<u><u>74,095,193</u></u>

Interest Rate Risk. The Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity and by investing in an intermediate-term portfolio.

At June 30, 2015, the Fund held the following investments subject to interest rate risk:

<u>Investment</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Treasuries	\$ 6,209,936	4.41
U.S. Agencies	927,822	21.85
Corporate Bonds	7,783,808	0.06
State and Local Obligations	<u>626,417</u>	11.50
	<u><u>15,547,983</u></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 policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees. Fund assets are managed with primary objective of earning the highest possible return with a level of risk prudent to the cash flow requirements of the Fund. The Fund’s policy has the following goals concerning types of investments:

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Interest Rate Risk – Continued.

Investment	Percent Policy Minimum	Percent Policy Maximum	Percent Policy Target
Fixed Income	35.0%	45.0%	40.0%
U.S. Equity	30.0%	40.0%	35.0%
International Equity	7.5%	17.5%	12.5%
Real Estate	2.5%	12.5%	7.5%
Global Tactical Asset	0.0%	10.0%	5.0%

Credit Risk. The Fund helps limit its exposure to credit risk by investing in securities issued by the Federal Government and also by agencies of the United States Government that are explicitly guaranteed by the United States Government.

At June 30, 2015, the Fund held the following investments subject to credit risk:

Investment	Fair Value	Credit Rating
U.S. Treasuries	\$ 6,209,936	AAA
Corporate Bonds	7,783,808	A1-A3, AA1-AA3, and BAA1-BAA3
State and Local Obligations	<u>627,417</u>	No Rating, AAA, and AA1
	<u><u>14,621,161</u></u>	

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Custodial Credit Risk – Deposits. The Fund’s investment policy does not address custodial credit risk for deposits. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

Custodial Credit Risk – Investments. The Fund’s investment policy does not address custodial credit risk for investments. At year-end, the Fund’s investments were all held through a Securities Investor Protection Corporation (SIPC) member brokerage firm.

Concentration of Credit Risk. The Fund’s investment policy does not address concentration of credit risk. In addition to the securities and fair values listed above, the Fund also has \$32,653,906 invested in mutual funds, \$19,304,505 invested in annuities, and \$6,588,800 invested in common stock. At year-end, the Fund has over 5 percent of net position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in the following:

<u>Investment</u>	<u>Fair Value</u>
MetLife Annuity	\$ 13,919,644
Intermediate Government Bond Index	11,499,725
Manning and Napier FD Overseas	7,509,383
Vanguard Mid Cap Index	6,380,750
Principal Annuity	5,384,861
	<u>44,694,363</u>

The Fund’s investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	40.0%	2.0%
Domestic Equities	35.0%	6.0%
International Equities	12.5%	6.0%
Real Estate	7.5%	3.0%
Global Tactical Asset	5.0%	4.0%
Cash and Cash Equivalents	0.0%	0.0%

Illinois Compiled Statutes (ILCS) limit the Fund’s investments in equities, mutual funds and variable annuities to 55%. Securities in any one company should not exceed 5% of the total fund.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Concentration of Credit Risk – Continued.

The long-term expected rate of return on the Fund's investments was determined using building-block method in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of June 30, 2015 are listed in the table above.

Rate of Return

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.84%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2014 attach as an enforceable lien on January 1, 2014, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1, 2015, and September 1, 2015. The County collects such taxes and remits them periodically. As tax collections have traditionally been strong, there is no allowance for uncollectable taxes.

NOTES RECEIVABLE

The City's Parking Fund (business-type activities) holds a note receivable from a private party resulting from the sale of land and land improvements during the fiscal year ended June 30, 2014. The balance of the note receivable was \$1,940,000 at June 30, 2015. The note receivable will be payable in 25 approximately equal annual installments of principal and interest, which will begin one year after the private party receives its final certificate of occupancy for the development project the private party is undertaking on the acquired land. The interest rate is variable and is equal to the trailing 12-month average for 10-year U.S. Treasury notes on the annual installment due date. As of the date of this report, the City's management expects payments on this note receivable to begin in approximately two to four years.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 100,342,808	-	17,127	100,325,681
Construction in Progress	15,793,835	4,010,653	14,369,575	5,434,913
	<u>116,136,643</u>	<u>4,010,653</u>	<u>14,386,702</u>	<u>105,760,594</u>
Depreciable Capital Assets				
Buildings	48,057,285	-	-	48,057,285
Land Improvements	1,242,518	-	-	1,242,518
Improvements and Equipment	28,999,817	3,516,631	2,123,006	30,393,442
Infrastructure	467,843,076	16,595,935	1,011,208	483,427,803
	<u>546,142,696</u>	<u>20,112,566</u>	<u>3,134,214</u>	<u>563,121,048</u>
Less Accumulated Depreciation				
Buildings	18,526,181	1,205,519	-	19,731,700
Land Improvements	372,725	62,121	-	434,846
Improvements and Equipment	20,329,236	2,694,432	2,108,067	20,915,601
Infrastructure	274,135,289	13,230,012	1,011,208	286,354,093
	<u>313,363,431</u>	<u>17,192,084</u>	<u>3,119,275</u>	<u>327,436,240</u>
 Total Net Depreciable Capital Assets	 <u>232,779,265</u>	 <u>2,920,482</u>	 <u>14,939</u>	 <u>235,684,808</u>
 Total Net Capital Assets	 <u>348,915,908</u>	 <u>6,931,135</u>	 <u>14,401,641</u>	 <u>341,445,402</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 391,562
Public Safety	678,166
Public Works	14,282,691
Public Health and Welfare	213
Culture and Recreation	1,839,452
	<u>17,192,084</u>

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 5,783,418	-	-	5,783,418
Construction in Progress	1,049,808	653,785	264,510	1,439,083
	<u>6,833,226</u>	<u>653,785</u>	<u>264,510</u>	<u>7,222,501</u>
Depreciable Capital Assets				
Buildings	12,468,509	-	-	12,468,509
Improvements and Equipment	1,031,686	-	408,547	623,139
Parking Meters	721,235	-	100,096	621,139
Infrastructure	52,017,452	477,891	486,112	52,009,231
	<u>66,238,882</u>	<u>477,891</u>	<u>994,755</u>	<u>65,722,018</u>
Less Accumulated Depreciation				
Buildings	1,621,564	311,712	-	1,933,276
Improvements and Equipment	805,716	29,126	399,904	434,938
Parking Meters	399,704	34,378	52,235	381,847
Infrastructure	14,461,148	783,165	390,642	14,853,671
	<u>17,288,132</u>	<u>1,158,381</u>	<u>842,781</u>	<u>17,603,732</u>
Total Net Depreciable Capital Assets	<u>48,950,750</u>	<u>(680,490)</u>	<u>151,974</u>	<u>48,118,286</u>
Total Net Capital Assets	<u>55,783,976</u>	<u>(26,705)</u>	<u>416,484</u>	<u>55,340,787</u>

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

Parking	\$ 474,277
Sewer	<u>684,104</u>
	<u>1,158,381</u>

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Nonmajor Governmental	\$ 500,366
General	Parking	150,000
General	Sewer	150,000
Debt Service	General	1,531,319
Debt Service	Capital Improvements	517,900
Debt Service	Nonmajor Governmental	300,050
Debt Service	Stormwater Management	2,541,803
Stormwater Management	General	3,819,214
Capital Improvements	General	4,742,567
Nonmajor Governmental	General	2,297,722
Nonmajor Governmental	Stormwater Management	4,990
Nonmajor Governmental	Nonmajor Governmental	369,974
Nonmajor Governmental	Parking	46,622
Nonmajor Governmental	Sewer	98,862
Nonmajor Governmental	Nonmajor Business-Type	3,631
Nonmajor Governmental	Fleet Services	12,599
Nonmajor Governmental	Retained Risk	7,475
Parking	Nonmajor Governmental	1,200,000
Fleet Services	Nonmajor Governmental	761,589
		<u>19,056,683</u>

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

INTERFUND BALANCES

The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 3,140
General	Fleet Services	107,135
		<u>110,275</u>

Interfund balances are advances in anticipation of receipts.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

IEPA Loans Payable

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

Issue	Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$384,174 EPA loan due March 1, 2015, at 3.015% payable semi-annually.	Sewer	\$ 25,613	-	25,613	-
\$741,188 IEPA loan #L17-0944 due August 16, 2016, at 2.815% payable semi-annually.	Sewer	117,688	-	46,091	71,597
\$541,456 IEPA loan #L17-3962 due June 23, 2031, at 1.25% payable semi-annually.	Sewer	455,272	-	24,195	431,077
\$533,169 IEPA loan #L17-3871 due August 28, 2031, at 1.25% payable semi-annually.	Sewer	484,253	-	24,919	459,334
\$433,375 IEPA loan #L17-4108 due October 15, 2032, at 1.25% payable semi-annually.	Stormwater Management	413,619	-	20,004	393,615
		<u>1,496,445</u>	<u>-</u>	<u>140,822</u>	<u>1,355,623</u>

General Obligation Bonds

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

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$24,015,000 General Obligation Bonds of 2005, due in annual installments of \$1,280,000 to \$1,435,000, plus interest at 3.50% to 4.00% through maturity on December 15, 2015.	Debt Service	\$ 2,805,000	-	1,370,000	1,435,000
\$7,025,000 General Obligation Refunding Bonds of 2007A, due in annual installments of \$355,000 to \$1,115,000, plus interest at 3.75% to 6.00% through maturity on December 15, 2023.	Debt Service	6,670,000	-	510,000	6,160,000
\$2,750,000 General Obligation Bonds of 2007B, due in annual installments of \$255,000 to \$710,000, plus interest at 3.75% through maturity on December 15, 2016.	Parking	1,630,000	-	710,000	920,000
\$9,950,000 General Obligation Bonds of 2008, due in one installment of \$970,000 plus interest at 5.75% through maturity on December 15, 2016.	Parking	9,950,000	-	8,980,000 *	970,000

*Refunded Amount

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$9,280,000 General Obligation Refunding Bonds of 2009, due in annual installments of \$750,000 to \$835,000, plus interest at 2.00% to 2.75% through maturity on December 15, 2016.	Debt Service	\$ 2,445,000	-	795,000	1,650,000
\$25,620,000 General Obligation (Build America) Bonds of 2010, due in annual installments of \$560,000 to \$2,670,000, plus interest at 2.00% to 5.60% through maturity on December 15, 2029.	Debt Service	25,060,000	-	595,000	24,465,000
\$9,900,000 General Obligation Refunding Bonds of 2012, due in annual installments of \$30,000 to \$2,100,000, plus interest at 1.00% to 2.125% through maturity on December 15, 2025.	Debt Service	9,805,000	-	230,000	9,575,000
\$8,835,000 General Obligation Refunding Bonds of 2013, due in annual installments of \$515,000 to \$1,490,000, plus interest at 1.50% to 4.00% through maturity on December 15, 2022.	Debt Service	8,835,000	-	-	8,835,000
\$8,735,000 General Obligation Refunding Bonds of 2015, due in annual installments of \$110,000 to \$1,385,000, plus interest at 2.00% to 4.00% through maturity on December 15, 2027.	Parking	-	8,735,000	-	8,735,000
		<u>67,200,000</u>	<u>8,735,000</u>	<u>13,190,000</u>	<u>62,745,000</u>

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Landfill Closure and Post-Closure

The City's old landfill, known as the Old Champaign Landfill, is not officially closed; however, the estimated costs to be incurred for certain modifications to the site to enable it to be closed under EPA standards as of June 30, 1997 were estimated to be \$3,000,000 expected to be incurred over a four-year period beginning in calendar year 1998. After the site is closed, the City will also be required to maintain the site for 15 years, with an estimated annual cost of \$50,000. The maintenance would include testing of water quality and inspection of vegetation, drainage and site security. At year-end, the estimated remaining liability is \$475,577. 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.

Long-Term Liability Activity

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

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 4,898,448	144,580	289,160	4,753,868	950,774
Net Pension Liability	38,428,707	10,919,073	-	49,347,780	-
Net Other Post-Employment Benefit Obligation	4,713,387	592,681	-	5,306,068	-
Landfill Closure and Post-Closure	475,923	-	18,346	457,577	107,577
IEPA Loans Payable	413,619	-	20,004	393,615	20,255
General Obligation Bonds	55,620,000	-	3,500,000	52,120,000	3,620,000
Plus: Unamortized Bond Premium	947,619	-	182,481	765,138	108,806
	<u>105,497,703</u>	<u>11,656,334</u>	<u>4,009,991</u>	<u>113,144,046</u>	<u>4,807,412</u>
Business-Type Activities					
Compensated Absences	260,928	11,362	5,681	266,609	53,322
IEPA Loans Payable	1,082,826	-	120,818	962,008	97,126
General Obligation Bonds	11,580,000	8,735,000	9,690,000	10,625,000	775,000
Plus: Unamortized Bond Premium	248,545	1,059,396	303,769	1,004,172	94,626
	<u>13,172,299</u>	<u>9,805,758</u>	<u>10,120,268</u>	<u>12,857,789</u>	<u>1,020,074</u>

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements

June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

For governmental activities, payments on the compensated absences, the net pension liability, and net other post-employment benefit obligation are expended by the General Fund. Payments on the IEPA loans payable are made by the Stormwater Management Fund. The Debt Service Fund retires the general obligation bonds. Landfill Closure and Post-Closure costs are expended in the Capital Improvements Fund.

For business type activities, the compensated absences are expended by the Parking, Sewer, and Environmental Services Funds. The IEPA loans payable are being liquidated by the Sewer Fund. The Parking Fund makes payments on the general obligation bonds.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$127,584 of internal service funds compensated absences are included in the above amounts.

Interest

For the fiscal year 2015, total interest incurred and expended by governmental funds was \$2,028,999 and \$555,966 total interest was incurred and expended by enterprise funds.

Defeased Debt

On April 9, 2015, the City issued \$8,735,000 par value General Obligation Refunding Bonds of 2015 to refund \$8,980,000 of the General Obligation Bonds of 2008. The City defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the City reduced its total debt service by \$526,067 and obtained an economic gain of \$464,462.

In prior years, the City defeased general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Since the requirements which normally satisfy defeasance, have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's basic financial statements. Defeased bonds of \$14,835,000 remain outstanding as of the date of this report.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

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

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

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

Debt Service Requirements to Maturity

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

Fiscal Year	Governmental Activities			
	IEPA Loans Payable		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 20,255	4,857	3,620,000	1,860,003
2017	20,508	4,604	3,690,000	1,797,258
2018	20,766	4,346	3,200,000	1,700,152
2019	21,026	4,086	4,270,000	1,590,302
2020	21,290	3,822	4,315,000	1,441,448
2021	21,557	3,555	3,570,000	1,288,728
2022	21,828	3,284	4,000,000	1,121,032
2023	22,101	3,011	4,320,000	965,985
2024	22,378	2,734	4,450,000	836,127
2025	22,659	2,453	3,710,000	701,368
2026	22,943	2,169	3,805,000	568,276
2027	23,230	1,882	2,080,000	444,160
2028	23,522	1,590	2,020,000	336,060
2029	23,816	1,296	2,400,000	215,520
2030	24,115	997	2,670,000	74,760
2031	24,418	694	-	-
2032	24,725	387	-	-
2033	12,478	79	-	-
Totals	393,615	45,846	52,120,000	14,941,179

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity – Continued

Fiscal Year	Business-Type Activities			
	IEPA Loans Payable		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 97,126	12,660	775,000	423,907
2017	74,553	10,693	1,225,000	377,669
2018	50,984	9,720	1,330,000	318,400
2019	51,623	9,081	1,300,000	265,800
2020	52,271	8,433	1,385,000	212,100
2021	52,927	7,778	1,190,000	160,600
2022	53,590	7,115	410,000	128,600
2023	54,262	6,443	435,000	111,700
2024	54,943	5,762	455,000	93,900
2025	55,631	5,073	485,000	75,100
2026	56,328	4,476	510,000	55,200
2027	57,035	3,669	545,000	34,100
2028	57,750	2,954	580,000	11,600
2029	58,475	2,230	-	-
2030	59,209	1,497	-	-
2031	59,950	755	-	-
2032	15,351	96	-	-
Totals	962,008	98,435	10,625,000	2,268,676

Industrial Development Revenue Bonds/Private Activity Bonds

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

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

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE

Net Position Restatements

Net position was restated due to the implementation of GASB Statement No. 68. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ 368,017,990	316,448,529	(51,569,461)

Net Position Classifications

Net investment in capital assets was comprised of the following as of June 30, 2015:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 341,445,402
Pluss: Unamortized Refunding Loss	219,654
Less Capital Related Debt:	
IEPA Loan #L17-4108 of 2013	(393,615)
General Obligation Bonds of 2005	(1,435,000)
General Obligation Refunding Bonds of 2007A	(6,160,000)
General Obligation Refunding Bonds of 2009	(1,650,000)
General Obligation (Build America) Bonds of 2010	(24,465,000)
General Obligation Refunding Bonds of 2012	(9,575,000)
General Obligation Refunding Bonds of 2013	(8,835,000)
Unamortized Premium	(765,138)
Net Investment in Capital Assets	<u>288,386,303</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	55,340,787
Pluss: Unamortized Refunding Loss	305,981
Less Capital Related Debt:	
IEPA Loan #17-0944 of 1996	(71,597)
IEPA Loan #L17-3962 of 2011	(431,077)
IEPA Loan #L-17-3871 of 2011	(459,334)
General Obligation Refunding Bonds of 2007B	(920,000)
General Obligation Bonds of 2008	(970,000)
General Obligation Refunding Bonds of 2015	(8,735,000)
Unamortized Premium	(1,004,172)
Net Investment in Capital Assets	<u>43,055,588</u>

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION – Continued

Fund Balance Classifications

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	Special Revenue			Capital Projects			Nonmajor	Totals
	General	Champaign Public Library	Motor Fuel Tax	Debt Service	Stormwater Management	Capital Improvements		
Fund Balances								
Nonspendable								
Land Held for Resale	\$ -	-	-	-	-	-	704,070	704,070
Prepays	5,000	-	-	-	-	-	218,758	223,758
	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>922,828</u>	<u>927,828</u>
Restricted								
Public Works	-	-	2,133,883	-	-	-	807,389	2,941,272
Public Health and Welfare	-	-	-	-	-	-	5,826,047	5,826,047
Culture and Recreation	-	1,461,981	-	-	-	-	-	1,461,981
Public Safety	-	-	-	-	-	-	454,217	454,217
Debt Service	-	-	-	3,828,496	-	-	-	3,828,496
Capital Projects	-	-	-	-	-	4,527,485	127,041	4,654,526
	<u>-</u>	<u>1,461,981</u>	<u>2,133,883</u>	<u>3,828,496</u>	<u>-</u>	<u>4,527,485</u>	<u>7,214,694</u>	<u>19,166,539</u>
Committed								
Campustown Improvements	-	-	-	-	-	-	5,515,616	5,515,616
Vehicles and Equipment	-	-	-	-	-	-	7,451,409	7,451,409
Stormwater Management	-	-	-	-	4,500,547	-	-	4,500,547
General Government	1,538,884	-	-	-	-	-	-	1,538,884
Other Capital Projects	3,243,538	-	-	-	-	-	-	3,243,538
	<u>4,782,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500,547</u>	<u>-</u>	<u>12,967,025</u>	<u>22,249,994</u>
Unassigned	21,931,926	-	-	-	-	-	-	21,931,926
Total Fund Balances	<u>26,719,348</u>	<u>1,461,981</u>	<u>2,133,883</u>	<u>3,828,496</u>	<u>4,500,547</u>	<u>4,527,485</u>	<u>21,104,547</u>	<u>64,276,287</u>

Committed Fund Balance. The City reports committed fund balance in the General and Stormwater Management Funds, both major, and in the Food and Beverage, North Campus Area TIF District, Vehicle Replacement, and in the Equipment Replacement Funds, all nonmajor. Board approval (ordinance and/or resolution) is required to establish, modify or rescind a fund balance commitment. The City's Board has committed the funds through formal Board action (i.e. ordinance and/or resolution) for future capital expenditures.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE/NET POSITION – Continued

Fund Balance Classifications – Continued

Minimum Fund Balance Policy. The City's policy manual states that the General Fund and Parking Fund shall include a fund balance contingency of no less than 10% of expenditures excluding transfers. This will be in addition to any amounts that may be budgeted for specific purposes (e.g. salaries contingency) and will not be available for expenditure except by the City Council action.

