Champaign County, Illinois

FY2020 Budget

FY2020 CHAMPAIGN COUNTY BUDGET

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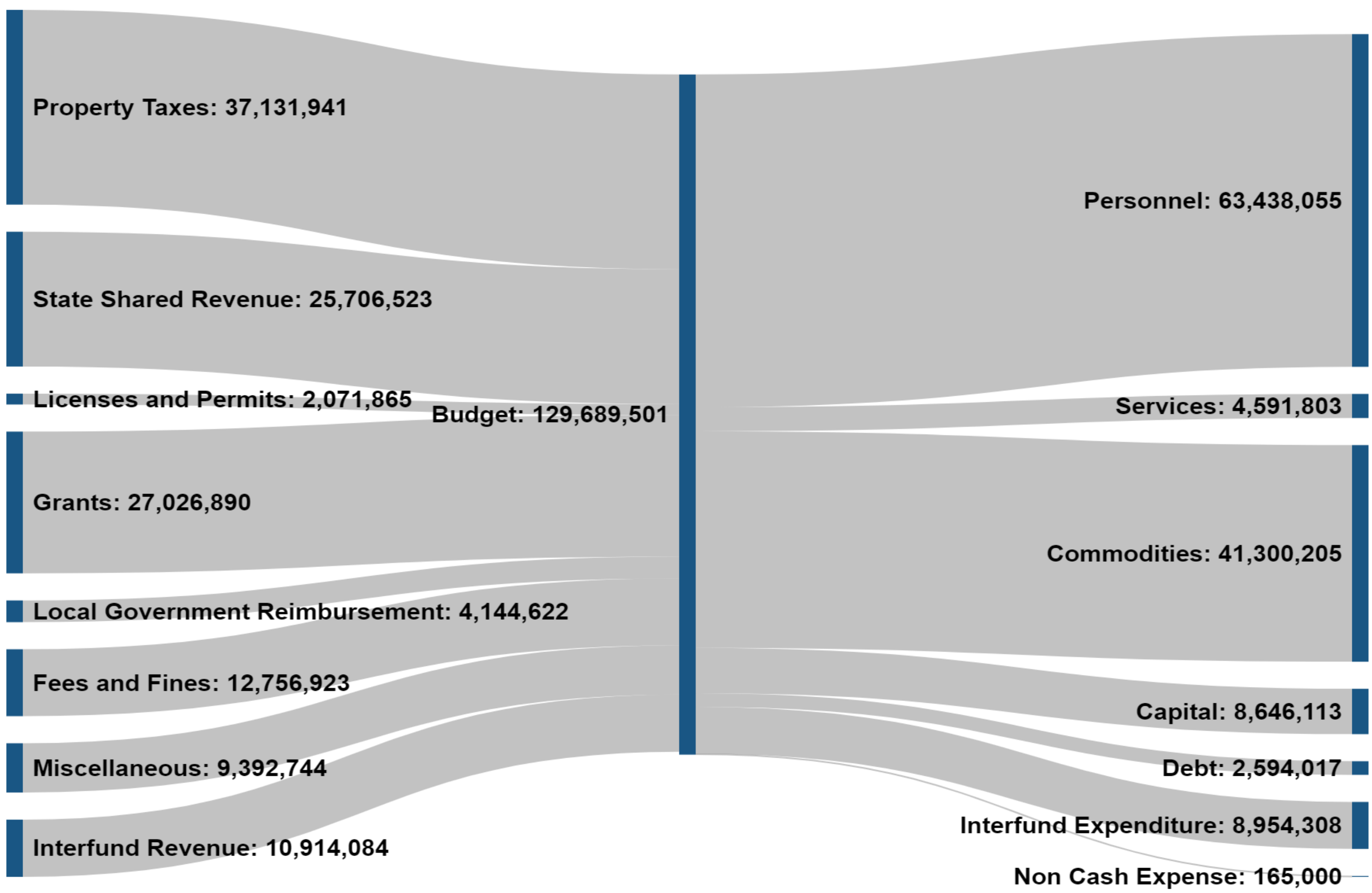
CHAMPAIGN COUNTY
BUDGET IN BRIEF
FISCAL YEAR 2020

Champaign County's Budget in Brief is designed to provide a global overview of the FY2020 Budget.
The complete budget is available on the County's website.
http://www.co.champaign.il.us/CountyBoard/Budget.php

FY2020 REVENUE AND EXPENDITURE BY CATEGORY



BUDGET PROCESS

The County Board adopts its budget in accordance with Illinois Compiled Statutes (55 ILCS 5/2-5009 and 55 ILCS 5/6-1001). The fiscal year is January 1-December 31. In May 2019, the County Board approved its Financial Policies and Budget Process Resolution. Department heads, elected officials and outside agencies prepared and submitted their budgets for review by the County Executive in July. The County Board held Legislative Budget Hearings on August 26 and 27, and the FY2020 Budget was placed on file in October. During the County Board meeting of November 21, 2019, the FY2020 Annual Budget and Appropriation Ordinance was adopted along with the Annual Tax Levy Ordinance.

WHERE THE MONEY COMES FROM

Revenue by Source

Property Taxes	37,131,941	28.8%
Grants	27,026,890	20.9%
Fed, State, Local Revenue	25,706,523	19.9%
Fees & Fines	9,392,744	7.3%
Miscellaneous	12,756,923	9.9%
Interfund Revenue	10,914,084	8.5%
Local Gov. Reimbursement	4,144,622	3.2%
Licenses & Permits	2,071,865	1.6%
TOTAL REVENUE	**129,145,592**	**100.0%**

Revenue by Fund Type (in millions)

General Corporate	$40.8
Special Revenue	$20.5
RPC Funds	$32.5
Enterprise	$0.6
Mental Health & DD Boards	$10.1
Internal Service	$10.9
Highway Funds	$9.5
Joint Venture	$0.6
Capital Projects	$3.5
TOTAL REVENUE	**$129.1**

WHERE THE MONEY GOES

Expenditure by Classification

Personnel	63,438,055	48.9%
Services	41,300,205	31.8%
Interfund Expenditure	8,954,308	6.9%
Debt	2,594,017	2.0%
Capital	8,646,113	6.7%
Commodities	4,591,803	3.5%
Non-Cash Expense	165,000	0.1%
TOTAL EXPENDITURE	**129,689,501**	**100.0%**

Expenditure by Fund Type (in millions)

General Corporate	$40.3
Special Revenue	$23.9
RPC Funds	$29.9
Enterprise	$0.9
Mental Health & DD Boards	$10.1
Internal Service	$9.7
Highway	$9.2
Joint Venture	$0.7
Capital Projects	$4.9
TOTAL EXPENDITURE	**$129.6**

FY2020 BUDGET HIGHLIGHTS

The FY2020 Budget includes revenue equal to $129,145,592 and expenditure equal to $129,689,501. The budget is balanced per Champaign County's Financial Policies. The $0.5 million revenue to expenditure deficit is the result of appropriating reserve balances within individual funds for planned projects and capital expenditures.

Revenue increases $8.4 million (6.9%) compared to the original FY2019 Budget.

- Illinois Motor Fuel Tax doubled in July 2019 from $0.19/gallon to $0.38/gallon. This is the first increase since 1990, and reflects an 82% increase over the FY2019 original budget.
- The Early Childhood Fund, a Regional Planning Commission (RPC) program, will experience significant growth due to the receipt of the Early Head Start Expansion grant and enhanced statewide childcare subsidy revenue.
- Independent Service Coordination (ISC) Programs, within RPC, is now a 13-county grant that provides an array of activities on behalf of individuals with intellectual/developmental disabilities and their families/guardians to help them access individualized services and support.
- The property tax levy was prepared to secure an additional $1.06 million in the event the OSF and Carle properties are assessed as non-exempt in the upcoming levy year. If the EAV associated with the hospital properties is included in the extension and the properties are treated as non-exempt, the Property Tax Extension Limitation Law (PTELL) will not prevent the County from capturing new revenue associated with them.

Expenditure increases $6.7 million (5.5%) compared to the original FY2019 Budget.

- The FY2020 budget includes 828 fulltime equivalents (FTEs), which represents an increase of 75 FTEs within RPC funds for new and expanded grant initiatives. Personnel costs increase by $3.9 million as a result of program expansion and IMRF rate increases.
- Funding for facilities was increased by $1.1 million in order to provide $2.2 million for projects scheduled in FY2020 per the County's Capital Facilities Plan. In 2020, it is essential for the County to implement a plan for its dilapidated Sheriff's Office and downtown Correctional Center, which are not included in the Capital Facilities Plan.
- Services expenditures reflect growth of $2.8 million reflective of increases in contributions and grants within the Mental Health and Development Disability funds, facility and office rental costs related to RPC Early Childhood program expansion, RPC energy assistance program services due to expansion, and computer and information technology services.
- Technology investments in FY2020 include funding for replacing the County's in-house financial system with Enterprise Resource Planning (ERP) software; Digital Evidence Management System (DEMS), and phishing threat email security and training.

GENERAL FUND OVERVIEW

The General Fund is the County's primary operating fund. The FY2020 Budget includes revenue equal to $40.8 million and expenditure equal to $40.3 million. The budget surplus includes $474,000 in property tax revenue related to preparing the levy to capture new growth revenue under PTELL in the event the hospital properties are treated as non-exempt as previously explained. It is uncertain whether the County will receive this additional tax revenue in 2020.

Revenue by Source

Property Taxes	$13,971,656	34.3%
State Shared Revenue	$15,374,552	37.7%
Fees	$4,691,384	11.5%
Grants	$508,782	1.2%
Inter-fund Revenue	$1,777,898	4.4%
Licenses & Permits	$1,651,008	4.0%
Local Shared Revenue	$1,370,187	3.4%
Miscellaneous	$1,437,727	3.5%
TOTAL REVENUE	**$40,783,194**	**100%**

Expenditure by Classification

Personnel	$26,810,459	66.5%
Commodities	$2,225,285	5.5%
Services	$7,723,854	19.2%
Capital	$628,140	1.6%
Transfers	$2,725,129	6.8%
Debt	$195,655	0.5%
TOTAL EXPENDITURE	**$40,308,522**	**100%**

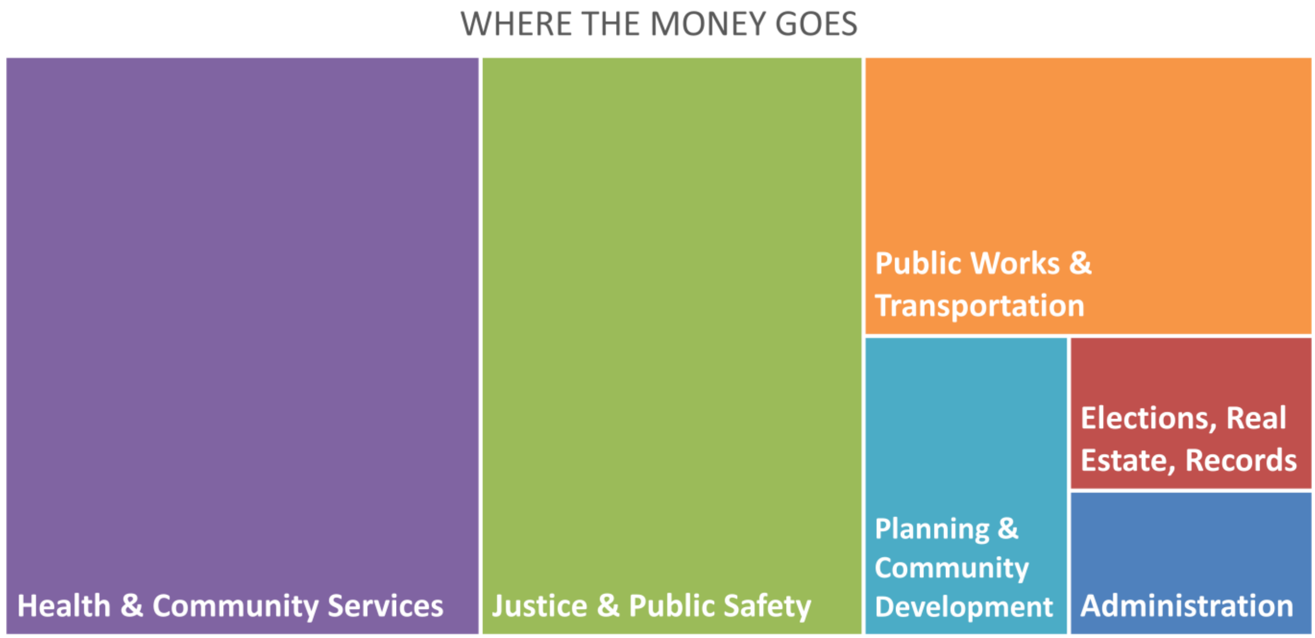
Revenue increases $1.3 million (3.2%) over the original FY2019 Budget. Growth is predominantly attributed to increased State Shared revenues. The County received the full allocation for Probation and Court Services salary reimbursement through the Administrative Office of the Illinois Courts (AOIC) for State FY2020. The last time the County received the full allocation was in 2015. Property tax levy revenue increases 2.8% over the original FY2019 Budget as a portion of the levy growth was reallocated to the IMRF levy due to rate increases in 2020.

