GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

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County of Champaign

Illinois

For the Fiscal Year Beginning

January 1, 2018

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Executive Director

HOW TO USE THIS DOCUMENT BUDGETARY BASIS & FUND STRUCTURE OVERVIEW

The Champaign County FY2019 Budget Document is organized into nine sections. Each section is described below, followed by a description of the accounting and fund structure used to develop the budget document.

Section 1 – Introduction
This section provides an overview including the County Administrator's Letter of Transmittal; the "How to Use" instructional document; Champaign County economic and demographic information; and Champaign County Board policy and process information.

Section 2 – Summary
The summary section provides an overview of highlights of the FY2019 total Champaign County budget.

Section 3 - General Corporate Fund
A summary statement at the beginning of this section provides complete revenue and expenditure detail for the General Corporate Fund as a whole, including FY2017 actual revenues and expenditures, FY2018 budgeted and projected revenues and expenditures, and FY2019 requested revenues and expenditures. In FY2019 budget, the department personnel summary information and cost per capita for the operation of each department are included in the General Fund Summary document.

Following the summary statement are individual department budgets for each of the General Corporate Fund departments. In addition to the financial section, each department budget includes an organizational chart for that department, mission statement, budget highlights, alignment to the County Board Strategic Plan, and objectives and performance indicators specific to that department's operation. Any Special Revenue Fund Budgets related specifically to the elected officials of the General Corporate Fund are included immediately after the relevant elected official General Corporate Fund Budget.

Section 4 - Special Revenue Funds
In this section, department budget information is provided for the County's remaining special revenue funds. The fund and department budget document structure is substantially the same as for the General Corporate Fund department budgets.

Section 5 - RPC Funds
This section covers the five special revenue funds, including multiple department budgets, which are managed by the Champaign County Regional Planning Commission.

Section 6 – Joint Venture Fund
The GIS Consortium, Joint Venture Fund, including fund/department budget information.

Section 7 - Debt Management and Capital Projects Funds
Explanation of each of the County's debt service and capital projects funds budgets, including financial detail, source of revenues, debt structure, and project status updates.

Section 8 – Proprietary and Internal Service Funds

A summary statement and documentation is provided for the Nursing Home enterprise fund, the Self-Funded Insurance internal service fund, and Employee Health Insurance fund together with documentation for each of the individual department budgets within each fund.

Section 9 - Supplemental Information
This section includes additional information including the consolidated budget report and detail; property tax distribution; personnel staffing budgets and salary schedules; and a glossary of terms used in this document.

The above description of the nine sections of the FY2019 budget document is further enhanced for the reader with the following description of Champaign County's structure of funds.

Accounting Structure

A fund is the basic accounting unit: it is a self-balancing accounting entity with revenues and expenditures which are segregated for the purpose of carrying out specific programs in accordance with County policies and certain applicable State and Federal laws.

Each fund has at least one Department Budget, which is a group of expenditures that provide for the accomplishment of a specific program or purpose.

Pursuant to GASB Statement 34, a major fund is a fund that meets the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total (assets, liabilities, and so forth) for all funds of that category (governmental funds) or type (enterprise funds).
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Fund Statements

A Fund Statement is presented for each fund, which summarizes past and projected financial activity for the fund as follows:

- Revenues – presented in line item detail within revenue categories;
- Expenditures – presented in line item detail within major categories – e.g., personnel, commodities, services, etc.
- Fund Balance – the actual or estimated funds remaining at the end of the fiscal year.

Fund Types

All county funds are included in the Annual Budget Document except the fiduciary funds which include two Private Purpose Trust Funds in which the County Engineer acts in a trustee capacity on behalf of townships to use state funding to maintain township roads and township bridges, which resources are not available to support the County's own programs; and Agency Funds whose purpose is to report resources, such as property taxes and circuit court fees and fines, held in a custodial capacity for external individuals, organizations and governments.

Governmental Funds – Governmental funds account for traditional governmental operations that are financed through taxes and other fixed or restricted revenue sources.

A. **General Fund:** the General Corporate Fund is available for any authorized purpose, and is used to account for all financial resources except those required to be accounted for in another fund. A General Corporate Fund summary is prepared which lists the amount of General Corporate Fund appropriation for all affected departments. The General Corporate Fund is a Major Fund.

B. **Special Revenue Funds:** Special Revenue Funds are used to account for the proceeds of specific sources that are legally restricted to expenditures for a specific purpose. The Regional Planning Commission and the Mental Health Board Funds are the major Special Revenue Funds.

C. **Debt Service Fund:** Debt Service Funds are utilized to account for the payment of interest, principal and related costs on the County's general long-term debt. The County has one debt services fund for the repayment of bonds issued for the construction of the Nursing Home Facility. The debt service for the Highway Fleet Maintenance Facility was retired in FY2016. (In addition to Debt Service Funds, the County also has two debt service budgets included in other funds as appropriation based on the purpose of the fund.)

D. **Capital Projects Funds:** Capital Project Funds are used to account for all expenditures and revenues associated with the acquisition or construction of major facilities that are not financed through proprietary funds or funds being held for other governments. The County has one capital projects fund budgeted in FY2019 – the Courts Complex Construction Fund.

Proprietary Funds – Proprietary Funds account for certain "business-type" activities of governments that are operated so that costs incurred can be recovered by charging fees to the specific users of these services.

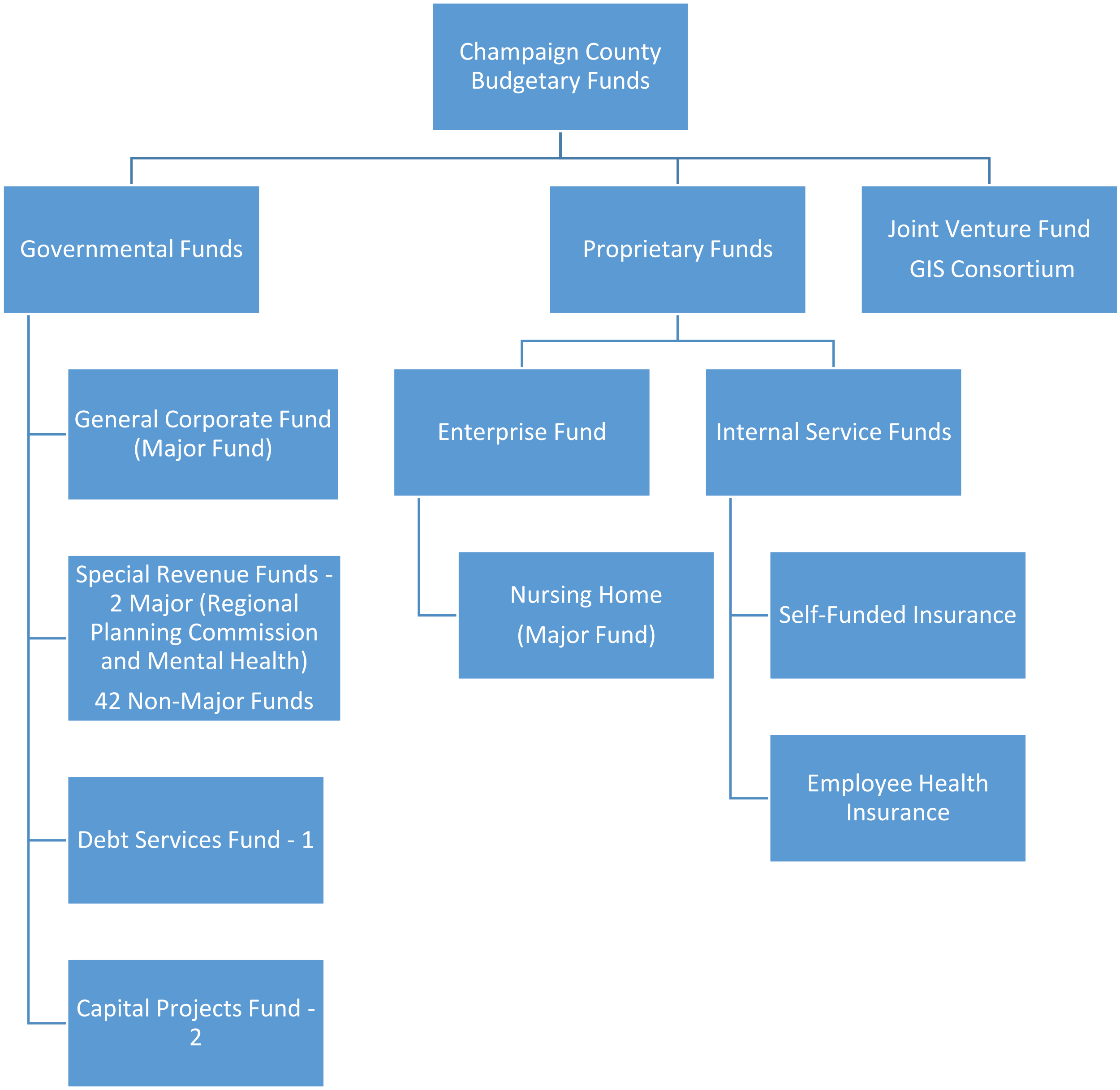
A. **Enterprise Fund:** An enterprise fund is used to account for operations that are financed primarily by User charges. The Nursing Home Fund is a Major Fund and is the only enterprise fund in Champaign County.

B. **Internal Services Funds:** An Internal Service Fund is established to account for the financing of goods and services provided to the County and other agencies on a cost reimbursement basis. The activities of the Self-Funded Insurance Fund and Employee Health Insurance Fund are budgeted and appropriated through the use of Internal Service Funds.

Joint Venture Fund – According to GASBS-14, a joint venture is defined as "a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility." The Champaign County GIS Consortium is a joint venture fund, created by an Intergovernmental Agreement shared by the County of Champaign, City of Champaign, City of Urbana, Village of Mahomet, Village of Rantoul, Village of Savoy and University of Illinois.

BUDGETED FUNDS

Fund	A self-balancing accounting entity with revenues and expenditures which are segregated for the purpose of carrying out specific programs in accordance with County policies and certain applicable State and Federal laws.
Major Fund	A budgeted fund with revenues or expenditures representing more than 10% of the total appropriated revenues or expenditures.
Fund Type	All County funds are included in the Annual Budget Document except the fiduciary funds including Private Purpose Trust Funds and Agency Fund.


Champaign County Budgetary Funds
Governmental Funds
Proprietary Funds
Joint Venture Fund
GIS Consortium
General Corporate Fund (Major Fund)
Special Revenue Funds - 2 Major (Regional Planning Commission and Mental Health)
42 Non-Major Funds
Debt Services Fund - 1
Capital Projects Fund - 2
Enterprise Fund
Nursing Home
(Major Fund)
Internal Service Funds
Self-Funded Insurance
Employee Health Insurance

DEPARTMENT/FUND RELATIONSHIP

Department	General Fund (Major)	Special Revenue Fund	Internal Service Fund	Enterprise Fund	Debt Service Fund	Capital Project Fund	Joint Venture Fund
Auditor	X						
County Board	X						
Board of Review	X						
Treasurer	X						
• Working Cash		X					
• Tax Sale Automation		X					
• Property Tax Interest Fee		X					
Circuit Court	X						
• Law Library		X					
• Foreclosure Mediation		X					
• Specialty Court		X					
Emergency Management Agency	X						
Court Services	X						
General County	X						
Regional Office of Education	X						
IT	X						
Administrative Services	X						
Supervisor of Assessments	X						
Recorder	X						
• Recorder Automation		X					
Public Defender	X						
State's Attorney	X						
• Support Enforcement	X						
• Victim Advocacy Grant		X					
• State's Attorney Automation		X					
• State's Attorney Drug Forfeiture		X					
Coroner	X						
ADA Compliance	X						
Public Properties	X						
Planning and Zoning	X						
County Clerk	X						
• Death Surcharge		X					
• Automation		X					
• Election Assistance Access. Grant		X					
Circuit Clerk	X X						

Department	General Fund (Major)	Special Revenue Fund	Internal Service Fund	Enterprise Fund	Debt Service Fund	Capital Project Fund	Joint Venture Fund
• Jury Commission	X						
• Support Enforcement		X					
• Child Support Service		X					
• Court Automation		X					
• E-Ticketing		X					
• Court Document Storage		X					
• Operation and Administrative							
Sheriff	X						
• Merit Commission	X						
• Jail Commissary		X					
• County Jail Medical		X					
• Drug Forfeitures		X					
Probation	X						
• Probation Services		X					
Veterans Assistance Comm.	X						
Extension Education	X						
Regional Office of Education	X						
Nursing Home Bond Payment	X				X		
Courts Complex Construction						X	
Regional Planning Commission (Major)		X					
Mental Health (Major)		X					
Development Disability		X					
MHB/DDB CILA Facilities		X					
Nursing Home (Major)				X			
Self-Funded Insurance			X				
Employee Health Insurance			X				
GIS Consortium							X
County Highway		X					
County Bridge		X					
County Motor Fuel Tax		X					
Highway Federal Aid Matching		X					
County Public Health		X					
IMRF		X					
Social Security		X					
Tort Immunity		X					

Department	General Fund (Major)	Special Revenue Fund	Internal Service Fund	Enterprise Fund	Debt Service Fund	Capital Project Fund	Joint Venture Fund
Animal Control		X					
Head Start		X					
Capital Asset Replacement						X	
GIS		X					
Public Safety Sales Tax		X					
Workforce Development		X					
Early Childhood (Head Start)		X					
County Historical		X					
Solid Waste Management		X					
Economic Development Loan		X					
Child Advocacy Grant		X					

COUNTY BOARD STRATEGIC PLAN

VALUES

Diversity Teamwork Responsibility to the Public Justice Quality of Life

VISION

Our vision is to be a recognized leader in local government where every official and employee has a personal devotion to excellence in public service and embraces the highest standards of ethics and integrity to serve the citizens of Champaign County.

MISSION

The Champaign County Board is committed to the citizens of Champaign County by providing services in a cost-effective and responsible manner; which services are required by state and federal mandates, and additional services as prioritized by the County Board in response to local and community priorities.

DEFINING OUR VALUES

DIVERSITY

- Appreciation of the diverse culture within our community
- Strive for a workforce reflective of the community
- Equal and inclusive access to services and programs

TEAMWORK

- Intra-governmental cooperation
- Inter-governmental cooperation
- Legislative advocacy
- Collaboration to achieve goals
- Civility and cooperation among the County Board

RESPONSIBILITY TO THE PUBLIC

- Fiscal solvency
- Transparency
- Efficient and friendly delivery of services
- Ethical behavior
- Adaptive thinking
- Long-term planning

JUSTICE

- Equal access to civil and criminal justice services
- Place value on public safety and individuals' rights
- Encourage effective communication among public safety/criminal justice system providers
- Prevention of recidivism
- Manage safe and secure detention facilities

QUALITY OF LIFE

- Value broad range of quality education

COUNTY BOARD STRATEGIC PLAN

- Manage and encourage delivery of quality and effective health care services
- Effectively manage real estate tax cycle
- Support of local business community
- Promote effective economic development
- Management of natural resources
- Provide transportation options and safe, long-lasting infrastructure

GOALS

GOAL 1 – Champaign County is committed to being a High Performing, Open, and Transparent Local Government Organization

County Board Initiatives:

1. Develop strategies for declining state support
2. **Fund and initiate the replacement of the County's financial/HR software system.
3. **Move commodity information technology systems to cloud services to allow IT staff to focus on County systems, buying services when appropriate.
4. **Develop a list of core, mandated services provided by the County.
5. Develop strategies for retention and continuity in county staff leadership roles.
6. **Develop procedures and rules for a transition into the county executive style of government.