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

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

Retained Risk Fund – The City's risk management program for general liabilities encompasses a wide range of City Activities, and the City has elected to retain all exposure to risk of loss up to \$250,000 with an aggregate limit of \$5,000,000 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 claim 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 outcomes is not determinable in relation to claims for which a liability has been recorded in these internal services funds at June 30, 2015. 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, 2015. The amount of settlements in both funds did not exceed insurance coverage in fiscal year 2015 or the precious two fiscal years.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Changes in the claim liability amounts in fiscal years 2015 and 2014 were as follows:

	Retained Risk	Workers' Compensation	Totals
Claims Liability - June 30, 2013	\$ 483,357	2,536,529	3,019,886
Claims Incurred	493,713	2,069,458	2,563,171
Claims Paid	<u>(305,038)</u>	<u>(1,677,020)</u>	<u>(1,982,058)</u>
Claims Liability - June 30, 2014	672,032	2,928,967	3,600,999
Claims Incurred	27,509	784,756	812,265
Claims Paid	<u>(256,119)</u>	<u>(1,218,242)</u>	<u>(1,474,361)</u>
Claims Liability - June 30, 2015	<u>443,422</u>	<u>2,495,481</u>	<u>2,938,903</u>

CONTINGENT LIABILITIES

Litigation

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

Grants

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

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES

Champaign-Urbana Solid Waste Disposal System

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

Effective June 1, 1987, CUSWDS ceased operations, however, it is responsible for overseeing the closing and maintenance of the landfill site until the year 2022. 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, 2015 is as follows:

Total Assets	<u>\$ 148,500</u>	Total Revenues	49,959
Total Liabilities	10,194	Total Expenses	<u>92,918</u>
Total Fund Balance	<u>138,306</u>	Net Income (Loss)	(42,959)
Total Liabilities and Fund Balance	<u>148,500</u>	Total Fund Balance - Beginning	<u>181,265</u>
		Total Fund Balance - Ending	<u>138,306</u>

HOME Program

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

HUD regulations require that each year's grant funds be contractually obligated within two years of the grant award and spent within five years. Thus, closeout of the fiscal year 2010 – 2014 allocations is not expected until the years 2015 through 2019, respectively.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements

June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

HOME Program – Continued

Federal regulations require set-aside of HOME funds for exclusive use by certain private non-profit organizations known as community housing development organizations (CHDO). The set-aside is calculated as 15 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 the 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 HOME Program as of and for the year ended June 30, 2015 is as follows:

Total Assets	<u>\$ 623,003</u>	Total Revenues	983,756
Total Liabilities	536,516	Total Expenses	<u>895,639</u>
Total Deferred Inflows of Resources	359,554	Net Income	88,117
Total Fund Balance	<u>(273,067)</u>	Total Fund Balance - Beginning	<u>(361,184)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>623,003</u>	Total Fund Balance - Ending	<u>(273,067)</u>

Metropolitan Computer Aided Dispatch (METCAD)

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

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Metropolitan Computer Aided Dispatch (METCAD) – Continued

Separate financial statements are available for METCAD by contacting the City of Champaign, Illinois Finance Department (Lead Agency) at 102 North Neil Street, Champaign, Illinois 61820. Summary financial information for METCAD as of and for the year ended June 30, 2015 is as follows:

Total Assets	\$ 9,968,705	Total Revenues	4,787,097
Total Deferred Outflows of Resources	<u>693,096</u>	Total Expenses	<u>5,115,219</u>
Total Assets and Deferred Outflows of Resources	<u>10,661,801</u>	Net Income (Loss)	(328,122)
Total Liabilities	1,806,046	Total Fund Balance - Beginning as Restated	<u>9,183,877</u>
Total Fund Balance	<u>8,855,755</u>	Total Fund Balance - Ending	<u>8,855,755</u>
Total Liabilities and Fund Balance	<u>10,661,801</u>		

RELATED PARTY TRANSACTIONS

The Champaign Public Library Fund, a major special revenue fund, provided donated services to the Champaign Public Library Foundation. Donated services consist of salaries of Library personnel assigned to perform management and fundraising services for the Foundation. For the fiscal year ended June 30, 2015, the amount contributed and included as in-kind revenue and expense in the financial statements of the Foundation totaled \$102,360.

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 fiscal year ended June 30, 2015 was \$151,956.

CONSTRUCTION COMMITMENTS

Through the date of this report, the City has the following significant construction or repair project commitments. The expenditures/expenses for these commitments will be incurred mainly in the fiscal year 2015 from capital project funds.

Purpose	Commitment
Parking Lot Rehab/Healey Street Reconstruction	\$ 561,764
CB 2015-059 Concrete Rehab	549,575
Boneyard Engineering Services	807,716

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

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

Illinois Municipal Retirement

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that need or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements
June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2014, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	311
Inactive Plan Members Entitled to but not yet Receiving Benefits	143
Active Plan Members	<u>264</u>
Total	<u><u>718</u></u>

A detailed breakdown of IMRF membership for inactive members for the City, Library and METCAD is unavailable. The above numbers include all inactive members.

Contributions. As set by statute, the City's Regular Plan Members are required to contribute 4.5% 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 City's annual contribution rate for calendar year 2014 was 11.87% of covered payroll.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2014, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2014
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	4.40% to 16.00%
Cost of Living Adjustments	3.00%
Inflation	3.00%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the PR-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Discount Rate

A Single Discount Rate of 7.49% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.49%.

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.49%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.49%)	Current Discount Rate (7.49%)	1% Increase (8.49%)
Net Pension Liability	\$ 20,160,241	6,151,808	(5,314,299)

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2013	\$ 96,628,223	\$ 95,048,750	\$ 1,579,473
Changes for the year:			
Service Cost	1,915,970	-	1,915,970
Interest on the Total Pension Liability	7,170,132	-	7,170,132
Difference Between Expected and Actual Experience of the Total Pension Liability	263,066	-	263,066
Changes of Assumptions	3,565,328	-	3,565,328
Contributions - Employer	-	2,059,943	(2,059,943)
Contributions - Employees	-	799,791	(799,791)
Net Investment Income	-	5,764,144	(5,764,144)
Benefit Payments, including Refunds of Employee Contributions	(3,968,885)	(3,968,885)	-
Other (Net Transfer)	-	(281,717)	281,717
Net Changes	<u>8,945,611</u>	<u>4,373,276</u>	<u>4,572,335</u>
Balances at December 31, 2014	<u>105,573,834</u>	<u>99,422,026</u>	<u>6,151,808</u>

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2014, the City recognized pension expense of \$2,631,288. At June 30, 2015, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference Between Expected and Actual Experience	\$ 202,784	\$ -	\$ 202,784
Change in Assumptions	2,748,322	-	2,748,322
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,049,883	-	1,049,883
Pension Contributions Made Subsequent to the Measurement Date	1,005,715	-	1,005,715
Total Deferred Amounts Related to IMRF	<u>5,006,704</u>	-	<u>5,006,704</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2015	\$ 2,145,473
2016	1,139,758
2017	1,139,758
2018	581,714
2019	-
Thereafter	-
Total	<u>5,006,704</u>

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At June 30, 2015, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	114
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>119</u>
Total	<u><u>235</u></u>

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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 annual benefit 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 eight 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.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a 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 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended June 30, 2015, the City's contribution was 51.9% of covered payroll.

Concentrations. At year end, the Pension Plan has investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits as follows:

Investment	Amount
Goldman Sachs Financial Square Treasury Obligation Fund	\$ 9,999,145

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of June 30, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	6/30/2014 (Rolled forward to 6/30/15)
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	4.00% to 12.90%
Cost of Living Adjustments	2.00% to 3.00%
Inflation	2.50%

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions used in the June 30, 2014 valuation (projected to June 30, 2015) were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance during 2012.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 42,689,297	27,549,379	15,021,877

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at June 30, 2014	\$ 112,405,512	\$ 85,653,177	\$ 26,752,335
Changes for the year:			
Service Cost	2,171,771	-	2,171,771
Interest on the Total Pension Liability	7,678,454	-	7,678,454
Difference Between Expected and Actual Experience of the Total Pension Liability	-	-	-
Changes of Assumptions	-	-	-
Contributions - Employer	-	4,821,825	(4,821,825)
Contributions - Employees	-	927,339	(927,339)
Net Investment Income	-	3,445,949	(3,445,949)
Benefit Payments, including Refunds of Employee Contributions	(5,426,618)	(5,426,618)	-
Administrative Expense	-	(141,932)	141,932
Net Changes	4,423,607	3,626,563	797,044
Balances at June 30, 2015	116,829,119	89,279,740	27,549,379

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized a negative pension expense of \$810,200. At June 30, 2015, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference Between Expected and Actual Experience	\$ 4,169,495	\$ -	\$ 4,169,495
Change in Assumptions	1,890,882	-	1,890,882
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	863,017	-	863,017
Total Deferred Amounts Related to Police	<u>6,923,394</u>	<u>-</u>	<u>6,923,394</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending June 30	Net Deferred Outflows of Resources
2016	\$ 1,218,604
2017	1,218,604
2018	1,218,604
2019	237,393
2020	757,547
Thereafter	<u>2,272,642</u>
Total	<u>6,923,394</u>

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan

Plan Descriptions

Plan Administration. The Firefighters’ Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At June 30, 2015, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	88
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>97</u>
Total	<u><u>185</u></u>

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

The Firefighters’ Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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 annual benefit 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 eight 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 firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3percent compounded annually thereafter.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements
June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters’ salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a 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 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters’ Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended June 30, 2015, the City’s contribution was 44.72% of covered payroll.

Significant Investments. At year end, the Pension Plan has investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits as follows.

Investment	Amount
MetLife Annuity	\$ 13,919,644
Intermediate Government Bond Index Fund	11,499,725
Manning and Napier FD Overseas	7,509,383
Vanguard Mid Cap Index	6,380,750
Principal Annuity	5,384,861

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of June 30, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	6/30/2014 (Rolloed forward to 6/30/15)
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	4.00% to 12.90%
Cost of Living Adjustments	2.00% to 3.00%
Inflation	2.50%

Mortality rates were based on the RP-2000 Mortality Table (BCA). The actuarial assumptions used in the June 30, 2014 valuation (projected to June 30, 2015) were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance during 2012.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 26,572,261	15,646,593	6,720,269

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at June 30, 2014	\$ 84,662,723	\$ 74,565,824	\$ 10,096,899
Changes for the year:			
Service Cost	1,776,979	-	1,776,979
Interest on the Total Pension Liability	5,760,180	-	5,760,180
Difference Between Expected and Actual			
Changes of Assumptions	4,046,064	-	4,046,064
Contributions - Employer	-	3,362,615	(3,362,615)
Contributions - Employees	-	694,767	(694,767)
Contributions - Other	-	678	(678)
Net Investment Income	-	2,037,091	(2,037,091)
Benefit Payments, including Refunds of Employee Contributions	(4,748,865)	(4,748,865)	-
Administrative Expense	-	(61,622)	61,622
Net Changes	6,834,358	1,284,664	5,549,694
Balances at June 30, 2015	91,497,081	75,850,488	15,646,593

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters’ Pension Plan – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized a negative pension expense of \$241,115. At June 30, 2015, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference Between Expected and Actual Experience	\$ -	\$ (2,582,884)	\$ (2,582,884)
Change in Assumptions	3,641,454	-	3,641,454
Total Deferred Amounts Related to Fire	<u>3,641,454</u>	<u>(2,582,884)</u>	<u>1,058,570</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending June 30	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources	Total
2016	\$ 404,606	(645,721)	(241,115)
2017	404,606	(645,721)	(241,115)
2018	404,606	(645,721)	(241,115)
2019	404,606	(645,721)	(241,115)
2020	404,606	-	404,606
Thereafter	1,618,424	-	1,618,424
Total	<u>3,641,454</u>	<u>(2,582,884)</u>	<u>1,058,570</u>

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

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

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

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

All retirees contribute 100% of the premium cost of the plan. For the fiscal year ending June 30, 2015, retirees contributed approximately \$1,192,725. Active employees do not contribute to the plan until retirement.

At June 30, 2015, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	73
Active Employees	<u>380</u>
Total	<u>453</u>
Participating Employers	1

The City does not currently have a funding policy.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The City had an actuarial valuation performed for the plan as of June 30, 2015 to determine the funded status of the plan as of that date as well as the employer’s annual required contribution (ARC) for the fiscal year ended June 30, 2015.

The net OPEB obligation (NOPEBO) as of June 30, 2015, was calculated as follows:

	<u>OPEB</u>
Annual Required Contribution	\$ 1,129,529
Interest on the NOPEBO	203,329
Adjustment to the ARC	<u>(456,456)</u>
Annual OPEB Cost	876,402
Actual Contribution	<u>283,721</u>
Change in the NOPEBO	592,681
NOPEBO - Beginning	<u>4,713,387</u>
NOPEBO - Ending	<u><u>5,306,068</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 multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Trend Information

The City’s annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 990,012	\$ 277,203	28.00 %	\$ 4,033,132
2014	981,479	301,224	30.69	4,713,387
2015	1,071,384	283,721	26.48	5,306,068

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2015, was as follows:

Actuarial Accrued Liability (AAL)	\$ 9,822,422
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	9,822,422
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	26,315,437
UAAL as a Percentage of Covered Payroll	37.33%

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, 2015 actuarial valuation the entry age normal cost method was used. The actuarial assumptions included a 5.0% investment rate of return (including a 2.5% inflation assumption) and an annual healthcare cost trend rate of 7.0%, with an ultimate rate of 4.5% after six years. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015, was 30 years.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 5 – DISCRETELY PRESENTED COMPONENT UNIT – CHAMPAIGN PUBLIC LIBRARY FOUNDATION

NATURE OF ORGANIZATION

The Champaign Public Library Foundation (the Foundation) is a not-for-profit organization 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.

The Foundation is reported as a discretely presented component unit of the Champaign Public Library, Illinois. This report represents the financial activity of the Foundation for the fiscal year ended June 30, 2015.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting in which revenue is recognized when earned and expenses are recognized when incurred.

Net Assets

The Foundation's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Net assets of Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulation.

Temporarily Restricted Net Assets – Net assets subject to donor or grantor-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 assets and reported in the Statement of Activities in 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.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 5 – DISCRETELY PRESENTED COMPONENT UNIT – CHAMPAIGN PUBLIC LIBRARY FOUNDATION – Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Investments

For the purpose of the Statement of Financial Position and Statement of Cash Flows, the Foundation's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Investments that do not have any established market, if any, are reported at estimated fair value. Unrealized gains and losses are included in the change in net assets.

Investment Income

The Foundation records investment income earned on temporarily and permanently restricted assets as temporarily restricted revenue.

Contributed Services

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.

Promises to Give

Promises to give consist of unconditional promised to give to the Foundation. The carrying amount of promises to give may be recorded by a valuation allowance based on management's assessment of the collectability of specific promise to give balances.

Income Taxes

The Foundation has been granted a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. The Foundation is required to pay Federal and State income taxes only on net unrelated business income. There is no such income for the current year.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 5 – DISCRETELY PRESENTED COMPONENT UNIT – CHAMPAIGN PUBLIC LIBRARY FOUNDATION – Continued

CASH AND INVESTMENTS

At year-end the carrying amount of the Foundation’s cash deposits totaled \$96,244 and the bank balances totaled \$112,058. The entire balance of deposits was fully insured by federal deposit insurance.

The Foundation’s investments at June 30, 2015 consisted of the following:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Obligations	\$ 92,220	-	50,392	41,828	-
U.S. Agency Obligations	94,743	25,117	62,299	7,327	-
Corporate Stock	183,790	145,197	38,593	-	-
Municipal Bonds	51,536	-	51,536	-	-
	422,289	170,314	202,820	49,155	-

In addition to the above, the Foundation had \$425,277 invested in mutual funds and \$290,993 invested in common stock.

The Foundation’s investment income was comprised of the following:

Interest Income	\$ 13,896
Net Realized and Unrealized Gains/(Losses)	(13,677)
Dividends	<u>12,632</u>
	<u>12,851</u>

All investments are at risk of loss of market value due to numerous economic factors. Investments in debt securities are also at risk of loss due to the potential default of the issuer of the debt. Credit ratings provide a measure of the creditworthiness of debt issuers. Credit ratings are assigned by various third-party credit rating agencies and fall into the following categories, which are presented from the least risk to the most risk: Prime, High Grade, Upper Medium Grade, Lower Medium Grade, Non-investment Grade, Highly Speculative, Substantial Risk, Extremely Speculative, and In Default.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 5 – DISCRETELY PRESENTED COMPONENT UNIT – CHAMPAIGN PUBLIC LIBRARY FOUNDATION – Continued

CASH AND INVESTMENTS – Continued

The Foundation's debt backed investments at June 30, 2015 have the following ratings:

Prime	\$ 186,964
High Grade	20,795
Upper Medium Grade	125,299
Lower Medium Grade	89,231
Not Rated	<u>-</u>
	<u><u>422,289</u></u>

PROMISES TO GIVE

Promises to give consist of the following at June 30, 2015:

Current Portion	\$ 35,362
Non-Current Portion (Receivable from 1 to 3 Years)	<u>29,233</u>
Total	<u><u>64,595</u></u>

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

NET ASSETS

Unrestricted Net Assets

Unrestricted net assets as of June 30, 2015 was comprised of the following:

Board Designated	
Endowment	\$ 723,671
Schwartz Fund for Library Memorial	308,418
Undesignated	<u>56,922</u>
Total	<u><u>1,089,011</u></u>

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 5 – DISCRETELY PRESENTED COMPONENT UNIT – CHAMPAIGN PUBLIC LIBRARY FOUNDATION – Continued

NET ASSETS – Continued

Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2015 was comprised of the following:

Endowment - Implied Time Restriction on Promised to Give due in Future Years	\$	51,450
Richard McDonald Endowment		56,049
Friends of the Library		22,950
Children's Programming		18,712
Grants		7,600
R. D. Burnham Trust - Library Materials		10,943
J. F. Burnham Trust - Library Materials		10,884
Books Today		10,412
Teen Fund		<u>1,387</u>
Total		<u><u>190,387</u></u>

Permanently Restricted Net Assets

Permanently restricted net assets as of June 30, 2015 were comprised of the following:

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

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-specific funds as well as Board designated funds. As required by generally accepted accounting, net assets associated with endowment funds, including funds designated the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 5 – DISCRETELY PRESENTED COMPONENT UNIT – CHAMPAIGN PUBLIC LIBRARY FOUNDATION – Continued

ENDOWMENTS – Continued

The Foundation’s management believes it is following the Uniform Prudent Management of Institutional Funds Act adopted by the State of Illinois based on consultations with an attorney. As a result, the Foundation classifies as permanently restricted net positions (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 Board of Directors annually approves the appropriation of endowment assets for expenditure.