In August of 2018, the state legislature approved the Criminal and Traffic Assessment Act. The Act significantly changes the collection and distribution of fees and fines effective July 1, 2019. In FY2020 fee and fine revenues are budgeted conservatively as the County is unable to fully assess the impact of allowable fee waivers based on the financial ability of an individual to pay.

Expenditure increases $1.7 million (4.3%) over the original FY2019 Budget, due to increases in personnel costs, services, capital purchases and Interfund transfers. Personnel expenditures, which account for the majority of the General Fund budget, increase by 3.2%. The FY2020 General Fund budget includes 420 FTEs. Increases in services costs are largely attributed to increases in computer/information technology services for body worn camera SaaS, election judge expenditures based on anticipated FY2020 election turnout, and general service cost increases. The County will purchase new DS200 tabulators for the 2020 elections, which are safer and more secure as well as compatible with the pollbook software purchased in FY2019. Interfund expenditures increase by $760,000 as a result of the increased transfer to the Capital Asset Replacement Fund for the County's increased investment in facilities.

The sale of the Nursing Home in 2019 resulted in the redemption of the 2015 bonds, thereby reducing the debt service obligations of the General Fund in FY2020.

COUNTY SERVICES PROVIDED IN THE FY2020 BUDGET



Service Provided	Departments	Key Responsibilities
Health & Community Services	RPC Service Programs - County Health - Veterans' Assistance – Workforce Development – Head Start – Animal Control – Regional Office of Education – Extension Education – Mental Health & Developmental Disabilities	Housing assistance; healthcare; restaurant inspections; employment assistance; job training; veterans' assistance; educational programming; solid waste management; mental health and developmental disabilities program funding.
Justice & Public Safety	Circuit Clerk – Courts – Public Defender Sheriff Law Enforcement & Corrections State's Attorney – Juvenile Detention – Probation/Court Services – Coroner – EMA – CAC	Court functions (criminal, civil, juvenile, drug and family), jail functions; sheriff law enforcement patrol; death investigations and autopsies; emergency management; justice programs.
Public Works, Facilities & Transportation	Highway Funds – Physical Plant – CARF Facilities – Courts Construction	County road, bridge and highway maintenance and facilities maintenance and improvements.
Administration	County Board – County Executive - IT - Auditor, Purchasing - General County	Development and implementation of policies; budgeting; audit and accounting; IT network and software and purchasing systems.
Planning & Community Development	RPC Planning Services - Economic Development - Planning & Zoning - GIS	Transportation and regional development planning; land resource planning; sustainability; mapping services and development.
Elections, Real Estate & Records	Board of Review - County Clerk - Recorder – Treasurer - Supervisor of Assessments	Recording documents; election administration; vital records management (birth, death, marriage); tax collection and distribution.

OFFICE OF THE CHAMPAIGN COUNTY EXECUTIVE

1776 East Washington Street, Urbana, Illinois 61802-4581

Darlene A. Kloeppel, County Executive

To: Chairman Giraldo Rosales and Honorable Members of the Champaign County Board

Fr: Darlene Kloeppel, County Executive; and
Tami Ogden, Deputy Director of Finance

RE: Letter of Transmittal – FY2020 Budget

The Fiscal Year (FY) 2020 Annual Budget, for the period beginning January 1, 2020 and ending December 31, 2020, is presented for your consideration and approval. The budget was developed in accordance with Resolution No. 2019-131, and pursuant to Illinois Statutes (55 ILCS 5/2-5009 and 55 ILCS 5/6-1001). The consolidated budget is submitted with revenue of $129,145,592 and expenditure of $129,689,501, and complies with relevant Champaign County financial policies. This transmittal letter is intended to provide an executive summary and overview of the budget document.

Budget Document Overview

The budget document provides extensive financial information for every component of Champaign County government. The budget is divided into nine sections further explained in *How to Use This Document*, which is part of the Introduction section of the budget.

The FY2020 budget includes fifty-two funds, with each fund containing at least one department budget. The *Department/Fund Relationship* matrix illustrates the relationship between the County's financial structure and its organizational structure.

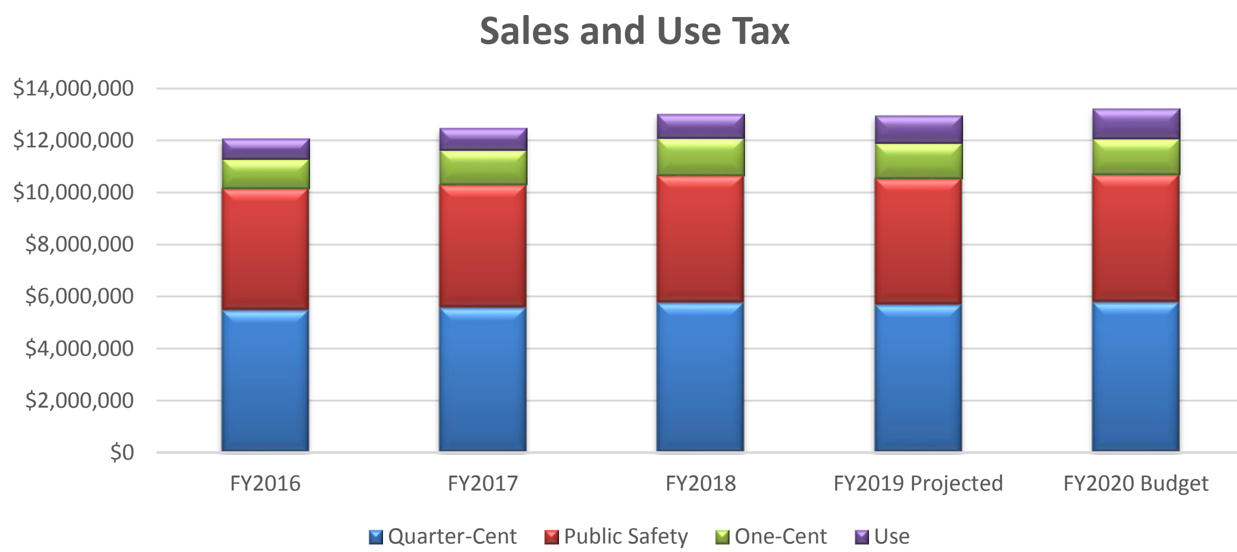
Economic Environment

Per the Conference Board Consumer Confidence Survey, trade and tariff issues have generated volatility, thereby affecting consumer confidence levels. Senior Director of Economic Indicators Lynn Franco states, "While confidence could continue hovering around current levels for months to come, at some point this continued uncertainty will begin to diminish consumers' confidence in the expansion."[1] In September the University of Illinois Flash Index, designed to give a quick reading of the state economy, hit 105.5, following a year-to-date low of 105.1 in August.[2] Compared to the year-ago submission of the FY2019 budget, the Flash Index reading was 105.2. Total FY2019 sales and use taxes are projected to decline slightly compared to FY2018 totals, with the FY2020 budget reflecting a 2% total increase over FY2019 projections. Use tax is budgeted to reflect the strongest growth at 7%.

[1] https://www.conference-board.org/data/consumerconfidence.cfm

[2] https://igpa.uillinois.edu/Report/flash-index-september2019

Legislation enacted by the Illinois General Assembly will change the way sales taxes are collected and remitted by remote retailers and marketplace facilitators effective July 2020. State and locally-imposed sales taxes will be imposed based on the jurisdiction where a product is delivered. Under the new law, some taxes presently being distributed as Use tax, will be distributed as sales tax. The table below shows total sales tax revenues for fiscal years 2016 through 2018, as well as FY2019 projections and FY2020 budget.



In August 2019, the Illinois' unemployment rate was 4%, down from 4.2% in the year-ago period. The August 2019 rate for Champaign County matched the national rate at 3.7%, and reflects a significant decrease in the local rate compared to 4.8% in August 2018.[3]

According to the Champaign County Association of Realtors, year-to-date home sales as of August 2019 are down 8.9 percent compared to the same period last year; however, median home sale prices are up 14% at $165,000.[4] Growth in this sector is important for the county as property taxes represent a major segment of its revenue sources. Equalized Assessed Valuation (EAV) for revenue year 2018 exceeded $4 billion for the first time ever, and reflects a 4 percent increase over revenue year 2017, with growth in EAV from new construction at $97.5 million. The County's total EAV, tax rate, and property tax extension comparison for tax levy years 2009 through 2018 is shown in the following table.

Tax Levy Year	EAV	% Increase/ Decrease	Tax Rate/$100 of EAV	Property Tax Extension
2009	$ 3,537,653,786	1.5%	0.7487	$ 26,607,976
2010	$ 3,561,497,476	0.7%	0.7688	$ 27,506,700
2011	$ 3,546,623,981	-0.4%	0.7841	$ 27,911,272
2012	$ 3,532,086,251	-0.4%	0.8138	$ 28,832,637
2013	$ 3,479,591,533	-1.5%	0.8511	$ 29,700,112

[3] https://fred.stlouisfed.org/release/tables?rid=116&eid=254133#snid=254143

[4] http://www.champaigncountyassociationofrealtors.com/News/TabId/101/ArtMID/469/ArticleID/360/Champaign-County-Area-Median-Home-Prices-Increase-in-August.aspxh

Tax Levy Year	EAV	% Increase/ Decrease	Tax Rate/$100 of EAV	Property Tax Extension
2014	$ 3,532,923,580	1.5%	0.8255	$ 30,598,651
2015	$ 3,600,615,388	1.9%	0.8322	$ 31,404,567
2016	$ 3,806,286,018	5.7%	0.8458	$ 32,245,372
2017	$ 3,972,464,264	4.4%	0.8481	$ 33,737,737
2018	$ 4,132,219,001	4.0%	0.8157	$ 33,706,510*

*Nursing Home GO bonds were defeased in 2019 resulting in the abatement of the 2018 property tax levied for that debt service.

Revenues and Expenditures

Revenue for all county funds in FY2020 is budgeted to increase $8.4 million (+6.9%) compared to the original FY2019 budget. Significant growth is attributed to increases in federal and state funding for highway motor fuel taxes, and Regional Planning Commission (RPC) Early Childhood Education and Independent Service Coordination (ISC) programs.

Property tax revenue in the FY2020 budget includes approximately $1.06 million the County is uncertain whether it will receive. The property tax levy was prepared in order to capture new growth revenue in the event the OSF and Carle properties are assessed as non-exempt in the upcoming levy year. The Board of Review will make the initial determination as to whether this happens, based upon the submissions of each hospital and the state of the law at the time the Board of Review acts. If the EAV associated with the hospital properties is included in the extension and the properties are treated as non-exempt, the Property Tax Extension Limitation Law (PTELL) will not prevent the County from capturing new revenue associated with them.

Expenditure for all county funds in FY2020 is budgeted to increase $6.7 million (+5.5%) compared to the original FY2019 budget, and is predominantly attributed to increases in personnel and services categories. Personnel expenditure growth reflects employee wage increases, higher IMRF rates, and staffing increases to accommodate expansion of RPC programs. The FY2020 budget includes a net increase of 75 full-time employees within RPC and Head Start funds. Increased services expenditures reflect increased contributions and grants within the Mental Health Board and Developmental Disabilities Board funds, computer/information technology services increases due updating and implementing software, office rental expenditures for RPC Early Childhood program expansion, and energy assistance for RPC Energy Assistance program expansion.

The $544,000 revenue to expenditure deficit is the result of combining current fiscal year revenues with funds reserved in prior fiscal years for planned projects and replacements scheduled in FY2020. The FY2020 budget is balanced per Champaign County's Financial Policies.

Investment in Facilities and Technology

The County continues to increase its investment in facilities and technology, which have been deferred over time due to budget constraints. The FY2020 budget includes $2.2

million for facility improvements per the 10-Year Capital Facilities Plan. In October 2019, the newly formed Information Technology Planning Committee began meeting to develop a plan for the County's aging software and technology systems. The FY2020 budget includes appropriation for replacing the County's in–house financial system with a modern Enterprise Resource Planning (ERP) system, for which an RFP was issued in October 2019. Following implementation of real estate tax cycle software in 2019, the FY2020 budget includes funding for Computer Assisted Mass Appraisal (CAMA) software, enabling digitization of property record cards with a sketching and valuation system providing assessment uniformity and online record accessibility.

General Fund

In the General Fund, revenue and expenditure are budgeted respectively at $40,783,194 and $40,308,522. The budget surplus of $475,000 is attributed to property tax revenue, which as explained previously, the County is uncertain whether it will receive. The receipt of additional revenue in FY2020 will be utilized to improve fund reserves. The General Fund balance target is set at 16.7%, or two months of operating expenditure. Per Champaign County's financial policies the FY2020 General Fund budget is a balanced budget.

Revenue growth measures $1.3 million, or 3.2% year-over-year with the largest increase in the federal, state and local revenue category, mainly due to full allocation of salary reimbursement from the Administrative Office of the Illinois Courts (AOIC). Expenditure growth measures $1.7 million, or 4.3% year-over-year with increases in all expenditure categories except debt. The greatest expenditure increase is in the Interfund expenditure category, and is the result of a larger transfer to the Capital Asset Replacement Fund (CARF) for investment in County facilities.