GOAL 2 – Champaign County Maintains High Quality Public Facilities and Highways and Provides a Safe Rural Transportation System and Infrastructure

County Board Initiatives:

1. **Address the immediate facility needs of the Sheriff's Office/Jail, ADA requirements, and old county nursing home.
2. Explore alternative sources of revenue for facilities maintenance and new facilities.

GOAL 3 – Champaign County Promotes a Safe, Just, and Healthy Community

County Board Initiatives:

1. **Determine a final plan for the Champaign County Nursing Home.
2. **Support the establishment of a countywide, multi-entity Behavioral Health Coordinating Council through an intergovernmental agreement.
3. Establish a system of codification of County ordinances.
4. **Establish a system of review for County financial, technology, facility, and asset plans.

GOAL 4 – Champaign County is a County that Supports Balanced, Planned Growth to Balance Economic Growth with Preservation of Our Natural Resources

County Board Initiatives:

1. Ensure that all new programs have a model that sustains them past startup.
2. Seek more intergovernmental cooperation in planning in land use and fringe areas.
3. Develop energy reduction plans for both conservation and cost savings.

**Short-term initiative; all others are considered long-term initiatives

COUNTY BOARD STRATEGIC PLAN

STRATEGIC PLAN INITIATIVES AND ACTIVITIES

In 2017, the County Board Strategic Planning Committee began deliberations on proposed updates to its Strategic Plan. Planning stalled in 2018 due to the County's transition to an Elected Executive form of government to be implemented in December 2018.

The following tables identify specific County Board initiatives, current or planned activities, and ultimate outcomes to be achieved from the perspectives of both long term and short term planning. The information presented here has not been formally adopted at the time of publication and is subject to change.

Goal 1 - Champaign County is a high performing, open and transparent local government organization.

Initiatives	Activities	Outcomes
Develop strategies for declining state support	Collaboration with other local governments to spur legislative action and/or intergovernmental solutions to minimize impact of lost funding. Impact assessment and operations planning to adjust to revenue reduction and unfunded mandates.	Legislative changes which provide financial relief to local governments. Balanced budgets that accommodate required changes imposed by external entities.
Fund and initiate the replacement of County's Tax Cycle system.	Issue an RFP for Integrated Property Tax Assessment (CAMA), Extension and Collection System. System deployment planned for FY2019.	Utilization of software to improve and streamline processes. Reduced support costs through decommissioning of County400 software.
Fund and initiate the replacement of the County's financial/human resources software system.	Establishment of a cross-functional team to evaluate, select, and plan implementation of a new software system. System deployment planned for FY2020.	Improved analysis and reporting of financial and human resource data. Reduced support costs through decommissioning of County400 software.
Fund and initiate the replacement of the Sheriff's Office Jail Management and Business Office software.	Transition off of the legacy system to Software as a Service (SaaS) platforms. System deployment planned for FY2019.	Allows for improved processes, external support systems, and the ability to upload datasets for public availability and analysis.
Move commodity information	Decommissioning of internal data servers in favor of	Maintenance of current services without

COUNTY BOARD STRATEGIC PLAN

Initiatives	Activities	Outcomes
technology systems to cloud services to allow IT staff to focus on County systems, buying services when appropriate.	cloud-based resources. Migration of voice services to county fiber optic facilities.	requiring additional personnel. Improvement of platform capacity, capability, cost, and reliability.
Develop a list of core, mandated services provided by the County	Individual department documentation in annual budget document. Administration to develop a comprehensive listing.	Expand public awareness of County service offerings. County Board tool for prioritizing resource commitments.
Develop strategies for retention and continuity in county staff leadership roles.	Optimal Operations Planning to realign staffing resources to serve anticipated needs for administration (e.g. County Executive, human resources, technology, operations)	Timely recruitment of well qualified candidates, particularly in senior management positions, to support seamless transitions and performance improvements.
Transition into the county executive style of government.	Work with State's Attorney's Office to identify resolutions, ordinances, policies, and procedures requiring modification.	Efficient and effective delivery of services from County government.

Goal 2 - Champaign County maintains high quality public facilities and highways and provides a safe rural transportation system and infrastructure.

Initiatives	Activities	Outcomes
Fund facility maintenance/projects per the County's 10-Year Capital Facilities Plan	Begin addressing the deferred maintenance backlog of County facilities per the Plan adopted by the County Board.	Provision of adequate funding to properly repair and maintain the County's investment in buildings.
Initiate planning to address the facility/operational needs of the Sheriff's Office, particularly the downtown Sheriff's facilities.	Resume Facility Committee discussions regarding development of a plan for the dilapidated downtown Sheriff's facilities.	Ensure safe, well-maintained, ADA compliant, and functional facilities for law enforcement and correctional operations.

COUNTY BOARD STRATEGIC PLAN

Goal 3 - Champaign County promotes a safe, just and healthy community.

Initiatives	Activities	Outcomes
Support the establishment of a countywide, multi-entity Behavioral Health Coordinating Council through an intergovernmental agreement.	The County continues to work with community representatives on needs assessment and planning for crisis intervention services, funded through a federal grant.	A community-wide solution which provides an alternative to incarceration for mental health or other issues, when appropriate.
Establish a system of codification of County ordinances.	Select a municipal codification company to assist with the compilation and review of County ordinances.	County Board awareness of the matrix of ordinances previously adopted and any impact on current considerations by the Board. Ensure County compliance with statutory obligations.
Establish a system of review for County financial, technology, facility, and asset plans.	County Board evaluation activities - exact application yet to be determined.	Ongoing evaluation of operations over which the County Board has oversight to ensure best practices and outcomes are achieved.

Goal 4 - Champaign County is a county that supports balanced, planned growth to balance economic growth with preservation of our natural resources.

Initiatives	Activities	Outcomes
Ensure that all new programs have a model that sustains them past startup.	County Board evaluation of all grants or proposed new programs with financial sustainability analysis.	Assurance that new services will continue to be available once developed.
Seek more intergovernmental cooperation in planning in land use and fringe areas.	Identify critical areas and develop intergovernmental agreements to promote proper management strategies of land resources.	Effective management of land resources in Champaign County.
Develop energy reduction plans for both conservation and cost savings.	Continuing implementation of facility improvements that achieve energy savings, such as installation of high efficiency boiler systems.	Reduced expenditures on energy needs and reduced environmental impact by County facilities.

BUDGET PRIORITIES

Champaign County's FY2019 Budget Priorities are guided by the County Board's Strategic Plan.

High Performing, Open and Transparent

The County promotes budget transparency through hearings and the electronic publication of its budget. Beginning in FY2018 and continuing in FY2019, Administration prepared a PowerPoint presentation which compiled key budget information in a comprehensible format. The presentation was given at the Legislative Budget Hearings and made available to the public on the County's website.

The County prioritizes the preservation of adequate reserves within County funds. The planned sale of the Champaign County Nursing Home will allow for the reimbursement of County funds where fund balance reserves have been negatively impacted as a result of those funds having borne expenses of the home.

In FY2019, funds are appropriated for transition of the County's real estate tax system off of its legacy system to a supported software system.

Software as a Service (SaaS) will be procured to transition the Sheriff's jail management and civil process systems to cloud-based platforms. This will also allow for data sharing capabilities.

A Data Analyst position is created in the Sheriff's Office in FY2019, and there are plans to utilize the State's Open Data Portal allowing for the ability to post datasets which will be available to the public.

Implementation of a 24/7 Information Security Operations Center to enhance perimeter security and expanded utilization of Microsoft Azure cloud services for storage of backup files, archival storage of files that never change but must be kept, and Azure Site Backup/Azure Site Recovery.

Evaluation of an Enterprise Resource Planning System (ERP) to replace the aging accounting and human resources systems.

The planned rebuild of the County's Voter Registration system to better meet the needs of customers as well as increased concerns regarding Voter Information Systems.

High Quality Public Facilities and Highways and a Safe Rural Transportation System and Infrastructure

FY2019 facilities projects outlined in the County's 10-Year Capital Facilities Plan are fully funded.

Investment of $5.5 million for highway and bridge improvements, including a $200,000 match for a Highway Safety Improvement Grant to upgrade the county's guardrails system. The addition of the $2 million grant brings the FY2019 investment in roads, bridges and guardrails to $7.5 million.

Regional Planning Commission funds anticipate receipt of an additional $1.2 M for new transportation planning initiatives.

BUDGET PRIORITIES

The Facilities Committee will resume discussions regarding planning for the County's downtown Sheriff's Office and Correctional Center. These facilities were poorly rated in a 2015 Facilities Condition Assessment Report. The 5-25 year deferred maintenance backlog at these facilities is approximately $9 million.

Safe, Just and Healthy Community

The FY19 Early Childhood Fund includes federal funding to serve 435 preschoolers in Head Start and 141 infants, toddlers, and pregnant women in Early Head Start programs.

Expanded services through the Board of Health contract with the Champaign Urbana Public Health District for dental care for Medicaid/MCO eligible children and teens, and for Teen Pregnancy and STD Prevention Education in local schools.

The Workforce Development Fund includes a Department of Labor Young Adult Reentry Project facilitated by a $1.5 million, 39-month grant.

New Animal Control vaccination programs will be implemented in FY2019 to help increase vaccination and registration compliance, including clinics for low income residents to assist with tags and rabies vaccines.

The County will hold its third annual Amnesty Week for outstanding criminal and traffic fees and fines, and its fourth annual Expungement and Record Sealing Summit in 2019.

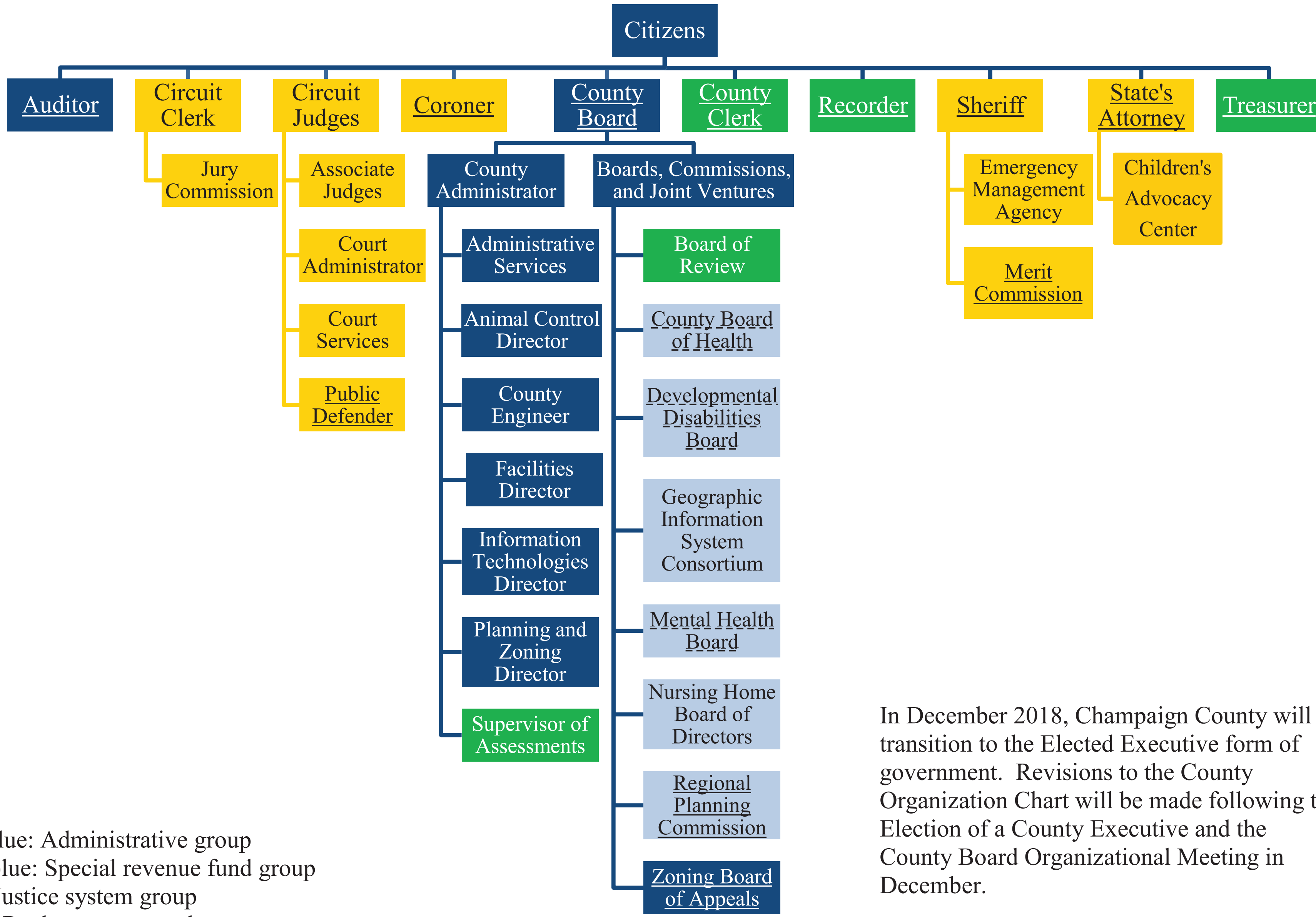
Planned Growth to Balance Economic Growth with Preservation of Our Natural Resources

Maintenance of energy conservation programs.

Two residential electronic recycling events are scheduled in FY2019, and there are plans to begin discussing development of a Municipal Joint Action Agency for disposal of household hazardous waste, unwanted pharmaceuticals, and consumer electronics including televisions.

Continuation of work on the County's Municipal Separate Storm water Sewerage System (MS4) to bring the County into compliance with Illinois Environmental Protection Agency (IEPA) and Clean Water Act requirements.

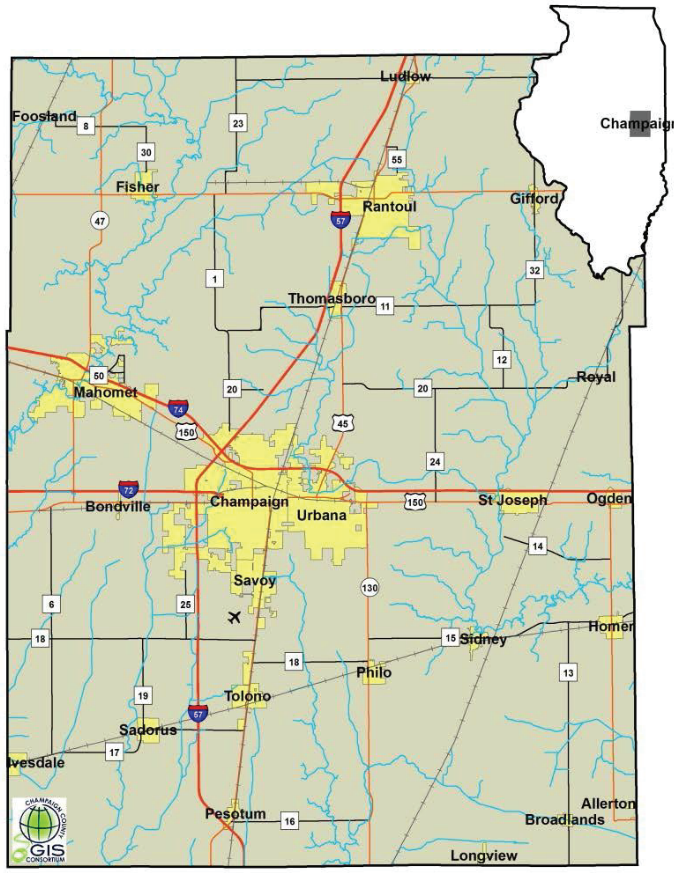
CHAMPAIGN COUNTY ORGANIZATION CHART



In December 2018, Champaign County will transition to the Elected Executive form of government. Revisions to the County Organization Chart will be made following the Election of a County Executive and the County Board Organizational Meeting in December.