The Foundation has adopted an investment policy, approved 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 assets composition by type of fund at June 30, 2015 was as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Donor-Restricted	\$ -	21,827	20,000	41,827
Implied-Time Restricted	-	51,450	-	51,450
Unrestricted - Board Designated	723,671	-	-	723,671
	723,671	73,277	20,000	816,948

The implied-time restricted temporarily restricted balance will be reclassified to unrestricted-Board designated as the related unconditional promises to give are collected in future periods.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 5 – DISCRETELY PRESENTED COMPONENT UNIT – CHAMPAIGN PUBLIC LIBRARY FOUNDATION – Continued

ENDOWMENTS – Continued

Changes in endowment funds for the fiscal year ended June 30, 2015 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
Endowment Net Assets - Beginning	\$ 603,758	117,164	20,000	740,922
Contributions	47,759	51,450	-	99,209
Interest and Dividends	15,701	996	-	16,697
Net Appreciation (Depreciation)	86,339	(95,239)	-	(8,900)
Expenditures	(29,906)	(1,094)	-	(31,000)
Endowment Net Assets - Ending	<u>723,651</u>	<u>73,277</u>	<u>20,000</u>	<u>816,928</u>

FAIR VALUE MEASUREMENTS

The fair values of assets measured on a recurring basis at June 30, 2015 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment Securities	<u>\$ 1,138,559</u>	<u>-</u>	<u>-</u>	<u>1,138,559</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 not changes in the valuation techniques used for measuring fair value during the year ended June 30, 2015.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 5 – DISCRETELY PRESENTED COMPONENT UNIT – CHAMPAIGN PUBLIC LIBRARY FOUNDATION – Continued

RELATED PARTY TRANSACTIONS

The Library provided donated services to the Foundation. Donated services consist of salaries and benefits of Library personnel assigned to perform management and fund raising serviced for the Foundation. For the fiscal year ended June 30, 2015, the amount contributed and included as in-kind revenue totaled \$102,360. An equivalent expense is included in the Statement of Activities with \$27,924 in “management and general” expense and \$74,436 in “fund raising” expense.

The Foundation provided \$151,956 of monetary support to the Library for materials and programs. This amount is included in program services expenses.

CONCENTRATIONS

Contributions from one donor accounted for \$90,660, or approximately 28.6 percent of the total support and revenue for the year ended June 30, 2015.

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of the City of Champaign, Illinois (Township) are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Township’s accounting policies established in GAAP and used by the Township are described below.

REPORTING ENTITY

The Township is a body corporate and politic established under Illinois Compiled Statutes governed by an elected Board of Trustees and an elected Supervisor. The Township is considered to be a component unit of the City of Champaign, Illinois. The members of the Township Board of Trustees are the members of the City Council of the City of Champaign, Illinois.

BASIS OF PRESENTATION

Government-Wide Statements

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

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Township's functions (general government and public welfare). The functions are supported by general government revenues (property and replacement taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs by function are normally covered by general revenue (property and replacement taxes, certain intergovernmental revenues, etc.).

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

Fund Financial Statements

The financial transactions of the Township are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures.

The emphasis in fund financial statements is on the major governmental funds. Nonmajor funds are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

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

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

The various funds are reported by generic classification within the financial statements. The following fund type is used by the Township:

Governmental Funds

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

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

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Township maintains one major special revenue fund, the General Assistance Fund, which is used to account for property taxes revenues used to provide basic needs assistance to Township citizens that meet specific need criteria.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements

June 30, 2015

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus is used.

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

Basis of Accounting

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

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

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with a fiscal agent.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements

June 30, 2015

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Cash and Investments – Continued

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.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes and personal property replacement taxes.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Township as a whole. When purchased, such assets are recorded as expenditures in the governmental funds. Infrastructure such as streets, traffic signals and signs is capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

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

Land Improvements	10 Years
Buildings and Improvements	50 Years
Equipment and Vehicles	3 - 20 Years

Compensated Absences

The Township accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick leave by benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Deferred Inflows of Resources

Governmental funds report deferred inflows of resources in connection with a consumption of fund balance/net position that applies to a future period. As of year-end, the Township reports property taxes related to next year's levy as a deferred inflow of resources.

Net Position

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

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

Unrestricted – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Legal budgets are prepared in the form of an appropriations ordinance for Township funds using the same accounting basis and practices that are used to account for and prepare financial statements. Unexpended appropriations lapse at the end of the fiscal year. Once a budget is approved, it can be amended at the function and fund level by approval of a majority of the members of the Board of Trustees (Board) after a public notice and hearing. Appropriations transfers between budget line items may be presented to the Board at their regular meetings. Each transfer must have Board approval. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the fund level.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Township maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments."

Permitted Deposits and Investments – Statutes authorize the Township to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold. Illinois Funds was rated AAAM by Standard & Poor's Investors Service.

Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end the carrying amount of the Township's deposits totaled \$41,234 and the bank balances totaled \$43,003. Additionally, the Township has \$863,172 invested in the Illinois Funds at year-end, with an average maturity of less than one year.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township's investment policy states that the portfolio shall remain sufficiently liquid to meet all operating costs which may be reasonably anticipated.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law allows for the investment of funds in Illinois Funds. The Township's investment policy does not further limit investment instrument choices.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The entire amount of the bank balances of deposits were covered by federal depository insurance. The Township's investment policy states that deposits in excess of the amount insured by FDIC will be collateralized at 105% of the deposit amount.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Township's investment in Illinois Funds is not subject to credit risk.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Township's investment in a single issuer. The Township's investment policy states that the portfolio shall be diversified to avoid unreasonable risks.

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for the 2014 levy attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are collected in two installments in June and September. The County collects such taxes and remits them periodically.

CAPITAL ASSETS

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Buildings and Improvements	\$ 193,265	-	-	193,265
Equipment and Vehicles	22,337	-	-	22,337
	<u>215,602</u>	<u>-</u>	<u>-</u>	<u>215,602</u>
Less Accumulated Depreciation				
Buildings and Improvements	167,825	1,959	-	169,784
Equipment and Vehicles	19,581	198	-	19,779
	<u>187,406</u>	<u>2,157</u>	<u>-</u>	<u>189,563</u>
Total Depreciable Capital Assets	<u>28,196</u>	<u>(2,157)</u>	<u>-</u>	<u>26,039</u>

Depreciation expense was charged to the general government function.

LONG-TERM DEBT

Changes in Long-Term Liabilities

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

	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due Within One Year
Compensated Absences	\$ 14,095	2,786	1,393	15,488	3,098
Net Pension Liability	(37,787)	65,508	-	27,721	-
	<u>(23,692)</u>	<u>68,294</u>	<u>1,393</u>	<u>43,209</u>	<u>3,098</u>

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the Township considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Township first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	General Assistance	Totals
Fund Balances			
Nonspendable - Prepaids	\$ 6,781	-	6,781
Restricted			
Property Tax Levies			
IMRF	8,096	-	8,096
General Assistance	-	358,551	358,551
	8,096	358,551	366,647
Unassigned	508,831	-	508,831
Total Fund Balances	523,708	358,551	882,259

NET POSITION RESTATEMENT

Net position was restated due to the implementation of GASB Statement No. 68. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ 888,001	984,051	96,050

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements

June 30, 2015

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

OTHER INFORMATION

RELATED PARTY TRANSACTIONS

During the year ended June 30, 2014, the Township, a component unit of the City, entered into an agreement with the City to pay the City for legal, financial and payroll, human resources, and information technologies services provided to the Township. Under the terms of the agreement, the Township will compensate the City \$25,000 annually for these services. The annual amount will increase at the beginning of each new fiscal year, at the same rate as any cost of living compensation increase provided by the City to its non-bargaining unit employees. The agreement may be terminated by the City Manager or Township Supervisor upon written notice not less than 60 days prior to the desired termination date, or it may be terminated at any time upon the mutual agreement of the City Manager and Township Supervisor.

RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters. These risks are covered by insurance purchased from independent third parties. Claims from these risks have not exceeded commercial insurance coverage during the current fiscal year and the previous three fiscal years.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement System

Plan Description

Plan Administration. 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 managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements

June 30, 2015

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2014, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	6
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>7</u>
Total	<u><u>17</u></u>

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

Contributions. As set by statute, the Township's Regular Plan Members are required to contribute 4.5% 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 Township's annual contribution rate for calendar year 2014 was 12.58%. For the fiscal year ended June 30, 2015, the Township contributed \$39,809 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability. The Township's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements
June 30, 2015

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Plan Description – Continued

Actuarial Assumptions – Continued.

- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	27%	3.00%
Domestic Equities	38%	7.60%
International Equities	17%	7.80%
Real Estate	8%	6.15%
Blended	9%	5.25%
Cash and Cash Equivalents	1%	2.25%

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.50%.

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 258,307	27,721	(164,276)

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements

June 30, 2015

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2013	\$ 1,764,619	1,802,406	(37,787)
Changes for the Year:			
Service Cost	34,643	-	34,643
Interest on the Total Pension Liability	131,214	-	131,214
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	7,933	-	7,933
Changes of Assumptions	77,901	-	77,901
Contributions - Employer	-	41,321	(41,321)
Contributions - Employees	-	15,547	(15,547)
Net Investment Income	-	109,704	(109,704)
Benefit Payments, including Refunds of Employee Contributions	(64,833)	(64,833)	-
Other (Net Transfer)	-	19,611	(19,611)
Net Changes	186,858	121,350	65,508
Balances at December 31, 2014	1,951,477	1,923,756	27,721

CITY OF CHAMPAIGN, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Illinois Municipal Retirement System – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the Township recognized pension expense of \$27,172. At June 30, 2015, the Township reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts to be Recognized in Pension Expense in Future Periods	Deferred Outflows Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	\$ 5,446	-	5,446
Changes of Assumptions	53,481	-	53,481
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	20,730	-	20,730
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	79,657	-	79,657
Pension Contributions made Subsequent to the Measurement Date	16,942	-	16,942
Total Deferred Amounts Related to Pensions	96,599	-	96,599

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2015	\$ 49,032
2016	32,090
2017	10,298
2018	5,179
2019	-
Thereafter	-
Totals	96,599

CITY OF CHAMPAIGN, ILLINOIS

Notes to the Financial Statements

June 30, 2015

NOTE 6 – DISCRETELY PRESENTED COMPONENT UNIT – TOWN OF THE CITY OF CHAMPAIGN – Continued

OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

The Township has evaluated its current potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Township are required to pay 100% of the current premium. One former employee has chosen to stay on the Township's health insurance plan, but this amount has been calculated to be immaterial in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Township had no former employees for which the Township was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Township has not recorded any postemployment benefit liability as of June 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Funding Progress and Employer Contributions
 - Other Post-Employment Benefit Plan

- Schedule of Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund

- Schedule of Changes in the Employer's Net Pension
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund

- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund

- Budgetary Comparison Schedules
 - General Fund
 - Champaign Public Library – Special Revenue Fund
 - Motor Fuel Tax – Special Revenue Fund

Notes to the Required Supplementary Information

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

CITY OF CHAMPAIGN, ILLINOIS

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
June 30, 2015**

Funding Progress

Actuarial Valuation Date Jun. 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2010	\$ -	\$ 10,023,094	0.00%	\$ 10,023,094	\$ 32,024,139	31.30%
2011	-	9,797,928	0.00%	9,797,928	28,816,486	34.00%
2012	-	10,611,693	0.00%	10,611,693	29,825,063	35.58%
2013	-	9,242,930	0.00%	9,242,930	27,505,512	33.60%
2014	-	9,883,763	0.00%	9,883,763	28,468,205	34.72%
2015	-	9,822,422	0.00%	9,822,422	26,315,437	37.33%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 343,938	\$ 1,103,936	31.16%
2011	204,002	1,127,238	18.10%
2012	222,362	1,127,238	19.73%
2013	276,352	1,029,961	26.83%
2014	301,224	1,029,691	29.25%
2015	283,721	1,129,529	25.12%

N/A - Not Available

The City is required to have an actuarial valuation performed annually.

CITY OF CHAMPAIGN, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

June 30, 2015

Dec. 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	\$ 2,023,513	\$ 2,059,943	\$ 36,429	\$ 17,348,392	11.87%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	29 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.0%
Salary Increases	4.4% - 15.0%
Investment Rate of Return	7.5%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2000 Combined Healthy Mortality Table

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

CITY OF CHAMPAIGN, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
June 30, 2015**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 2,633,417	\$ 4,821,859	\$ 2,188,442	\$ 9,287,288	51.9%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	June 30, 2014 (rolled forward to June 30, 2015)
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	Market
Inflation	2.5%
Salary Increases	4.0% - 12.9%
Investment Rate of Return	7.0%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2000 CHBCA

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

CITY OF CHAMPAIGN, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
June 30, 2015**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 3,362,615	\$ 3,362,615	\$ -	\$ 7,519,024	44.72%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	June 30, 2014 (rolled forward to June 30, 2015)
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	Market
Inflation	2.5%
Salary Increases	4.0% - 12.9%
Investment Rate of Return	7.0%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2000 CHBCA

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67

CITY OF CHAMPAIGN, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
June 30, 2015**

	<u>December 31, 2014</u>
Total Pension Liability	
Service Cost	\$ 1,915,970
Interest	7,170,132
Differences Between Expected and Actual Experience	263,066
Change of Assumptions	3,565,328
Benefit Payments, Including Refunds of Member Contributions	<u>(3,968,885)</u>
Net Change in Total Pension Liability	8,945,611
Total Pension Liability - Beginning	<u>96,628,223</u>
Total Pension Liability - Ending	<u><u>105,573,834</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 2,059,943
Contributions - Members	799,791
Net Investment Income	5,764,144
Benefit Payments, Including Refunds of Member Contributions	(3,968,885)
Administrative Expense	<u>(281,717)</u>
Net Change in Plan Fiduciary Net Position	4,373,276
Plan Net Position - Beginning	<u>95,048,750</u>
Plan Net Position - Ending	<u><u>99,422,026</u></u>
Employer's Net Pension Liability	<u><u>\$ 6,151,808</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.17%
Covered-Employee Payroll	\$ 17,348,392
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	35.46%

CITY OF CHAMPAIGN, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
June 30, 2015**

	<u>June 30, 2015</u>
Total Pension Liability	
Service Cost	\$ 2,171,771
Interest	7,678,454
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(5,426,618)</u>
Net Change in Total Pension Liability	4,423,607
Total Pension Liability - Beginning	<u>112,405,512</u>
Total Pension Liability - Ending	<u><u>116,829,119</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 4,821,825
Contributions - Members	927,339
Contributions - Other	-
Net Investment Income	3,445,949
Benefit Payments, Including Refunds of Member Contributions	(5,426,618)
Administrative Expense	<u>(141,932)</u>
Net Change in Plan Fiduciary Net Position	3,626,563
Plan Net Position - Beginning	<u>85,653,177</u>
Plan Net Position - Ending	<u><u>89,279,740</u></u>
Employer's Net Pension Liability	<u><u>\$ 27,549,379</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.4%
Covered-Employee Payroll	\$ 9,287,288
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	296.6%

CITY OF CHAMPAIGN, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
June 30, 2015**

	<u>June 30, 2015</u>
Total Pension Liability	
Service Cost	\$ 1,776,979
Interest	5,760,180
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions	4,046,064
Benefit Payments, Including Refunds of Member Contributions	<u>(4,748,865)</u>
Net Change in Total Pension Liability	6,834,358
Total Pension Liability - Beginning	<u>84,662,723</u>
Total Pension Liability - Ending	<u><u>91,497,081</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 3,362,615
Contributions - Members	694,767
Contributions - Other	678
Net Investment Income	2,037,091
Benefit Payments, Including Refunds of Member Contributions	(4,748,865)
Administrative Expense	<u>(61,622)</u>
Net Change in Plan Fiduciary Net Position	1,284,664
Plan Net Position - Beginning	<u>74,565,824</u>
Plan Net Position - Ending	<u><u>75,850,488</u></u>
Employer's Net Pension Liability	<u><u>\$ 15,646,593</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.9%
Covered-Employee Payroll	\$ 7,519,024
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	208.1%

CITY OF CHAMPAIGN, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
June 30, 2015**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	3.88%

CITY OF CHAMPAIGN, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
June 30, 2015**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	2.84%

CITY OF CHAMPAIGN, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 36,928,115	36,877,715	37,124,746
Intergovernmental	27,055,371	27,666,741	27,650,520
Licenses, Permits and Fees	2,446,327	2,645,532	2,581,357
Charges for Services	1,232,367	1,321,707	1,365,596
Fines and Forfeitures	1,390,337	1,008,381	1,150,656
Refunds and Reimbursements	840,723	853,718	1,049,124
Interest	130,000	106,668	138,517
Miscellaneous	41,500	26,394	26,383
Total Revenues	<u>70,064,740</u>	<u>70,506,856</u>	<u>71,086,899</u>
Expenditures			
Current			
General Government	14,932,314	15,154,593	11,268,307
Public Safety	39,397,816	38,346,411	37,818,937
Public Works	7,706,176	7,400,028	7,075,615
Public Health and Welfare	332,084	282,128	240,954
Total Expenditures	<u>62,368,390</u>	<u>61,183,160</u>	<u>56,403,813</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,696,350</u>	<u>9,323,696</u>	<u>14,683,086</u>
Other Financing Sources (Uses)			
Disposal of Capital Assets	20,000	20,000	10,822
Transfers In	4,964,821	5,167,623	800,366
Transfers Out	(16,737,504)	(16,943,115)	(12,390,822)
	<u>(11,752,683)</u>	<u>(11,755,492)</u>	<u>(11,579,634)</u>
Net Change in Fund Balance	<u>(4,056,333)</u>	<u>(2,431,796)</u>	<u>3,103,452</u>
Fund Balance - Beginning			<u>23,615,896</u>
Fund Balance - Ending			<u>26,719,348</u>

CITY OF CHAMPAIGN, ILLINOIS

Champaign Public Library - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 5,878,952	5,700,103	5,913,300
Intergovernmental			
Replacement Taxes	93,106	92,981	93,957
Capital Grants	101,319	101,319	123,807
Other Grants	12,500	12,500	15,953
Charges for Services	133,095	127,655	149,749
Fines and Forfeitures	302,640	278,000	255,554
Interest	3,265	2,460	2,248
Gifts from the Champaign			
Public Library Foundation	122,700	144,742	151,957
Miscellaneous	4,357	4,457	7,743
Total Revenues	<u>6,651,934</u>	<u>6,464,217</u>	<u>6,714,268</u>
Expenditures			
Current			
Culture and Recreation	6,394,081	6,569,619	6,501,176
Capital Outlay	743,502	600,480	568,404
Total Expenditures	<u>7,137,583</u>	<u>7,170,099</u>	<u>7,069,580</u>
Net Change in Fund Balance	<u>(485,649)</u>	<u>(705,882)</u>	(355,312)
Fund Balance - Beginning			<u>1,817,293</u>
Fund Balance - Ending			<u><u>1,461,981</u></u>

CITY OF CHAMPAIGN, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotment	\$ 2,366,560	2,287,386	2,324,279
State Grants	174,005	146,846	48,415
Refunds and Reimbursements			
Reimbursements from Outside Agencies	-	4,713	4,713
Interest	30,075	21,984	4,994
Total Revenues	<u>2,570,640</u>	<u>2,460,929</u>	<u>2,382,401</u>
Expenditures			
Public Works			
Personnel Services	247,196	232,208	240,788
Contractual Services	233,552	3,146,637	2,481,640
Capital Outlay	1,930,999	2,213,618	2,175,256
Total Expenditures	<u>2,411,747</u>	<u>5,592,463</u>	<u>4,897,684</u>
Net Change in Fund Balance	<u>158,893</u>	<u>(3,131,534)</u>	(2,515,283)
Fund Balance - Beginning			<u>4,649,166</u>
Fund Balance - Ending			<u>2,133,883</u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Major Enterprise Funds
- Budgetary Comparison Schedules – Nonmajor Enterprise Fund
- Combining Statements – Internal Service Funds
- Budgetary Comparison Schedules – Internal Service Funds
- Combining Statements – Pension Trust Funds
- Budgetary Comparison Schedules – Pension Trust Funds

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Champaign Public Library Fund

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

Motor Fuel Tax Fund

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

Community Development Fund

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

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

Food and Beverage Tax Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS – Continued

North Campus Area TIF District Fund

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

Urban Renewal Fund

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

Downtown TIF Fund

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

East University Avenue TIF Fund

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

Urban Development Action Grant Fund

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

Foreign Fire Insurance Tax Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS – Continued

Narcotics Forfeitures Fund

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

Urbana Champaign Big Broadband (UC2B) Operations Fund

The Urbana Champaign Big Broadband (UC2B) Operations Fund is used to account for the receipt and disbursement of monies received as a sub-grantee of federal funds awarded to the University of Illinois. Uc2B is a fiber optic infrastructure that delivers the fastest, most state-of-the-art network communication technology on the planet. UC2B is an intergovernmental consortium of the University of Illinois and the cities of Champaign and Urbans. The Urbana Champaign Big Broadband (UC2B) Operations Fund is a nonmajor fund.