In FY2020, the County Clerk's Office will purchase new election tabulators, as production and software for the County's current tabulators has been discontinued. The County Board identified the need to provide the necessary equipment and software for an accessible, safe and secure 2020 election as a budget priority in the Budget Process Resolution.

Nursing Home Fund

In April 2019, the Champaign County Nursing Home was sold to Extended Care Clinical, LLC and Altitude Health Services, Inc. Following the sale of the Home, proceeds were used to redeem the 2015 Bonds and defease the 2011 Bonds. As of September 2019, the Nursing Home owed other County funds nearly $10 million. The County's Self-Funded Insurance Fund has been significantly impacted due to a continued obligation to pay defense attorney fees and claims settlements. In FY2020, under the Property Tax Extension Limitation Law (PTELL), the tax levy previously allocated for Nursing Home operations will go exclusively towards the Home's outstanding balance owed to the Self-Funded Insurance Fund. The FY2020 Nursing Home budget includes nominal revenues and expenditures, which are explained in the Nursing Home Summary budget document.

Financial Concerns

The impact of both legislative and administrative decisions made at the state level continue to alter and weaken some county revenue streams.

State Funding Cuts, Diversions and Legislation.

- Income Tax. The state legislature implemented a one-time, 10% cut to Income tax from July 1, 2017 through June 30, 2018. Rather than letting the cut expire as proposed, the legislature extended a 5% cut effective July 2018, extended again in July 2019. As of September 2019, the cut has resulted in the loss of $520,000.

- Sales Tax. A 2% collection fee was imposed on Public Safety Sales Tax revenues in July 2017, and reduced to 1.5% in July 2018. The fee is expected to be permanent and since inception has cost the County $188,000.

- Personal Property Replacement Tax (PPRT). The state's continued diversion of PPRT funds prior to application of the funding formula for distribution to local governments increases each fiscal year. In 2009, diversions totaled $21,643 and in 2020 total diversions exceed $300 million.

- AOIC funding. The Administrative Office of the Illinois Courts provides reimbursement for a portion of the Juvenile Detention Center and Probation and Court Services personnel costs. After full funding in state FY2015, the County's allocation significantly declined in years 2016 through 2019. Full funding was restored in state FY2020; however, the level of reimbursement in future fiscal years is uncertain.

- The Criminal and Traffic Assessment Act effective July 2019, significantly changed the fines and fees collected through the courts and distributed to County funds. In summary, the act creates a set of criminal assessment schedules and punitive fines, sets a maximum on civil filing and appearance fees, and creates a graduated fee waiver that will apply to indigency orders in both civil and criminal cases. The impact of these changes will affect multiple county funds including the General Fund and some special revenue funds. In FY2020 fee and fine revenues are budgeted conservatively as the County is unable to fully assess the impact of allowable fee waivers based on the financial ability of an individual to pay.

Facilities Maintenance and Planning.
The County Board approved a 10-Year Capital Facilities Plan in May 2018. The plan calls for an investment of $23 million through FY2029, and prioritizes building envelopes, mechanicals, mechanical controls, business continuation/emergency preparedness, and parking lot/sidewalk maintenance. Interior improvements such as paint, carpeting, and flooring are not funded in the plan.

Facilities not included in the plan are the Sheriff's Office and downtown Correctional Center. Per a 2015 Facilities Condition Report, these facilities are categorized as poor, and have either "more significant deficiencies that require replacement or repair, or a larger quantity of components needing to be upgraded or repaired." The 5-25 year DMB for these facilities was $9 million in 2015, and has likely increased since that time. At its October 2019 meeting, the County Board will consider the Champaign County Public Safety Facility Master Plan Update as it continues discussions regarding a plan for these facilities.

Acknowledgements

We wish to acknowledge the outstanding cooperation and collaboration among all county elected officials, department heads, and County Board members in the preparation of the fiscal year 2020 budget. We also extend our special thanks to staff members providing crucial assistance in the development and completion of this budget document: Isak Griffiths, Deputy Director of Administration; Bill Simmering, Business Applications Developer; Andy Rhodes, Information Technology Director; Gabe Lewis, Planner II; Megan Robison, Administrative Assistant; and Rita Kincheloe, Executive Assistant to the County Executive.

On behalf of our officials and staff, we are pleased to present to you the fiscal year 2020 Champaign County Budget.

Respectfully submitted,

Darlene A. Kloeppel
County Executive

Tami Ogden
Deputy Director of Finance

GOVERNMEN FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

County of Champaign

Illinois

For the Fiscal Year Beginning

January 1,2019

Christopher P. Morrill

Executive Director

HOW TO USE THIS DOCUMENT BUDGETARY BASIS & FUND STRUCTURE OVERVIEW

The Champaign County FY2020 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 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 FY2020 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 FY2018 actual revenues and expenditures, FY2019 budgeted and projected revenues and expenditures, and FY2020 requested revenues and expenditures. In FY2020 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 fund 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 FY2020 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. This fund will be closed at the end of FY2019 since the Nursing Home bonds were defeased on April 30, 2019. The County also has two debt service budgets included in other funds (General and Public Safety Sales Tax) as appropriation based on the purpose of the fund. The General Fund debt service budget will no longer be utilized after FY2019, since the Nursing Home bonds in the budget were redeemed on April 30, 2019.
- **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 two capital projects funds budgeted in FY2020 – the Courts Complex Construction and Capital Asset Replacement funds.

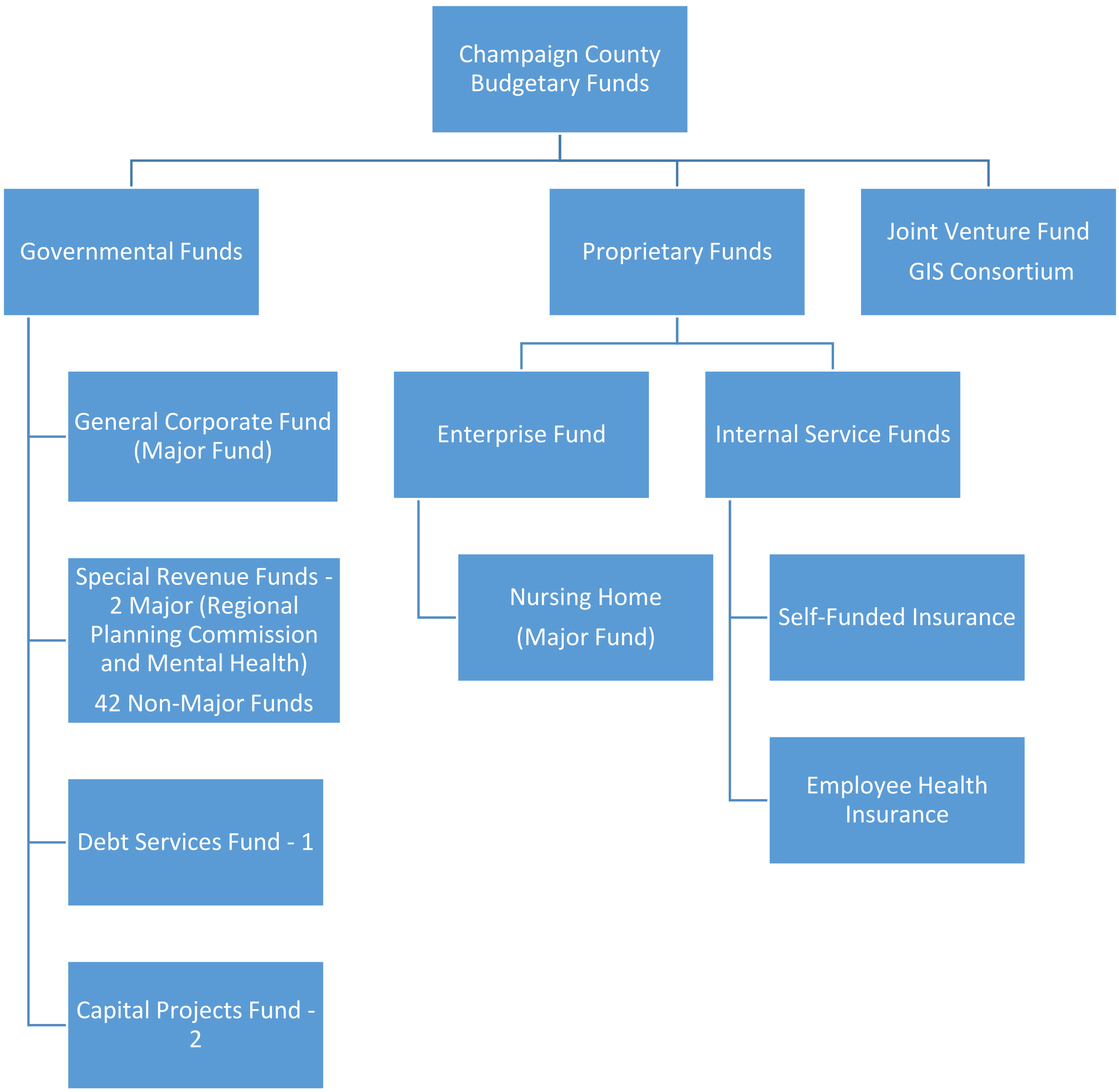
Proprietary Funds – Proprietary Funds account for certain "business-type" activities of governments that are operated so that costs incurred can be recovered by charging fees to the specific users of these services.

- **A.** **Enterprise Fund:** An enterprise fund is used to account for operations that are financed primarily by User charges. The Nursing Home Fund is the only enterprise fund in Champaign County. Following the sale of the Home in 2019, this fund will be closed at the end of FY2020.
- **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.



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						
Storm Sirens	X						
Supervisor of Assessments	X						
Recorder	X						
• Recorder Automation		X					
Public Defender	X						
• Public Defender Automation		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						
• Solid Waste Management Fund		X					
County Clerk	X						
• Death Surcharge		X					
• Automation		X					

Department	General Fund (Major)	Special Revenue Fund	Internal Service Fund	Enterprise Fund	Debt Service Fund	Capital Project Fund	Joint Venture Fund
• Election Assistance Access. Grant		X					
Circuit Clerk • Jury Commission • Support Enforcement • Child Support Service • Court Automation • E-Ticketing • Court Document Storage • Operation and Administrative	X X X	 X X X X X					
Sheriff • Merit Commission • Jail Commissary • County Jail Medical • Drug Forfeitures	X X	 X X X					
Probation • Probation Services	X	 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				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					

Department	**General Fund (Major)**	**Special Revenue Fund**	**Internal Service Fund**	**Enterprise Fund**	**Debt Service Fund**	**Capital Project Fund**	**Joint Venture Fund**
Tort Immunity		X					
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					
Economic Development Loan		X					
Child Advocacy Grant		X					

COUNTY 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

- 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

The 5 goals of the County Board established in June 2019, along with the shared strategic initiatives, are outlined below.

Goal 1 – operate a high performing, open, transparent county government
Strategic Initiatives:

- Compile a list of all county services, noting mandated services
- Develop strategies for retention of workforce and continuity of leadership
- Ensure all new programs have plans for sustainability past startup
- Diversify county workforce
- Improve communications with public and within county workforce
- Improve listening and cooperation among board members

Goal 2 – maintain high quality public facilities and roads and a safe rural transportation system

Strategic initiatives:

- Fund facility maintenance projects per 10-year deferred maintenance plan
- *Address facility/operational needs of Sheriff's office and jails
- Implement county facility energy reduction plans
- Fund county roadway projects per 5-year pavement management system plan
- Support intergovernmental agreements for rural transportation and transportation options

Goal 3 – promote a safe, health, just community

Strategic initiatives:

- *Support intergovernmental agreements for implementation of Racial Justice Task Force recommendations
- Support economic development for disadvantaged communities
- Ensure water quality and quantity from Mahomet Aquifer

Goal 4 – support planned growth to balance economic growth with natural resource preservation

Strategic initiatives:

- Support intergovernmental cooperation in planning land use and fringe areas to contain urban sprawl and preserve farmland
- Encourage participation in regional planning efforts
- Encourage development/use of sustainable energy

COUNTY STRATEGIC PLAN

Goal 5 – maintain safe and accurate county records and perform county administrative, governance, election and taxing functions for county residents

Strategic initiatives:

- Develop strategies for declining state financial support
- Fund 5-year information technology replacement plan
- Establish system of codification for county ordinances and resolutions
- Improve county's financial position

*Special project for which additional revenue and/or partners must be identified.

2020 ACTION PLAN ACTIVITIES

County Officials focus most efforts on day-to-day operation of their offices to serve the public. Each year, additional activities may be undertaken for infrastructure improvements, and responding to changing legal and operational mandates. These initiatives are guided by the 6-Year Strategic Plan and prioritized through the annual budgeting cycle.