Dark blue: Administrative group
Light blue: Special revenue fund group
Gold: Justice system group
Green: Real estate tax cycle group
Solid underline: Offices, officers, and/or employees created by the Illinois Counties Code (55 ILCS 5/)
Dashed underline: Boards created by referenda

ABOUT CHAMPAIGN COUNTY



Champaign County, Illinois is located in the heart of east-central Illinois, approximately 136 miles south of Chicago and 86 miles east northeast of Springfield, the state capital. The County is home to the University of Illinois, a primary research institution and member of the Big 10 Conference, along with Parkland College and two major regional hospitals. Spanning nearly 1,000 square miles, over 90% of Champaign County's land area is utilized for agriculture.

Champaign County was organized in 1833 as a subdivision of Vermilion County. The names of the county and its seat of Urbana originated with Champaign County, Ohio and Urbana, Ohio respectively, the home of the Illinois legislator who sponsored the bill to create the County. Champaign County adopted the township form of government on November 8, 1859. On November 8, 2016, voters approved a proposition to establish the County Executive form of government. The first County Executive will be elected at large at the November 6, 2018 general election. The 22-member County Board represents 11 districts and elects a County Board Chair from among its members by a majority vote at the biennial organizational meeting on the first Monday of December of every even-numbered year.

The County's population for the 2010 Census was 201,081, an increase of 11.9% since the 2000 Census, ranking Champaign County as the 10th largest county in Illinois.

Population

A table of population statistics for the State of Illinois, Champaign County, and its two largest cities, Champaign and Urbana, follows. Data is sourced from the U.S. Census Bureau (Decennial Census 1980-2010).

	1980	1990	2000	2010
State of Illinois	11,427,409	11,430,602	12,419,293	12,830,632
Champaign County	168,392	173,025	179,669	201,081
City of Champaign	58,267	63,502	67,518	81,055
City of Urbana	35,978	36,344	36,395	41,250
Champaign County: % Change 1980-2010			19.4%	

Sources: U.S. Census Bureau; Decennial Census 2010, 2010 Census Summary File 1, Table P1; generated using American FactFinder; <http://factfinder2.census.gov>; (3 October 2017). U.S. Census Bureau; Decennial Census 2000, Census 2000 Summary File 1, Table P001; generated using American FactFinder; <http://factfinder2.census.gov>; (3 October 2017). U.S. Census Bureau; 1990 Census of Population and Housing, Population and Housing Unit Counts, United States, Tables 16 and 45; <https://www.census.gov/prod/cen1990/cph2/cph-2-1-1.pdf>; (3 October 2017).

The following are tables of demographic statistics for Champaign County, sourced from the U.S. Census Bureau's 2012-2016 American Community Survey 5-Year Estimates.

Race and Ethnicity – Champaign County

Race	Number		Percent	
	Estimate	Margin of Error (MOE)	Estimate	Margin of Error (MOE)
White alone	150,806	+/- 563	73.1%	+/- 0.3
Black or African-American alone	25,974	+/- 769	12.6%	+/- 0.4
American Indian and Alaska Native alone	317	+/- 91	0.2%	+/- 0.1
Asian alone	21,009	+/- 372	10.2%	+/- 0.2
Native Hawaiian and Other Pacific Islander alone	79	+/- 97	0.0%	+/- 0.1
Some other race alone	2,111	+/- 547	1.0%	+/- 0.3
Two or more races	6,124	+/- 817	3.0%	+/- 0.4
Ethnicity				
Hispanic or Latino	11,579	N/A	5.6%	N/A
Not Hispanic or Latino	194,841	N/A	94.4%	N/A

Source: U.S. Census Bureau; American Community Survey, 2012-2016 American Community Survey 5-Year Estimates, Table DP05; generated using American FactFinder; <http://factfinder2.census.gov>; (5 September 2018).

Age and Sex – Champaign County

Age	Estimate	MOE
Under 18 years	19.1%	+/- 0.3
18-24 years	23.5%	+/- 0.1
25-44 years	25.5%	+/- 0.4
45-64 years	20.9%	+/- 0.3
65 years and older	11.1%	+/- 0.1
Median Age (Years)	29.5	+/- 0.1

Sex	Estimate	MOE
Male	103,115	+/- 92
Female	103,305	+/- 92

Source: U.S. Census Bureau; American Community Survey, 2012-2016 American Community Survey 5-Year Estimates, Table S0101; generated using American FactFinder; <http://factfinder2.census.gov>; (5 September 2018).

Detailed Age Distribution – Champaign County

Age	Estimate (%)	MOE
Under 5 years	5.6%	+/- 0.1
5 to 9 years	5.3%	+/- 0.2
10 to 14 years	5.0%	+/- 0.2
15 to 19 years	10.2%	+/- 0.1
20 to 24 years	16.5%	+/- 0.1
25 to 29 years	8.1%	+/- 0.1
30 to 34 years	6.7%	+/- 0.1
35 to 39 years	5.6%	+/- 0.3
40 to 44 years	5.1%	+/- 0.3
45 to 49 years	4.9%	+/- 0.1
50 to 54 years	5.4%	+/- 0.1
55 to 59 years	5.5%	+/- 0.2
60 to 64 years	5.1%	+/- 0.2
65 to 69 years	3.5%	+/- 0.2
70 to 74 years	2.6%	+/- 0.2
75 to 79 years	2.0%	+/- 0.1
80 to 84 years	1.4%	+/- 0.1
85 years and older	1.6%	+/- 0.2

Source: U.S. Census Bureau; American Community Survey, 2012-2016 American Community Survey 5-Year Estimates, Table S0101; generated using American FactFinder; <http://factfinder2.census.gov>; (11 September 2018).

Income

The following tables present the median household and family income and the distribution of household and family incomes in the County and the State according to the 2009-2013 American Community Survey 5-Year Estimates.

Median Household and Family Income

	State of Illinois Estimate ($)	MOE	Champaign County Estimate ($)	MOE
Median Household Income	$59,196	+/- $236	$48,899	+/- $1,521
Median Family Income	$73,714	+/- $331	$72,889	+/- $1,451
Per Capita Income	$31,502	+/- $121	$27,373	+/- $637

Source: U.S. Census Bureau; American Community Survey, 2012-2016 American Community Survey 5-Year Estimates, Table DP03; generated using American FactFinder; <http://factfinder2.census.gov>; (5 September 2018).

Household Income Distribution

	State of Illinois Number of Households	MOE	Champaign County Number of Households	MOE
Total	4,802,124	+/- 9,992	80,442	+/- 943
Less than $10,000	341,280	+/- 3,827	10,853	+/- 631
$10,000-$14,999	212,171	+/- 2,601	3,576	+/- 403
$15,000-$19,999	229,808	+/- 3,065	4,000	+/- 458
$20,000-$24,999	233,284	+/- 3,280	4,382	+/- 456
$25,000-$29,999	215,853	+/- 2,928	3,802	+/- 427
$30,000-$34,999	223,873	+/- 2,843	4,028	+/- 341
$35,000-$39,999	209,353	+/- 2,748	3,593	+/- 365
$40,000-$44,999	211,444	+/- 2,984	3,597	+/- 371
$45,000-$49,999	184,289	+/- 2,613	2,946	+/- 309
$50,000-$59,999	363,985	+/- 3,318	6,315	+/- 459
$60,000-$74,999	478,067	+/- 4,905	7,725	+/- 440
$75,000-$99,999	612,265	+/- 5,087	9,322	+/- 503
$100,000-$124,999	431,201	+/- 4,510	5,912	+/- 407
$125,000-$149,999	267,312	+/- 3,167	3,724	+/- 372
$150,000-$199,999	289,346	+/- 3,107	3,193	+/- 383
$200,000 or more	298,593	+/- 3,088	3,474	+/- 358

Source: U.S. Census Bureau; American Community Survey, 2012-2016 American Community Survey 5-Year Estimates, Table B19001; generated using American FactFinder; <http://factfinder2.census.gov>; (5 September 2018).

Family Income Distribution

	State of Illinois Number of Households	MOE	Champaign County Number of Households	MOE
Total	3,122,597	+/- 9,734	42,766	+/- 810
Less than $10,000	132,725	+/- 2,326	2,055	+/- 326
$10,000-$14,999	80,194	+/- 1,861	941	+/- 175
$15,000-$19,999	97,412	+/- 2,195	1,372	+/- 268
$20,000-$24,999	112,148	+/- 2,204	1,513	+/- 274
$25,000-$29,999	113,176	+/- 2,345	1,411	+/- 246
$30,000-$34,999	125,063	+/- 2,424	1,562	+/- 255
$35,000-$39,999	123,454	+/- 2,072	1,546	+/- 246
$40,000-$44,999	126,675	+/- 2,532	1,538	+/- 225
$45,000-$49,999	116,269	+/- 2,070	1,604	+/- 267
$50,000-$59,999	232,184	+/- 2,911	3,699	+/- 357
$60,000-$74,999	327,668	+/- 4,171	5,044	+/- 404
$75,000-$99,999	458,296	+/- 4,485	6,767	+/- 432
$100,000-$124,999	342,767	+/- 4,089	4,743	+/- 407
$125,000-$149,999	226,012	+/- 2,785	3,161	+/- 346
$150,000-$199,999	248,870	+/- 3,019	2,745	+/- 341
$200,000 or more	259,684	+/- 2,851	3,065	+/- 306

Source: U.S. Census Bureau; American Community Survey, 2012-2016 American Community Survey 5-Year Estimates, Table B19101; generated using American FactFinder; <http://factfinder2.census.gov>; (5 September 2018).

Housing

The following tables show housing tenure for the State of Illinois, Champaign County, the City of Champaign, and the City of Urbana; the distribution of value of owner-occupied housing units with a mortgage in Illinois and Champaign County; and the distribution of rent for renter-occupied housing units in Illinois and Champaign County, according to the 2011-2015 American Community Survey 5-Year Estimates.

Housing Tenure

	State of Illinois		Champaign County		City of Champaign		City of Urbana	
	Estimate	MOE	Estimate	MOE	Estimate	MOE	Estimate	MOE
Total Occupied Housing Units	4,802,124	+/- 9,992	80,442	+/- 943	33,432	+/- 634	15,511	+/- 553
Owner-Occupied	3,167,081	+/- 15,008	44,262	+/- 832	15,652	+/- 592	5,911	+/- 326
Renter-Occupied	1,635,043	+/- 8,087	36,180	+/- 1,171	17,780	+/- 748	9,600	+/- 515

Source: U.S. Census Bureau; American Community Survey, 2012-2016 American Community Survey 5-Year Estimates, Table B25003; generated using American FactFinder; <http://factfinder2.census.gov>; (5 September 2018).

Value Distribution of Owner-Occupied Units

	State of Illinois Estimate	MOE	Champaign County Estimate	MOE
Total Units	3,167,081	+/- 15,008	44,262	+/- 832
Less than $10,000	49,442	+/- 1,305	922	+/- 174
$10,000 to $14,999	22,382	+/- 987	515	+/- 163
$15,000 to $19,999	20,026	+/- 804	196	+/- 97
$20,000 to $24,999	21,903	+/- 833	268	+/- 100
$25,000 to $29,999	20,105	+/- 871	141	+/- 60
$30,000 to $34,999	26,814	+/- 824	230	+/- 100
$35,000 to $39,999	19,943	+/- 849	197	+/- 92
$40,000 to $49,999	55,765	+/- 1,224	571	+/- 134
$50,000 to $59,999	75,446	+/- 1,683	761	+/- 173
$60,000 to $69,999	92,180	+/- 1,896	996	+/- 177
$70,000 to $79,999	110,600	+/- 2,067	1,857	+/- 296
$80,000 to $89,999	127,228	+/- 2,068	1,773	+/- 268
$90,000 to $99,999	109,095	+/- 2,017	2,053	+/- 257
$100,000 to $124,999	284,045	+/- 2,859	5,949	+/- 416
$125,000 to $149,999	243,199	+/- 3,152	5,380	+/- 433
$150,000 to $174,999	308,199	+/- 3,178	5,764	+/- 460
$175,000 to $199,999	212,710	+/- 3,007	3,737	+/- 416
$200,000 to $249,999	360,959	+/- 3,157	5,252	+/- 368
$250,000 to $299,999	282,258	+/- 3,446	3,079	+/- 295
$300,000 to $399,999	329,044	+/- 3,911	2,834	+/- 270
$400,000 to $499,999	150,748	+/- 2,386	854	+/- 150
$500,000 to $749,999	147,895	+/- 2,419	668	+/- 131
$750,000 to $999,999	48,294	+/- 1,252	183	+/- 84
$1,000,000 to $1,499,999	27,871	+/- 894	57	+/- 40
$1,500,000 to $1,999,999	8,418	+/- 658	15	+/- 20
$2,000,000 or more	12,512	+/- 709	10	+/- 15

Source: U.S. Census Bureau; American Community Survey, 2012-2016 American Community Survey 5-Year Estimates, Table B25075; generated using American FactFinder; <http://factfinder2.census.gov>; (6 September 2018).

Rent Distribution of Renter-Occupied Units

	State of Illinois Estimate	MOE	Champaign County Estimate	MOE
Total Units	1,635,043	+/- 8,087	36,180	+/- 1,171
No cash rent	71,924	+/- 1,708	790	+/- 167
Less than $100	7,245	+/- 584	36	+/- 45
$100 to $149	6,174	+/- 511	100	+/- 75
$150 to $199	13,866	+/- 684	188	+/- 93
$200 to $249	28,646	+/- 1,229	297	+/- 147
$250 to $299	21,835	+/- 1,077	300	+/- 135
$300 to $349	21,446	+/- 922	134	+/- 76
$350 to $399	23,275	+/- 960	356	+/- 122
$400 to $449	28,828	+/- 1,141	784	+/- 213
$450 to $499	34,710	+/- 1,326	1,133	+/- 255
$500 to $549	42,590	+/- 1,280	1,346	+/- 199
$550 to $599	49,989	+/- 1,395	1,603	+/- 297
$600 to $649	62,908	+/- 1,649	2,366	+/- 376
$650 to $699	67,012	+/- 1,775	2,488	+/- 345
$700 to $749	76,115	+/- 1,734	2,546	+/- 327
$750 to $799	82,963	+/- 2,019	2,748	+/- 346
$800 to $899	172,595	+/- 2,689	4,557	+/- 500
$900 to $999	165,656	+/- 2,803	3,430	+/- 395
$1,000 to $1,249	268,240	+/- 4,357	5,438	+/- 567
$1,250 to $1,499	151,965	+/- 2,887	2,473	+/- 399
$1,500 to $1,999	153,010	+/- 2,510	2,174	+/- 345
$2,000 to $2,499	50,360	+/- 1,654	455	+/- 164
$2,500 to $2,999	18,603	+/- 998	147	+/- 79
$3,000 to $3,499	9,606	+/- 766	282	+/- 158
$3,500 or more	5,482	+/- 542	9	+/- 11

Source: U.S. Census Bureau; American Community Survey, 2012-2016 American Community Survey 5-Year Estimates, Table B25063; generated using American FactFinder; <http://factfinder2.census.gov>; (6 September 2018).

Employment

The table below presents the employment diversity of the County. The data is sourced from the Illinois Department of Employment Security's Quarterly Workforce Indicators.