Local Motor Fuel Tax Fund

The Local Motor Fuel Tax Fund is used to account for the revenues derived from the City's four cent per gallon tax on retail purchases of gasoline in the City. The tax is also charged on bulk fuel purchases (including those made by the City itself) if the fuel is stored within the City limits. By ordinance, the funds provide additional resources to help pay for transportation infrastructure projects per the City's 10-year Street Improvement plan. The Local Motor Fuel Tax Fund is a nonmajor fund.

N. Mattis TIF Fund

The N. Mattis TIF Fund is used to account for incremental property tax revenues from properties located in the North Mattis Tax Increment Financing (TIF) District. Established in 2014, the TIF District Funds are being used to assist in the construction of a 730,000 square foot Kraft Warehouse project on the former AC Humko site. Additionally, Mattis Avenue right-of-way, the Wirco plant, and Glen Park are included in the TIF boundaries in an attempt in further other improvements and redevelopment to the area. The N. Mattis TIF Fund is a nonmajor fund.

DEBT SERVICE FUND

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS FUNDS

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

Stormwater Management Fund

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

Capital Improvements Fund

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

Vehicle Replacement Fund

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

Library Improvement Fund

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

Equipment Replacement Fund

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

ENTERPRISE FUNDS

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUNDS – Continued

Parking Fund

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

Sewer Fund

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

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, as well as other sustainability programs. The Environmental Services Fund is a nonmajor fund.

INTERNAL SERVICE FUNDS

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

Fleet Services Fund

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

Retained Risk Fund

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

Workers Compensation Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

PENSION TRUST FUNDS

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

Police Pension Fund

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

Firefighters' Pension Fund

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

CITY OF CHAMPAIGN, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes	\$ 11,031,887	11,066,078	11,102,006
Home Rule Sales Taxes	18,198,398	18,320,867	17,978,195
Utility Taxes	2,543,921	2,461,950	2,519,720
Telecommunications Taxes	2,384,615	2,126,035	2,403,152
Hotel/Motel Taxes	1,928,873	1,900,150	2,038,467
Other Taxes	840,421	1,002,635	1,083,206
Total Taxes	36,928,115	36,877,715	37,124,746
Intergovernmental			
State Sales and Use Taxes	17,943,734	18,064,489	17,726,613
Income Taxes	7,927,179	7,862,335	8,409,157
Replacement Taxes	939,106	937,853	953,718
Public Safety Grants	-	10,000	4,355
Other Grants	245,352	792,064	556,677
Total Intergovernmental	27,055,371	27,666,741	27,650,520
Licenses, Permits and Fees			
Licenses and Permits	1,611,666	1,798,775	1,733,577
Public Safety Service Fees	834,661	846,757	847,780
Total Licenses, Permits and Fees	2,446,327	2,645,532	2,581,357
Charges for Services	1,232,367	1,321,707	1,365,596
Fines and Forfeitures	1,390,337	1,008,381	1,150,656
Refunds and Reimbursements	840,723	853,718	1,049,124
Interest	130,000	106,668	138,517
Miscellaneous	41,500	26,394	26,383
Total Revenues	70,064,740	70,506,856	71,086,899

CITY OF CHAMPAIGN, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
General Government			
Mayor and Council	\$ 198,026	192,126	184,678
City Manager's Office	888,114	722,781	738,833
Legal	972,024	1,043,003	929,107
Finance	2,236,426	3,072,252	1,640,158
Human Resources	1,086,709	829,902	581,574
Risk Management	3,175,506	3,182,087	3,162,685
Planning	3,544,482	3,558,546	1,881,416
Neighborhood Services	691,610	607,116	602,375
Information Technologies	2,139,417	1,946,780	1,547,481
Total General Government	14,932,314	15,154,593	11,268,307
Public Safety			
Police	22,399,271	21,420,476	21,251,218
Fire	16,953,163	16,882,604	16,543,992
Emergency Services Disaster Agency	45,382	43,331	23,727
Total Public Safety	39,397,816	38,346,411	37,818,937
Public Works	7,706,176	7,400,028	7,075,615
Public Health and Welfare	332,084	282,128	240,954
Total Expenditures	62,368,390	61,183,160	56,403,813

CITY OF CHAMPAIGN, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ 24,450	28,730	31,956
Expenditures			
Debt Service			
Principal Retirement	3,500,000	3,500,000	3,500,000
Interest and Fiscal Charges	2,380,340	2,024,890	2,024,289
Total Expenditures	5,880,340	5,524,890	5,524,289
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,855,890)	(5,496,160)	(5,492,333)
Other Financing Sources			
Transfers In	5,532,030	5,591,072	4,891,072
Net Change in Fund Balance	(323,860)	94,912	(601,261)
Fund Balance - Beginning			4,429,757
Fund Balance - Ending			3,828,496

CITY OF CHAMPAIGN, ILLINOIS

Stormwater Management - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,349,339	1,342,412	1,336,794
Intergovernmental			
Grants	14,200	-	7,876
Licenses, Permits and Fees	2,770,780	2,791,137	2,777,204
Refunds and Reimbursements			
Reimbursements from Outside Agencies	430,807	434,044	413,554
Interest	12,498	21,000	29,831
Total Revenues	4,577,624	4,588,593	4,565,259
Expenditures			
Public Works			
Personnel Services	1,499,742	1,623,503	1,501,734
Contractual Services	2,887,985	3,450,426	1,206,681
Commodities	5,000	1,000	-
Capital Outlay	1,465,730	5,055,193	3,315,481
Debt Service			
Principal Retirement	20,004	20,004	20,004
Interest and Fiscal Charges	5,108	5,108	5,108
Total Expenditures	5,883,569	10,155,234	6,049,008
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,305,945)	(5,566,641)	(1,483,749)
Other Financing Sources (Uses)			
Transfers In	3,812,459	3,866,767	3,819,214
Transfers Out	(2,546,793)	(2,546,793)	(2,546,793)
	1,265,666	1,319,974	1,272,421
Net Change in Fund Balance	(40,279)	(4,246,667)	(211,328)
Fund Balance - Beginning			4,711,875
Fund Balance - Ending			4,500,547

CITY OF CHAMPAIGN, ILLINOIS

Capital Improvements - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 954,860	949,958	981,884
Intergovernmental			
Grants	-	1,447,774	799,666
Interest	9,201	28,212	39,755
Miscellaneous	-	-	4,500
Total Revenues	<u>964,061</u>	<u>2,425,944</u>	<u>1,825,805</u>
Expenditures			
Public Works			
Personnel Services	206,937	256,028	166,436
Contractual Services	1,188,634	2,919,883	1,336,482
Commodities	121,626	79,266	15,212
Capital Outlay	3,452,487	6,978,407	4,208,636
Total Expenditures	<u>4,969,684</u>	<u>10,233,584</u>	<u>5,726,766</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,005,623)</u>	<u>(7,807,640)</u>	<u>(3,900,961)</u>
Other Financing Sources (Uses)			
Transfers In	4,410,631	4,742,567	4,742,567
Transfers Out	(517,900)	(517,900)	(517,900)
	<u>3,892,731</u>	<u>4,224,667</u>	<u>4,224,667</u>
Net Change in Fund Balance	<u>(112,892)</u>	<u>(3,582,973)</u>	323,706
Fund Balance - Beginning			<u>4,203,779</u>
Fund Balance - Ending			<u>4,527,485</u>

CITY OF CHAMPAIGN, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2015

	Community Development	Food and Beverage Tax	North Campus Area TIF District	Urban Renewal	Downtown TIF	East University Avenue TIF	Special Urban Development Action Grant
ASSETS							
Cash and Investments	\$ 211,414	5,330,940	756,637	1,683,830	1,178,355	1,935,143	664,840
Receivables - Net of Allowances							
Property Taxes	-	-	493,139	-	1,132,007	100,935	-
Other Taxes	-	69,491	-	70,245	-	-	-
Accrued Interest	-	2,898	364	944	495	1,010	381
Other	156	-	-	-	-	-	210,902
Land Held for Resale	-	-	-	704,070	-	-	-
Prepays	-	-	-	-	-	-	-
Total Assets	211,570	5,403,329	1,250,140	2,459,089	2,310,857	2,037,088	876,123
LIABILITIES							
Accounts Payable	21,357	508,289	128,966	86,277	5,485	5,306	2,138
Retainage Payable	-	-	7,458	4,550	-	-	-
Accrued Payroll	13,983	-	-	-	-	-	-
Due to Other Funds	-	-	-	3,140	-	-	-
Total Liabilities	35,340	508,289	136,424	93,967	5,485	5,306	2,138
DEFERRED INFLOWS OF RESOURCES							
Property Taxes	-	-	493,140	-	1,132,007	100,935	-
Total Liabilities and Deferred Inflows of Resources	35,340	508,289	629,564	93,967	1,137,492	106,241	2,138
FUND BALANCES							
Nonspendable	-	-	-	704,070	-	-	-
Restricted	176,230	-	-	1,661,052	1,173,365	1,930,847	873,985
Committed	-	4,895,040	620,576	-	-	-	-
Total Fund Balances	176,230	4,895,040	620,576	2,365,122	1,173,365	1,930,847	873,985
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	211,570	5,403,329	1,250,140	2,459,089	2,310,857	2,037,088	876,123

Revenue					Capital Projects				
Foreign Fire Insurance Tax	Narcotics Forfeitures	UC2B Operations	Local Motor Fuel Tax	N. Mattis TIF	Vehicle Replacement	Library Improvements	Equipment Replacement	Totals	
239,222	221,006	50,225	1,230,642	10,565	3,060,733	137,461	4,406,211	21,117,224	
-	-	-	-	10,516	-	203,086	-	1,939,683	
-	-	-	106,630	-	-	-	-	246,366	
131	110	-	662	3	1,641	65	2,333	11,037	
-	7,402	-	-	-	-	-	-	218,460	
-	-	-	-	-	-	-	-	704,070	
-	-	-	-	-	218,758	-	-	218,758	
239,353	228,518	50,225	1,337,934	21,084	3,281,132	340,612	4,408,544	24,455,598	
11,909	1,745	50,225	505,623	-	302	-	19,207	1,346,829	
-	-	-	24,922	-	-	-	-	36,930	
-	-	-	-	-	-	-	-	13,983	
-	-	-	-	-	-	-	-	3,140	
11,909	1,745	50,225	530,545	-	302	-	19,207	1,400,882	
-	-	-	-	10,516	-	213,571	-	1,950,169	
11,909	1,745	50,225	530,545	10,516	302	213,571	19,207	3,351,051	
-	-	-	-	-	218,758	-	-	922,828	
227,444	226,773	-	807,389	10,568	-	127,041	-	7,214,694	
-	-	-	-	-	3,062,072	-	4,389,337	12,967,025	
227,444	226,773	-	807,389	10,568	3,280,830	127,041	4,389,337	21,104,547	
239,353	228,518	50,225	1,337,934	21,084	3,281,132	340,612	4,408,544	24,455,598	

CITY OF CHAMPAIGN, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2015

	Community Development	Food and Beverage Tax	North Campus Area TIF District	Urban Renewal	Downtown TIF	East University Avenue TIF	Special Urban Development Action Grant
Revenues							
Taxes	\$ -	743,750	951,787	944,765	1,975,537	196,528	-
Intergovernmental	774,650	-	-	44,554	-	-	359,788
Fines and Forfeitures	-	-	-	-	-	-	-
Refunds and Reimbursements	10,268	-	-	600	-	-	-
Interest	-	44,202	4,830	12,036	9,435	15,919	4,820
Miscellaneous	3,868	-	-	6,618	-	-	6,392
Total Revenues	788,786	787,952	956,617	1,008,573	1,984,972	212,447	371,000
Expenditures							
Current							
General Government	-	986,784	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Public Health and Welfare	827,558	-	106,063	688,259	921,843	59,158	366,926
Culture and Recreation	-	-	-	-	-	-	-
Capital Outlay	-	149,069	306,845	206,402	-	2,739	-
Total Expenditures	827,558	1,135,853	412,908	894,661	921,843	61,897	366,926
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,772)	(347,901)	543,709	113,912	1,063,129	150,550	4,074
Other Financing Sources (Uses)							
Disposal of Capital Assets	-	-	-	-	-	-	-
Transfers In	80,236	-	-	-	-	270,000	-
Transfers Out	(3,321)	-	(300,050)	(75,274)	(1,470,000)	-	(4,962)
	76,915	-	(300,050)	(75,274)	(1,470,000)	270,000	(4,962)
Net Change in Fund Balances	38,143	(347,901)	243,659	38,638	(406,871)	420,550	(888)
Fund Balances - Beginning	138,087	5,242,941	376,917	2,326,484	1,580,236	1,510,297	874,873
Fund Balances - Ending	176,230	4,895,040	620,576	2,365,122	1,173,365	1,930,847	873,985

Revenue					Capital Projects				
Foreign Fire Insurance Tax	Narcotics Forfeitures	UC2B Operations	Local Motor Fuel Tax	N. Mattis TIF	Vehicle Replacement	Library Improvements	Equipment Replacement	Totals	
118,221	-	-	-	10,516	-	422,415	-	5,363,519	
-	92,471	-	1,333,063	-	-	-	-	2,604,526	
-	128,240	-	-	-	-	-	-	128,240	
-	-	1,264	-	-	5,000	-	-	17,132	
2,120	2,140	-	9,267	52	26,051	1,109	34,382	166,363	
-	-	-	-	-	-	-	-	16,878	
120,341	222,851	1,264	1,342,330	10,568	31,051	423,524	34,382	8,296,658	
-	-	-	-	-	-	-	-	986,784	
90,315	109,841	-	-	-	-	-	-	200,156	
-	-	-	778,854	-	33,341	-	-	812,195	
-	-	-	-	-	-	-	-	2,969,807	
-	-	-	-	-	-	660	-	660	
-	-	-	1,426,004	-	1,093,735	-	771,803	3,956,597	
90,315	109,841	-	2,204,858	-	1,127,076	660	771,803	8,926,199	
30,026	113,010	1,264	(862,528)	10,568	(1,096,025)	422,864	(737,421)	(629,541)	
-	-	-	-	-	201,679	-	-	201,679	
-	-	-	-	-	1,556,646	-	934,993	2,841,875	
-	(16,417)	-	-	-	(761,589)	(420,514)	(79,852)	(3,131,979)	
-	(16,417)	-	-	-	996,736	(420,514)	855,141	(88,425)	
30,026	96,593	1,264	(862,528)	10,568	(99,289)	2,350	117,720	(717,966)	
197,418	130,180	(1,264)	1,669,917	-	3,380,119	124,691	4,271,617	21,822,513	
227,444	226,773	-	807,389	10,568	3,280,830	127,041	4,389,337	21,104,547	

CITY OF CHAMPAIGN, ILLINOIS

Community Development - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ 2,450,920	1,785,423	774,650
Refunds and Reimbursements			
Reimbursements from Outside Agencies	20,000	20,000	10,268
Interest	100	100	-
Miscellaneous	1,700	1,700	3,868
Total Revenues	<u>2,472,720</u>	<u>1,807,223</u>	<u>788,786</u>
Expenditures			
Public Health and Welfare			
Personnel Services	447,999	448,491	477,942
Contractual Services	2,308,808	1,364,127	345,220
Commodities	6,400	7,400	4,396
Total Expenditures	<u>2,763,207</u>	<u>1,820,018</u>	<u>827,558</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(290,487)</u>	<u>(12,795)</u>	<u>(38,772)</u>
Other Financing Sources (Uses)			
Transfers In	105,000	105,000	80,236
Transfers Out	(3,321)	(3,321)	(3,321)
	<u>101,679</u>	<u>101,679</u>	<u>76,915</u>
Net Change in Fund Balance	<u>(188,808)</u>	<u>88,884</u>	<u>38,143</u>
Fund Balance - Beginning			<u>138,087</u>
Fund Balance - Ending			<u>176,230</u>

CITY OF CHAMPAIGN, ILLINOIS

Food and Beverage Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Food and Beverage Tax	\$ 729,852	693,713	743,750
Refunds and Reimbursements			
Reimbursements from Outside Agencies	-	24,500	-
Interest	16,894	31,860	44,202
Total Revenues	<u>746,746</u>	<u>750,073</u>	<u>787,952</u>
Expenditures			
General Government			
Personnel Services	89,653	97,703	88,628
Contractual Services	580,148	1,195,083	898,156
Capital Outlay	-	-	149,069
Total Expenditures	<u>669,801</u>	<u>1,292,786</u>	<u>1,135,853</u>
Net Change in Fund Balance	<u>76,945</u>	<u>(542,713)</u>	<u>(347,901)</u>
Fund Balance - Beginning			<u>5,242,941</u>
Fund Balance - Ending			<u>4,895,040</u>

CITY OF CHAMPAIGN, ILLINOIS

North Campus Area TIF District - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 779,498	780,287	951,787
Interest	1,742	2,928	4,830
Total Revenues	<u>781,240</u>	<u>783,215</u>	<u>956,617</u>
Expenditures			
Public Health and Welfare			
Contractual Services	60,400	479,765	106,063
Capital Outlay	-	-	306,845
Total Expenditures	<u>60,400</u>	<u>479,765</u>	<u>412,908</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	720,840	303,450	543,709
Other Financing (Uses)			
Transfers Out	<u>(300,050)</u>	<u>(574,650)</u>	<u>(300,050)</u>
Net Change in Fund Balance	<u>420,790</u>	<u>(271,200)</u>	243,659
Fund Balance - Beginning			<u>376,917</u>
Fund Balance - Ending			<u><u>620,576</u></u>

CITY OF CHAMPAIGN, ILLINOIS

Urban Renewal - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Utility Taxes	\$ 939,982	957,425	944,765
Intergovernmental			
State Grants	-	50,000	44,554
Refunds and Reimbursements			
Reimbursements from Outside Agencies	218,400	-	600
Interest	6,655	13,332	12,036
Miscellaneous	-	6,618	6,618
Total Revenues	1,165,037	1,027,375	1,008,573
Expenditures			
Public Health and Welfare			
Personnel Services	418,186	418,884	373,005
Contractual Services	1,470,477	731,311	245,916
Commodities	97,501	71,001	69,338
Capital Outlay	2,066,752	1,431,866	206,402
Total Expenditures	4,052,916	2,653,062	894,661
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,887,879)	(1,625,687)	113,912
Other Financing Sources (Uses)			
Transfers In	2,009,352	799,949	-
Transfers Out	(80,000)	(80,000)	(75,274)
	1,929,352	719,949	(75,274)
Net Change in Fund Balance	(958,527)	(905,738)	38,638
Fund Balance - Beginning			2,326,484
Fund Balance - Ending			2,365,122