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
Ensure that all new programs have a model that sustains them past startup.	Evaluation of all grants or proposed new programs with sustainability analysis.	New services will continue once developed.
Improve communication with public and within the county workforce	Review and update county website/officials' websites. Replace Sheriff's body cameras and justice system video storage.	Improved access to county information. Improved video quality and retrieval for court cases.
Diversify County workforce.	Establish baseline date and steps to recruit county staff.	Diverse workforce that mirrors the county.
Compile a list of core, mandated services provided by the County.	Individual departments develop documentation to compile a comprehensive listing.	Expand public awareness of County services. Use as a County Board tool for prioritizing resource commitments.

COUNTY STRATEGIC PLAN

Initiatives	Activities	Outcomes
Develop strategies for staff retention and continuity in county staff leadership roles.	Research and realign staffing resources to serve anticipated needs for county offices by updating Salary Administration. Develop 5 strategies for recruitment/retention.	Timely recruitment of well qualified candidates, particularly in senior management positions, to support seamless transitions and performance improvements.
Improve listening and cooperation among board members.	Committee meetings and study sessions.	Transparent and effective decision-making from County Board.

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

Initiatives	Activities	Outcomes
Fund maintenance/ projects per County 10-Year Capital Facilities Plan	Address the deferred maintenance backlog of County facilities	Properly repair and maintain the County's investment in buildings.
Implement county facility energy reduction plans	Continue implementation of facility improvements that achieve energy savings.	Reduced expenditures on energy needs and reduced environmental impact by county facilities.
Fund county roadways per County 5-Year Pavement Management System Plan	Allocation use of motor fuel taxes for county projects. Continued relationships with Township Highway Commissioners.	Maintained county-owned roads and bridges. Completion of joint county/township projects.
Address facility/operational needs of the Sheriff's Office and jails	Establish plan for the dilapidated downtown Sheriff's facilities and jail consolidation, including a financial plan.	Ensure safe, well-maintained, ADA compliant and functional facilities for law enforcement and correctional operations.

COUNTY STRATEGIC PLAN

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

Initiatives	Activities	Outcomes
Support agreements for implementation of Racial Justice Task Force recommendations.	Lead/participate in agreements to offer additional options for diversion/re-entry.	Community solutions which reduce incarceration/recidivism rates.
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 planned growth to balance economic growth with preservation of our natural resources.

Initiatives	Activities	Outcomes
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.
Encourage regional planning efforts	Investigate possible countywide and intergovernmental planning projects and strategies. Participation in Economic Development Council.	Regional business development. Sustainable environmental protection measures. Preservation of valuable farmland.
Encourage development/use of sustainable energy.	Consider sustainable energy production proposals through Environment/Land Use Committee	Local projects that improve economy and maintain valuable farmland

COUNTY STRATEGIC PLAN

Goal 5 - Champaign County is a county that maintains safe and accurate county records and performs county administrative, governance, election and taxing functions for county residents.

Initiatives	Activities	Outcomes
Develop strategies for declining state support.	Research list of possible strategies to increase revenue/decrease expenses. Impact assessment and operations planning to adjust to revenue reduction and unfunded mandates.	Legislative changes which provide financial relief to local governments. Collaboration with other local governments to minimize impact of lost funding. Balanced budgets that accommodate required changes imposed by external entities.
Fund 5-year IT replacement plan.	Form IT committee to prioritize all IT maintenance and replacement projects over a 5-6 year timeframe.	Incorporate IT priority funding recommendations into annual budgets.
Establish a system of codification of County ordinances	Select a municipal codification company to assist with the compilation and review of County ordinances.	Ensure County compliance with statutory obligations. County Board awareness of ordinances previously adopted and any impact on current considerations by the Board. Improved transparency for board actions.
Improve county's financial position.	Rebalance county bonds. Finalize nursing home sale obligations. Fund and initiate the replacement of the County's financial software.	Reduce debt service. Improve effectiveness and efficiency of financial staff to process and analyze impact of transactions. Eliminate duplicative data entry/progress toward paperless processes.

BUDGET PRIORITIES

Champaign County's FY2020 Budget Priorities are guided by the County Board's Strategic Plan.

High Performing, Open and Transparent

Budget transparency through hearings and the electronic publication of documents throughout the budget process. A PowerPoint presentation provides key budget information in a comprehensible format at the Legislative Budget Hearings, also available to the public on the County's website.

The County prioritizes the preservation of adequate reserves within County funds. The sale of the Champaign County Nursing Home in FY2019 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.

The FY2020 budget reflects a net increase of 75 full-time equivalents due to new and expanded grant initiatives within RPC funds.

Funding in Workforce Development for a FY2020 workforce innovation pilot project to develop labor shed and business survey labor market analytics.

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

FY2020 facilities projects outlined in the County's 10-Year Capital Facilities Plan are fully funded.

County highway funds include $4.3 million for bridges, culverts, and road improvements.

New RPC grant and contract funding from multiple agencies including the Illinois Center for Transportation, Federal Transit Administration, Illinois Department of Transportation.

In FY2020 the County Board will continue discussions regarding planning for consolidation of the County's Correctional Centers and identifying funding for the project. The downtown Sheriff's facilities were poorly rated in a 2015 Facilities Condition Assessment, and require ADA improvements as well as a significant investment in deferred maintenance if the County continues to occupy the space.

Safe, Just and Healthy Community

Replacement of the County's law enforcement body cameras, which are no longer serviced and supported.

Purchase of Digital Evidence Management System (DEMS) technology to properly receive, store, and distribute digital evidence (i.e. body camera, squad car cameras, surveillance footage).

The Early Childhood Fund includes federal and state funding to provide comprehensive full-day child development services to over 666 infants and toddlers and their families, and expanded center-based programming to serve an additional 131 new enrollments and 14 new classrooms.

BUDGET PRIORITIES

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

Expansion of Independent Service Coordination (ISC) programs providing an array of activities on behalf of individuals with intellectual/developmental disabilities and their families/guardians to help them access individualized services and support.

Mental Health and Developmental Disabilities Board funds include $8.7 million in contributions and grants for the advancement of a local system of programs and services for prevention and treatment of mental or emotional, developmental, and substance use disorders, and the treatment of people with intellectual/developmental disabilities.

The County will hold its fourth annual Amnesty Week for outstanding criminal and traffic fees and fines, and its fourth annual Expungement and Record Sealing Summit in 2020.

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

Maintenance of energy conservation programs.

In FY2020, Champaign County will participate in the Illinois Manufacturer's E-waste Program with coordinators Champaign, Urbana, and Savoy, to hold two large one-day Residential Electronics Collection events.

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.

The budget includes regional initiatives for transportation, planning, and implementation of energy efficiency strategies.

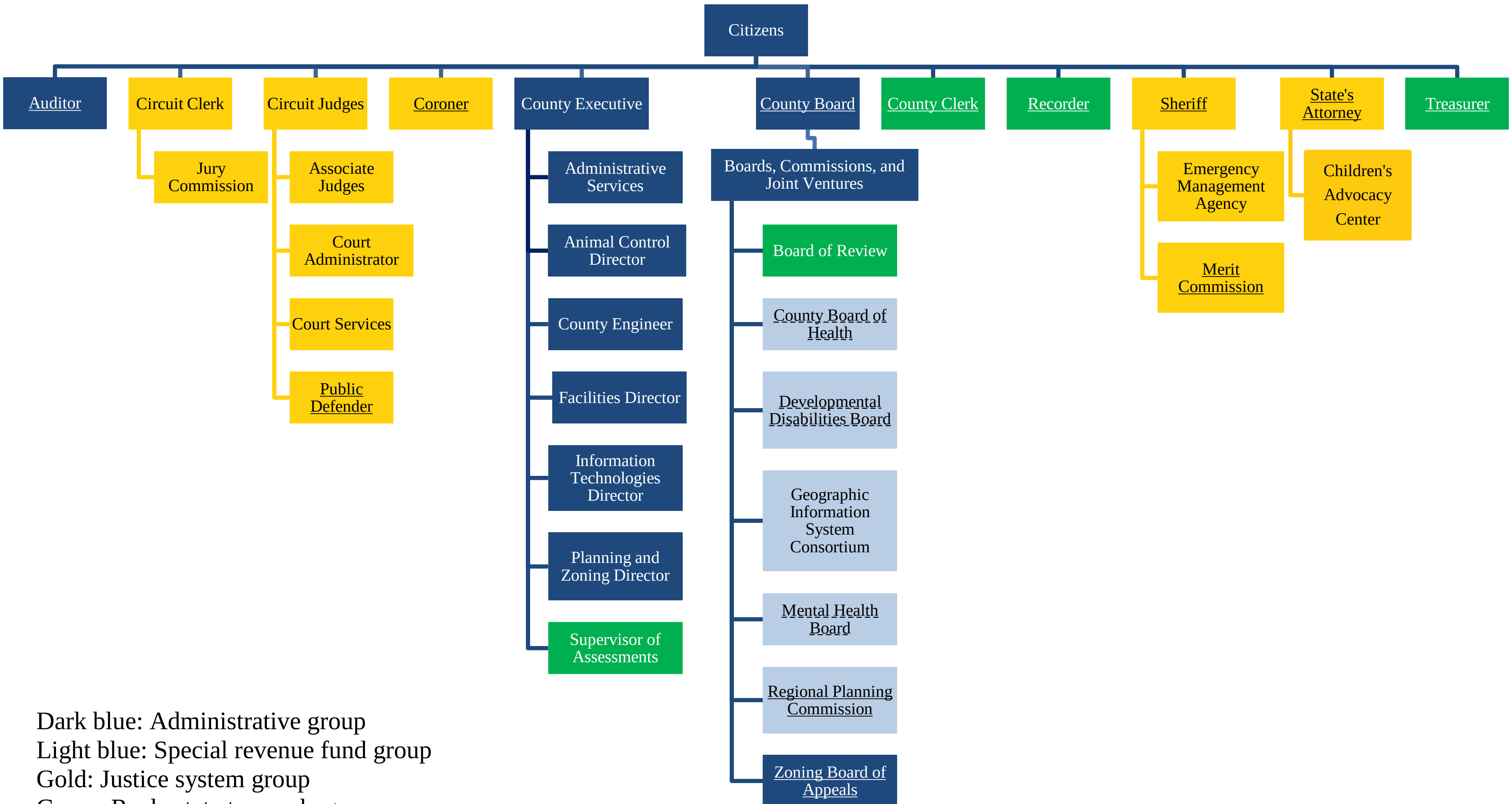
Maintain Safe and Accurate County Records and Perform County Administrative, Governance, Election and Taxing Functions for County Residents

Replacement of the election tabulators making for more secure and safe elections.

Implementation of an Enterprise Resource Planning System (ERP) following issuance of an RFP in FY2019 to replace the County's aging accounting system.

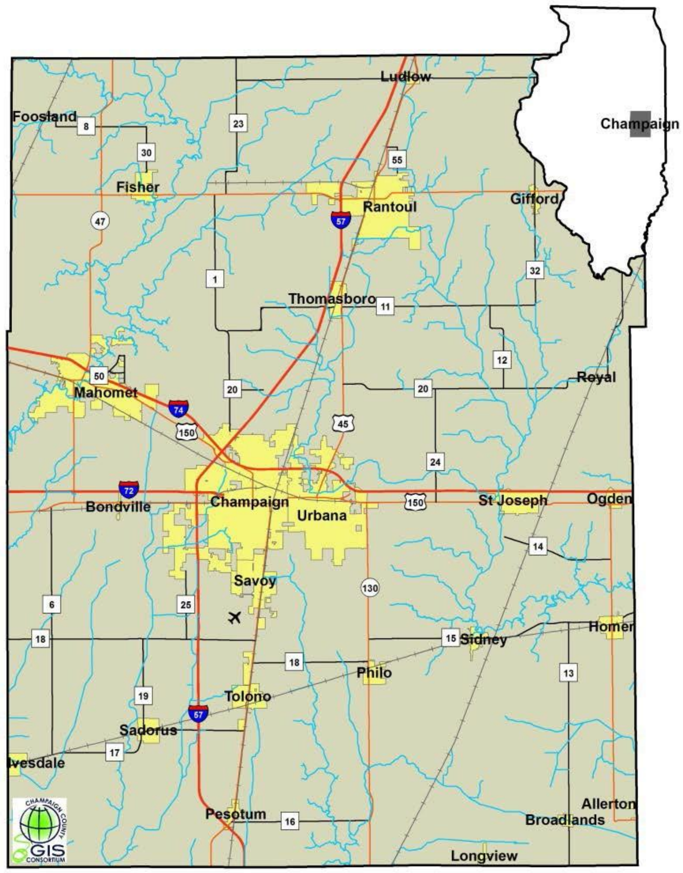
Implementation of Computer Assisted Mass Appraisal (CAMA) software enabling digitization of property record cards with a sketching and valuation system providing assessment uniformity and online record accessibility.

CHAMPAIGN COUNTY ORGANIZATION CHART



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 was 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 2013-2017 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	151,258	+/- 505	72.7%	+/- 0.2
Black or African-American alone	27,210	+/- 519	13.1%	+/- 0.2
American Indian and Alaska Native alone	323	+/- 112	0.2%	+/- 0.1
Asian alone	21,481	+/- 420	10.3%	+/- 0.2
Native Hawaiian and Other Pacific Islander alone	128	+/- 129	0.1%	+/- 0.1
Some other race alone	1,822	+/- 464	0.9%	+/- 0.2
Two or more races	5,724	+/- 774	2.8%	+/- 0.4
Ethnicity				
Hispanic or Latino	11,950	N/A	5.7%	N/A
Not Hispanic or Latino	195,996	N/A	94.3%	N/A

Source: U.S. Census Bureau; American Community Survey, 2013-2017 American Community Survey 5-Year Estimates, Table DP05; generated using data.census.gov; <https://data.census.gov/cedsci/>; (20 September 2019).