	2017			2018	
	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	Average
11 Agriculture, Forestry, Fishing and Hunting	243	487	277	274	320
21 Mining, Quarrying, & Oil and Gas Extraction	22	20	20	18	20
22 Utilities	186	185	187	191	187
23 Construction	3,325	3,276	3,007	2,890	3,124
31-33 Manufacturing	6,917	6,873	6,791	6,685	6,816
42 Wholesale Trade	2,808	2,741	2,686	2,586	2,705
44-45 Retail Trade	9,088	9,143	9,662	8,931	9,206
48-49 Transportation and Warehousing	2,548	2,666	2,835	2,624	2,668
51 Information	2,314	2,097	2,144	2,134	2,172
52 Finance and Insurance	2,478	2,460	2,552	2,621	2,528
53 Real Estate and Rental and Leasing	1,629	1,637	1,607	1,618	1,623
54 Professional, Scientific, and Technical Services	3,414	3,433	3,340	3,490	3,419
55 Management of Companies and Enterprises	114	111	114	148	122
56 Administrative and Support and Waste Management and Remediation Services	3,784	3,859	3,903	3,916	3,866
61 Educational Services	738	806	829	840	803
62 Health Care and Social Assistance	12,729	12,778	12,853	12,787	12,787
71 Arts, Entertainment, and Recreation	1,101	870	769	747	872
72 Accommodation and Food Services	9,314	10,338	10,106	10,136	9,974
81 Other Services (except Public Administration)	1,938	1,931	2,033	2,075	1,994
92 Public Administration	25,000	25,614	25,276	24,945	25,209
99 Unclassified	53	17	16	11	24

*Figures not disclosed due to confidentiality rules
Source: Illinois Department of Employment Security, Economic Information and Analysis Division, Quarterly Census of Employment & Wages, QCEW Annual Average Data 2017 Q2-4 and 2018 Q1, Illinois at Work Report; <http://www.ides.illinois.gov/LMI/Pages/Quarterly_Census_of_Employment_and_Wages.aspx>; (6, 11 September 2018; 3 October 2018).

The following table shows the average annual unemployment rate in Champaign County, Illinois, and the United States since 2000, according to the Illinois Department of Employment Security.

Year	Champaign County				Illinois	United States
	Labor Force	Employed	Unemployed	Unemployment Rate	Unemployment Rate	Unemployment Rate
2017	104,527	100,100	4,427	4.2%	5.0%	4.4%
2016	105,140	99,773	5,367	5.1%	5.8%	4.9%
2015	104,764	99,384	5,380	5.1%	6.0%	5.3%
2014	103,670	97,492	6,178	6.0%	7.1%	6.2%
2013	103,486	95,757	7,729	7.5%	9.0%	7.4%
2012	104,101	96,498	7,603	7.3%	9.0%	8.1%
2011	105,685	97,465	8,220	7.8%	9.7%	8.9%
2010	108,978	100,032	8,946	8.2%	10.4%	9.6%
2009	105,240	96,480	8,760	8.3%	10.2%	9.3%
2008	105,661	99,814	5,847	5.5%	6.3%	5.8%
2007	105,132	100,739	4,393	4.2%	5.0%	4.6%
2006	102,819	99,078	3,741	3.6%	4.5%	4.6%
2005	101,124	96,973	4,151	4.1%	5.7%	5.1%
2004	99,010	94,679	4,331	4.4%	6.2%	5.5%
2003	98,703	94,298	4,405	4.5%	6.8%	6.0%
2002	99,242	95,219	4,023	4.1%	6.5%	5.8%
2001	99,742	96,206	3,536	3.5%	5.3%	4.7%
2000	100,039	96,792	3,247	3.2%	4.3%	4.0%

Source: Illinois Department of Employment Security, Local Area Unemployment Statistics, LAUS County Annual Average Data 2000-2017 and Illinois Labor Force Estimates Annual Averages;
<http://www.ides.illinois.gov/LMI/Pages/Local_Area_Unemployment_Statistics.aspx>; (5 September 2018).

The table below shows the 10 employers in Champaign County with the greatest number of employees, according to the Champaign County Economic Development Corporation.

	Employer	Number of Employees in 2017
1	University of Illinois at Urbana-Champaign	13,857
2	Carle	6,386
3	Champaign Unit #4 School District	1,624
4	Kraft Heinz	1,025
5	Champaign County	923
6	Christie Clinic	911
7	Urbana School District #116	830
8	Presence Health	803
9	Plastipak	780
10	Parkland College	707

Source: Industry Profiles, Champaign County Economic Development Corporation, April 2017.
<http://www.champaigncountyedc.org/industry-profiles>; (3 October 2018).

BASIS OF BUDGETING

Champaign County's governmental accounting and financial reporting are managed in accordance with "Generally Accepted Accounting Principles" ("GAAP"). Government funds use a modified accrual basis of accounting. The modified accrual basis of accounting and budgeting recognizes revenues when they become available and measureable; and expenditures when the liability is incurred. Proprietary funds use an accrual basis of accounting. The accrual basis of accounting recognizes revenue when earned and expenses when incurred, regardless of when cash is received or disbursed.

The ***budgets*** for all governmental funds ***and*** proprietary funds are presented on a modified accrual basis. The modified accrual basis of budgeting is reflected in the County ordinance which provides that balances remaining in County appropriations shall be available for sixty days after the close of the fiscal year to pay for goods or services that were delivered prior to the close of the fiscal year. Because proprietary fund budgets are not on a full accrual basis, the legally adopted budget is not on a basis strictly consistent with generally accepted accounting principles (GAAP). The basis of budgeting is different from the basis of accounting used in the audited financial statements, where the actual results of operations are presented in accordance with generally accepted accounting principles. Adjustments necessary to convert the results of operations from the budgetary basis to the GAAP basis are mostly due to proprietary funds having budgets on the modified accrual basis, while GAAP requires accounting for those funds on the full accrual basis.

Champaign County Financial Policies

Introduction

Champaign County has several relevant financial policies in order to preserve and enhance its fiscal health, identify acceptable and unacceptable courses of action, and provide a standard to evaluate the government's fiscal performance. Besides the county's Financial Policies and Annual Budget Process Resolution, other policies that are central to a strategic, long-term approach to financial management are posted on the county website http://www.co.champaign.il.us/HeaderMenu/generalinfo.php.

- Purchasing Policy (including Capital Asset Management and Replacement)
- Grant Application/Approval Policy
- Personnel Policy (including Salary Administration Guidelines)
- Treasurer's Investment Policy
  http://www.co.champaign.il.us/treasurer/PDFS/InvestmentPolicy.pdf

Budgeting Policies

1. The County's fiscal year is January 1 – December 31.
2. All County funds are appropriated in the "Official Budget," which is approved by the County Board. Appropriations are considered the maximum authorization to incur obligations and not a mandate to spend.
3. The County is committed to producing a balanced budget in a timely manner. The County will pay for current expenditures with current revenues, avoiding procedures that balance budgets by postponing needed expenditures, realizing future revenues early, or rolling over short-term debt. A budget is balanced when total appropriations do not exceed total revenues and appropriated fund balance within an individual fund.
4. The budgets for all governmental funds and proprietary funds are presented on a modified accrual basis.
5. The final Budget document must include:
   a. A statement of financial information including prior year revenue and expenditure totals, and current and ensuing year revenue and expenditure projections; and
   b. A statement of all moneys in the county treasury unexpended at the termination of the last fiscal year; and
   c. A statement of all outstanding obligations or liabilities of the county incurred in any preceding fiscal year; and
   d. Additional information required by state law.
6. The budget may be amended through a Budget Amendment or Budget Transfer which require a 2/3rd majority vote (15) of the County Board. Department heads may authorize transfers between non-personnel budget lines in their department budget as long as they do not exceed the total combined appropriation for non-personnel categories; and transfers between personnel lines as long as they do not exceed the total combined appropriation for personnel categories.
7. A General Corporate Fund contingency appropriation will be designated for emergency purchases during the fiscal year. The contingency appropriation goal is 1% of the total

anticipated expenditure for the General Corporate Fund. No more than 5% of the total General Corporate Fund Appropriation may be appropriated to contingencies. Money appropriated for contingencies may be used for contingent, incidental, miscellaneous, or general county purposes, but no part of the amounts so appropriated shall be used for purposes for which other appropriations are made in the budget unless a transfer of funds is authorized by a 2/3rd majority vote (15) of the County Board.

8. On an annual basis, the County will prepare a Financial Forecast to include expenditure projections for the current year and the next four (4) fiscal years.

Revenue Policies

1. The County will strive to maintain diversified and stable revenue sources to shelter it from unforeseeable short-run fluctuations in any one revenue source.
2. The County will estimate its annual revenues by an objective, analytical process. On an annual basis, and in conjunction with expenditure projections, the County will prepare revenue projections for the current year and the next four (4) fiscal years. Each existing and potential revenue source will be re-examined annually.
3. The property tax rates for each levy shall be calculated in accordance with the Property Tax Extension Limitation Law (PTELL).
4. The County charges user fees for items and services, which benefit a specific user more than the general public. State law or an indirect cost study determine the parameters for user fees. The County shall review all fees assessed in its annual budget preparation process to determine the appropriate level of fees for services and recommend any proposed changes to the fees collected to be implemented in the ensuing budget year.
5. To the extent feasible, one-time revenues will be applied toward one-time expenditures and will not be used to finance ongoing programs. Ongoing revenues should be equal to or exceed ongoing expenditures.
6. The Champaign County Board supports efforts to pursue grant revenues to provide or enhance County mandated and non-mandated services and capital needs. Activities which are, or will be, recurring shall be initiated with grant funds only if one of the following conditions are met:
    a. The activity or service can be terminated in the event the grant revenues are discontinued; or
    b. The activity should, or could, be assumed by the County's General and recurring operating fund or another identified fund. Departments are encouraged to seek additional sources of revenue to support the services prior to expiration of grant funding. Grant approval shall be subject to the terms and conditions of County Ordinance Number 635, and Ordinance amendments 903 and 920.

Fund Policies

1. The County's financial structure begins with funds. A fund is a self-balancing accounting entity with revenues and expenditures which are segregated for the purpose of carrying out specific programs in accordance with County policies and certain applicable State and Federal laws. Each fund has at least one Department Budget, which is a group of expenditures that provide for the accomplishment of a specific program or purpose.

2. A major fund is a budgeted fund where revenues or expenditures represent more than 10% of the total appropriated revenues or expenditures.
3. All county funds are included in the Annual Budget Document except the fiduciary funds described below.
    a. Private Purpose Trust Funds in which the County Engineer acts in a trustee capacity on behalf of townships to use state funding to maintain township roads and township bridges, which resources are not available to support the County's own programs.
    b. Agency Funds held in a custodial capacity for external individuals, organizations and governments for the purpose of reporting resources, such as property taxes and circuit court fees and fines.
4. Governmental funds account for traditional governmental operations that are financed through taxes and other fixed or restricted revenue sources.
    a. The General Corporate Fund is available for any authorized purpose, and is used to account for all financial resources except those required to be accounted for in another fund. A summary is prepared which lists the amount of General Corporate Fund appropriation for all affected departments. The General Corporate Fund is a Major Fund.
    b. Special Revenue Funds are used to account for the proceeds of specific sources that are legally restricted to expenditures for a specific purpose.
        i. Included in the Special Revenue Funds are Debt Service Funds utilized to account for the payment of interest, principal and related costs on the County's general long-term debt. (In addition to Debt Service Funds, the County also has debt service budgets included in other funds as appropriation based on the purpose of the fund.)
        ii. Also included in Special Revenue Funds are Capital Project Funds used to account for all expenditures and revenues associated with the acquisition, construction or maintenance of major facilities that are not financed through proprietary funds or funds being held for other governments.
    c. Proprietary Funds account for certain "business-type" activities of governments that are operated so that costs incurred can be recovered by charging fees to the specific users of these services.
        i. An enterprise fund is used to account for operations that are financed primarily by User charges. The Nursing Home Fund is the county's only enterprise fund.
        ii. An Internal Service Fund is established to account for the financing of goods and services provided to the County and other agencies on a cost reimbursement basis. The activities of the Self-Funded Insurance Fund and Employee Health Insurance Fund are budgeted and appropriated through the use of Internal Service Funds.
5. A Fund Statement is presented for each fund, which summarizes past and projected financial activity for the fund as follows:
    a. Revenues presented in line item detail within revenue categories; and

b. Expenditures presented in line item detail within major categories – e.g., personnel, commodities, services; and
c. Fund Balance including the actual or estimated funds remaining at the end of the fiscal year.

Financial Reserves and Surplus

1. The fund balance for each fund shall be reviewed annually, and recommendations for financial reserves and a plan for the use of surplus funds shall be documented.
2. For cash flow purposes due to the timing of property tax revenues and fluctuations in the receipt of state shared revenues, and in order to allow flexibility to respond to unexpected circumstances, the minimum fund balance requirement for the General Corporate Fund is 45-days or 12.5% of operating expenditures. A plan will be developed to increase the fund balance in instances where an ending audited fund balance is below the 45-day minimum requirement. The fund balance target for the General Corporate Fund is two months or 16.7% of operating expenditures.
3. It is the intent of the County to use all surpluses generated to accomplish three goals: meet reserve policies, avoid future debt and reduce outstanding debt.

Capital Asset Management and Replacement

1. The Capital Asset Replacement Plan includes a multi-year plan for vehicles, computers, technology, furnishings and office equipment. It will be updated for the General Corporate Fund departments during the annual budget process. Expenditures will be appropriately amortized and reserves for replacement will be estimated. If the county is unable to appropriate full funding for future reserves, this will be documented in Capital Asset Replacement budget. A five-year forecast for capital asset management and replacement will be developed and updated annually.
2. The Capital Asset Replacement Plan also includes a multi-year plan for the facilities owned and maintained by the County. The County will strive to maintain all assets at a level adequate to protect the County's capital interest and to minimize future maintenance and replacement costs.
3. The County will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted and included in the Capital Asset Replacement Fund plan.
4. The Deputy County Administrator of Finance will review all expenditures from the Capital Asset Replacement Fund and the County Administrator is authorized to approve all expenditures from the Capital Asset Replacement Fund in compliance with the multi-year plan and policies established by the County Board. No more than 3% of the equalized assessed value of property subject to taxation by the county may be accumulated in a separate fund for the purpose of making specified capital improvements.
5. The Auditor maintains a fixed asset inventory of furniture, equipment, buildings, and improvements with a value of greater than $5,000 and a useful life of one year or more.

Debt Management

1. When applicable, the County shall review its outstanding debt for the purpose of determining if the financial marketplace will afford the County the opportunity to refund an issue and lessen its debt service costs. In order to consider the possible refunding of an issue a Present Value savings of three percent over the life of the respective issue, at a minimum, must be attainable.
2. The County will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.
3. When the county finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the estimated useful life of the project.
4. The County will strive to have the final maturity of general obligation bonds at, or below, thirty years.
5. Whenever possible, the County will use special assessment, revenue, or other self-supporting bonds instead of general obligation bonds, so those benefiting from the improvements will bear all or part of the cost of the project financed.
6. The County will not use long-term debt for current operations.
7. The County will maintain good communications with bond rating agencies regarding its financial condition. The County will follow a policy of full disclosure on every financial report and borrowing prospectus.

Accounting, Auditing and Investment

1. The County follows Generally Accepted Accounting Principles (GAAP).
2. State statutes require an annual audit by independent certified public accountants. A comprehensive annual financial report shall be prepared to the standards set by the government finance Officers Association (GFOA).
3. The County uses an accounts receivable system to accrue revenues when they are available and measurable for governmental fund types. Departments should bill appropriate parties for amounts owed to Champaign County, review aging reports, complete follow-up information about the account, and monitor all accounts receivables.
4. The County Treasurer is responsible for investment of all Champaign County funds. With County Board approval, the Treasurer may make a short term loan of idle monies from one fund to another, subject to the following criteria:
   a. Such loan does not conflict with any restrictions on use of the source fund; and
   b. Such loan is to be repaid to the source fund within the current fiscal year.