CITY OF CHAMPAIGN, ILLINOIS

Downtown TIF - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,705,385	1,668,373	1,975,537
Interest	5,179	10,956	9,435
Total Revenues	1,710,564	1,679,329	1,984,972
Expenditures			
Public Health and Welfare			
Contractual Services	990,538	1,007,681	921,843
Excess (Deficiency) of Revenues Over (Under) Expenditures	720,026	671,648	1,063,129
Other Financing (Uses)			
Transfers Out	(1,200,000)	(1,470,000)	(1,470,000)
Net Change in Fund Balance	(479,974)	(798,352)	(406,871)
Fund Balance - Beginning			1,580,236
Fund Balance - Ending			1,173,365

CITY OF CHAMPAIGN, ILLINOIS

East University Avenue TIF - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 166,727	159,882	196,528
Interest	6,923	9,636	15,919
Total Revenues	<u>173,650</u>	<u>169,518</u>	<u>212,447</u>
Expenditures			
Public Health and Welfare			
Contractual Services	261,650	265,250	59,158
Capital Outlay	200,000	200,000	2,739
Total Expenditures	<u>461,650</u>	<u>465,250</u>	<u>61,897</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(288,000)	(295,732)	150,550
Other Financing Sources			
Transfers In	-	270,000	270,000
Net Change in Fund Balance	<u>(288,000)</u>	<u>(25,732)</u>	420,550
Fund Balance - Beginning			<u>1,510,297</u>
Fund Balance - Ending			<u>1,930,847</u>

CITY OF CHAMPAIGN, ILLINOIS

Urban Development Action Grant - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 164,586	203,949	359,788
Refunds and Reimbursements			
Reimbursements from Outside Agencies	10,000	10,000	-
Interest	9,000	5,292	4,820
Miscellaneous	10,900	10,900	6,392
Total Revenues	<u>194,486</u>	<u>230,141</u>	<u>371,000</u>
Expenditures			
Public Health and Welfare			
Contractual Services	388,421	371,368	366,926
Excess (Deficiency) of Revenues Over (Under) Expenditures	(193,935)	(141,227)	4,074
Other Financing (Uses)			
Transfers Out	(189,586)	(25,000)	(4,962)
Net Change in Fund Balance	<u>(383,521)</u>	<u>(166,227)</u>	(888)
Fund Balance - Beginning			<u>874,873</u>
Fund Balance - Ending			<u><u>873,985</u></u>

CITY OF CHAMPAIGN, ILLINOIS

Foreign Fire Insurance Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Foreign Fire Insurance Tax	\$ 113,000	118,221	118,221
Interest	2,000	1,152	2,120
Total Revenues	<u>115,000</u>	<u>119,373</u>	<u>120,341</u>
Expenditures			
Public Safety			
Personnel Services	20,000	20,000	1,991
Contractual Services	27,000	27,000	25,288
Commodities	84,690	84,690	63,036
Total Expenditures	<u>131,690</u>	<u>131,690</u>	<u>90,315</u>
Net Change in Fund Balance	<u>(16,690)</u>	<u>(12,317)</u>	30,026
Fund Balance - Beginning			<u>197,418</u>
Fund Balance - Ending			<u>227,444</u>

CITY OF CHAMPAIGN, ILLINOIS

Narcotics Forfeitures - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ 75,000	75,000	92,471
Fines and Forfeitures			
Drug Forfeitures	75,000	75,000	128,240
Interest	2,000	1,000	2,140
Total Revenues	<u>152,000</u>	<u>151,000</u>	<u>222,851</u>
Expenditures			
Public Safety			
Contractual Services	77,609	92,185	79,456
Commodities	37,778	37,778	30,385
Total Expenditures	<u>115,387</u>	<u>129,963</u>	<u>109,841</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,613	21,037	113,010
Other Financing (Uses)			
Transfers Out	<u>(16,417)</u>	<u>(16,417)</u>	<u>(16,417)</u>
Net Change in Fund Balance	<u>20,196</u>	<u>4,620</u>	96,593
Fund Balance - Beginning			<u>130,180</u>
Fund Balance - Ending			<u>226,773</u>

CITY OF CHAMPAIGN, ILLINOIS

UC2B Operations - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Revenues			
Refunds and Reimbursements			
Reimbursements from Outside Agencies	\$ -	-	1,264
Interest	-	737	-
Total Revenues	-	737	1,264
Expenditures			
Public Works			
Contractual Services	160,400	169,000	-
Net Change in Fund Balance	<u>(160,400)</u>	<u>(168,263)</u>	1,264
Fund Balance - Beginning			<u>(1,264)</u>
Fund Balance - Ending			<u>-</u>

CITY OF CHAMPAIGN, ILLINOIS

Local Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Local Motor Fuel Tax	\$ 1,180,000	1,298,047	1,333,063
Refunds and Reimbursements	-	537,979	-
Interest	4,227	10,116	9,267
Total Revenues	1,184,227	1,846,142	1,342,330
Expenditures			
Public Works			
Personnel Services	49,990	197,409	120,776
Contractual Services	90,000	1,007,435	658,078
Capital Outlay	310,000	1,724,800	1,426,004
Total Expenditures	449,990	2,929,644	2,204,858
Net Change in Fund Balance	734,237	(1,083,502)	(862,528)
Fund Balance - Beginning			1,669,917
Fund Balance - Ending			807,389

CITY OF CHAMPAIGN, ILLINOIS

N. Mattis TIF - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Tax	\$ 20,858	-	10,516
Interest	-	-	52
Total Revenues	20,858	-	10,568
Expenditures			
Public Health and Welfare			
Contractual Services	20,858	-	-
Net Change in Fund Balance	-	-	10,568
Fund Balance - Beginning			-
Fund Balance - Ending			10,568

CITY OF CHAMPAIGN, ILLINOIS

Vehicle Replacement - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Refunds and Reimbursements	\$ -	5,000	5,000
Interest	35,000	21,348	26,051
Total Revenues	35,000	26,348	31,051
Expenditures			
Public Works			
Contractual Services	37,381	47,669	33,341
Capital Outlay	2,258,382	2,638,118	1,093,735
Total Expenditures	2,295,763	2,685,787	1,127,076
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,260,763)	(2,659,439)	(1,096,025)
Other Financing Sources (Uses)			
Disposal of Capital Assets	130,000	130,000	201,679
Transfers In	1,594,172	1,561,172	1,556,646
Transfers Out	-	-	(761,589)
	1,724,172	1,691,172	996,736
Net Change in Fund Balance	(536,591)	(968,267)	(99,289)
Fund Balance - Beginning			3,380,119
Fund Balance - Ending			3,280,830

CITY OF CHAMPAIGN, ILLINOIS

Library Improvements - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 422,341	420,514	422,415
Interest	620	1,200	1,109
Total Revenues	422,961	421,714	423,524
Expenditures			
Culture and Recreation			
Contractual Services	-	-	660
Excess (Deficiency) of Revenues Over (Under) Expenditures	422,961	421,714	422,864
Other Financing (Uses)			
Transfers Out	(422,341)	(420,514)	(420,514)
Net Change in Fund Balance	620	1,200	2,350
Fund Balance - Beginning			124,691
Fund Balance - Ending			127,041

CITY OF CHAMPAIGN, ILLINOIS

Equipment Replacement - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	25,644	34,382
Expenditures			
Capital Outlay	1,879,346	2,176,995	771,803
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,879,346)	(2,151,351)	(737,421)
Other Financing Sources (Uses)			
Transfers In	896,428	931,353	934,993
Transfers Out	(68,633)	(79,852)	(79,852)
	827,795	851,501	855,141
Net Change in Fund Balance	(1,051,551)	(1,299,850)	117,720
Fund Balance - Beginning			4,271,617
Fund Balance - Ending			4,389,337

CITY OF CHAMPAIGN, ILLINOIS

Parking - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Parking Fees	\$ 2,909,645	2,709,287	2,856,875
Operating Expenses			
Personnel Services	1,724,395	1,610,324	1,597,267
Contractual Services	1,419,687	1,769,261	739,308
Commodities	181,711	114,050	57,240
Capital Outlay	997,664	1,036,114	-
Depreciation and Amortization	(22,156)	(22,156)	532,644
Total Operating Expenses	4,301,301	4,507,593	2,926,459
Operating Income (Loss)	(1,391,656)	(1,798,306)	(69,584)
Nonoperating Revenues (Expenses)			
Interest Income	25,000	37,572	48,692
Refunds and Reimbursements	168,943	168,943	9,058
Disposal of Capital Assets	500,000	-	(56,504)
Interest Expense	(477,151)	(354,013)	(354,023)
	216,792	(147,498)	(352,777)
Income (Loss) Before Transfers	(1,174,864)	(1,945,804)	(422,361)
Transfers In	1,200,000	1,200,000	1,200,000
Transfers Out	(172,039)	(172,042)	(196,622)
Change in Net Position	(146,903)	(917,846)	581,017
Net Position - Beginning			14,080,631
Net Position - Ending			14,661,648

CITY OF CHAMPAIGN, ILLINOIS

Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Sewer Charges	\$ 2,152,096	2,088,098	2,067,234
Operating Expenses			
Personnel Services	734,416	732,172	666,379
Contractual Services	665,737	682,992	572,995
Commodities	117,256	79,941	72,249
Capital Outlay	299,049	620,415	171,116
Depreciation	-	-	684,104
Total Operating Expenses	1,816,458	2,115,520	2,166,843
Operating Income (Loss)	335,638	(27,422)	(99,609)
Nonoperating Revenues (Expenses)			
Interest Income	2,858	1,464	1,004
Refunds and Reimbursements	7,500	7,500	52,498
Disposal of Capital Asset	-	-	(95,470)
Interest Expense	(15,163)	(15,163)	(15,163)
	(4,805)	(6,199)	(57,131)
Income (Loss) Before Transfers	330,833	(33,621)	(156,740)
Transfers Out	(248,862)	(248,862)	(248,862)
Change in Net Position	81,971	(282,483)	(405,602)
Net Position - Beginning			36,830,859
Net Position - Ending			36,425,257

CITY OF CHAMPAIGN, ILLINOIS

Environmental Services - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Recycling Fee	\$ 545,173	548,173	545,468
Operating Expenses			
Personnel Services	85,932	65,141	117,278
Contractual Services	414,256	539,049	300,409
Commodities	6,250	4,050	2,016
Total Operating Expenses	506,438	608,240	419,703
Operating Income (Loss)	38,735	(60,067)	125,765
Nonoperating Revenues			
Interest Income	1,000	1,452	3,193
Income (Loss) Before Transfers	39,735	(58,615)	128,958
Transfers Out	(3,631)	(3,631)	(3,631)
Change in Net Position	36,104	(62,246)	125,327
Net Position - Beginning			232,797
Net Position - Ending			358,124

CITY OF CHAMPAIGN, ILLINOIS

Internal Service Funds

**Combining Statement of Net Position
June 30, 2015**

	Fleet Services	Retained Risk	Workers Compensation	Totals
ASSETS				
Current Assets				
Cash and Investments	\$ -	3,927,984	2,327,574	6,255,558
Receivables - Net of Allowances				
Accounts	1,149	-	-	1,149
Accrued Interest	-	2,051	1,183	3,234
Inventory	229,551	-	-	229,551
Prepays		304,335	80,748	385,083
Total Current Assets	<u>230,700</u>	<u>4,234,370</u>	<u>2,409,505</u>	<u>6,874,575</u>
Noncurrent Assets				
Capital Assets				
Depreciable	11,310,204	-	-	11,310,204
Accumulated Depreciation	(8,644,124)	-	-	(8,644,124)
Total Noncurrent Assets	<u>2,666,080</u>	<u>-</u>	<u>-</u>	<u>2,666,080</u>
Total Assets	<u>2,896,780</u>	<u>4,234,370</u>	<u>2,409,505</u>	<u>9,540,655</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	42,615	540	-	43,155
Accrued Payroll	18,545	-	-	18,545
Claims Payable	-	443,422	2,495,481	2,938,903
Due to Other Funds	107,135	-	-	107,135
Compensated Absences Payable	25,517	-	-	25,517
Total Current Liabilities	<u>193,812</u>	<u>443,962</u>	<u>2,495,481</u>	<u>3,133,255</u>
Noncurrent Liabilities				
Compensated Absences Payable	102,067	-	-	102,067
Total Liabilities	<u>295,879</u>	<u>443,962</u>	<u>2,495,481</u>	<u>3,235,322</u>
NET POSITION				
Invested in Capital Assets	2,666,080	-	-	2,666,080
Unrestricted (Deficit)	(65,179)	3,790,408	(85,976)	3,639,253
Total Net Position	<u>2,600,901</u>	<u>3,790,408</u>	<u>(85,976)</u>	<u>6,305,333</u>

CITY OF CHAMPAIGN, ILLINOIS

Internal Service Funds

**Combining Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2015**

	Fleet Services	Retained Risk	Workers Compensation	Totals
Operating Revenues				
Charges for Services	\$ 2,065,777	951,145	2,386,706	5,403,628
Operating Expenses				
Personnel Services	882,432	46,045	338,522	1,266,999
Contractual Services	263,914	701,804	1,420,687	2,386,405
Commodities	799,698	-	-	799,698
Depreciation	979,091	-	-	979,091
Total Operating Expenses	2,925,135	747,849	1,759,209	5,432,193
Operating Income (Loss)	(859,358)	203,296	627,497	(28,565)
Nonoperating Revenues (Expenses)				
Interest Income	(148)	32,612	19,101	51,565
Refunds and Reimbursements	14,045	161,857	146,153	322,055
Other Income	2,720	-	-	2,720
	16,617	194,469	165,254	376,340
Income (Loss) Before Transfers	(842,741)	397,765	792,751	347,775
Transfers In	761,589	-	-	761,589
Transfers Out	(12,599)	(7,475)	-	(20,074)
	748,990	(7,475)	-	741,515
Changes in Net Position	(93,751)	390,290	792,751	1,089,290
Net Position - Beginning	2,694,652	3,400,118	(878,727)	5,216,043
Net Position - Ending	2,600,901	3,790,408	(85,976)	6,305,333

CITY OF CHAMPAIGN, ILLINOIS

**Statement of Cash Flows - Internal Service Funds
For the Fiscal Year Ended June 30, 2015**

	Fleet Services	Retained Risk	Workers Compensation	Totals
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 2,111,596	1,088,649	2,518,388	5,718,633
Payments to Employees	(467,873)	(46,045)	(338,522)	(852,440)
Payments to Suppliers	(1,630,976)	(936,374)	(1,854,173)	(4,421,523)
	<u>12,747</u>	<u>106,230</u>	<u>325,693</u>	<u>444,670</u>
Cash Flows from Noncapital Financing Activities				
Transfers Out	(12,599)	(7,475)	-	(20,074)
Cash Flows from Investing Activities				
Interest Received	(148)	32,612	19,101	51,565
Net Change in Cash and Cash Equivalents	-	131,367	344,794	476,161
Cash and Cash Equivalents - Beginning	-	3,796,617	1,982,780	5,779,397
Cash and Cash Equivalents - Ending	-	<u>3,927,984</u>	<u>2,327,574</u>	<u>6,255,558</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(859,358)	203,296	627,497	(28,565)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	979,091	-	-	979,091
Other Income	16,765	161,857	146,153	324,775
(Increase) Decrease in Current Assets	29,054	(24,353)	(14,471)	(9,770)
Increase (Decrease) in Current Liabilities	(152,805)	(234,570)	(433,486)	(820,861)
Net Cash Provided by Operating Activities	<u>12,747</u>	<u>106,230</u>	<u>325,693</u>	<u>444,670</u>
Noncash Capital Activities				
Contributions of Capital Assets from City	<u>761,589</u>	-	-	<u>761,589</u>

CITY OF CHAMPAIGN, ILLINOIS

Fleet Services - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,962,754	2,000,611	2,065,777
Operating Expenses			
Personnel Services	641,865	623,218	882,432
Contractual Services	436,689	496,772	263,914
Commodities	783,689	732,923	799,698
Capital Outlay	98,720	-	-
Depreciation	-	-	979,091
Total Operating Expenses	1,960,963	1,852,913	2,925,135
Operating Income (Loss)	1,791	147,698	(859,358)
Nonoperating Revenues (Expenses)			
Interest Income	(652)	(972)	(148)
Refunds and Reimbursements	-	16,200	14,045
Other Income	-	2,250	2,720
	(652)	17,478	16,617
Income (Loss) Before Transfers	1,139	165,176	(842,741)
Transfers In	-	-	761,589
Transfers Out	(12,599)	(12,599)	(12,599)
Change in Net Position	(11,460)	152,577	(93,751)
Net Position - Beginning			2,694,652
Net Position - Ending			2,600,901

CITY OF CHAMPAIGN, ILLINOIS

Retained Risk - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 987,912	995,855	951,145
Operating Expenses			
Personnel Services	46,045	46,045	46,045
Contractual Services	1,217,754	1,218,327	701,804
Total Operating Expenses	1,263,799	1,264,372	747,849
Operating Income (Loss)	(275,887)	(268,517)	203,296
Nonoperating Revenues			
Interest Income	66,330	23,304	32,612
Refunds and Reimbursements	174,238	105,898	161,857
	240,568	129,202	194,469
Income (Loss) Before Transfers	(35,319)	(139,315)	397,765
Transfers Out	(45,000)	(12,000)	(7,475)
Change in Net Position	(80,319)	(151,315)	390,290
Net Position - Beginning			3,400,118
Net Position - Ending			3,790,408

CITY OF CHAMPAIGN, ILLINOIS

Workers Compensation - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 2,391,547	2,391,547	2,386,706
Operating Expenses			
Personnel Services	278,960	278,960	338,522
Contractual Services	1,816,589	1,798,611	1,420,687
Total Operating Expenses	2,095,549	2,077,571	1,759,209
Operating Income	295,998	313,976	627,497
Nonoperating Revenues			
Refunds and Reimbursements	368,013	368,013	146,153
Interest Income	10,983	11,964	19,101
	378,996	379,977	165,254
Income Before Transfers	674,994	693,953	792,751
Transfers Out	(73,500)	-	-
Change in Net Position	601,494	693,953	792,751
Net Position - Beginning			(878,727)
Net Position - Ending			(85,976)

CITY OF CHAMPAIGN, ILLINOIS

Pension Trust Funds

**Combining Statement of Fiduciary Net Position
June 30, 2015**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 241,197	1,635,846	1,877,043
Investments			
U.S. Treasuries	10,125,629	6,209,936	16,335,565
U.S. Agencies	7,446,390	927,822	8,374,212
State and Local Obligations	831,263	626,417	1,457,680
Corporate Bonds	3,064,443	7,783,808	10,848,251
Equities	53,352,838	-	53,352,838
Mutual Funds	9,999,145	32,653,906	42,653,051
Annuities	-	19,304,505	19,304,505
Common Stock	-	6,588,799	6,588,799
Real Estate Investment Portfolio	4,077,676	-	4,077,676
Receivables			
Accrued Interest	145,507	131,386	276,893
Other	66,370	-	66,370
Prepays	4,061	-	4,061
Total Assets	89,354,519	75,862,425	165,216,944
LIABILITIES			
Accounts Payable	74,779	11,937	86,716
NET POSITION			
Held in Trust for Pension Benefits	89,279,740	75,850,488	165,130,228