Age and Sex – Champaign County

Age	Estimate	MOE
Under 18 years	19.0%	+/- 0.4
18-24 years	23.3%	+/- 0.1
25-44 years	25.5%	+/- 0.4
45-64 years	20.6%	+/- 0.3
65 years and older	11.6%	+/- 0.1
Median Age (Years)	29.7	+/- 0.2

Sex	Estimate	MOE
Male	103,843	+/- 63
Female	104,103	+/- 63

Source: U.S. Census Bureau; American Community Survey, 2013-2017 American Community Survey 5-Year Estimates, Table S0101; generated using data.census.gov; < https://data.census.gov/cedsci>; (20 September 2019).

Detailed Age Distribution – Champaign County

Age	Estimate (%)	MOE
Under 5 years	5.6%	+/- 0.1
5 to 9 years	5.2%	+/- 0.3
10 to 14 years	5.0%	+/- 0.3
15 to 19 years	10.0%	+/- 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	6.0%	+/- 0.3
40 to 44 years	4.7%	+/- 0.2
45 to 49 years	4.8%	+/- 0.1
50 to 54 years	5.2%	+/- 0.1
55 to 59 years	5.3%	+/- 0.2
60 to 64 years	5.3%	+/- 0.2
65 to 69 years	3.8%	+/- 0.2
70 to 74 years	2.7%	+/- 0.2
75 to 79 years	2.1%	+/- 0.2
80 to 84 years	1.4%	+/- 0.1
85 years and older	1.6%	+/- 0.2

Source: U.S. Census Bureau; American Community Survey, 2013-2017 American Community Survey 5-Year Estimates, Table S0101; generated using data.census.gov; <https://data.census.gov/cedsci>; (20 September 2019).

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 2013-2017 American Community Survey 5-Year Estimates.

Median Household and Family Income

	State of Illinois Estimate ($)	MOE	Champaign County Estimate ($)	MOE
Median Household Income	$61,229	+/- $190	$49,586	+/- $1,516
Median Family Income	$76,533	+/- $368	$74,796	+/- $1,922
Per Capita Income	$32,924	+/- $132	$28,463	+/- $692

Source: U.S. Census Bureau; American Community Survey, 2013-2017 American Community Survey 5-Year Estimates, Table DP03; generated using American FactFinder; <http://factfinder2.census.gov>; (20 September 2019).

Household Income Distribution

	State of Illinois Number of Households	MOE	Champaign County Number of Households	MOE
Total	4,818,452	+/- 9,284	81,418	+/- 837
Less than $10,000	331,315	+/- 3,604	11,235	+/- 614
$10,000-$14,999	204,278	+/- 2,682	3,838	+/- 352
$15,000-$19,999	220,623	+/- 2,712	3,553	+/- 370
$20,000-$24,999	225,830	+/- 3,017	4,623	+/- 585
$25,000-$29,999	209,365	+/- 3,323	3,375	+/- 415
$30,000-$34,999	216,438	+/- 3,154	4,276	+/- 447
$35,000-$39,999	204,543	+/- 2,978	3,554	+/- 370
$40,000-$44,999	207,337	+/- 2,716	3,461	+/- 404
$45,000-$49,999	181,318	+/- 2,443	2,998	+/- 345
$50,000-$59,999	362,239	+/- 4,033	5,875	+/- 582
$60,000-$74,999	474,521	+/- 4,348	7,962	+/- 550
$75,000-$99,999	613,614	+/- 5,108	8,785	+/- 534
$100,000-$124,999	442,115	+/- 4,297	6,531	+/- 415
$125,000-$149,999	282,845	+/- 3,436	3,795	+/- 347
$150,000-$199,999	311,141	+/- 3,915	3,597	+/- 344
$200,000 or more	330,930	+/- 3,337	3,960	+/- 358

Source: U.S. Census Bureau; American Community Survey, 2013-2017 American Community Survey 5-Year Estimates, Table B19001; generated using data.census.gov; <https://data.census.gov/cedsci>; (20 September 2019).

Family Income Distribution

	State of Illinois Number of Households	MOE	Champaign County Number of Households	MOE
Total	3,122,491	+/- 9,051	42,681	+/- 719
Less than $10,000	126,456	+/- 2,487	2,138	+/- 302
$10,000-$14,999	75,208	+/- 1,881	857	+/- 199
$15,000-$19,999	91,656	+/- 1,867	1,299	+/- 253
$20,000-$24,999	106,080	+/- 2,008	1,576	+/- 284
$25,000-$29,999	108,231	+/- 2,534	1,041	+/- 176
$30,000-$34,999	119,334	+/- 2,589	1,745	+/- 284
$35,000-$39,999	118,867	+/- 2,430	1,548	+/- 238
$40,000-$44,999	123,559	+/- 2,524	1,364	+/- 270
$45,000-$49,999	112,551	+/- 2,077	1,670	+/- 252
$50,000-$59,999	230,116	+/- 3,127	3,319	+/- 418
$60,000-$74,999	320,318	+/- 3,768	4,858	+/- 439
$75,000-$99,999	452,377	+/- 4,398	6,299	+/- 450
$100,000-$124,999	348,001	+/- 3,883	5,220	+/- 398
$125,000-$149,999	235,792	+/- 3,245	3,173	+/- 365
$150,000-$199,999	266,120	+/- 3,636	3,125	+/- 332
$200,000 or more	287,025	+/- 3,221	3,449	+/- 335

Source: U.S. Census Bureau; American Community Survey, 2013-2017 American Community Survey 5-Year Estimates, Table B19101; generated using data.census.gov; <https://data.census.gov/cedsci>; (20 September 2019).

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 2013-2017 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	4,818,452	+/- 9,284	81,418	+/- 837	33,834	+/- 657	15,986	+/- 605
Owner-Occupied	3,185,142	+/- 14,651	44,405	+/- 742	15,158	+/- 508	6,120	+/- 367
Renter-Occupied	1,633,310	+/- 7,940	37,013	+/- 975	18,676	+/- 614	9,866	+/- 566

Source: U.S. Census Bureau; American Community Survey, 2013-2017 American Community Survey 5-Year Estimates, Table B25003; generated using data.census.gov; <https://data.census.gov/cedsci>; (20 September 2019).

Value Distribution of Owner-Occupied Units

	State of Illinois Estimate	MOE	Champaign County Estimate	MOE
Total Units	3,185,142	+/- 14,651	44,405	+/- 742
Less than $10,000	51,049	+/- 1,557	991	+/- 189
$10,000 to $14,999	21,070	+/- 865	446	+/- 135
$15,000 to $19,999	18,635	+/- 776	148	+/- 76
$20,000 to $24,999	21,072	+/- 842	281	+/- 117
$25,000 to $29,999	19,211	+/- 920	100	+/- 52
$30,000 to $34,999	25,480	+/- 964	243	+/- 92
$35,000 to $39,999	20,092	+/- 643	285	+/- 103
$40,000 to $49,999	54,995	+/- 1,361	608	+/- 129
$50,000 to $59,999	72,970	+/- 1,280	649	+/- 145
$60,000 to $69,999	90,575	+/- 1,947	1,052	+/- 176
$70,000 to $79,999	108,036	+/- 1,488	1,733	+/- 258
$80,000 to $89,999	124,795	+/- 2,264	1,717	+/- 237
$90,000 to $99,999	105,013	+/- 2,347	2,028	+/- 292
$100,000 to $124,999	276,050	+/- 3,397	5,513	+/- 470
$125,000 to $149,999	240,946	+/- 2,582	5,341	+/- 465
$150,000 to $174,999	302,328	+/- 2,983	5,560	+/- 422
$175,000 to $199,999	212,301	+/- 2,776	4,021	+/- 356
$200,000 to $249,999	364,788	+/- 3,953	5,402	+/- 458
$250,000 to $299,999	288,977	+/- 3,298	3,027	+/- 336
$300,000 to $399,999	346,801	+/- 3,636	3,099	+/- 336
$400,000 to $499,999	159,030	+/- 2,402	914	+/- 151
$500,000 to $749,999	156,786	+/- 2,302	841	+/- 165
$750,000 to $999,999	52,501	+/- 1,310	234	+/- 101
$1,000,000 to $1,499,999	29,713	+/- 1,135	149	+/- 74
$1,500,000 to $1,999,999	8,826	+/- 500	12	+/- 17
$2,000,000 or more	13,102	+/- 583	11	+/- 13

Source: U.S. Census Bureau; American Community Survey, 2013-2017 American Community Survey 5-Year Estimates, Table B25075; generated using data.census.gov; <https://data.census.gov/cedsci>; (20 September 2019).

Rent Distribution of Renter-Occupied Units

	State of Illinois Estimate	MOE	Champaign County Estimate	MOE
Total Units	1,633,310	+/- 7,940	37,013	+/- 975
No cash rent	71,226	+/- 1,557	817	+/- 147
Less than $100	7,179	+/- 539	40	+/- 51
$100 to $149	6,186	+/- 509	148	+/- 127
$150 to $199	12,238	+/- 693	105	+/- 58
$200 to $249	27,513	+/- 1,102	270	+/- 148
$250 to $299	21,712	+/- 963	416	+/- 178
$300 to $349	21,562	+/- 932	115	+/- 66
$350 to $399	22,401	+/- 1,011	339	+/- 135
$400 to $449	26,406	+/- 1,107	554	+/- 163
$450 to $499	31,240	+/- 1,158	1,095	+/- 248
$500 to $549	39,261	+/- 1,406	1,476	+/- 294
$550 to $599	44,052	+/- 1,660	1,393	+/- 252
$600 to $649	57,284	+/- 1,667	2,060	+/- 311
$650 to $699	64,874	+/- 1,851	2,347	+/- 397
$700 to $749	71,954	+/- 1,882	2,556	+/- 329
$750 to $799	77,306	+/- 2,065	2,911	+/- 392
$800 to $899	165,076	+/- 2,966	4,589	+/- 458
$900 to $999	161,812	+/- 3,058	4,361	+/- 448
$1,000 to $1,249	277,925	+/- 3,743	5,284	+/- 490
$1,250 to $1,499	160,369	+/- 2,890	2,479	+/- 348
$1,500 to $1,999	170,117	+/- 3,055	2,510	+/- 416
$2,000 to $2,499	58,105	+/- 1,707	587	+/- 163
$2,500 to $2,999	20,455	+/- 1,078	154	+/- 85
$3,000 to $3,499	10,898	+/- 787	378	+/- 188
$3,500 or more	6,159	+/- 561	29	+/- 31

Source: U.S. Census Bureau; American Community Survey, 2013-2017 American Community Survey 5-Year Estimates, Table B25063; generated using data.census.gov; <https://data.census.gov/cedsci>; (20 September 2019).

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.

	2018			2019	Average
	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	
11 Agriculture, Forestry, Fishing and Hunting	391	378	277	248	324
21 Mining, Quarrying, & Oil and Gas Extraction	18	17	14	15	16
22 Utilities	187	188	189	192	189
23 Construction	3,492	3,357	3,073	3,077	3,250
31-33 Manufacturing	6,666	6,652	6,658	6,594	6,643
42 Wholesale Trade	2,441	2,381	2,356	2,317	2,374
44-45 Retail Trade	8,995	8,881	9,580	9,003	9,115
48-49 Transportation and Warehousing	2,623	2,537	2,762	2,701	2,656
51 Information	2,106	1,979	2,029	1,844	1,990
52 Finance and Insurance	2,623	2,608	2,612	2,455	2,575
53 Real Estate and Rental and Leasing	1,747	1,755	1,718	1,769	1,747
54 Professional, Scientific, and Technical Services	3,457	3,484	3,330	3,382	3,413
55 Management of Companies and Enterprises	127	82	77	71	89
56 Administrative and Support and Waste Management and Remediation Services	4,154	4,219	4,114	3,759	4,062
61 Educational Services	780	721	745	760	752
62 Health Care and Social Assistance	12,986	13,031	13,219	13,529	13,191
71 Arts, Entertainment, and Recreation	1,004	794	773	1,058	907
72 Accommodation and Food Services	9,236	10,283	10,040	10,155	9,929
81 Other Services (except Public Administration)	2,217	2,076	2,348	2,029	2,168
92 Public Administration	25,309	25,380	25,554	25,278	25,380
99 Unclassified	12	13	7	3	9

*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 2018 Q2-4 and 2019 Q1, Illinois at Work Report; <http://www.ides.illinois.gov/LMI/Pages/Quarterly_Census_of_Employment_and_Wages.aspx>; (20 September 2019).