Purchasing and Encumbrances

1. An encumbrance system is maintained to account for commitments resulting from purchase orders and contracts. Every effort will be made to ensure that these commitments will not extend from one fiscal year to the next. Any emergency encumbrances, which do extend into the next fiscal year, shall be subject to appropriation in the next year's budget. Encumbrances at year - end do not constitute expenditures or liabilities in the financial statements for budgeting purposes.

2. All items with an expected value of $30,000 or more must be competitively bid with exceptions for professional services (other than engineering, architectural or land surveying services). Additional competitive bid requirements may apply by statute or as a condition of using funds from an outside source.
3. All purchases over the respective limit of $30,000, which require the use of either formal bids or requests for proposals, must be approved by the full Champaign County Board.
4. The Champaign County Purchasing Policy Ordinances Number 897 and 902, establish the procedures to be followed in all purchasing activities.

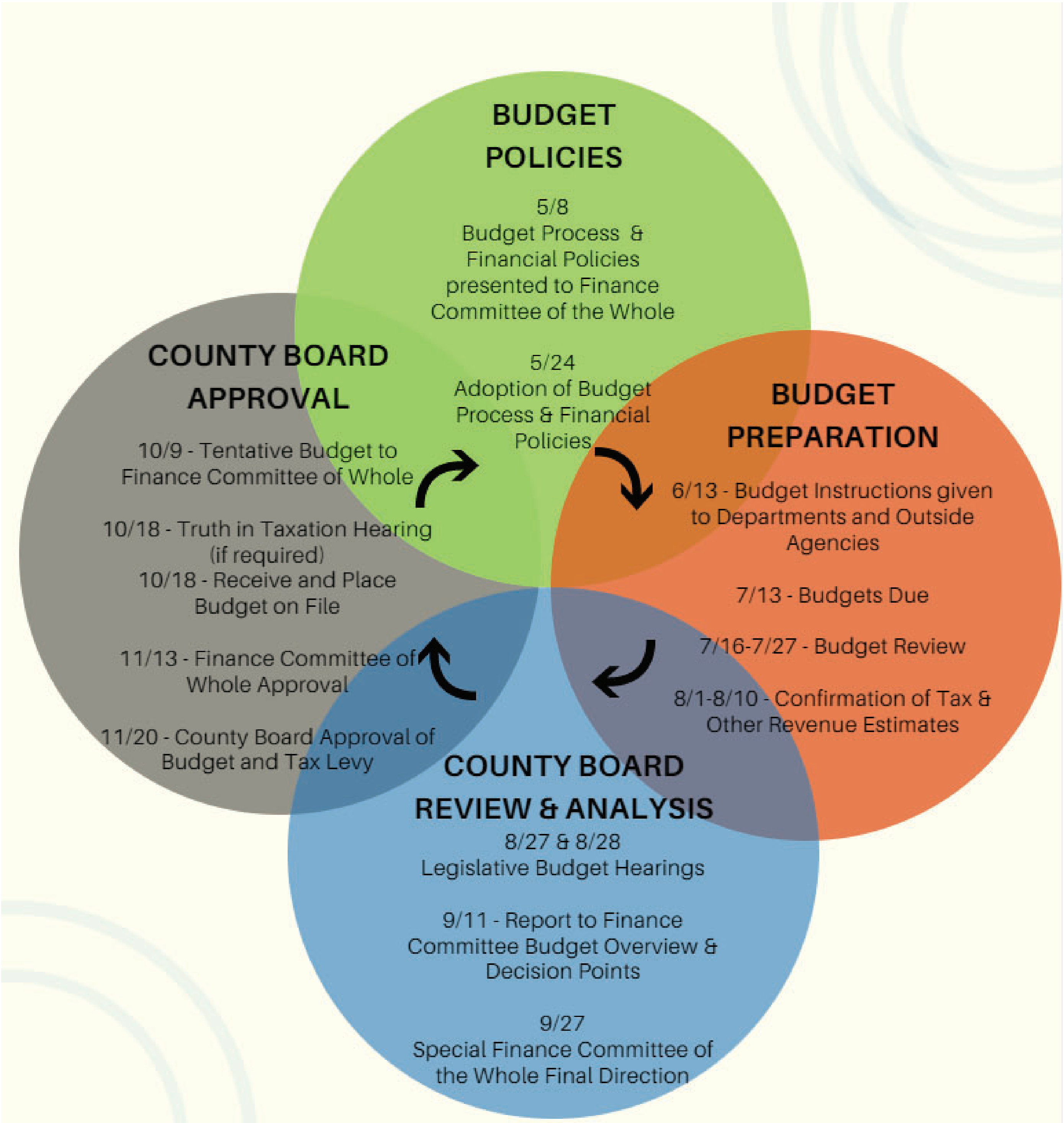
Risk Management

1. In order to forecast expenditures for its self-funded insurance program for workers compensation and liability, the county hires an actuarial consulting firm to review loss history and recommend funding taking into consideration claims, fixed costs, fund reserves, and national trends.
2. The County strives to maintain the actuary recommended fund balance.

Salary Administration

1. The County Personnel Policy, adopted by Ordinance Number 960, includes Salary Administration Guidelines.
2. The County Administrator is responsible for computing salaries and fringe benefits costs for all departments.
3. Increases for non-bargaining employees will be established by the Finance Committee at the beginning of the budget cycle and forwarded to the County Board for inclusion in the annual budget.

CHAMPAIGN COUNTY FY2019 BUDGET CALENDAR



The September 27, 2018 Special Finance Committee of the Whole Meeting was cancelled, and a Public Hearing on the Proposed FY2019 Budget was held on October 9, 2018. The November 20, 2018 County Board meeting was rescheduled to November 27, 2018.

BUDGET PROCESS

Phase 1 - Planning

The budget development process begins approximately nine months prior to the beginning of the fiscal year. At that time, County Administration updates the Five-Year Forecast for the General Corporate Fund, and conducts market surveys to review the mid-point valuation of jobs in Champaign County. Based upon these analyses, the County Administrator recommends salary range adjustments and a set of assumptions for planning purposes and direction on balancing the next year's General Corporate Fund budget, to be adopted by the Finance Committee in May. Based upon the Finance Committee Recommendation, the County Board adopts the annual Budget Process Resolution in May of each year.

Champaign County requires department budget requests to be performance-based and focused on goals, objectives and performance indicators. Additionally, statutory budget requirements as defined in 55 ILCS 5/6 require the following information be included in the annual budget document:

- Statement of financial information including prior year revenue and expenditure totals, and current year and future year revenue and expenditure projections;
- Statement of all monies in the county treasury unexpended at the termination of the last fiscal year;
- Statement of all outstanding obligations or liabilities of the county incurred in any preceding fiscal year;
- Statement showing any bonuses or increase in any salary, wage, stipend, or other form of compensation that is not subject to a collective bargaining agreement for every agency, department, or any other entity receiving an appropriation from the county, regardless of whether the employee receiving them is part of a collective bargaining unit.

Phase 2 – Preparation

Based upon the Annual Budget Process Resolution and planning requirements adopted by the County Board, the County Administrator conducts a Budget Instruction and Information Meeting with all County Departments in June of each year. At this meeting, general budget preparation instructions are provided for the department preparation portion of the process. Department Heads and Elected Officials are asked to complete the preparation of individual department budgets for which they are responsible in the month of June, with submission to the County Administrator in early July.

Phase 3 – Integration and Initial Review

In July, County Administration meets with each department head and elected official to review the budget requests as presented. The County Administrator may recommend changes and adjustments to the presented budgets during this stage of the process to ensure compliance with the County Board's guidelines. Once these changes are agreed upon, they are incorporated in the budget documents to be presented to the County Board. County Administration then completes revenue projections and consolidates all gathered information into a comprehensive budget request as a whole to be presented to the County Board.

Phase 4 – County Board Initial Review and Public Review

In August, the County Board conducts Legislative Budget Hearings. These Meetings/Hearings are open meetings where the public is welcome. The department heads, elected officials, and officials of governing boards with county budgets, present their budgets to the County Board at these meetings, and engage in question and answer sessions with the board members. Budget Information is provided to the members of the County Board in advance of the Legislative Budget Hearings so that County Board Members have the opportunity to review and prepare before meeting with the department heads and elected officials. After the Legislative Budget Hearings, the Finance Committee further reviews the budget at its September meeting.

Phase 5 – Public Review

A Special Finance Committee of the Whole meeting is held in late September. An opportunity for public participation will take place at the beginning of the meeting.

Phase 6 – Finance Committee Decision Points

No later than the October Finance Committee meeting, the Finance Committee provides direction regarding changes or recommendations for funding initiatives or requirements outside of the initial budget process preparation guidelines. Upon this direction from the Finance Committee, the County Administrator then completes and compiles the total budget for the County Board.

Phase 7 – Public Review

The County Board places the budget on file in October to allow for public review and comment, as required by 55 ILCS 5/6-1001. The County Board also conducts a Truth in Taxation Public Hearing in October, if the annual tax levy will increase by more than 5%, as required by 35 ILCS 200/18-70.

Phase 8– Adoption

At its November meeting, the County Board adopts and approves the annual Budget and Appropriation Ordinance to establish the budget for the ensuing fiscal year. The adoption of the budget requires an affirmative vote of at least a majority of all members of the County Board. The adoption of the budget constitutes appropriation of the amounts specified therein as expenditures from the funds indicated.

RESOLUTION ESTABLISHING THE BUDGET PROCESS FOR CHAMPAIGN COUNTY FOR FY2019

WHEREAS, the Champaign County Board determines it appropriate to establish a formal process for the compilation, presentation, approval and execution of the annual budget; and

WHEREAS, based on the anticipated receipt of revenues and expenditure appropriations for FY2018 and the need for careful study of both revenues and expenditures for FY2019, the Finance Committee recommends guidelines and policies for the process and development of the FY2019 annual budget;

NOW, THEREFORE, BE IT RESOLVED, by the County Board of Champaign County, Illinois, that the following guidelines are hereby adopted and shall be adhered to by County Administration and Champaign County departments in the submission, review, preparation, and implementation of the FY2019 Budget:

FY2019 Fiscal Year and Budget Calendar

The County's 2019 fiscal year begins on January 1 and ends on December 31.

June 13	Budget Instruction and Training Seminar for Department Budget Preparers and Instructions for Budget Submission sent to outside agencies
July 13	FY2019 Budgets DUE from Departments
July 16-27	Department Budget Reviews with County Administration
Aug. 1-10	Confirm Tax Revenues & Other Revenue Estimates
Aug. 27-28	6:00pm each evening – Legislative Budget Hearings before the County Board
Sept. 11	Report to Finance Committee FY2019 Budget Overview and Decision Points for Committee Direction
Sept. 27	Special Finance Committee of the Whole Meeting for Public Comment on the Proposed FY2019 Budget and to Provide Final Direction Regarding Tentative Budget
Oct. 9	FY2019 Tentative Budget Recommendation presented to Finance Committee to be forwarded to County Board
Oct. 18	County Board – Receive & Place on File FY2019 Tentative Budget Recommendation and County Board Truth in Taxation Public Hearing (*if required)*
Nov. 13	Finance Committee approval of Final FY2019 Budget
Nov. 20	County Board approval of Final FY2019 Budget & FY2019 Tax Levy Ordinance

Budget Development Process

Department budget requests shall be performance-based and focused on goals, objectives, and performance indicators.

Non-General Corporate Fund Budget Requests

Non-General Corporate Fund Budgets are to be prepared as follows:
1. Presented within the County Board's definition of a balanced budget; and
2. Include revenues, expenditures, fund balance information, goal statements and an explanation for variances in ending fund balance; and
3. Document and analyze operations, and provide FY2019 strategic planning information including alignment with the County Board's Strategic Plan, and specific fund objectives and anticipated performance indicators.

General Corporate Fund Budget Requests

The sale of the Champaign County Nursing Home in FY2018 will relieve the General Corporate Fund of $282,270 in debt services payments in FY2019; thereby, reducing the forecasted revenue to expenditure deficit. Fiscal year 2019 non-personnel expenditures will be held flat against the FY2018 budget with the exception of allowable increases based on competitively bid contracts or documented cost increases, and include at least $50,000 in new allocations for recommendations outlined by the Racial Justice Task Force in its final report.

Budget documents will include:

1. Department operation analysis and planning documentation; and
2. Alignment to the County Board Strategic Plan; and
3. Department objectives and performance indicators; and
4. An objective and analytic projection of revenues including any recommendations for fee increases or modifications to revenue structure; and
5. Expenditures (personnel expenditures will be completed by Administrative Services based on negotiated labor contracts and County Board direction for non-bargaining salary administration).

Capital Asset Replacement Fund (CARF)

Capital asset replacement programs have an impact on the General Fund and Public Safety Sales Tax Fund. Full funding for facilities and future reserve items in the Capital Asset Replacement fund has been unattainable since 2008 due to revenue shortfalls. The County Board directs administration to prepare the Capital Asset Replacement Fund utilizing all available General Fund and Public Safety Sales Fund revenues to prioritize the County's technology and facility needs including:

1. Funding for Tax Cycle software; and
2. Upgrading Jail Management software; and
3. Priority facilities maintenance projects identified as directed by the Facilities Committee; and
4. Funding for CARF items scheduled for replacement in FY2019; and

5. An estimated calculation of full reserve funding required for future CARF replacement schedules; and
6. A forecast projecting funding required for CARF items scheduled for replacement in the subsequent four fiscal years.

Contingency Appropriation

The County Board directs that the FY2019 Contingency line item be appropriated at 0.5% of the total General Corporate Fund FY2019 appropriation.

Property Tax Revenue

The County Board directs the preparation of the property tax revenue for FY2019 be calculated in accordance with the Property Tax Extension Limitation Law (PTELL).

Form of the Budget

The final Budget document must include the following, showing specific amounts:

- Statement of financial information including prior year revenue and expenditure totals, and current year and ensuing year revenue and expenditure projections; and
- Statement of all moneys in the county treasury unexpended at the termination of the last fiscal year; and
- Statement of all outstanding obligations or liabilities of the county incurred in any preceding fiscal year; and
- Any additional information required by state law.

Financial Policies

The final Budget shall further be prepared in acknowledgement of the Champaign County Board Financial Policies.

LONG-RANGE FINANCIAL PLANNING

Based on the County's need to significantly increase its annual investment in facilities maintenance, in 2018 the County Board approved a long-term capital plan for facilities. A copy of the plan is included in the Supplemental Information section of the budget. The FY2019 Budget will increase the appropriation for facilities maintenance from $532,261 to $1.12 million. The FY2019 Budget includes appropriation for technology investments. The County plans to transition to a hosted Software as a Service (SaaS) contract for its jail management system, and to replace its in-house real-estate tax cycle system with a fully-integrated property tax system.

Voters approved a proposition to establish the County Executive Form of Government in November 2016. The County's first Elected County Executive will take office in December 2018 following the general election. It is expected the County's Strategic Planning Committee will resume meetings in 2019 in order to revise the County's current Strategic Plan. In April 2018, administration presented Champaign County's Five-Year Financial Forecast to the County Board for fiscal years 2018 through 2022. The following month, the County Board approved a resolution authorizing the sale of its financially struggling Nursing Home.