CITY OF CHAMPAIGN, ILLINOIS

Pension Trust Funds

**Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2015**

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 4,821,825	3,362,615	8,184,440
Contributions - Plan Members	927,339	694,767	1,622,106
Other Income	-	678	678
Total Contributions	5,749,164	4,058,060	9,807,224
Investment Income			
Interest Earned	1,650,296	1,214,983	2,865,279
Net Change in Fair Value	2,216,475	991,516	3,207,991
	3,866,771	2,206,499	6,073,270
Less Investment Expenses	(420,822)	(169,408)	(590,230)
Net Investment Income	3,445,949	2,037,091	5,483,040
Total Additions	9,195,113	6,095,151	15,290,264
Deductions			
Administration	5,426,618	61,622	5,488,240
Benefits and Refunds	141,932	4,748,865	4,890,797
Total Deductions	5,568,550	4,810,487	10,379,037
Change in Net Position	3,626,563	1,284,664	4,911,227
Net Positions Held in Trust for Pension Benefits			
Beginning	85,653,177	74,565,824	160,219,001
Ending	89,279,740	75,850,488	165,130,228

CITY OF CHAMPAIGN, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 5,006,496	5,085,065	4,821,825
Contributions - Plan Members	-	-	927,339
Total Contributions	<u>5,006,496</u>	<u>5,085,065</u>	<u>5,749,164</u>
Investment income			
Interest Earned	-	-	1,650,296
Net Change in Fair Value	-	-	2,216,475
	-	-	3,866,771
Less Investment Expenses	-	-	(420,822)
Net Investment Income	<u>-</u>	<u>-</u>	<u>3,445,949</u>
Total Additions	<u>5,006,496</u>	<u>5,085,065</u>	<u>9,195,113</u>
Deductions			
Administration	5,006,496	5,085,065	5,426,618
Benefits and Refunds	-	-	141,932
Total Deductions	<u>5,006,496</u>	<u>5,085,065</u>	<u>5,568,550</u>
Change in Net Position	<u>-</u>	<u>-</u>	3,626,563
Net Positions Held in Trust for Pension Benefits			
Beginning			<u>85,653,177</u>
Ending			<u>89,279,740</u>

CITY OF CHAMPAIGN, ILLINOIS

Firefighters' Pension - Pension Trust Fund

**Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 3,662,134	3,377,236	3,362,615
Contributions - Plan Members	750,000	690,200	694,767
Other Income	-	-	678
Total Contributions	4,412,134	4,067,436	4,058,060
Investment income			
Interest Earned	1,250,000	1,429,656	1,214,983
Net Change in Fair Value	2,500,000	2,500,000	991,516
	3,750,000	3,929,656	2,206,499
Less Investment Expenses	-	(170,000)	(169,408)
Net Investment Income	3,750,000	3,759,656	2,037,091
Total Additions	8,162,134	7,827,092	6,095,151
Deductions			
Administration	-	54,150	61,622
Benefits and Refunds	4,538,000	4,737,000	4,748,865
Total Deductions	4,538,000	4,791,150	4,810,487
Change in Net Position	3,624,134	3,035,942	1,284,664
Net Positions Held in Trust for Pension Benefits			
Beginning			74,565,824
Ending			75,850,488

SUPPLEMENTAL SCHEDULES

CITY OF CHAMPAIGN, ILLINOIS

Long-Term Debt Requirements

IEPA Loan #17-0944 of 1996

June 30, 2015

Date of Issue	August 16, 1996
Date of Maturity	August 16, 2016
Authorized Issue	\$741,188
Interest Rate	2.815%
Interest Dates	August 16 and February 16
Principal Maturity Dates	August 16 and February 16
Payable at	Illinois Environment Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 47,397	1,685	49,082
2017	24,200	341	24,541
	<u>71,597</u>	<u>2,026</u>	<u>73,623</u>

CITY OF CHAMPAIGN, ILLINOIS

Long-Term Debt Requirements

IEPA Loan #L17-3962 of 2011

June 30, 2015

Date of Issue	September 2, 2011
Date of Maturity	June 23, 2031
Authorized Issue	\$514,456
Interest Rate	1.25%
Interest Dates	December 23 and June 23
Principal Maturity Dates	December 23 and June 23
Payable at	Illinois Environment Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 24,498	5,312	29,810
2017	24,805	5,005	29,810
2018	25,116	4,694	29,810
2019	25,431	4,379	29,810
2020	25,750	4,060	29,810
2021	26,073	3,737	29,810
2022	26,400	3,410	29,810
2023	26,731	3,079	29,810
2024	27,066	2,744	29,810
2025	27,405	2,405	29,810
2026	27,749	2,161	29,910
2027	28,097	1,713	29,810
2028	28,449	1,361	29,810
2029	28,806	1,004	29,810
2030	29,168	643	29,811
2031	29,533	278	29,811
	<u>431,077</u>	<u>45,985</u>	<u>477,062</u>

CITY OF CHAMPAIGN, ILLINOIS

Long-Term Debt Requirements

IEPA Loan #L-17-3871 of 2011

June 30, 2015

Date of Issue	November 15, 2011
Date of Maturity	August 28, 2031
Authorized Issue	\$533,169
Interest Rate	1.25%
Interest Dates	August 28 and February 28
Principal Maturity Dates	August 28 and February 28
Payable at	Illinois Environment Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 25,231	5,663	30,894
2017	25,548	5,347	30,895
2018	25,868	5,026	30,894
2019	26,192	4,702	30,894
2020	26,521	4,373	30,894
2021	26,854	4,041	30,895
2022	27,190	3,705	30,895
2023	27,531	3,364	30,895
2024	27,877	3,018	30,895
2025	28,226	2,668	30,894
2026	28,579	2,315	30,894
2027	28,938	1,956	30,894
2028	29,301	1,593	30,894
2029	29,669	1,226	30,895
2030	30,041	854	30,895
2031	30,417	477	30,894
2032	15,351	96	15,447
	<u>459,334</u>	<u>50,424</u>	<u>509,758</u>

CITY OF CHAMPAIGN, ILLINOIS

Long-Term Debt Requirements

IEPA Loan #L17-4108 of 2013

June 30, 2015

Date of Issue	April 15, 2013
Date of Maturity	October 15, 2032
Authorized Issue	\$433,375
Interest Rate	1.25%
Interest Dates	October 15 and April 15
Principal Maturity Dates	October 15 and April 15
Payable at	Illinois Environment Protection Agency

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 20,255	4,857	25,112
2017	20,508	4,604	25,112
2018	20,766	4,346	25,112
2019	21,026	4,086	25,112
2020	21,290	3,822	25,112
2021	21,557	3,555	25,112
2022	21,828	3,284	25,112
2023	22,101	3,011	25,112
2024	22,378	2,734	25,112
2025	22,659	2,453	25,112
2026	22,943	2,169	25,112
2027	23,230	1,882	25,112
2028	23,522	1,590	25,112
2029	23,816	1,296	25,112
2030	24,115	997	25,112
2031	24,418	694	25,112
2032	24,725	387	25,112
2033	12,478	79	12,557
	<u>393,615</u>	<u>45,846</u>	<u>439,461</u>

CITY OF CHAMPAIGN, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bonds of 2005
June 30, 2015**

Date of Issue	September 20, 2005
Date of Maturity	December 15, 2015
Authorized Issue	\$24,015,000
Denomination of Bonds	\$5,000
Interest Rates	3.50% - 4.25%
Interest Dates	December 15 and June 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	<u>\$ 1,435,000</u>	<u>28,700</u>	<u>1,463,700</u>

CITY OF CHAMPAIGN, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2007A

June 30, 2015

Date of Issue	December 4, 2007
Date of Maturity	December 15, 2023
Authorized Issue	\$7,025,000
Denomination of Bonds	\$5,000
Interest Rates	3.750% - 6.00%
Interest Dates	December 15 and June 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 570,000	236,550	806,550
2017	690,000	204,450	894,450
2018	875,000	167,344	1,042,344
2019	930,000	133,500	1,063,500
2020	1,115,000	95,156	1,210,156
2021	440,000	66,000	506,000
2022	470,000	30,938	500,938
2023	510,000	12,563	522,563
2024	560,000	10,500	570,500
	<u>6,160,000</u>	<u>957,001</u>	<u>7,117,001</u>

CITY OF CHAMPAIGN, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2007B

June 30, 2015

Date of Issue	December 4, 2007
Date of Maturity	December 15, 2016
Authorized Issue	\$2,750,000
Denomination of Bonds	\$5,000
Interest Rate	3.75%
Interest Dates	December 15 and June 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 665,000	22,031	687,031
2017	255,000	4,781	259,781
	<u>920,000</u>	<u>26,812</u>	<u>946,812</u>

CITY OF CHAMPAIGN, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2008

June 30, 2015

Date of Issue	December 4, 2007
Date of Maturity	December 15, 2016
Authorized Issue	\$9,950,000
Denomination of Bonds	\$5,000
Interest Rates	5.75%
Interest Dates	December 15 and June 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ -	55,776	55,776
2017	970,000	27,888	997,888
	<u>970,000</u>	<u>83,664</u>	<u>1,053,664</u>

CITY OF CHAMPAIGN, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2009
June 30, 2015**

Date of Issue	May 5, 2009
Date of Maturity	December 15, 2016
Authorized Issue	\$9,280,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 2.75%
Interest Dates	December 15 and June 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 815,000	34,169	849,169
2017	835,000	11,481	846,481
	<u>1,650,000</u>	<u>45,650</u>	<u>1,695,650</u>

CITY OF CHAMPAIGN, ILLINOIS

Long-Term Debt Requirements

**General Obligation (Build America) Bonds of 2010
June 30, 2015**

Date of Issue	March 16, 2010
Date of Maturity	December 15, 2029
Authorized Issue	\$25,620,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 5.60%
Interest Dates	December 15 and June 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 515,000	1,108,089	1,623,089
2017	530,000	1,143,270	1,673,270
2018	660,000	1,122,745	1,782,745
2019	1,640,000	1,078,720	2,718,720
2020	1,430,000	1,016,710	2,446,710
2021	1,285,000	957,446	2,242,446
2022	1,600,000	891,812	2,491,812
2023	1,790,000	814,690	2,604,690
2024	1,790,000	733,245	2,523,245
2025	1,995,000	647,136	2,642,136
2026	2,060,000	549,735	2,609,735
2027	2,080,000	444,160	2,524,160
2028	2,020,000	336,060	2,356,060
2029	2,400,000	215,520	2,615,520
2030	2,670,000	74,760	2,744,760
	<u>24,465,000</u>	<u>11,134,098</u>	<u>35,599,098</u>

CITY OF CHAMPAIGN, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2012
June 30, 2015**

Date of Issue	December 15, 2012
Date of Maturity	December 15, 2025
Authorized Issue	\$9,900,000
Denomination of Bonds	\$5,000
Interest Rates	1.00% - 2.125%
Interest Dates	December 15 and June 15
Principal Maturity Date	December 15
Payable at	Deutsche Bank National Trust Company, Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 285,000	189,407	474,407
2017	300,000	184,982	484,982
2018	330,000	178,682	508,682
2019	355,000	171,832	526,832
2020	390,000	164,382	554,382
2021	410,000	156,382	566,382
2022	440,000	147,882	587,882
2023	1,505,000	128,432	1,633,432
2024	2,100,000	92,382	2,192,382
2025	1,715,000	54,232	1,769,232
2026	1,745,000	18,541	1,763,541
	<u>9,575,000</u>	<u>1,487,136</u>	<u>11,062,136</u>

CITY OF CHAMPAIGN, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2013
June 30, 2015**

Date of Issue	December 15, 2013
Date of Maturity	December 15, 2022
Authorized Issue	\$8,835,000
Denomination of Bonds	\$5,000
Interest Rates	1.50% - 4.00%
Interest Dates	December 15 and June 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ -	263,088	263,088
2017	1,335,000	253,075	1,588,075
2018	1,335,000	231,381	1,566,381
2019	1,345,000	206,250	1,551,250
2020	1,380,000	165,200	1,545,200
2021	1,435,000	108,900	1,543,900
2022	1,490,000	50,400	1,540,400
2023	515,000	10,300	525,300
	<u>8,835,000</u>	<u>1,288,594</u>	<u>10,123,594</u>

CITY OF CHAMPAIGN, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2015
June 30, 2015**

Date of Issue	April 9, 2015
Date of Maturity	December 15, 2027
Authorized Issue	\$8,735,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% - 4.00%
Interest Dates	December 15 and June 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ 110,000	346,100	456,100
2017	-	345,000	345,000
2018	1,330,000	318,400	1,648,400
2019	1,300,000	265,800	1,565,800
2020	1,385,000	212,100	1,597,100
2021	1,190,000	160,600	1,350,600
2022	410,000	128,600	538,600
2023	435,000	111,700	546,700
2024	455,000	93,900	548,900
2025	485,000	75,100	560,100
2026	510,000	55,200	565,200
2027	545,000	34,100	579,100
2028	580,000	11,600	591,600
	<u>8,735,000</u>	<u>2,158,200</u>	<u>10,893,200</u>

STATISTICAL SECTION

(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

CITY OF CHAMPAIGN, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
June 30, 2015 (Unaudited)

See Following Page

CITY OF CHAMPAIGN, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
June 30, 2015 (Unaudited)**

	2006	2007	2008
Governmental Activities			
Net Invested in Capital Assets	\$ 287,896,301	301,573,900	306,842,893
Restricted	26,241,714	28,357,405	33,290,768
Unrestricted	20,778,318	20,976,283	22,308,092
Total Governmental Activities Net Position	334,916,333	350,907,588	362,441,753
Business-Type Activities			
Net Invested in Capital Assets	40,740,067	41,323,953	46,156,247
Unrestricted	1,693,698	2,262,863	122,127
Total Business-Type Activities Net Position	42,433,765	43,586,816	46,278,374
Primary Government			
Net Invested in Capital Assets	328,636,368	342,897,853	352,999,140
Restricted	26,241,714	28,357,405	33,290,768
Unrestricted	22,472,016	23,239,146	22,430,219
Total Primary Government Net Position	377,350,098	394,494,404	408,720,127

Data Source: City of Champaign Records

(1) Fiscal year 2006 through fiscal year 2012 present debt issuance costs under pre GASB 65 format and include the Town of the City of Champaign as a blended component unit.

2009	2010	2011	2012	2013 (1)	2014	2015
315,565,419	316,864,651	312,109,692	306,167,963	299,054,577	293,270,586	288,386,303
34,068,087	37,896,845	29,228,834	31,795,116	25,269,121	23,975,609	19,166,539
17,725,715	18,697,531	35,555,990	38,770,974	46,922,526	50,771,795	1,999,960
367,359,221	373,459,027	376,894,516	376,734,053	371,246,224	368,017,990	309,552,802
42,266,662	42,201,436	43,150,685	42,383,871	42,389,079	42,872,605	43,055,588
4,893,647	5,144,409	4,905,953	5,880,892	5,001,037	8,271,682	8,389,441
47,160,309	47,345,845	48,056,638	48,264,763	47,390,116	51,144,287	51,445,029
357,832,081	359,066,087	355,260,377	348,551,834	341,443,656	336,143,191	331,441,891
34,068,087	37,896,845	29,228,834	31,795,116	25,269,121	23,975,609	19,166,539
22,619,362	23,841,940	40,461,943	44,651,866	51,923,563	59,043,477	10,389,401
414,519,530	420,804,872	424,951,154	424,998,816	418,636,340	419,162,277	360,997,831

CITY OF CHAMPAIGN, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
June 30, 2015 (Unaudited)

	2006	2007	2008	2009	2010	2011	2012 (1)	2013 (2)	2014	2015
Expenses										
Governmental Activities										
General Government	\$ 26,643,673	26,967,534	27,470,878	28,374,127	25,053,945	11,908,847	12,005,620	10,966,280	12,378,559	14,436,613
Public Safety	27,953,689	28,928,846	30,859,387	32,445,764	33,518,572	34,675,122	34,868,337	34,047,633	36,070,103	38,230,052
Public Works	14,043,056	13,377,570	15,182,509	14,608,311	10,361,197	28,106,711	36,180,015	36,883,136	35,604,217	34,121,391
Public Health and Welfare	3,218,608	3,286,854	3,455,929	3,570,883	3,116,510	5,652,333	4,256,322	3,632,531	3,632,085	3,726,961
Culture and Recreation	5,393,791	5,720,914	6,977,674	8,727,487	8,100,600	8,211,390	8,099,384	8,307,345	8,137,450	7,622,802
Interest on Long-Term Debt	2,002,350	1,978,522	2,003,464	1,997,004	1,937,398	2,547,854	2,580,612	2,333,208	2,558,973	2,963,178
Total Governmental Activities Expenses	79,255,167	80,260,240	85,949,841	89,723,576	82,088,222	91,102,257	97,990,290	96,170,133	98,381,387	101,100,997
Business-Type Activities										
Parking	1,228,843	1,346,506	1,237,600	2,052,596	2,482,144	3,305,432	3,176,006	3,285,006	3,144,952	3,336,986
Sewer	1,643,878	2,022,687	2,334,841	2,069,803	2,007,743	1,712,616	1,947,803	2,207,155	1,945,858	2,277,476
Environmental Services	-	-	-	-	21,305	429,440	381,176	399,330	376,721	419,703
Total Business-Type Activities Expenses	2,872,721	3,369,193	3,572,441	4,122,399	4,511,192	5,447,488	5,504,985	5,891,491	5,467,531	6,034,165
Total Primary Government Expenses	82,127,888	83,629,433	89,522,282	93,845,975	86,599,414	96,549,745	103,495,275	102,061,624	103,848,918	107,135,162
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	4,217,665	5,001,025	4,647,907	5,359,733	2,989,633	3,533,997	3,703,660	4,502,141	4,436,347	4,489,627
Public Safety	1,891,465	1,862,730	1,789,122	1,795,972	2,010,723	2,290,542	2,296,558	2,143,246	2,164,285	2,088,106
Public Works	1,719,611	1,130,618	1,316,934	145,364	2,615,881	2,703,356	1,159,277	673,770	2,869,200	3,221,030
Public Health and Welfare	98,435	187,411	30,213	40,708	147,126	62,943	161,708	418,818	241,780	10,868
Culture and Recreation	216,909	225,647	238,350	301,117	307,097	394,785	375,358	362,977	391,688	557,260
Operating Grants/Contributions	4,711,799	3,897,258	3,487,967	3,087,467	4,319,548	4,364,750	3,068,753	3,333,250	4,306,317	4,705,253
Capital Grants/Contributions	139,200	12,171,448	12,530,729	13,301,529	6,521,242	10,308,912	13,990,073	5,564,307	3,681,256	123,807
Total Governmental Activities Program Revenues	12,995,084	24,476,137	24,041,222	24,031,890	18,911,250	23,659,285	24,755,387	16,998,509	18,090,873	15,195,951
Business-Type Activities										
Charges for Services										
Parking	2,605,048	2,359,053	2,523,646	2,935,263	2,879,411	2,803,093	2,837,241	2,867,094	3,001,898	2,856,875
Sewer	2,233,306	2,232,610	2,256,737	1,613,004	2,043,484	2,042,869	2,133,379	1,959,663	2,080,612	2,067,234
Environmental Services	-	-	-	-	-	286,388	521,234	533,866	551,567	545,468
Operating Grants/Contributions	-	689,566	-	-	-	434,802	6,000	-	-	-
Capital Grants/Contributions	-	-	1,688,811	447,420	-	506,751	408,839	99,060	-	-
Total Business-Type Activities Program Revenues	4,838,354	5,281,229	6,469,194	4,995,687	4,922,895	6,073,903	5,906,693	5,459,683	5,634,077	5,469,577
Total Primary Government Program Revenues	17,833,438	29,757,366	30,510,416	29,027,577	23,834,145	29,733,188	30,662,080	22,458,192	23,724,950	20,665,528