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
2018	105,669	101,016	4,653	4.4%	4.3%	3.9%
2017	104,527	100,100	4,427	4.2%	4.9%	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 2000-2018 and Illinois Labor Force Estimates Annual Averages;
<http://www.ides.illinois.gov/LMI/Pages/Local_Area_Unemployment_Statistics.aspx>; (20 September 2019).

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 2018
1	University of Illinois at Urbana-Champaign	13,934
2	Carle	6,921
3	Champaign Unit #4 School District	1,664
4	Kraft Heinz	925
5	Christie Clinic	916
6	Champaign County	893
7	Urbana School District #116	828
8	FedEx	815
9	OSF Healthcare	774
10	Parkland College	741

Source: Top Employers, Champaign County Economic Development Corporation, April 2018.
<http://champaigncountyedc.org/area-facts/directories-reports>; (20 September 2019).

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)
- Travel Policy
- 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 Director of Finance will review all expenditures from the Capital Asset Replacement Fund and is authorized, in addition to the County Executive 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 which will follow Quality Based Selection (QBS) requirements established in 50 ILCS 510). 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, includes Salary Administration Guidelines.
2. The County Executive 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 FY2020 BUDGET CALENDAR

The County's 2020 fiscal year begins on January 1 and ends on December 31.

Date	**Task**
June 12	County Executive provides *Budget Instruction and Training Seminar* for department budget preparers and sends *Instructions for Budget Submission* to outside agencies
July 12	FY2020 Department Budgets DUE to Deputy Director of Finance
July 15-26	Department Budget Reviews with County Executive
Aug. 1-9	County Executive confirms tax revenues & other revenue estimates
Aug. 26-27	6:00pm each evening – Legislative Budget Hearings before the County Board
Sept. 10	County Executive presents *FY2020 Budget Overview* to Finance Committee
Sept. 26	Special Finance Committee of the Whole Meeting for Public Comment on the Proposed FY2020 Budget and to provide direction regarding the Tentative Budget
Oct. 15	*FY2020 Tentative Budget Recommendation* forwarded by Finance Committee to County Board
Oct. 24	County Board – receive & place on *File FY2020 Tentative Budget;* County Board Truth in Taxation Public Hearing (*if required)*
Nov. 12	Finance Committee forwards *Final FY2020 Budget* to County Board for approval
Nov. 21	County Board approval of *Final FY2020 Budget* & *FY2020 Tax Levy Ordinance*

September 10, 2019 County Executive presentation of the Budget was moved to the September 19, 2019 County Board Meeting.

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 Executive 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 Executive 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 Executive in early July.

Phase 3 – Integration and Initial Review

In July, the County Executive meets with each department head and elected official to review the budget requests as presented. All department budgets are then 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. 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. 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.

Phase 5 – Public Review

A Special Finance Committee of the Whole meeting is held in late September to focus on County Board discussion of the proposed budget presented by the County Executive. An opportunity for public participation will take place at the beginning of the meeting.

Phase 6 – Finance Committee

No later than the October Finance Committee meeting, the Finance Committee notifies the County Executive regarding changes or recommendations for funding initiatives. The County Executive then finalizes the total budget for County Board approval.

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 FY2020

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

WHEREAS, per 55 ILCS 5/2-5008 the County Executive shall prepare and submit to the County Board for its approval the annual budget for the county;

WHEREAS, based on the forecasted receipt of both revenues and expenditures for FY2020, the Finance Committee recommends guidelines for its consideration of the FY2020 annual budget; and

NOW, THEREFORE, BE IT RESOLVED, by the County Board of Champaign County, Illinois, that the following guidelines are hereby adopted for the submission, review, preparation, and implementation of the FY2020 Budget:

Budget Calendar

The County's 2020 fiscal year begins on January 1 and ends on December 31.

Date	Activity
June 12	County Executive provides *Budget Instruction and Training Seminar* for department budget preparers and sends *Instructions for Budget Submission* to outside agencies
July 12	FY2020 Department Budgets DUE to Deputy Director of Finance
July 15-26	Department Budget Reviews with County Executive
Aug. 1-9	County Executive confirms tax revenues & other revenue estimates
Aug. 26-27	6:00pm each evening – Legislative Budget Hearings before the County Board
Sept. 10	County Executive presents *FY2020 Budget Overview* to Finance Committee
Sept. 26	Special Finance Committee of the Whole Meeting for Public Comment on the Proposed FY2020 Budget and to provide direction regarding the Tentative Budget
Oct. 15	*FY2020 Tentative Budget Recommendation* forwarded by Finance Committee to County Board
Oct. 24	County Board – receive & place on *File FY2020 Tentative Budget;* County Board Truth in Taxation Public Hearing (*if required)*
Nov. 12	Finance Committee forwards *Final FY2020 Budget* to County Board for approval
Nov. 21	County Board approval of *Final FY2020 Budget* & *FY2020 Tax Levy Ordinance*

Form of the Budget

The County Executive's proposed budget shall be tied to the County's strategic planning priorities. The final budget shall be prepared in acknowledgement of the Champaign County Board Financial Policies and will include the following, showing specific amounts:

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

Property Tax Levy

The preparation of the property tax levy for FY2020 be calculated in accordance with the Property Tax Extension Limitation Law (PTELL).

Capital Asset Replacement Fund (CARF)

Capital asset replacement programs have an impact on the General Fund and Public Safety Sales Tax Fund. In-progress commitments for inclusion in the FY2020 CARF budget:

1. Funding for maintenance scheduled in FY2020 per the County's Facilities Capital Plan; and
2. Funding for Enterprise Resource Planning (ERP) to replace the County's in-house financial system; and
3. Funding for other CARF equipment and items previously scheduled for replacement in FY2020
4. An estimated calculation of full reserve funding required for future CARF replacement schedules.

General Corporate Fund

Total FY2020 non-personnel expenditures will be held flat against the Total Original FY2019 budget for non-personnel expenditures, with the exception of allowable increases based on competitively bid contracts or documented cost increases, and the recognition of the need to provide the necessary equipment and software for an accessible, safe and secure election in 2020.

County Executive's Department Budget Guidance

Department budget requests shall be tied to department goals, objectives, and performance indicators that will lead to a final overall budget document that is tied to the County's strategic priorities.

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).

Non-General Corporate Fund Budget Requests
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 FY2020 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
Total FY2020 non-personnel expenditures will be held flat against the Total Original FY2019 budget for non-personnel expenditures, with the exception of allowable increases based on competitively bid contracts or documented cost increases. Examples of documented increases are increases in the County's required contribution for joint ventures with other agencies such as METCAD and ARMS, and increases in rates for which the County has limited control such as water, utility and telephone services.

Requests for budget increases outside of these allowable exceptions must be submitted in separate documents and include:
1. A detailed explanation for the reason a budget increase is being requested; and
2. A detailed breakdown of the increase requested by budget line; and
3. Whether there are outside funding sources available to subsidize increased costs; and
4. Problems, issues, or concerns that might arise if the request is not able to be funded; and
5. Whether the request can be deferred to a future fiscal year, and if so, when.

LONG-RANGE FINANCIAL PLANNING

Five Year Financial Forecast Fiscal Years 2019-2023

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 FY2020 budget process. It is difficult 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.

Financial Rating and Outlooks

Moody's Investors Services affirmed the County's Aa2 rating in May 2018. In June 2017, the County's rating outlook was changed from no outlook to a negative outlook due to the continued operation of the Champaign County Nursing Home. The sale of the Home in April 2019, resulting in the elimination of enterprise risk and the capacity of the General Fund to work towards its fund balance target, could optimistically lead to a future rating upgrade.

The 2019 Moody's outlook for US local governments issued in December 2018 is stable based on property tax growth, with expenditure costs being predominantly driven by increases in personnel costs.[1] Moody's Forecast for Illinois indicates the State is ill prepared for a forecasted mid-2020 recession.[2] Local governments in Illinois have been affected by the State's ongoing efforts to balance its budget in part by the imposition of administrative fees, revenue diversions, and reductions to the local government portion of shared revenues. These impacts are discussed further in this document.

Strategic Plan

The Champaign County Board last updated its Strategic Plan in 2015. In February 2019, the County Board began a series of Strategic Planning Study Sessions. These meetings are scheduled to end in June, with the goal of updating the County's Strategic Plan in time to begin budgeting for fiscal year 2020.

Economic Conditions

The Illinois Department of Revenue (IDOR) is using an official figure of a 1.9% increase in the Consumer Price Index (CPI) for 2019 levy calculations under the Property Tax Extension Limitation Law (PTELL). Although consumers expect continued expansion in the near term, in March 2019, the Conference Board reported that consumer confidence has been recently volatile with the trend in confidence "softening since last summer".[3] In February 2019, the unemployment rate for Champaign County was 4.7%, an increase of 0.4% compared to February 2018, with Illinois mirroring the county's rate and the U.S. rate at a lower 4.1%.[4]

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[1] https://www.moodys.com/research/Moodys-US-local-governments-outlook-remains-stable-on-predictable-property--PBM_1152672

[2] http://cgfa.ilga.gov/Upload/2019MoodysEconomyILForecast.pdf

[3] https://www.conference-board.org/data/consumerconfidence.cfm

[4] http://www.ides.illinois.gov/LMI/Pages/Current_Monthly_Unemployment_Rates.aspx

The University of Illinois Flash Index, designed to give a quick reading of the state economy, has exceeded 105 since July 2018. A reading over 100 indicates economic expansion. However, economist Fred Giertz stated in the April 1, 2019 Flash Index report, "the national economy is in an unsettled position with the slowing of the world economy and the expectation of slower GDP growth in 2019, well below the nearly 3 percent rate last year."[5] For the fifth consecutive year, Illinois has experienced a decline in population. With net migration in 2018 at -83,400, compared to -84,200 in 2017.[6]

A March 2019 National Association for Business Economics survey resulted in 20% of a professional panel of forecasters predicting a recession in 2019, and 35% predicting a recession by the end of 2020.[7]

Financial Challenges

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

1. **State of Illinois**. State legislative and administrative decisions continue to impact County revenues.

    a. Income Tax. In July 2017, the state legislature imposed a "one-year," 10% reduction to Local Government Distributive Fund (LGDF) revenue, which cost the County $322,000. The cut was extended at 5% in 2018, which has cost the County an additional $100,000 in the first 8-months. In his FY2020 Operating Budget, Governor Pritzker proposed the continuation of the cut.

The State's cut to County Income Tax revenues has cost a total of $422,000 year-to-date. In his FY2020 Operating Budget, Governor Pritzker proposed the continuation of this cut.

    b. Personal Property Replacement Tax (PPRT). Although one-time deposits caused by Federal tax law changes caused this revenue stream to perform better than projected in FY2018; year-over-year revenue declines continue in part due to the State's increasing diversion of PPRT funds. Diversions have increased from $21.6 million in 2009, to $302.5 million in 2019, 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 was reduced to 1.5% in July 2018 and is expected to be permanent. Since its inception, the fee has diverted $152,000 in County funds that could have been used for public safety services.

    d. Cuts to State Reimbursement and Funding. The Administrative Office of Illinois Courts (AOIC) reimburses the County for a portion of Juvenile Detention and Court Security personnel costs. This reimbursement has been declining since 2015, while the County's cost of providing these services increases. In state fiscal year 2019, the cut totals $289,000, a 15.8% decrease compared to the prior

[5] https://igpa.uillinois.edu/report/Flash-Index_Mar2019
[6] http://cgfa.ilga.gov/Upload/2019MoodysEconomyILForecast.pdf
[7] https://www.nabe.com/NABE/Surveys/Outlook_Surveys/March_2019_Outlook_Survey_Summary.aspx?WebsiteKey=91b9e16d-e6fe-4f31-a4af-02c194225c32

fiscal year. In 2018, the County permanently lost $36,000 in state funding from the Department of Child and Family services for a parental rights attorney.

e. Court Fees and Fines Reform. Approved by the General Assembly mid-2018, this Act streamlines, standardizes and reduces court fees and fines. The law also provides a procedure for requesting a full or partial waiver of criminal fees and fines based on inability to pay. Changes to criminal and civil fees are effective July 1, 2019. The Circuit Court and Circuit Clerk are working to determine the impact of the legislation on County funds.

f. Property Tax Reform. Property tax reform legislation continues to be proposed at the state level. At the time of this report there were several pieces of legislation that propose property tax extension limitation or PTELL freezes. 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. **Infrastructure Needs**. 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. The County's annual investment in facilities falls significantly short of funds recommended to keep its buildings from declining. A Facilities 10-Year Capital Plan[8] was approved in 2018 to address the backlog of deferred maintenance. In FY2019 the County increased its investment in Facilities by over $600,000. The plan calls for an additional $1 million investment in FY2020. The Sheriff's Office and downtown Correctional Center are not included in the 10-Year Capital Plan. Per a 2015 Facilities Condition Report, this facility is categorized as poor. The 0-5 year Deferred Maintenance Backlog (DMB) is $2.9 million, and the 5-25 year DMB is just under $9 million. It is essential for the County to resume discussions regarding a plan for this facility.