Five-Year Financial Forecast

Introduction
The Champaign County Financial Forecast projects the financial condition of the County for the current and next four fiscal years based on a number of assumptions. The Forecast focuses on the General and Public Safety Sales Tax funds and provides a context for future financial decisions and direction as the County begins the FY2019 budget process. It is challenging to accurately forecast beyond one year, and small deviations in one year can result in significant differences in later years since projections in future years are based on outcomes in previous years. The Forecast is presented by summary of revenue and expenditure categories and is based on current economic conditions, historical performance, and anticipated trends in revenues and expenditures.

This Forecast does not take in to consideration either the continued operation, or disposition, of the Champaign County Nursing Home; although there will be a subsequent impact on General Fund finances based on the County Board's decision regarding the home. The Nursing Home has three outstanding loans totaling $726,802, which are due in 2018. The Forecast does identify the direct impact on the General Fund's reserve balance if the loans are forgiven due to the inability of the home to pay the balance of the loans.

Financial Rating
In June 2017, Moody's Investors Services affirmed the County's Aa2 rating and assigned a negative rating outlook. Moody's stated that continued financial support of the Champaign County Nursing Home was expected to weaken the County's General Fund balance and would place downward pressure on its rating. Strengths identified are a large and diverse tax base and modest debt burden. Challenges identified include enterprise risk associated with ownership of the nursing home, anticipated draws on county reserves, and moderate exposure to the state for governmental and enterprise operating revenues.

The 2018 Moody's outlook for local governments issued in December 2017 is stable; however, some local governments will face increasing credit pressures. Of the pressures cited, those relevant to Champaign

County include unmet infrastructure needs and uncertain state funding. Moody's expects highly rated local governments will increase fund balances as property tax revenue grows.

Strategic Plan

The Champaign County Board last updated its Strategic Plan in 2015. The Strategic Planning Committee met between April and September 2017 in order to review the plan; however the committee has not forwarded recommendations for updating the plan to the County Board. The goals and initiatives identified in the current Strategic Plan will be used guide the budget priorities for FY2019. It is recommended that after the County transitions to the County Executive form of government in December 2018, the Strategic Planning Committee resume deliberations to update the 2015 plan.

Economic Conditions

The Illinois Department of Revenue (IDOR) is using an official figure of a 2.1% increase in the Consumer Price Index (CPI) for levy calculations under the Property Tax Extension Limitation Law (PTELL). In February 2018, consumer confidence hit its highest level since 2000 as consumers anticipate the economy will continue to expand in 2018. Unemployment rates continue to fall with Champaign County mirroring the U.S. rate in December 2017 of 3.9%, and Illinois at a much higher 4.7%.

Also in February, the University of Illinois Flash Index, designed to give a quick reading of the state economy, climbed to its highest level since May 2017, which economist Fred Giertz states is a benefit of a strong national economy. Conversely, Internal Revenue Service data indicates that Illinois continues to lose people and income. For tax year 2015-2016, Illinois lost 86,100 people based on exemptions and $4.75 billion in adjusted gross income. Per the 2018 State of Illinois Forecast Report, for the fourth consecutive year Illinois' population declined despite other states in the region adding residents. Moody's Analytics reports that the state's fiscal problems and weak demographic profile "cast doubt on the forecasts for state and local government".

Financial Challenges

The County faces many of the same financial pressures it has identified in previous years.

1. State of Illinois. Legislative and administrative decisions made at the state level pose significant financial challenges for County revenues. The State of Illinois adopted a budget in July 2017 after a two-year impasse; however, not without an unfavorable impact on local governments.

    a. Income Tax. In July 2017, the General Assembly increased the state income tax rate from 3.75% to 4.95%; however, local governments did not share in the additional revenue. Instead, the state legislature imposed a "one-year", 10% reduction to Local Government Distributive Fund (LGDF) revenue in conjunction with accelerating the distribution of tax payments. Additionally, IDOR's implementation of a new general ledger system in 2016 resulted in extreme volatility in Income tax revenues. During his state budget address, Governor Rauner proposed extending the 10% cut for a second year.

    b. Personal Property Replacement Tax (PPRT). Administrative process changes and new accounting software have resulted in fluctuations and uncertainty in PPRT revenues. The state's diversion of PPRT funds has increased from $21.6 million in 2009, to $296.8 million in 2018, resulting in less revenue being distributed to local governments.

c. State Collection Fee. The legislature implemented a 2% collection fee on the County's Public Safety Sales Tax effective July 2017. This fee is expected to be permanent and decreased County revenue by $57,000 in FY2017, with an estimated loss of $96,000 in FY2018.

d. Motor Fuel Tax Cuts. Due to the shift of $300 million in expenses from the state's General Fund to the Transportation Fund, the Illinois Department of Transportation implemented cuts that will result in an anticipated loss of $187,000 in County Motor Fuel taxes in FY2018. It is uncertain whether this cut will continue in future fiscal years.

e. Property Tax Reform. Property tax reform legislation continues to be proposed at the state level. Expanded exemptions are expected to have little effect on property tax revenues because the property tax burden is merely shifted between property owners; however, implementation of new exemptions such as a long-time homestead exemption will likely require additional County staff to implement and verify exemption eligibility. A property tax freeze will impact County revenue because it will remove the County's ability to levy for inflation presently allowed under PTELL.

2. Federal Tax Reform. Analyzing the local impact of the recently enacted federal tax reforms is difficult. The ability to deduct income taxes or sales taxes prevents taxpayers from being taxed twice on the same income. The ability to deduct property taxes and mortgage interest makes it more affordable to own a home. Mr. Mattoon, predicts that as the tax advantage of home ownership diminishes, housing prices will adjust down as well as the value of taxable property. Moody's Investor Services states that overall, the tax reform is negative for local government finances.

3. Declining Fees and Fines Revenue. In FY2017 there was a $440,000 drop, or 9% decline in fees and fines revenues. Changes in public policy related to criminal justice reform continue to impact these revenue streams, which is discussed in more detail later in this document.

4. Champaign County Nursing Home. In 2017, the General Fund loaned the Nursing Home $500,000 in order to help the home meet its payroll and vendor obligations. The General Fund also extended a $226,802 loan made in FY2016 for boiler replacement, bringing the total of outstanding loans due in FY2018 to $726,802. As of March 2017, multiple county funds were owed for either services provided, or bills paid by the County on the home's behalf. Also in March, the County Board approved a $94,000 budget amendment, from the balance of the General Fund, transferring funds to the Nursing Home for crucial accounts payable obligations.

5. Infrastructure Needs. The County's annual investment in its facilities falls significantly short of the funds recommended to keep its facilities from declining. A comprehensive assessment of County facilities completed in November 2015 identified an annual maintenance investment of $4.5-$5.6 million for the County's twenty-two facilities; however, due to the lack of revenue the facilities budget for the past several years has been $532,000. In FY2018, the Highway Department established a capital budget to allocate $100,000 for repair and maintenance of its facilities. Deferral of infrastructure investment is something that Moody's is following at the state and local level as it could lead to a form of soft debt.

6. Technology Needs. Migration to modern financial, human resources, and tax cycle administration software is critical. The current AS/400 system is forty years old and requires

programming support that is no longer taught. Jail management and Courts technology system upgrades are also imminent.

7. Health Insurance Costs. The increasing cost of health insurance continues to be a concern. The FY2018 increase was a manageable 2.7%, down from 11.6% in FY2017. In 2018, the County changed its provider from Health Alliance to BlueCross BlueShield, and its plan from a Health Maintenance Organization to a Preferred Provider Organization. In January 2018, the 40% federal excise tax referred to as the "Cadillac tax" was once again deferred and is now set to take effect in 2022.

8. Hospital Property Tax Exemption Case. The property tax levies for revenue years 2016 and 2017 were prepared to capture new growth in the event of a potential ruling regarding the property tax exemption status of hospitals. In March 2017, the Illinois Supreme Court remanded the case back to the Circuit Court. A favorable ruling in the case could result in as much as $1 million in recurring revenue for the County's levy funds. The County's liability in the event of an unfavorable ruling is $2.6 million, for which there is $946,000 reserved within the County's fund balances.

9. Annexations. In May 2017, the Village of Mahomet annexed 90 acres of land including four businesses, which resulted in an annual estimated loss of $99,000 in video gaming, liquor license, and sales tax revenue for the County.

Highlights and News

1. Amnesty Program. Champaign County had its first ever Amnesty week in 2017 allowing for a waiver of collections and late fees on outstanding criminal and traffic fees and fines. Over $131,000 was collected and distributed to the County, State, and other local agencies. The amount of fees waived totaled $36,346, with 181 cases paid in full. The Circuit Clerk's Office plans to offer the program again in 2018.

2. General Fund Balance. Despite multiple impacts to the 2017 General Fund budget, the County ended the fiscal year with an $81,000 surplus, and a 12.9% fund balance as a percentage of 2017 expenditures. The fund balance as a percentage of the FY2018 expenditure budget is 12.4%.

3. Settlement Agreement Under the Americans with Disabilities Act (ADA). With the exception of the downtown Sheriff's facilities, the County will be in compliance with its three year agreement with the Department of Justice by July 2018. The Department of Justice (DOJ) has agreed to extend the compliance deadline for the downtown facilities; however, the County must provide a plan and timeline for DOJ review and approval. The Facilities Committee will resume this discussion in July.

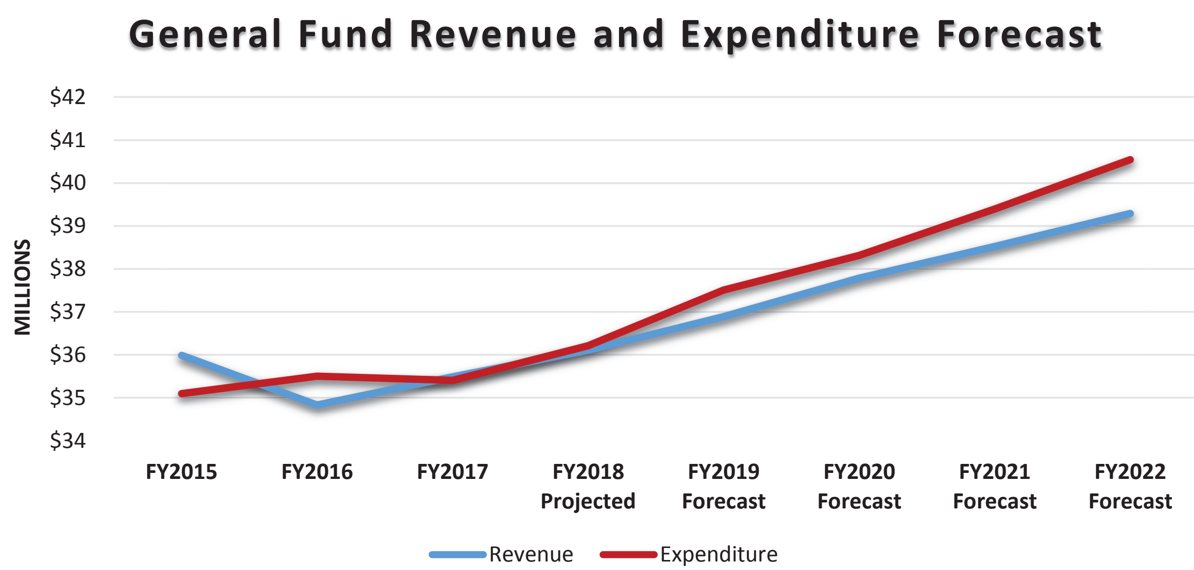
4. Form of Government. In 2017 the County began planning for its transition to the County Executive form of government, which was approved by voters in November 2016. The County will transition to this form of government in December 2018.

GENERAL CORPORATE FUND

Forecast Assumptions

Based on the forecast assumptions within the revenue and expenditure categories explained below, it will be necessary for the County to use current revenue to guide its spending. The County has limited control over the majority of its revenue sources, which poses a significant challenge for the County's General Fund when the cost of services, commodities and personnel expenditures continue to rise.

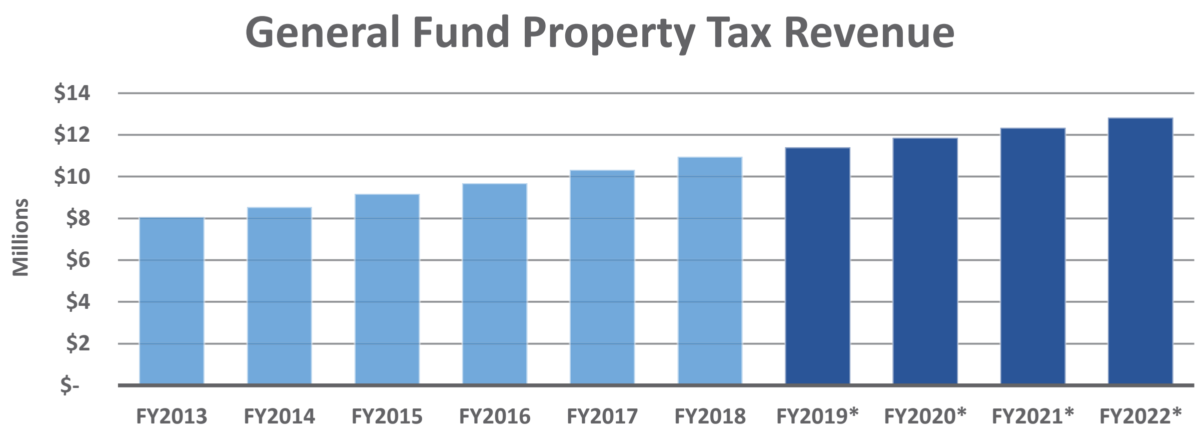
Department Heads and Elected Officials have continuously been willing to defer capital needs and technology upgrades, restrain commodities and services spending, and use special revenue funds for personnel expenditures and transfers to supplement the General Fund revenues. The County's Labor Management Health Insurance Committee (LMHIC) has worked diligently to negotiate more affordable increases in health insurance premiums. Through labor negotiations, employees are paying a higher percentage of their health insurance costs. Without continued efforts to balance the General Fund budget, a structural deficit emerges as forecasted expenditure growth exceeds revenue growth.



Revenue

Local Taxes. Property taxes are the predominant revenue source in this category. As reflected in the chart on the following page, the County has relied on consistent increases in property tax revenues primarily due to inflationary growth allowed under PTELL, and new property added to the tax rolls. The CPI increase for taxes levied in fiscal years 2017 and 2018, paid in fiscal years 2018 and 2019, is 2.1%.

Other local tax revenues in this category including hotel/motel, auto rental, penalties, mobile home and back taxes. Overall growth in local taxes in fiscal years 2019 through 2022 is forecasted at 4.3%. A change in the property tax exemption status of hospitals could result in an increase of nearly $500,000 in recurring property tax revenue for the General Fund; although the tax liability without a change in the exemption status is roughly $840,000.