	2006	2007	2008	2009	2010	2011	2012 (1)	2013 (2)	2014	2015
Net (Expense) Revenue										
Governmental Activities	\$ (66,260,083)	(55,784,103)	(61,908,619)	(65,691,686)	(63,176,972)	(67,442,972)	(73,234,903)	(79,171,624)	(80,290,514)	(85,905,046)
Business-Type Activities	1,965,633	1,912,036	2,896,753	873,288	411,703	626,415	401,708	(431,808)	166,546	(564,588)
Total Primary Government Net (Expense) Revenue	(64,294,450)	(53,872,067)	(59,011,866)	(64,818,398)	(62,765,269)	(66,816,557)	(72,833,195)	(79,603,432)	(80,123,968)	(86,469,634)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	16,135,528	18,382,602	20,056,963	21,895,060	22,897,278	23,710,716	23,596,172	23,013,015	22,734,630	22,890,767
Home Rule Sales Taxes	-	-	-	-	-	-	14,589,041	14,755,821	15,911,703	17,978,195
Utility Taxes	3,328,903	3,121,319	3,208,575	3,291,675	3,100,689	3,256,595	3,141,430	3,447,290	3,571,097	3,464,485
Telecommunications Taxes	2,762,936	2,721,309	2,729,475	2,776,705	2,716,397	2,532,760	2,595,279	2,404,207	2,410,268	2,403,152
Hotel/Motel Taxes	1,045,992	1,185,373	1,403,567	1,452,562	1,425,198	1,491,306	1,621,938	1,677,045	1,819,069	2,038,467
Food and Beverage Taxes	994,347	1,028,984	1,090,962	1,098,374	606,686	620,163	1,212,132	1,229,223	1,413,873	743,750
Foreign Fire Insurance Taxes	-	-	-	-	-	-	106,073	102,057	112,647	118,221
Local Motor Fuel Taxes	-	-	-	-	-	-	219,569	1,223,010	1,190,528	1,333,063
Other Taxes	335,118	308,132	333,768	366,221	848,583	888,324	247,679	221,186	401,435	1,177,163
Intergovernmental										
Income Taxes	6,240,629	7,151,328	8,161,593	7,262,288	6,593,639	6,905,954	7,844,998	8,512,203	8,649,490	8,409,157
Sales Taxes	29,282,829	30,058,556	30,742,138	29,642,446	29,154,241	30,218,339	16,570,642	16,933,670	17,285,575	17,726,613
Replacement Taxes	-	-	-	-	-	-	-	-	-	953,718
Interest Income	1,692,504	2,896,269	2,486,470	1,541,276	960,673	624,958	794,728	(173,585)	787,049	465,229
Miscellaneous	1,090,705	2,423,231	2,679,118	1,068,426	640,612	650,294	436,029	945,528	527,604	58,224
Internal Activity - Transfers	826,891	658,418	494,157	270,119	332,782	(20,948)	98,730	421,366	247,312	(750,885)
Total Governmental Activities	63,736,382	69,935,521	73,386,786	70,665,152	69,276,778	70,878,461	73,074,440	74,712,036	77,062,280	79,009,319
Business-Type Activities										
Taxes										
Property	300,174	(212,534)	-	-	-	-	-	-	-	-
Interest Income	41,156	111,967	288,962	315,410	106,615	63,430	78,935	(21,523)	72,789	52,889
Miscellaneous	-	-	-	(36,644)	-	-	(173,788)	50	3,762,148	61,556
Internal Activity - Transfers	(826,891)	(658,418)	(494,157)	(270,119)	(332,782)	20,948	(98,730)	(421,366)	(247,312)	750,885
Total Business-Type Activities	(485,561)	(758,985)	(205,195)	8,647	(226,167)	84,378	(193,583)	(442,839)	3,587,625	865,330
Total Primary Government	63,250,821	69,176,536	73,181,591	70,673,799	69,050,611	70,962,839	72,880,857	74,269,197	80,649,905	79,874,649
Changes in Net Position										
Governmental Activities	(2,523,701)	14,151,418	11,478,167	4,973,466	6,099,806	3,435,489	(160,463)	(4,459,588)	(3,228,234)	(6,895,727)
Business-Type Activities	1,480,072	1,153,051	2,691,558	881,935	185,536	710,793	208,125	(874,647)	3,754,171	300,742
Total Primary Government	(1,043,629)	15,304,469	14,169,725	5,855,401	6,285,342	4,146,282	47,662	(5,334,235)	525,937	(6,594,985)

Data Source: City of Champaign Records

- (1) Sales Taxes for 2006-2011 includes Home Rule Sales Taxes. Other Taxes for 2006-2011 includes Foreign Fire Insurance Taxes. Local Motor Fuel Taxes began in 2012.
- (2) Fiscal year 2006-2012 present debt issuance costs under pre GASB 65 format and present the Town of the City of Champaign as a blended component unit. In fiscal year 2013 debt issuance costs are expensed and the Town of the City of Champaign is a discretely presented component unit.

CITY OF CHAMPAIGN, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
June 30, 2015 (Unaudited)**

	2006	2007	2008
General Fund			
Reserved	\$ -	-	-
Unreserved	18,698,999	18,460,497	19,408,702
Nonspendable	-	-	-
Committed	-	-	-
Unassigned	-	-	-
Total General Fund	18,698,999	18,460,497	19,408,702
All Other Governmental Funds			
Reserved	22,149,457	10,613,560	5,620,783
Unreserved, Reported in:			
Special Revenues Funds	8,971,716	10,597,404	10,704,511
Capital Projects Funds	13,985,807	15,198,901	19,231,249
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Unassigned	-	-	-
Total All Other Governmental Funds	45,106,980	36,409,865	35,556,543

Data Source: City of Champaign Records

Note: GASB 54 was implemented in fiscal year 2011.

- (1) Fiscal year 2006 through fiscal year 2012 present the Town of the City of Champaign as a blended component unit. In fiscal year 2013 the Town of the City of Champaign is a discretely presented component unit.

2009	2010	2011	2012	2013 (1)	2014	2015
-	18,134	-	-	-	-	-
17,550,062	15,139,248	-	-	-	-	-
-	-	11,966	84,928	6,936	7,840	5,000
-	-	-	5,929,744	5,948,495	4,782,422	4,782,422
-	-	18,892,865	15,752,744	16,959,305	18,825,634	21,931,926
17,550,062	15,157,382	18,904,831	21,767,416	22,914,736	23,615,896	26,719,348
4,533,016	21,472,480	-	-	-	-	-
11,920,440	15,102,368	-	-	-	-	-
17,881,539	17,433,134	-	-	-	-	-
-	-	940	-	-	904	922,828
-	-	28,100,740	27,782,905	22,525,215	23,651,274	19,166,539
-	-	18,249,898	13,542,973	16,484,170	17,983,469	17,467,572
-	-	(1,004,699)	(1,335,033)	(8,933)	(1,264)	-
34,334,995	54,007,982	45,346,879	39,990,845	39,000,452	41,634,383	37,556,939

CITY OF CHAMPAIGN, ILLINOIS

**General Governmental Revenues by Source - Last Ten Fiscal Years
June 30, 2015 (Unaudited)**

Source	2006	2007	2008
Taxes	\$ 60,126,282	63,957,603	67,727,041
Intergovernmental	4,850,999	4,096,467	4,376,259
Licenses, Permits and Fees	1,894,778	1,893,676	2,017,250
Charges for Services	777,796	771,750	872,119
Fines and Forfeitures	1,571,115	1,549,510	1,436,495
Interest	1,614,578	2,771,719	2,370,212
Miscellaneous	4,302,866	4,181,606	5,700,991
Totals	<u>75,138,414</u>	<u>79,222,331</u>	<u>84,500,367</u>

Data Source: City of Champaign Records

- (1) Prior to fiscal year 2012, the Taxes source line included the City's share of state mandated taxes. For fiscal year 2012, state mandated taxes that are shared with the City are included in the Intergovernmental source line.
- (2) Fiscal year 2006 through fiscal year 2012 present the Town of the City of Champaign as a blended component unit. In fiscal year 2013 the Town of the City of Champaign is a discretely presented component unit.

2009	2010	2011	2012 (1)	2013 (2)	2014	2015
67,785,331	69,279,954	71,560,163	47,081,634	47,851,668	49,163,815	50,720,243
4,081,834	5,260,527	7,870,080	38,945,527	36,150,885	36,744,548	33,668,999
1,732,653	1,744,435	1,977,598	2,246,450	2,729,502	5,115,136	5,358,561
917,506	1,159,820	1,290,356	1,371,033	1,488,166	1,379,330	1,515,345
1,401,466	1,590,640	1,900,865	1,870,090	1,631,882	1,614,896	1,534,450
1,455,183	890,755	592,275	731,249	(164,202)	716,771	413,664
3,932,089	3,850,283	3,999,546	2,219,038	2,672,955	2,058,459	1,691,984
81,306,062	83,776,414	89,190,883	94,465,021	92,360,856	96,792,955	94,903,246

CITY OF CHAMPAIGN, ILLINOIS

**General Governmental Expenditures by Function - Last Ten Fiscal Years
June 30, 2015 (Unaudited)**

Function	2006	2007	2008
General Government	\$ 10,372,876	11,595,038	11,543,107
Public Safety	26,727,479	28,522,105	30,566,526
Public Works	13,613,298	12,903,067	16,692,612
Public Health and Welfare	3,200,406	3,271,874	3,442,950
Culture and Recreation	4,953,318	5,320,934	6,127,030
Capital Outlay	11,774,994	25,056,339	17,788,740
Debt Service			
Principal Retirement	1,640,000	1,725,000	4,970,000
Interest and Fiscal Charges	1,978,168	1,944,690	2,003,464
Totals	74,260,539	90,339,047	93,134,429

Data Source: City of Champaign Records

(1) Fiscal year 2006 through fiscal year 2012 present the Town of the City of Champaign as a blended component unit. In fiscal year 2013 the Town of the City of Champaign is a discretely presented component unit.

2009	2010	2011	2012	2013 (1)	2014	2015
12,007,990	12,555,079	11,119,970	11,326,473	11,347,102	11,756,913	12,255,091
32,250,638	32,900,497	33,839,760	35,201,783	35,388,151	36,550,234	38,019,093
13,326,716	11,475,962	12,558,433	11,146,743	11,310,904	11,807,033	12,797,443
3,727,077	3,220,880	5,642,467	4,254,972	3,625,974	3,603,569	3,210,761
6,668,037	6,498,950	6,342,081	6,174,125	6,435,257	6,302,083	6,501,836
14,345,840	21,888,965	18,929,824	24,221,572	18,044,785	17,581,341	16,263,714
2,080,000	2,780,000	2,935,000	2,595,000	3,440,000	4,084,756	3,520,004
2,005,237	1,850,598	2,969,447	2,601,211	2,406,660	2,303,847	2,029,397
86,411,535	93,170,931	94,336,982	97,521,879	91,998,833	93,989,776	94,597,339

CITY OF CHAMPAIGN, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
June 30, 2015 (Unaudited)**

	2006	2007	2008
Revenues			
Taxes	\$ 60,126,282	63,957,603	67,727,041
Intergovernmental	4,850,999	4,096,467	4,376,259
Licenses and Permits	1,894,778	1,893,676	2,017,250
Charges for Services and Fees	777,796	771,750	872,119
Fines and Forfeits	1,571,115	1,549,510	1,436,495
Investment Income	1,614,578	2,771,719	2,370,212
Miscellaneous	4,302,866	4,181,606	5,700,991
Total Revenues	75,138,414	79,222,331	84,500,367
Expenditures			
General Government	10,372,876	11,595,038	11,543,107
Public Safety	26,727,479	28,522,105	30,566,526
Public Works	13,613,298	12,903,067	16,692,612
Public Welfare	3,200,406	3,271,874	3,442,950
Culture and Recreation	4,953,318	5,320,934	6,127,030
Capital Outlay	11,774,994	25,056,339	17,788,740
Debt Service			
Principal	1,640,000	1,725,000	4,970,000
Interest and Fiscal Charges	1,978,168	1,944,690	2,003,464
Total Expenditures	74,260,539	90,339,047	93,134,429
Excess of Revenues Over (Under) Expenditures	877,875	(11,116,716)	(8,634,062)
Other Financing Sources (Uses)			
Disposal of Capital Assets	372,665	1,929,143	479,920
Debt Issuance	24,015,000	-	7,025,000
Debt Issuance Premium	-	-	139,957
Payment to Escrow Agent	-	-	-
Transfers In	21,409,947	31,747,555	25,938,910
Transfers Out	(20,038,295)	(30,651,210)	(24,854,842)
	25,759,317	3,025,488	8,728,945
Net Change in Fund Balances	26,637,192	(8,091,228)	94,883
Debt Service as a Percentage of Noncapital Expenditures	5.79%	6.91%	11.13%

Data Source: City of Champaign Records

- (1) Prior to fiscal year 2012, the Taxes source line included the City's share of state mandated taxes. For fiscal year, state mandated taxes that are shared with the City are included in the Intergovernmental source line.
- (2) Fiscal year 2006 through fiscal year 2012 present the Town of the City of Champaign as a blended component unit. In fiscal year 2013 the Town of the City of Champaign is a discretely presented component unit.

2009	2010	2011	2012 (1)	2013 (2)	2014	2015
67,785,331	69,279,954	71,560,163	47,081,634	47,851,668	49,163,815	50,720,243
4,081,834	5,260,527	7,870,080	38,945,527	36,150,885	36,744,548	33,668,999
1,732,653	1,744,435	1,977,598	2,246,450	2,729,502	5,115,136	5,358,561
917,506	1,159,820	1,290,356	1,371,033	1,488,166	1,379,330	1,515,345
1,401,466	1,590,640	1,900,865	1,870,090	1,631,882	1,614,896	1,534,450
1,455,183	890,755	592,275	731,249	(164,202)	716,771	413,664
3,932,089	3,850,283	3,999,546	2,219,038	2,672,955	2,058,459	1,691,984
81,306,062	83,776,414	89,190,883	94,465,021	92,360,856	96,792,955	94,903,246
12,007,990	12,555,079	11,119,970	11,326,473	11,347,102	11,756,913	12,255,091
32,250,638	32,900,497	33,839,760	35,201,783	35,388,151	36,550,234	38,019,093
13,326,716	11,475,962	12,558,433	11,146,743	11,310,904	11,807,033	12,797,443
3,727,077	3,220,880	5,642,467	4,254,972	3,625,974	3,603,569	3,210,761
6,668,037	6,498,950	6,342,081	6,174,125	6,435,257	6,302,083	6,501,836
14,345,840	21,888,965	18,929,824	24,221,572	18,044,785	17,581,341	16,263,714
2,080,000	2,780,000	2,935,000	2,595,000	3,440,000	4,084,756	3,520,004
2,005,237	1,850,598	2,969,447	2,601,211	2,406,660	2,303,847	2,029,397
86,411,535	93,170,931	94,336,982	97,521,879	91,998,833	93,989,776	94,597,339
(5,105,473)	(9,394,517)	(5,146,099)	(3,056,858)	362,023	2,803,179	305,907
808,103	98,722	145,529	264,737	54,937	74,503	212,501
9,280,000	25,620,000	-	107,499	9,900,000	8,835,000	-
114,923	-	-	-	188,917	663,077	-
(9,060,000)	-	-	-	(10,081,042)	(9,373,962)	-
18,423,126	25,437,333	29,009,545	22,069,394	19,066,306	18,217,094	17,095,094
(17,540,867)	(24,481,232)	(28,922,628)	(21,878,221)	(18,559,072)	(17,883,800)	(18,587,494)
2,025,285	26,674,823	232,446	563,409	570,046	531,912	(1,279,899)
(3,080,188)	17,280,306	(4,913,653)	(2,493,449)	932,069	3,335,091	(973,992)
7.27%	6.08%	7.77%	6.22%	6.71%	7.25%	5.87%

CITY OF CHAMPAIGN, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
June 30, 2015 (Unaudited)**

Tax Levy Year	Residential Property	Farm
2005	\$ 711,817,507	\$ 463,300
2006	798,244,474	323,850
2007	879,192,204	457,210
2008	914,636,140	538,130
2009	904,749,950	472,480
2010	902,553,042	515,170
2011	884,706,072	557,110
2012	865,569,902	1,576,320
2013	847,340,982	592,580
2014	851,045,102	695,500

Data Source: Champaign County Clerk

Commercial Property	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
466,974,314	\$ 11,127,730	\$ 1,190,382,851	437,157	\$ 1,190,820,008	1.3120
513,119,952	12,438,140	1,324,126,416	474,016	1,324,600,432	1.2659
554,431,171	13,121,150	1,447,201,735	511,677	1,447,713,412	1.2942
604,280,501	12,940,420	1,532,395,191	608,574	1,533,003,765	1.2942
620,905,933	13,330,860	1,539,459,223	747,330	1,540,206,553	1.2942
624,502,192	13,537,720	1,541,108,124	807,525	1,541,915,649	1.2942
626,671,114	12,351,850	1,524,286,146	907,361	1,525,193,507	1.3084
636,365,774	12,924,540	1,516,436,536	928,108	1,517,364,644	1.3152
630,793,322	12,509,040	1,491,235,924	920,989	1,492,156,913	1.3152
649,483,032	12,555,370	1,513,779,004	905,966	1,514,684,970	1.3152

CITY OF CHAMPAIGN, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
June 30, 2015 (Unaudited)**

	2005	2006	2007
City of Champaign			
Corporate	0.1409	0.1259	0.1324
Library	0.3940	0.3940	0.3940
Library Capital	0.0282	0.0282	0.0282
Fire Pension	0.1774	0.1878	0.1855
Police Pension	0.2383	0.2280	0.2168
IMRF	0.1705	0.1493	0.1434
Capital Improvement	0.1627	0.1527	0.1939
Total Direct Tax Rate	<u>1.3120</u>	<u>1.2659</u>	<u>1.2942</u>
Overlapping Rates			
County	0.7801	0.7616	0.7389
Forest Preserve	0.0818	0.0800	0.0779
Township	0.0368	0.0357	0.0350
Park	0.6597	0.6414	0.6190
Public Health	0.1087	0.1060	0.1049
Parkland College	0.4776	0.4720	0.4688
School Unit 4	3.8288	3.7273	3.6296
Mass Transit	0.2623	0.2592	0.2544
Total Overlapping Tax Rate	<u>6.2358</u>	<u>6.0832</u>	<u>5.9285</u>
 Total Direct and Overlapping Tax Rates	 <u>7.5478</u>	 <u>7.3491</u>	 <u>7.2227</u>

Note: Tax rates per \$100 of assessed value.