3. **Technology Needs.** Similar to the County's Facilities Capital Plan, it would be prudent for the County to consider implementation of a Strategic Technology Plan. In FY2019, the County is moving its in-house Tax Cycle Software, Jail Management, and Sheriff's Business Office and Civil Processing software off its AS/400 system. Migration from an in-house financial system to modern financial software is critical and a priority in FY2020. A software replacement solutions for Animal Control is also imminent. Replacement of the Law Enforcement Records Management System (currently Area-wide Record Management System or ARMS) and METCAD Dispatch software will be a joint venture with other law enforcement agencies in the near future.

4. **Health Insurance Costs**. Health insurance costs continue to be a concern. The FY2019 increase was a manageable 2.0%, down from 2.7% in FY2018, and 11.6% in FY2017. The County's Labor Management Health Insurance Committee will receive initial renewal rates for FY2020 in July 2019. 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. The 40% federal excise tax referred to as the "Cadillac tax" was deferred again in 2018 and is now set to take effect in 2022.

5. **Hospital Property Tax Exemption Case**. A case to determine the charitable property tax exemption status of hospital properties is currently before the Champaign County Circuit Court. A return of the hospital properties to the County's tax base would result in increased tax revenue when treated as new construction under the Property Tax Extension Limitation Law (PTELL). A ruling that favors the hospitals' position, could adversely affect county finances by requiring the return of previously collected taxes. The County's

[8] http://www.co.champaign.il.us/FacilitiesPlans/PDFS/10-Year_Capital_Facilities_Plan.pdf

minimum potential liability in the event of an unfavorable ruling is $2.65 million, not including possible pre-judgement interest, for which there is $946,000 reserved within the County's fund balances.

News and Highlights

1. **Form of Government.** The County transitioned to the County Executive form of government in December 2018 following the November general election, when the first Champaign County Executive was elected at large.

2. **Sale of the Champaign County Nursing Home.** On April 1, 2019, the Home was officially sold and is now owned by University Rehab Real Estate, LLC and operated by University Rehabilitation Center of C-U, LLC. The County sold the Nursing Home at a final price of $11 million. Credits to the buyer in the amount of $1.34 million were negotiated as adjustments against the final sale price. Federal income tax regulations require the County to defease and redeem the outstanding tax-exempt bonds within 90-days of the sale, at an expected cost of $6.3 million. Other costs of the transaction that were paid from sale proceeds included the broker's fee, escrow holdback and escrow fees, recording fees, and employee accruals for benefit time.

3. **Tax Cycle Software.** In December 2018, the County entered into an agreement with DEVNET for property tax software to replace its in-house AS/400 based system. Property tax extension letters generated from the new system are scheduled to be distributed to local governments in late-April with property tax bills to follow in May. In FY2020, the County will add CAMA access for townships as the State's ICASS system, free CAMA software currently in use, will no longer be provided at the end of 2019.

4. **Amnesty Program**. Champaign County held its second annual Amnesty week in 2018 allowing for a waiver of collections and late fees on outstanding criminal and traffic fees and fines. Over $137,000 was collected and distributed to the County, State, and other local agencies. The amount of fees waived totaled $41,125, with 270 cases paid in full. The Circuit Clerk's Office plans to offer the program again in 2019.

General Corporate Fund

Forecast Assumptions

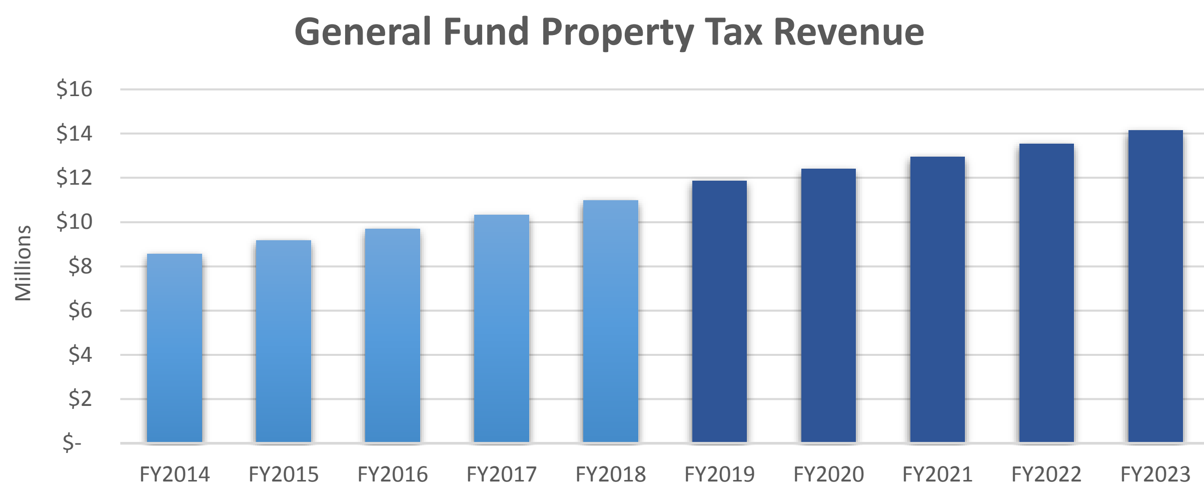
Based on the Forecast assumptions within the revenue and expenditure categories explained below, it will be necessary for the County to use current revenue to guide its spending. The County has limited control over the majority of its revenue sources, which poses a significant challenge for the County's 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 and transfers to alleviate pressure on the General Fund. There will be growing pressure on General Fund revenues to cover expenditures as the County focuses on increasing its investment in facilities and technology, while also experiencing cuts to revenue passed down from the State.

Revenue

Local Taxes. Property taxes are the predominant revenue source in this category. As reflected in the chart below, 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 FY2018, paid in FY2019 is 2.1%. Due to a drop in the County's IMRF rate in FY2019, approximately $260,000 was reallocated to the General Fund; however, this reallocation will not be possible in FY2020 based on preliminary IMRF rates which reflect increases. The CPI increase for taxes levied in 2019, payable in FY2020, is 1.9%.

A change in the property tax exemption status of the 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 estimated to be a minimum of $840,000. Other local tax revenues in this category including hotel/motel, auto rental, penalties, mobile home, and back taxes, which are projected to be flat or slightly declining.



State Shared Revenue

- **Sales Tax**
  - In FY2018, the **Quarter-Cent sales tax** exhibited strong performance at 3.6%. The five and ten-year average reflects growth of 1.6% and 1.2% respectively. In FY2019, the first two months of disbursements are -5% compared to the year-ago period. Revenue is conservatively budgeted in FY2019; however, may be overstated based on early receipts. For this reason the Forecast for the current fiscal year is projected as flat against FY2018. Future forecasted growth is 1.2%.
  - After a significant decline of 16% in FY2015, the County's **One-Cent sales tax** increased 2.7%, 17.7%, and 6.3% in fiscal years 2016 through 2018. Compared to the year-ago period, the first two months of disbursements in FY2019 are -4.1%. Information received from the IDOR for 2018 indicates the County's top ten taxpayers contribute 62% of total One-Cent sales tax revenues; therefore, the loss of one top ten payer can have a significant effect on this revenue stream exposing it to volatility. Municipal annexation of businesses also poses a risk to revenues. The five and ten-year average reflects growth of 3.7% and 3.1% respectively. The Forecast cautiously projects flat revenues in FY2019, and 2% growth in the next four fiscal years.

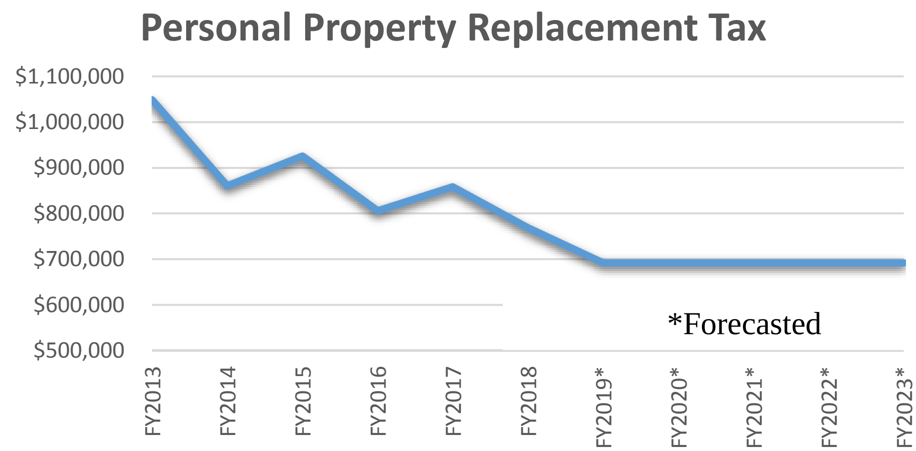
County's Top Ten 2018 One-Cent Sales Tax Contributors

Staley Concrete	Richards Building Supply	Illini FS
Prairie Gardens	LS Building Products	Country Arbors Nursery
Road Ranger LLC	Sport Red-Mix	Hicksgas
CIT Trucks		

- Consistent increases in **Use Tax** revenues since 2010 correlate to growth in e-commerce sales. While early 2019 one-cent and quarter-cent sales tax receipts reflect declines, the first use tax distribution is up 12.9%. Because of the uncertainty regarding additional use tax revenue as a result of the *Wayfair* ruling, the County did not budget additional revenue in FY2019. Data from IDOR estimates the increase associated with Wayfair is $0.13 per capita each month, translating to approximately $50,000 in increased revenue for Champaign County. The Forecast projects 8% growth in each fiscal year.

- **Personal Property Replacement Tax** revenues in FY2018 were higher than IDOR originally projected due to one-time only federal tax law changes. Even with this revenue boost, total collections were down 10%

The State's diversion of PPRT funds has increased from $21.6 million in 2009, to $302.5 million in 2019, resulting in less revenue being distributed to local governments.



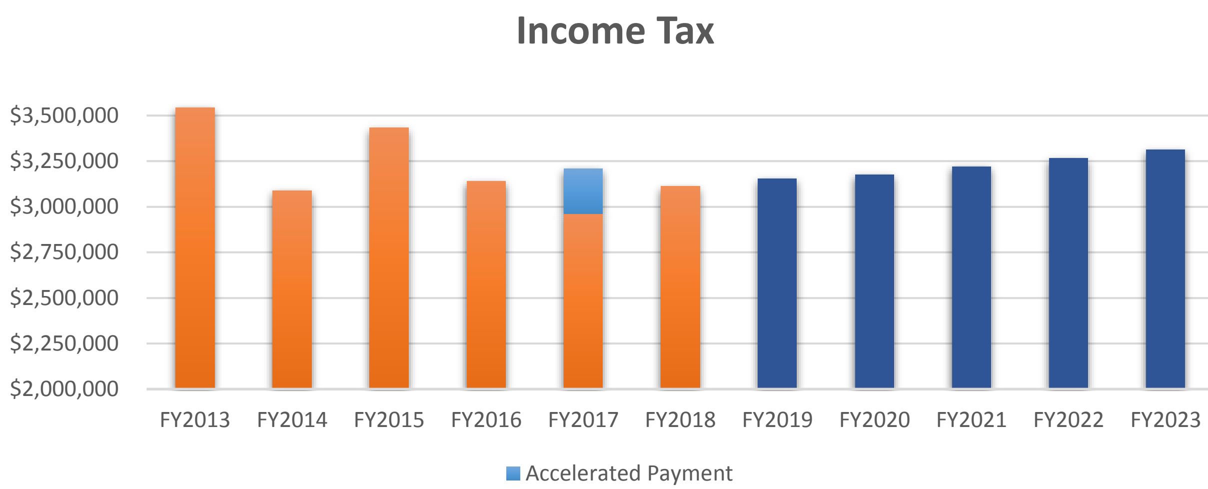
compared to the prior fiscal year. The state continues to divert revenues to cover state expenses. The diversion of PPRT funds has increased from $21.6 million in 2009, to $302.5 million in 2019, resulting in less revenue being distributed to local governments. In FY2019 revenues are expected to come in very close to budget, and fiscal years 2020 through 2023 are forecasted as flat, although continued declines are possible.

- **State Reimbursement** is predominantly for partial salary reimbursement for juvenile and court services officers. The timing of reimbursement can have an impact on the budget. Revenue in FY2018 came in $183,000 over budget due to the early distribution of AOIC funds. Inconsistency in distribution could lead to the amount of revenues posted to 2019 being less than budgeted. In FY2019, revenue is budgeted to decline due to substantial cuts. Future fiscal years are forecasted to remain flat. The Probation Services Fund increased its transfer to the General Fund in FY2019 to help offset some of the loss in revenue. The table below demonstrates the reduction in reimbursement for last four state fiscal years.

STATE FISCAL YEAR	FINAL ALLOCATION	AMOUNT OF INCREASE/DECREASE	% INCREASE/ DECREASE
2019	$1,536,922	-$288,676	-15.8%
2018	$1,825,598	-$130,980	-6.7%
2017	$1,956,578	-$27,682	-1.4%
2016	$1,984,260	-$190,528	-8.8%

- **Income Tax**. As previously stated, Income tax revenue has been significantly impacted by cuts imposed by the state legislature resulting in a loss of $422,000 in revenue year-to-date. Local governments were told the 10% cut in 2017 would be a one-time cut; however, in 2018 the legislature extended the cut at a 5% rate. Governor Pritzker's Operating Budget for state fiscal year 2020 proposes another extension of the 5% cut.