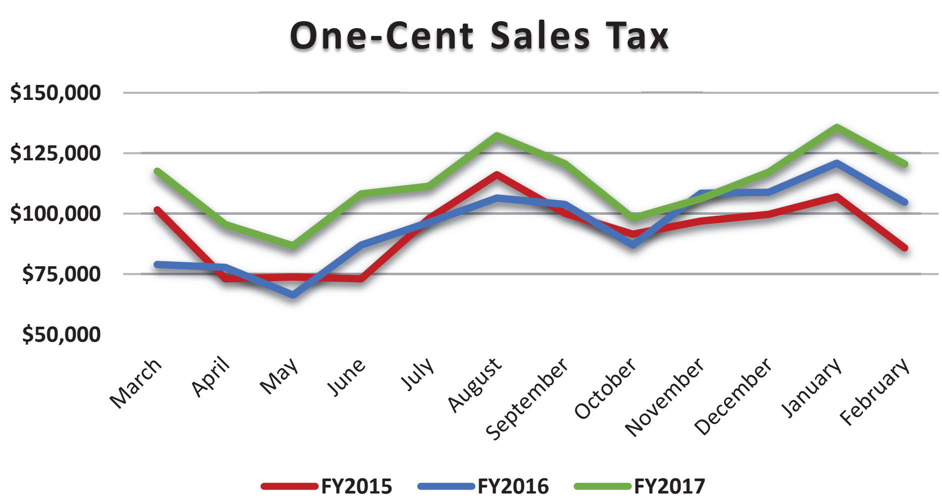
*Forecasted

State Shared Revenue

1. **Sales Tax**

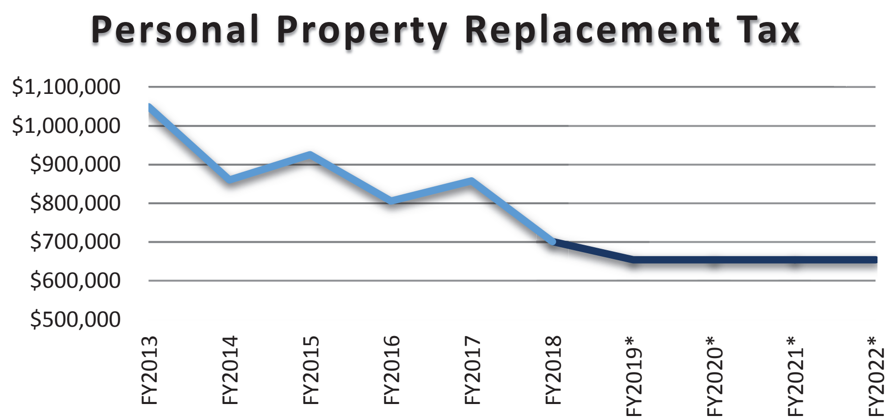
- In FY2017, the Quarter-Cent sales tax exhibited stronger performance than the prior two fiscal years at 1.6% growth. The five and ten-year averages reflect growth of 1.4% and 1.1% respectively. Forecasted growth is 1.4%.

- After a revenue decline of 16% in FY2015, the County's One-Cent sales tax grew 2.7% and 17.7% in fiscal years 2016 and 2017. Champaign County entered into a reciprocal agreement with IDOR in 2017 to receive data related to its One-Cent tax. Although this information is presently available, the lack of historical data makes it difficult to analyze the reason for the extreme fluctuations in the past few years. The County's top ten taxpayers represent 50% of total One-Cent sales tax revenues; therefore, the loss of one top ten payer can have a significant effect on this revenue stream. The Forecast assumes 1.5% growth in the next five fiscal years. The chart below demonstrates the significant increase in FY2017 revenue compared to fiscal years 2015 and 2016.



- Consistent increases in Use Tax revenue since 2010 correlates to growth in e-commerce sales. The Forecast includes 4% growth.

- Personal Property Replacement Tax is budgeted to decline in FY2018 as a result of increased diversions implemented by the state legislature and a process implemented by IDOR, which attempted to adjust current receipts to correct misallocations of prior receipts. Due to taxpayer response to federal tax changes, acceleration of payments has caused additional variances in this revenue stream in the current fiscal year. Based on information provided by IML, which assumes continuation of multiple diversions and does not build the impact of federal tax law changes into the base, FY2019 is forecasted to decline 6.7%. Fiscal years 2020 through 2022 are forecasted as flat.



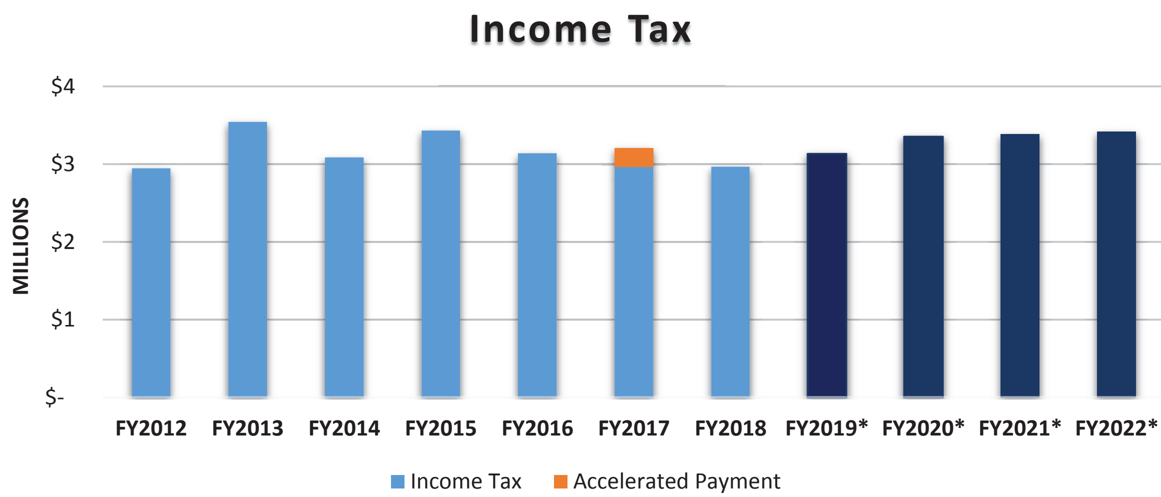
*Forecasted

2. **State Reimbursement** is predominantly for partial salary reimbursement for juvenile and court services officers. Revenue in FY2018 is projected to decline 2.3% from FY2017, and remain flat thereafter.

3. **Charitable Games Tax** revenue is forecasted to decline 5.5% in FY2018 and remain flat thereafter. The loss of revenue due to Mahomet's annexation of two establishments in FY2017 was partially offset by the addition of two less active establishments within the County. At the beginning of FY2018 there were six licensed video gaming establishments within the unincorporated limits of Champaign County.

4. **Income Tax**. As previously mentioned, Income tax revenue has been significantly impacted by both state legislative and administrative actions. In FY2017, the County received an accelerated payment; however, the impact of the 10% cut resulted in a revenue loss of $130,000. The cut extends to the first six months of FY2018, at an estimated revenue loss of approximately $180,000. During the February 2018 state budget address, the governor proposed an extension of the initially proposed "one-time" cut.

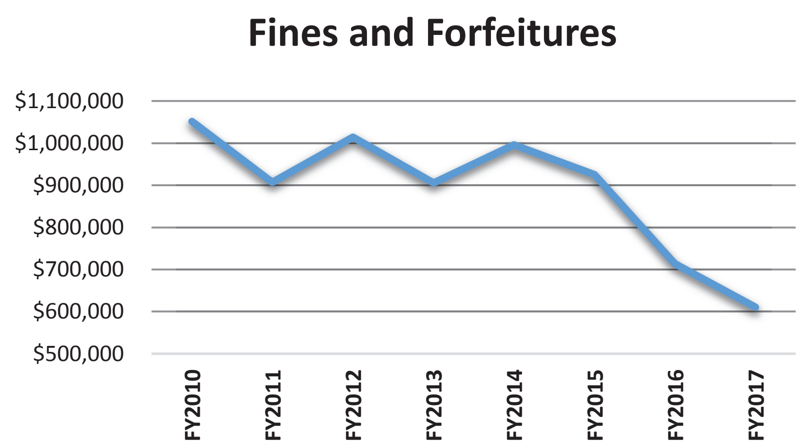
   The FY2018 Income tax budget is flat compared to actual FY2017 revenues; however, is likely overstated at $3.2 million. Based on an assumed extension of the 10% cut, FY2018 revenue is forecasted at $2.97 million and FY2019 revenue is forecasted at $3.13 million. Fiscal year 2020 reflects the elimination of cuts and conservative 1% growth, which is carried through FY2022.



Other Revenue

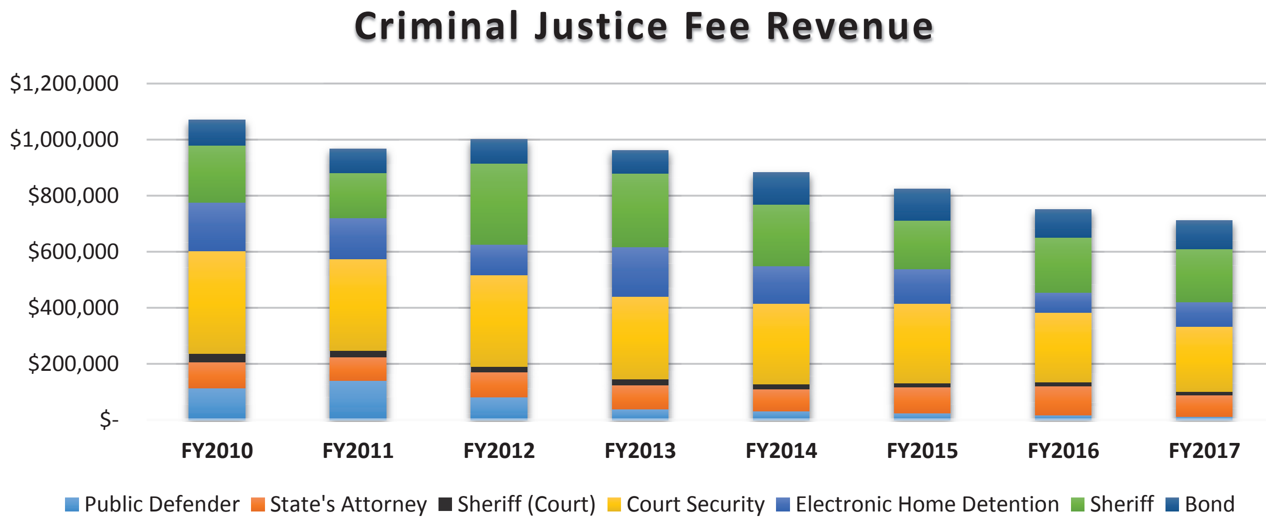
1. **Licenses and Permits** revenue predominantly comes through the sale of Revenue Stamps for real estate transactions. There is a direct correction between this revenue and the Purchase Document Stamp expenditure as the County must submit 2/3 of the revenue collected to the State of Illinois. A healthy real estate market has led to stable revenues over the past three fiscal years.

2. **Fines and Forfeitures** revenue has consistently dropped since FY2014. Revenue declines over the past three fiscal years were -8% in 2015 followed by -23% and -14.5%. As discussed during the budget process, this is likely the result of criminal justice reform and changes to adjudication practices. Further declines in revenue are anticipated.

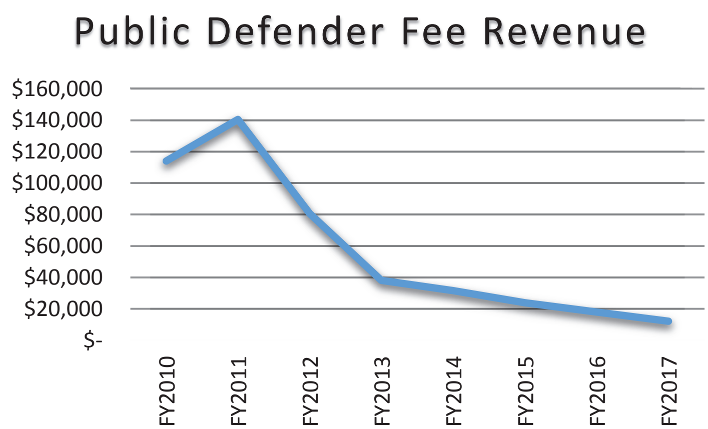


3. **Charges for Services (Fees)** revenue is down $336,000, or -8.2% in FY2017. This category is made up of multiple revenue streams with the largest two being Circuit Clerk and Recorder fees. The total number of documents recorded in FY2017 was down 1,767 from FY2016, with a little over half of that number being fewer mortgages filed.

   The main sources of Circuit Clerk fee revenues are for chancery, law magistrate, small claims and traffic cases. The number of chancery and traffic cases since FY2009 are down 49% and 42% respectively. As discussed during the FY2018 budget process, the decline in traffic cases is attributed to fewer tickets being issued. The chart below demonstrates that criminal justice fee revenues continue to trend downward.

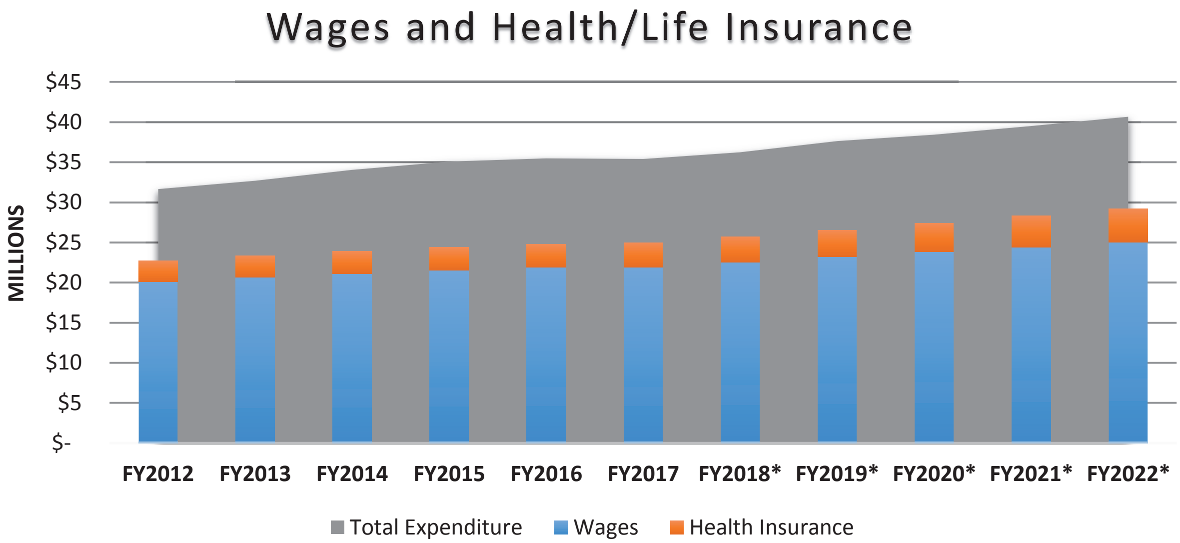


Most fees are set by legislation; however, Public Defender fees are set by the Judiciary. During the FY2018 budget process, the Judiciary agreed to begin implementing a nominal fee with some exclusions and waivers for persons with disabilities or those living on a fixed income. Unfortunately, revenue improvement in FY2018 will not occur because the judiciary has decided not to implement the nominal fee at this time.



Expenditure

Personnel costs including wages and insurance, accounted for 71% of General Fund expenditures in FY2017. The FY2019 budget will include appropriation for the newly created Elected County Executive position. The County Board set the salary for this position at $117,269. Negotiated wage increases for FOP labor contracts, not including step increases, range from 1% to 2% in FY2019. Labor contracts for AFSCME groups will be negotiated in 2019.



Health Insurance costs are driven by multiple factors including the composition of the risk pool, increasing cost of medical services and prescription drugs, administrative fees, claims history, and legislative and regulatory changes. Consequently, it is difficult to forecast premium increases for the subsequent fiscal year let alone future fiscal years. Through the efforts of the County's broker and Labor Management Health Insurance Committee (LMHIC), the County has been able to utilize market competition and plan structure changes to obtain more moderate increases than initially quoted.