Data Source: Champaign County Clerk

2008	2009	2010	2011	2012	2013	2014
0.2071	0.1678	0.1062	0.0902	0.0788	0.0667	0.0611
0.3940	0.3940	0.3940	0.3903	0.3940	0.3940	0.3940
0.0282	0.0282	0.0282	0.0279	0.0282	0.0282	0.0282
0.1890	0.1941	0.2221	0.2321	0.2206	0.2075	0.2058
0.1933	0.2099	0.2326	0.2560	0.2676	0.2873	0.3018
0.1422	0.1545	0.1610	0.1602	0.1735	0.1771	0.1722
0.1404	0.1457	0.1501	0.1517	0.1525	0.1544	0.1521
1.2942	1.2942	1.2942	1.3084	1.3152	1.3152	1.3152
0.7426	0.7487	0.7688	0.7841	0.8138	0.8511	0.8636
0.0783	0.0790	0.0817	0.0843	0.0880	0.0931	0.0944
0.0350	0.0357	0.0371	0.0385	0.0404	0.0405	0.0414
0.6157	0.6300	0.6529	0.6789	0.7088	0.7645	0.7264
0.1052	0.1071	0.1075	0.1102	0.1163	0.1259	0.1290
0.5115	0.5082	0.5064	0.5120	0.5191	0.5253	0.5259
3.6554	3.6546	3.7238	3.8805	4.1185	4.3014	4.3884
0.2575	0.2619	0.2725	0.2831	0.2966	0.3198	0.3282
6.0012	6.0252	6.1507	6.3716	6.7015	7.0216	7.0973
7.2954	7.3194	7.4449	7.6800	8.0167	8.3368	8.4125

CITY OF CHAMPAIGN, ILLINOIS

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

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Champaign Market Place, LLC	\$ 23,508,390	1	1.55%	\$ 6,867,030	6	0.58%
Campus Property Management	19,135,820	2	1.26%	17,567,410	1	1.48%
Bankier Family	12,991,030	3	0.86%	8,725,850	3	0.73%
Shapland Realty, LLC	10,221,940	4	0.67%	8,663,000	4	0.73%
Regency Consolidated	9,326,410	5	0.62%			
Dan Hamelburg	7,741,620	6	0.51%			
Baytowne Apartments, LLC	7,247,410	7	0.48%	5,962,900	7	0.50%
Edward Rose Development Co.	7,122,890	8	0.47%			
Pickus Companies	6,925,510	9	0.46%			
Christie Management Co Inc.	6,590,160	10	0.44%			
Champaign Market Place				14,435,960	2	1.21%
Peter Holstein				7,395,340	5	0.62%
Christie Building, Inc.				5,680,570	8	0.48%
Fox/Atkins Development, LLC				4,990,920	9	0.42%
JSM Apartments				4,983,950	10	0.42%
	<u>110,811,180</u>		<u>7.32%</u>	<u>85,272,930</u>		<u>7.16%</u>

Data Source: Champaign County Clerk

CITY OF CHAMPAIGN, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
June 30, 2015 (Unaudited)**

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 15,623,559	8,052,571	51.54%	7,563,454	15,616,025	99.95%
2007	16,768,114	8,505,840	50.73%	8213314	16,719,154	99.71%
2008	18,736,307	9,402,062	50.18%	9,218,966	18,621,028	99.38%
2009	19,840,135	9,880,397	49.80%	9844355	19,724,752	99.42%
2010	19,933,353	10,004,754	50.19%	9796232	19,800,986	99.34%
2011	19,955,472	10,142,608	50.83%	9,751,085	19,893,693	99.69%
2012	19,955,632	10,263,484	51.43%	9,654,576	19,918,060	99.81%
2013	19,956,380	10,153,014	50.88%	9,702,010	19,855,024	99.49%
2014	19,624,848	10,473,408	53.37%	9,150,352	19,623,760	99.99%
2015	19,921,137	10,469,237	52.55%	N/A	10,469,237	52.55%

Data Source: County and City Records

N/A - Not Available

CITY OF CHAMPAIGN, ILLINOIS

**Sales Tax Received by Category - Last Ten Calendar Years
June 30, 2015 (Unaudited)**

Category	2005	2006	2007
General Merchandise	\$ 2,556,632	2,712,306	2,645,843
Food	1,282,699	1,260,553	1,311,379
Drinking and Eating Places	1,710,172	1,832,619	1,932,476
Apparel	835,275	850,095	891,122
Furniture & H.H. & Radio	1,077,986	1,130,574	1,225,704
Lumber, Building, Hardware	1,131,500	1,163,972	1,104,908
Automobile and Filling Stations	2,238,156	2,129,923	2,022,836
Drugs and Miscellaneous Retail	1,654,470	1,806,329	1,920,129
Agriculture and All Others	1,631,804	1,713,452	1,751,189
Manufacturers	100,103	117,136	106,084
Totals	14,218,797	14,716,959	14,911,670

Data Source: Illinois Department of Revenue

2008	2009	2010	2011	2012	2013	2014
2,609,122	2,571,836	2,592,147	2,488,434	2,681,530	2,590,028	3,152,480
1,388,213	1,409,871	1,453,832	1,499,005	1,490,672	1,499,354	1,650,917
1,986,909	2,022,982	2,009,411	2,042,900	2,168,354	2,296,178	2,554,374
889,434	799,113	811,156	975,565	845,987	809,728	756,262
1,260,810	1,006,897	1,154,011	1,096,111	1,144,328	1,085,959	1,031,746
1,096,510	1,077,637	1,052,656	1,041,389	1,134,468	1,168,866	1,253,563
1,944,948	1,566,039	1,918,715	2,063,443	2,127,087	2,260,116	1,652,998
1,950,469	1,975,840	1,880,667	2,046,349	2,186,632	2,256,731	2,205,189
1,835,078	1,707,077	1,755,000	1,629,123	1,582,576	1,637,618	1,581,944
108,629	119,401	140,445	128,876	131,022	140,159	154,134
15,070,122	14,256,693	14,768,040	15,011,195	15,492,656	15,744,737	15,993,607

CITY OF CHAMPAIGN, ILLINOIS

**Home Rule Sales Tax Received by Category - Last Ten Calendar Years
June 30, 2015 (Unaudited)**

Category	2005	2006	2007
General Merchandise	\$ 2,638,610	2,738,362	2,584,447
Food	666,221	671,676	695,265
Drinking and Eating Places	2,102,548	2,259,913	2,363,441
Apparel	1,040,613	1,062,085	1,113,577
Furniture & H.H. & Radio	1,324,648	1,401,138	1,526,105
Lumber, Building, Hardware	1,408,780	1,450,428	1,375,467
Automobile and Filling Stations	902,243	863,470	882,116
Drugs and Miscellaneous Retail	1,583,401	1,676,420	1,745,305
Agriculture and All Others	1,753,691	1,826,513	1,845,210
Manufacturers	93,532	113,117	98,901
Totals	13,514,287	14,063,122	14,229,834
City Home Rule Sales Tax Rate	1.25%	1.25%	1.25%

Data Source: Illinois Department of Revenue

2008	2009	2010	2011	2012	2013	2014
2,527,719	2,486,242	2,527,660	2,406,416	2,528,109	2,405,867	3,157,047
802,416	761,275	835,709	932,175	854,100	843,764	1,111,991
2,459,686	2,492,659	2,470,599	2,509,983	2,661,957	2,817,779	3,743,411
1,111,564	996,992	1,013,729	1,143,061	1,057,267	1,012,001	1,132,307
1,569,067	1,250,897	1,425,124	1,360,107	1,420,943	1,344,492	1,548,281
1,361,480	1,338,120	1,309,623	1,294,313	1,410,299	1,452,687	1,871,196
803,351	756,238	848,242	921,020	966,496	839,285	657,234
1,762,437	1,785,076	1,782,879	1,826,640	1,927,733	1,977,709	2,389,120
1,937,254	1,705,600	1,751,901	1,722,071	1,722,713	1,748,319	1,995,818
102,978	128,327	158,273	145,061	147,441	159,695	212,156
14,437,952	13,701,426	14,123,739	14,260,847	14,697,058	14,601,598	17,818,561
1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.50%

CITY OF CHAMPAIGN, ILLINOIS

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
June 30, 2015 (Unaudited)**

Category	2006	2007	2008
City Direct Rate	\$ 1.00%	1.00%	1.00%
City Home Rule Rate	1.25%	1.25%	1.25%
County Direct Rate	0.25%	0.25%	0.25%
County Public Safety	0.25%	0.25%	0.25%
County School Facility Tax	0.00%	0.00%	0.00%
State Rate	5.00%	5.00%	5.00%
Totals	7.75%	7.75%	7.75%

Data Source: Illinois Department of Revenue

2009	2010	2011	2012	2013	2014	2015
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
1.25%	1.25%	1.25%	1.25%	1.25%	1.50%	1.50%
0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
0.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
7.75%	8.75%	8.75%	8.75%	8.75%	9.00%	9.00%

CITY OF CHAMPAIGN, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
June 30, 2015 (Unaudited)**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government
	IEPA Loan	General Obligation Bonds	IEPA Loan	General Obligation Bonds	
2006	\$ -	\$ 46,360,000	\$ 648,620	\$ -	\$ 47,008,620
2007	-	44,635,000	591,605	-	45,226,605
2008	-	46,829,957	532,933	13,081,481	60,444,371
2009	-	45,076,647	472,556	13,059,325	58,608,528
2010	-	67,862,553	410,424	13,037,169	81,310,146
2011	-	64,906,954	346,486	13,015,013	78,268,453
2012	107,499	62,291,355	1,316,623	12,992,857	76,600,835
2013	433,375	59,884,673	1,201,009	12,485,702	73,571,384
2014	413,619	56,567,619	1,082,826	11,828,545	69,478,990
2015	393,615	52,885,138	962,008	11,629,172	65,476,318

Data Source: City of Champaign Records

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

Total Equalized Assessed Value (EAV)	Percentage of EAV	Personal Income	Percentage of Personal Income	Population	Per Capita
\$ 1,190,820,008	3.95%	\$ 2,140,538,080	2.20%	72,140	\$ 651.63
1,324,600,432	3.41%	2,331,444,174	1.94%	75,254	600.99
1,447,713,412	4.18%	2,478,264,728	2.44%	75,254	803.20
1,533,003,765	3.82%	2,613,044,642	2.24%	75,254	778.81
1,540,206,553	5.28%	2,623,279,186	3.10%	75,254	1,080.48
1,541,915,649	5.08%	2,788,129,890	2.81%	81,055	965.62
1,525,193,507	5.02%	3,018,974,530	2.54%	81,055	946.37
1,517,364,644	4.85%	3,225,259,462	2.29%	82,517	896.84
1,492,156,913	4.66%	3,260,710,000	2.14%	83,424	837.80
1,514,684,970	4.32%	3,475,611,000	1.88%	83,424	784.86

CITY OF CHAMPAIGN, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
June 30, 2015 (Unaudited)**

Fiscal Year	Total General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Net General Bonded Debt Outstanding	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2006	\$ 46,360,000	\$ 1,725,000	\$ 44,635,000	3.75%	\$ 618.73
2007	44,635,000	1,820,000	42,815,000	3.23%	568.94
2008	59,911,438	2,080,000	57,831,438	3.99%	768.48
2009	58,135,972	2,530,000	55,605,972	3.63%	738.91
2010	80,899,722	2,510,000	78,389,722	5.09%	1,041.67
2011	77,921,967	2,595,000	75,326,967	4.89%	929.33
2012	75,284,212	3,915,000	71,369,212	4.68%	880.50
2013	72,370,375	4,700,000	67,670,375	4.46%	820.08
2014	68,396,164	4,210,000	64,186,164	4.30%	769.40
2015	64,514,310	3,828,496	60,685,814	4.01%	727.44

Data Source: City of Champaign Records

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

(1) See the Ratios of Outstanding Debt by Type schedule for equalized assessed value data.

(2) Population can be found in the Demographics and Economic Statistics schedule.

CITY OF CHAMPAIGN, ILLINOIS

**Schedule of Direct and Overlapping Bonded Debt
June 30, 2015 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to City	City's Share of Debt (1)
City of Champaign	\$ 53,278,753	100.00%	\$ 53,278,753
Champaign County	37,993,058	42.88%	16,291,423
Champaign Park District	1,084,000	99.23%	1,075,653
Champaign School District #4	5,310,000	78.52%	4,169,412
Champaign Urbana Public Health District	1,277,247	76.23%	973,645
Parkland College	62,545,000	31.10%	19,451,495
Champaign County Forest Preserve	656,185	42.50%	278,879
Total Overlapping Debt	108,865,490		42,240,507
Total Direct and Overlapping Debt	162,144,243		95,519,260

Data Source: City of Champaign

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. 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.

(1) 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

**Pledged-Revenue Coverage - Last Ten Fiscal Years
June 30, 2015 (Unaudited)**

Fiscal Year	Tax Increment Financing District #2 1997 and 1999 Bonds			
	Property and Sales Tax Revenues	Principal	Interest	Coverage
2006	\$ -	\$ -	\$ -	-
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-

Data Source: City of Champaign Records

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
The City has not had revenue bonds outstanding for any of the last ten fiscal years.

CITY OF CHAMPAIGN, ILLINOIS

**Demographic and Economic Statistics - Last Ten Fiscal Years
June 30, 2015 (Unaudited)**

Fiscal Year	(1) Population	Personal Income (in Thousands)	(2) Per Capita Personal Income	(3) Median Age	(4) School Enrollment	(5) Unemployment Rate
2006	72,140	2,140,538	29,672	25.0	9,346	4.2%
2007	75,254	2,331,444	30,981	25.0	9,342	4.8%
2008	75,254	2,478,265	32,932	25.0	9,329	6.5%
2009	75,254	2,613,045	34,723	24.0	9,400	8.4%
2010	75,254	2,623,279	34,859	24.0	9,497	9.5%
2011	81,055	2,788,130	34,398	26.0	9,421	9.0%
2012	81,055	3,018,975	37,246	25.0	9,496	9.0%
2013	82,517	3,225,259	39,086	26.0	9,362	9.3%
2014	83,424	3,260,710	39,086	26.0	9,477	8.5%
2015	83,424	3,475,611	41,662	26.5	9,589	6.4%

Data Sources:

- (1) Population for 2013 - 2015 is from a census estimate. Population for 2011-2012 is from the 2010 census. Population for 2007 - 2010 is from a special census. 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 Ago
June 30, 2015 (Unaudited)**

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
University of Illinois at Urbana-Champaign (1)	10,349	1	24.6%	10,924	1	32.1%
Champaign Unit 4 School District	1,814	2	4.3%	1,305	2	3.8%
Kraft Foods Inc. (2)	1,350	3	3.2%	1,300	3	3.8%
Parkland College	950	4	2.3%	1,200	4	3.5%
PlastiPak Packaging, Inc. (2)	810	5	1.9%			
Christie Clinic Association	750	6	1.8%	800	6	2.3%
Hobbico, Inc.	700	7	1.7%			
Busey Bank	524	8	1.2%			
City of Champaign	516	9	1.2%	619	7	1.8%
Horizon Hobby, Inc.	396	10	0.9%			
Kirby Foods, Inc.				950	5	2.8%
Devonshire Group, LLC				590	8	1.7%
Amdocs				550	9	1.6%
Wal Mart Super Center				450	10	1.3%
	<u>7,810</u>		<u>43.1%</u>	<u>7,764</u>		<u>54.7%</u>

Data Sources: Economic Development Commission and Bureau of Labor Statistics

Notes:

- (1) The University of Illinois' administration and main campus are located in both Champaign and Urbana
- (2) Located in an unincorporated area adjacent to the City

CITY OF CHAMPAIGN, ILLINOIS

**Full-Time Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years
June 30, 2015 (Unaudited)**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Administration	12	12	11	12	9	8	8	10	10	10
Economic Development	1	1	2	2	2	2	2	-	-	-
Legal	10	10	10	10	10	8	9	9	9	9
Finance	15	16	16	16	16	16	15	15	15	15
Personnel Services	6	6	6	6	6	6	5	5	6	5
Risk Management	2	2	2	2	2	2	1	1	1	1
Planning	11	12	12	12	12	10	10	10	11	10
Neighborhood Services	11	11	11	11	12	10	10	10	11	10
Information Technology	8	8	10	10	10	10	9	10	9	10
UC2B	-	-	-	-	-	-	-	3	-	-
Public Safety										
Police										
Sworn	115	117	119	119	118	120	120	120	120	120
Civilian	38	37	37	37	37	33	31	31	31	31
Fire										
Sworn	105	108	108	108	108	107	107	107	107	107
Civilian	14	14	15	15	14	13	12	12	12	12
Public Works										
Engineering	21	23	23	24	22	19	20	20	20	20
Transportation	15	15	15	15	14	14	13	13	14	14
Other	43	44	45	45	44	39	39	40	38	41
Public Health & Welfare	7	7	7	7	7	6	6	5	5	5
Culture & Recreation	68	81	82	82	82	82	74	74	72	70
Parking	16	15	15	15	15	15	15	15	15	15
Sewer	10	10	10	10	10	8	8	8	8	8
Environmental Services	-	-	-	-	-	1	2	2	2	1
Totals	528	549	556	558	550	529	516	520	515	514

Data Source: City of Champaign Records

CITY OF CHAMPAIGN, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
June 30, 2015 (Unaudited)**

Function/Program	2006	2007	2008
Public Safety			
Fire (1)			
Number of Fire Calls	301	334	288
Number of EMS/Rescue Calls	2,954	3,115	3,421
ISO Rating	2	2	2
Police			
Arrests	6,691	6,769	7,153
Parking Violations	1,854	1,617	1,285
Traffic Violations (1)	11,059	11,590	10,848
Public Works			
Street Resurfacing Miles	13.54	12.30	4.20
Potholes Repaired	19,213	13,103	17,703
Street Lights Maintained	3,278	3,368	3,312
Community Development			
Number of Building Permits Issued	1,112	873	638
Number of Building Inspections	4,503	3,697	3,261
Culture & Recreation			
Total Circulation	1,668,652	1,786,773	1,980,259
Materials (Print and Non-Print)	246,709	256,533	355,129
Library Cards Issued	5,631	5,129	8,808
Library Visits - Main Library /Bookmobile	578,604	585,059	626,342
Library Visits - Douglass Branch	61,717	69,568	70,920

Data Source: City of Champaign Records

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

(1) 2006 - 2014 are traffic tickets only.

2009	2010	2011	2012	2013	2014	2015
289	228	274	274	241	319	229
3,388	3,532	3,518	3,518	4,027	4,286	4,643
2	2	2	2	2	2	2
6,823	6,151	6,185	6,185	6,352	5,090	4,618
970	1,621	1,563	1,563	780	691	643
11,672	8,186	8,486	8,486	5,587	5,219	5,200
4.60	10.40	11	11	6	6	5
18,208	17,768	22,401	22,401	21,015	28,561	17,920
3,225	3,367	3,470	3,470	3,578	3,589	3,639
507	505	494	494	485	560	529
3,191	2,837	2,735	2,735	2,868	3,024	3,133
2,492,033	2,640,627	2,495,499	2,495,499	2,236,736	2,040,502	2,055,278
396,906	374,005	373,054	373,054	429,943	448,363	375,278
7,441	6,316	5,840	5,840	5,300	4,587	4,466
760,137	804,424	912,582	912,582	999,651	904,111	851,629
59,092	61,210	61,404	61,404	50,655	49,329	33,828

CITY OF CHAMPAIGN, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
June 30, 2015 (Unaudited)**

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	5	6	6	6	5	5	5	6	6	6
Public Works										
Streets (Miles)	642	642	685	684	696	696	718	718	720	719
Streetlights	3,278	3,368	3,312	3,225	3,367	3,470	3,513	3,578	3,589	3,639
Sewer										
Sanitary Sewers (Miles)	193	195	205	209	209	211	213	214	214	214
Manholes	4,825	4,875	5,128	5,215	5,216	5,275	5,325	5,350	5,350	5,350

Data Source: City of Champaign Records

CITY OF CHAMPAIGN, ILLINOIS

**City Awards Received
June 30, 2015 (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
Public Works Project of the Year (Environment, Less than \$5 Million Division) Phase I - West Washington St. Watershed Improvement Project	American Public Works Association
Public Works Project of the Year (Transportation, \$5-25 million Division) South Fourth Street Extension	American Public Works Association
Public Works Project of the Year (Transportation, Less than \$5 million Division) I-57/Windsor Overpass Improvement	American Public Works Association
Best Sustainability Plan	Illinois Chapter of the American Planning Association
4 Star Library	<i>Library Journal</i>
John Cotton Dana Award for "Show Some Library Love" campaign	H.W. Wilson Foundation
Best Library	Buzz Weekly
What I Like! A Kids' Collection of Songs and Smiles CD Best Music for Little Ones	School Library Journal - July 2014 Issue
Most Progressive City	Ameren Illinois
2009 Audrey Nelson Community Development Achievement Award - Honorable Mention for the Garden Hills Neighborhood Improvement Initiative	National Community Development Association