In FY2016, the County switched from a PPO plan to an HMO plan to avoid a significant premium increase. A 51% increase was initially quoted in FY2017; however, negotiations and an increased deductible resulted in an 11.6% increase. For the current fiscal year market competition and negotiations resulted in a 2.7% increase and a change in plan providers, which allowed the County to move back to a PPO plan. Through labor negotiations, employees have been funding a larger portion of their health insurance premiums. In FY2017, health and life insurance costs were 8.7% of total General Fund expenditures. The FY2018 expenditure budget is $3.3 million; however, is expected to be closer to $3.13 million partly due to an increase in the number of waivers. The Forecast projects expenditure increases of 5% in FY2019 and 8% in fiscal years 2020 through 2022.

Commodities

Forty-five percent of the commodities budget is for the purchase of real estate transfer tax stamps from the Illinois Department of Revenue. There is a direct correlation to "Revenue Stamps" revenue and "Purchase Document Stamps" expenditure as the Recorder collects a tax through the sale of stamps, which are purchased from IDOR. Budgeted expenditure is 2/3 of the budgeted revenue for Revenue Stamps. In FY2018, the projected 2% growth in total commodities expenditure is predominantly driven by the cost of purchasing document stamps based on the projected sale of Revenue Stamps. Future fiscal years reflect 1% total expenditure growth based on forecasted increases in gasoline and other commodities.

Services

Growth in services expenditure is 1.9% in fiscal years 2019 through 2022. In FY2018 an additional $100,000 was added to the Medical, Dental and Mental Health appropriation due to an anticipated increase in the contract. Following the issuance of an RFP by the Sheriff's Office, the contractual increase was 32%, which will result in increased expenditure of approximately $175,000 for Corrections and the Juvenile Detention Center in FY2018, and an additional $35,000 in FY2019.

Capital
The Forecast includes restoration of the Sheriff's Office squad car replacement budget at $230,000 beginning in FY2019. In order to help balance the budget, there were cuts to this line in fiscal years 2016 through 2018. The Capital Asset Replacement Fund (CARF) transfer includes current only funding for software and scheduled vehicle and equipment replacement for non-public safety departments. In FY2019, software and licensing is $103,000. Other items planned for replacement total $251,000. The largest item scheduled for replacement is Internet Protocol Version 6 (IPv6) routing switches estimated to cost $84,000. When local entities decide to transition to IPv6 the County will need to replace its switches. It should be noted that spikes in CARF expenditures could be avoided if the County was financially able to reserve funds for items scheduled for replacement in future fiscal years.

The largest portion of the transfer to the CARF is for facility maintenance. For several years this appropriation has been $532,261. Based on the Facilities Condition Assessment, the County is significantly underfunding its investment in facilities. In order to balance the FY2018 budget, $70,000 of the $532,261 came from the Public Safety Sales Tax Fund. In fiscal years 2019 through 2022 the full transfer from the General Fund is forecasted.

Enterprise Resource Planning (ERP) and Tax Cycle Systems
The County has been planning for the necessary replacement of its legacy financial and human resources system, ERP. The FY2018 budget included funding for a basic Software as a Service (SaaS) contract based on preliminary quotes received; however, replacement has not been initiated. The need for replacing the County's Tax Cycle system is also crucial. Every taxing body in Champaign County relies on the County to properly facilitate issuance of property tax bills and collect and record subsequent revenues. Additionally, the scope and cost of replacing the Tax Cycle system is more manageable than replacing the ERP system. It is recommended that the County initiate replacement of its Tax Cycle system in FY2019. Preliminary estimates, which are included in the Forecast, are $195,000 in year one and $165,000 thereafter. It is essential for the County to also identify funding and initiate replacement of its ERP system.

Forecast Detail

	FY2017	FY2018 Projected	FY2019 Forecast	FY2020 Forecast	FY2021 Forecast	FY2022 Forecast
Taxes	$ 11,437,802	$ 12,114,272	$ 12,628,486	$ 13,165,839	$ 13,727,373	$ 14,314,177
Licenses and Permits	$ 1,573,676	$ 1,553,262	$ 1,573,406	$ 1,573,406	$ 1,573,406	$ 1,573,406
Intergovernmental Revenue	$ 539,681	$ 518,965	$ 501,000	$ 501,000	$ 501,000	$ 501,000
State Shared Revenue	$ 14,183,561	$ 13,873,522	$ 14,124,011	$ 14,481,843	$ 14,655,264	$ 14,831,974
Local Government Revenue	$ 726,730	$ 663,922	$ 678,564	$ 693,645	$ 709,179	$ 725,179
Government Reimbursement	$ 651,458	$ 631,476	$ 649,023	$ 663,723	$ 678,865	$ 694,461
Charges for Services (Fees)	$ 3,757,973	$ 3,607,654	$ 3,571,578	$ 3,535,862	$ 3,500,503	$ 3,465,498
Fines & Bond Forfeitures	$ 610,337	$ 567,614	$ 556,261	$ 545,136	$ 534,233	$ 523,549
Forfeitures	$ 30,846	$ 21,000	$ 21,000	$ 21,000	$ 21,000	$ 21,000
Miscellaneous Revenues	$ 1,231,180	$ 1,287,910	$ 1,330,813	$ 1,348,426	$ 1,366,360	$ 1,384,622
Interfund Transfers	$ 672,193	$ 1,238,749	$ 1,226,132	$ 1,228,575	$ 1,231,079	$ 1,233,646
Interfund Reimbursements	$ 68,279	$ 71,632	$ 71,926	$ 72,225	$ 72,529	$ 72,837
Total Revenue	**$ 35,483,717**	**$ 36,149,978**	**$ 36,932,199**	**$ 37,830,681**	**$ 38,570,792**	**$ 39,341,349**
Growth		*1.9%*	*2.2%*	*2.4%*	*2.0%*	*2.0%*
Personnel	$ 24,992,280	$ 25,592,489	$ 26,428,435	$ 27,281,397	$ 28,171,530	$ 29,100,977
Commodities	$ 2,010,161	$ 2,050,875	$ 2,071,131	$ 2,091,860	$ 2,113,073	$ 2,134,781
Services	$ 6,719,123	$ 6,996,524	$ 7,130,827	$ 7,268,553	$ 7,410,371	$ 7,556,423
Capital	$ 325,961	$ 167,920	$ 255,000	$ 255,000	$ 255,000	$ 255,000
Transfers	$ 880,614	$ 928,023	$ 1,144,733	$ 934,580	$ 968,632	$ 1,016,709
Debt	$ 474,576	$ 473,188	$ 474,660	$ 479,948	$ 479,206	$ 482,187
Total Expenditure	**$ 35,402,715**	**$ 36,209,018**	**$ 37,504,786**	**$ 38,311,338**	**$ 39,397,811**	**$ 40,546,078**
Growth		*2.3%*	*3.6%*	*2.2%*	*2.8%*	*2.9%*
Revenue/Expenditure	**$ 81,002**	**$ (59,041)**	**$ (572,587)**	**$ (480,657)**	**$ (827,020)**	**$ (1,204,730)**
Projected Fund Balance	$ 4,559,009	$ 4,499,968	$ 3,927,381	$ 3,446,724	$ 2,619,704	$ 1,414,975
Fund Balance as % of Expenditure	**12.9%**	**12.4%**	**10.5%**	**9.0%**	**6.6%**	**3.5%**
Nursing Home Loans Forgiven		$ (726,802)				
Revenue/Expenditure		**$ (785,843)**				
Projected Fund Balance		$ 3,773,166	$ 3,200,579	$ 2,719,922	$ 1,892,902	$ 688,173
Fund Balance as % of Expenditure		**10.2%**	**8.5%**	**7.1%**	**4.8%**	**1.7%**

Explanation of variance in Revenue growth FY2018 through FY2020. The fluctuation in growth in these three fiscal years is predominately the result of income tax cuts. The Forecast projects an extension of the 10% cut, which affects all 12 months in FY2018 and the first six months of FY2019. Full restoration of funding is forecasted in FY2020.

Explanation of variance in Expenditure growth FY2019. The significant increase is attributed to a combination of factors including the salary for the County Executive position, tax cycle system replacement, restoration of General Fund facilities funding ($532,261), restoration of funding for squad car replacement ($230,000), and an increase in required CARF funding for items scheduled for replacement in FY2019 including $84,000 for IPv6 routing switches.

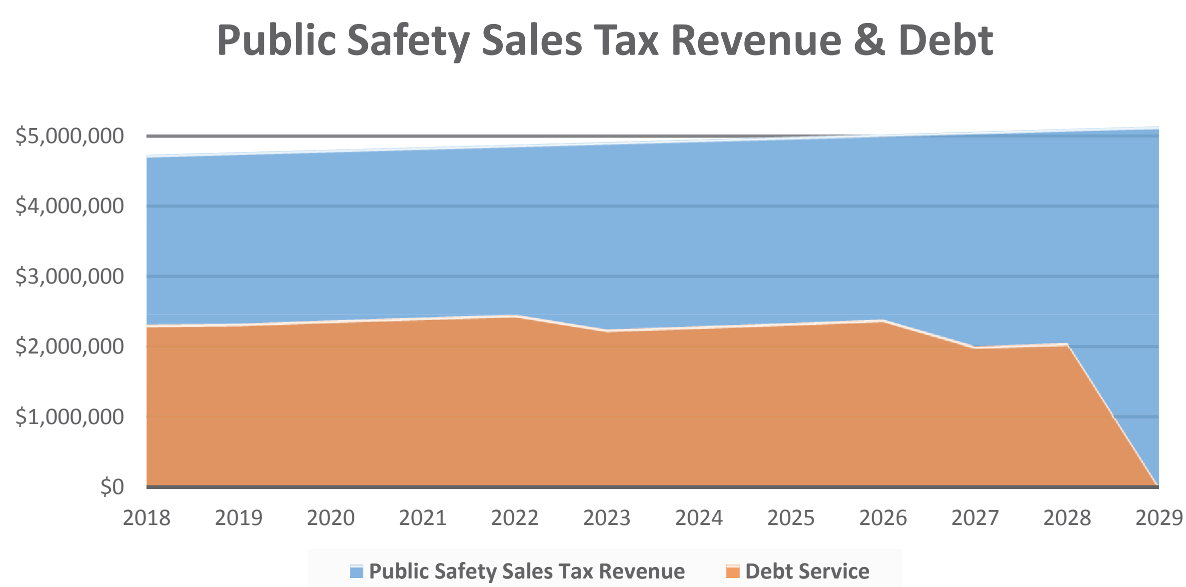
PUBLIC SAFETY SALES TAX FUND

Revenue
State Administrative Fee. The permanent 2% fee implemented in July 2017, is forecasted to continue although legislation has been proposed to reduce the fee to 1%. The fee was charged in seven months of CFY2017, and decreased revenue by $57,000. In fiscal years 2018 through 2022, revenue loss is anticipated to be just under $100,000 annually.

Modest Revenue Growth. Following two years of slightly declining revenues, FY2017 growth was 1.2%. The five-year average reflects 0.8% growth. In FY2018 growth is projected to be flat when accounting for the fee that will be charged all twelve months in 2018. The Forecast projects 1% growth in future fiscal years.

Expenditure
When the Public Safety Sales Tax was established by referendum in 1998, the County Board adopted an Ordinance, later revised in 2003, directing the use of revenue for the repayment of debt service, public safety related programs, justice system technology, and the annual maintenance costs of public safety buildings.

1. Debt Service. In fiscal years 2018 through 2022, nearly 50% of Public Safety Sales Tax revenue is allocated to make the principal and interest payments on the County's alternate revenue bonds. In FY2018, the County will retire the 2005B Issue; however, principal payments on the 1999 Issue will commence. Debt service obligations increase slightly every year through FY2022, and then decline by $209,000 in FY2023 following the maturity of the 1999 Issue. At the end of FY2028, the public safety sales tax alternate revenue bonds will be paid in full. The following chart shows the total debt service obligations in relation to forecasted revenues.



2. Programs

    a. Delinquency Prevention, Intervention and Diversion. Five percent of annual revenue is allocated towards this programming. In FY2018, the budget includes $236,600 plus an additional $15,000 for Youth Assessment Center relocation expenses. Forecasted expenditure for fiscal years 2019 through 2022 grows based on projected revenue growth.

b. Re-Entry. Since FY2014, the County Board has contracted with a local provider for re-entry planning, management and client services. The Forecast assumes annual funding of $100,000.

c. Jail Classification System. The salary and health insurance cost for the lieutenant dedicated to jail classification system oversight is appropriated at $95,349 in FY2018. Incremental increases are forecasted in future fiscal years for wage and benefit growth.

d. Specialty Court. In FY2018, $60,881 is appropriated for the Specialty Courts Coordinator's salary and benefits. Incremental increases are forecasted in future fiscal years for wage and benefit growth.

3. Justice System Technology and Equipment.

    a. Funding for Jail Management software maintenance (Tyler/New Word) and partial funding for Courts Technology software maintenance (JANO) comes from Public Safety Sales Tax funds. Necessary upgrades to these systems are discussed on the following page.

    b. Software licensing and scheduled equipment replacement is appropriated as a transfer to the Capital Asset Replacement Fund (CARF). There is a significant increase in FY2018 due to replacement of mobile and portable radios for the Sheriff's Office, $387,000, for which there was no reserve funding. In fiscal years 2019 through 2022 the CARF transfer for software licensing, technology and equipment is projected at $175,000.

    c. The AS/400 lease payments are made with Public Safety Sales Tax Funds in FY2018. Payments are made from other funds in 2019 and 2020.

    d. Partial funding for a Software as a Service (SaaS) contract to replace the County's financial system is budgeted in FY2018. Although replacement has not been initiated, migration to a modern financial software is critical.

4. Public Safety Facilities Utilities and Maintenance Transfers. In FY2018, $800,000 is appropriated as a transfer to the General Fund to offset the cost of public safety buildings utilities and maintenance. The Forecast maintains the transfer at this level in future fiscal years. Also, in FY2018 $331,113 is appropriated as a transfer to the CARF Facilities budget. Of this amount, $70,000 is appropriated for public safety facility improvements, and $261,113 for either completing the ADA compliance projects at the downtown Sheriff's facilities or preliminary planning for closure of those facilities.

Needs

1. Technology Investment. There is a significant need to replace and upgrade the technology that supports the County's public safety offices, including ERP software, Sheriff's Office business software, and jail management software. An upgrade of the Tyler/New Word Jail Management software is imminent, as support for the current version will be dropped in the near future and there is no support for the Graphical User Interface used by our current software version. Quotes

for the upgrading the Tyler/New Word software are being obtained. This will also require an update to the JANO Interface.

Other technology systems that will need replaced in the upcoming fiscal years are the Law Enforcement Records Management System and METCAD dispatch software, which will be done in conjunction with other local entities. Additionally, for several years the County has been unable to reserve funding for public safety equipment scheduled for replacement in the Capital Asset Replacement Fund.

2. Public Safety Facilities Investment. The Facilities Condition Assessment Report prepared by Bailey Edward in October 2015, assigned a "poor" Facility Condition Index (FCI) to the Adult Detention Center, Sheriff's Office/Correctional Center, Correctional Center garage and Emergency Management Agency garage. A "fair" FCI was assigned to the Emergency Operation Center, Juvenile Detention Center and Coroner's Office.

   Some of the most costly public safety facility maintenance needs recommended in the next few fiscal years include replacement of roofs, boilers and chillers, security systems, generators and control systems. The Champaign County Facilities Action Plan summarizes countywide deferred maintenance needs including public safety facility needs; however, the downtown Sheriff's facilities were not included in the plan. Per the County's arrangement with the Department of Justice, the County will resume discussions regarding its plan for the downtown Sheriff's facilities in July 2018. The ADA required improvements are estimated to cost $175,000 and have not been completed at these facilities. If the County continues to operate the downtown Sheriff's facilities, architectural estimates for maintenance costs within the next five years total $2.9 million. Five to twenty-five year maintenance cost estimates total $8.8 million.