FY2018 Income tax revenues were down from the prior fiscal year due to the accelerated payment received in FY2017. The Forecast assumes modest growth of 1.4% in FY2019 based on Illinois Municipal League projections and continuation of a 5% cut. Future fiscal years reflect estimated growth of 1.4%, also assuming a permanent cut.



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 resulted in stable revenues in fiscal years 2015 through 2017, with a significant increase in FY2018. According to the Recorder's Office, there were several large commercial real estate transactions in 2018 that contributed to strong revenues. At the end of February 2019, revenue stamp revenues were -22% over the same period in the prior year. Although it is still too early to tell, this revenue category may be overstated for FY2019.

2. **Charges for Services (Fees)** revenue was flat in FY2018 compared to FY2017. This category is made up of multiple revenue streams with the largest being Circuit Clerk and Recorder fees. Although small percentages of total fee revenues, zoning and subdivision and electronic home detention fees increased considerably in 2018 as a result of a number of zoning cases for proposed solar farms, and the Sheriff's Office's increased use of home confinement. <u>The fees and fines legislation that is effective July 1, 2019, will affect this revenue stream, although as stated earlier the County is still analyzing its impact on the General and Special Revenue funds.</u> More information will be provided at the May Finance Committee of the Whole meeting.

   Separately proposed legislation impacting Coroner fees if approved, would reduce revenues by $40,000. Current amounts charged for reports and permits are based on statute and range from $25 to $50; however, the proposed House Bill would reduce all fees to $10.

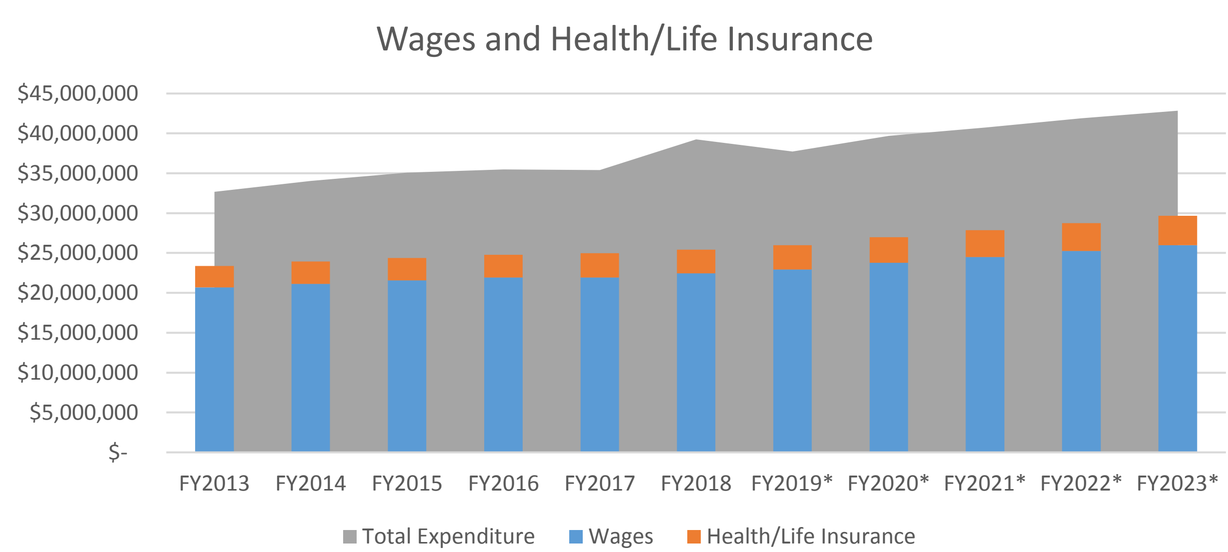
   As of March, FY2019 revenues are projected to be $365,000 less than budget, predominantly due to the unlikelihood the General Fund will receive reimbursement for services provided to the Nursing Home by County departments in prior fiscal years. Although the sale of the Home was completed in April 2019, the continued operation of the Home several months after the planned sale date further increased the Home's debt to several County funds. Additionally, the General Fund borrowed $1.98 million in the form of a Promissory Note to pay the Home's outstanding accounts payable through December 2018. Sale proceeds and revenues available after outside financial obligations are met, including bond redemption and defeasance, must first go towards paying off the Promissory Note to remove that debt from the County's Balance Sheet in addition to the outstanding $1 million General Fund loan to the Home.

3. **Fines and Forfeitures** revenue has consistently dropped since FY2014; however, rebounded in FY2018 to slightly greater than FY2016 revenue totals. According to the Circuit Clerk's Office, through FY2017, there has been a decrease in the number of cases year over year; however, it is unknown if the percentage of cases with a fine imposed has also decreased. At the time of this report FY2018 data was unavailable to determine whether there is any correlation between the total number of cases and increased revenue. It is still early in FY2019 to make informed revenue projections since there are only two months of revenue posted. The Forecast assumes FY2019 revenues will be consistent with FY2018, which is an increase of approximately $121,000 over budget. It is also uncertain what impact the fees and fines legislation previously mentioned will have on this revenue stream.

Expenditure

Personnel costs in the General Fund, including wages and insurance, accounted for 65% of General Fund expenditures in FY2018. This is a drop from 71% in FY2017, predominantly due to an increase in total expenditures resulting from Nursing Home transfers and loan forgiveness. Negotiated wage increases for FOP labor contracts, not including step increases, range from 1% to 2% in FY2019. Labor contracts for AFSCME groups are currently being negotiated.

The County has been struggling with both employee recruiting and retention, which has been communicated to the County's Labor Committee. Newly enacted minimum wage legislation will require wages to reach the new minimum of $15.00 by January 1, 2025.



*Forecasted

In FY2018, health and life insurance costs were 7.5% of total General Fund expenditures.

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 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.

- FY2016 Switched from a PPO plan to an HMO plan to avoid a significant premium increase.
- FY2017 Initial quote was a 51% increase. Negotiations and an increased deductible resulted in an 11.6% increase.
- FY2018 A 2.7% increase ensued with a provider change and return to a PPO plan.
- FY2019 Increase for the current fiscal year is 2% with no plan changes.

Through labor negotiations, employees have been funding a larger portion of their health insurance premiums. In FY2018, health and life insurance costs were 7.5% of total General Fund expenditures. The FY2019 expenditure budget is flat against the FY2018 budget. This expenditure is expected to be under budget as the number of waivers in FY2019 is consistent with the prior fiscal year. The Forecast projects expenditure increases of 5% in future fiscal years.

Commodities

Forty-six percent of the FY2019 commodities budget is for the purchase of real estate transfer tax stamps. 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 budgeted revenue for Revenue Stamps. In FY2019, total commodities expenditure is budgeted to decline due to the decreased cost of purchasing document stamps based on the projected decreased sale of Revenue Stamps. The Forecast for future fiscal years reflects an average for postage expenditures, and moderate increases for other commodities.

Services

The largest single expenditure line in the services category is for Medical, Dental, and Mental Health Services. Following the issuance of an RFP by the Sheriff's Office, the contractual increase for these services was 32%, which resulted in a total increase of approximately $175,000 for Corrections and the Juvenile Detention Center in FY2018. Future fiscal years reflect an estimated 3% increase for Medical, Dental and Mental Health Services and METCAD funding. The increase for other services is forecasted at 1.9% in fiscal years 2020 through 2023.

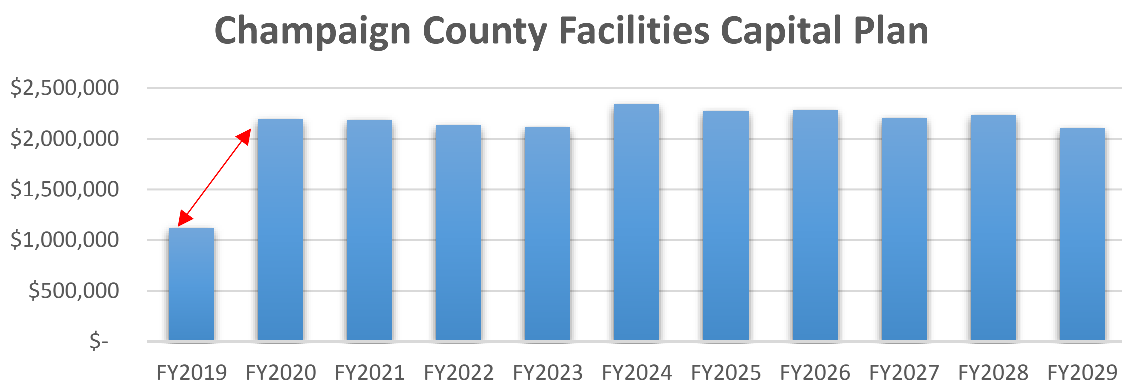
Capital

The fiscal year 2020 through 2023 Forecast includes a transfer to the Capital Asset Replacement Fund.

- Current only funding for software, vehicles and equipment scheduled for replacement in CARF includes:
  - DEVNET
  - Microsoft Licensing
  - AS/400 Cloud Backup Service
  - Antivirus software
  - Security Operations Center
  - The largest item scheduled for replacement (FY2022) is Internet Protocol Version 6 (IPv6) routing switches estimated to cost $84,000, for which there is $21,000 in reserve funding. When local entities decide to transition to IPv6 the County will need to replace its switches.

- CAMA software costs beginning in FY2020 for township assessors to utilize DEVNET (possibly a shared cost between the County and Townships).
  - The County replaced its Tax Cycle system in FY2019. Computer Assisted Mass Appraisal (CAMA) software is necessary in FY2020 for Township Assessors to complete property assessments in the County, since the State of Illinois' free assessment system is longer available at the end of 2019. At the time of this report, it is anticipated the software and conversation costs will predominantly be the County's responsibility, with the possibility of partial reimbursement from the townships. The full cost is estimated to be $86,000 in year one and $51,000 in year two.

- Full funding for building maintenance scheduled in the County's Facilities Capital Plan. The significant increase in the CARF transfer in FY2020, is due to the additional $1.075 million in funding required for deferred maintenance projects scheduled per the Facilities Capital Plan.



The forecasted transfer to the Capital Asset Replacement Fund <u>does not include</u>:

- **Funding for replacing the County's financial system (ERP)**
  - This year the County will continue planning for the necessary replacement of its legacy financial system, ERP, in order to appropriately budget for system replacement in FY2020. The current AS/400 system is forty years old and requires programming support that is no longer taught.
  - Cost estimates from a Government Finance Officers Association Business Case Report completed in April 2016, approximate the five-year cost of this system to be as much as $1.8 - $2.5 million depending on the level of services and whether the software is hosted or cloud-based.

- **Reserve funding for future fiscal years**
  - In FY2019, the County was able to reserve partial funding for items scheduled for replacement in future fiscal years. Spikes in CARF expenditures could be avoided if the County was consistently able to budget for reserve funding.

- **Funding for relocation of the Sheriff's Office and Correctional Center**

Debt

There are two debt service issues paid from the General Fund, a debt certificate issued for the Art Bartell Facility and the 2015 Issue for the Nursing Home construction project. The redemption of the 2015 Bonds following the sale of the Home relieves the General Fund of this debt obligation. The total amount included in the budget for bond redemption is $1.83 million plus issuance costs. There is also an outstanding Promissory Note for $1.98 million in the General Fund, which the County anticipates paying in FY2019.

Forecast Summary Detail

	FY2018	FY2019 Projected	FY2020 Forecast	FY2021 Forecast	FY2022 Forecast	FY2023 Forecast
Taxes	$12,142,719	$13,013,037	$13,504,761	$14,016,153	$14,548,002	$15,101,124
Licenses and Permits	$ 2,095,356	$ 1,674,585	$ 1,573,406	$ 1,573,406	$ 1,573,406	$ 1,573,406
Intergovernmental Revenue	$ 582,702	$ 482,602	$ 482,602	$ 482,602	$ 482,602	$ 482,602
State Shared Revenue	$14,519,595	$14,091,856	$14,294,080	$14,524,991	$14,764,923	$15,014,465
Local Government Revenue	$ 753,330	$ 714,228	$ 739,092	$ 764,898	$ 791,684	$ 819,489
Government Reimbursement	$ 686,058	$ 651,552	$ 673,758	$ 688,966	$ 704,630	$ 720,764
Charges for Services (Fees)	$ 3,768,111	$ 3,849,965	$ 3,849,965	$ 3,849,965	$ 3,849,965	$ 3,849,965
Fines & Bond Forfeitures	$ 755,429	$ 759,068	$ 759,068	$ 759,068	$ 759,068	$ 759,068
Miscellaneous Revenues	$ 1,331,413	$ 1,453,978	$ 1,402,571	$ 1,418,370	$ 1,434,484	$ 1,450,921
Interfund Transfers	$ 1,205,369	$ 1,905,433	$ 1,910,965	$ 1,932,114	$ 1,953,896	$ 1,976,333
Interfund Reimbursements	$ 63,403	$ 74,265	$ 75,968	$ 77,744	$ 79,595	$ 81,526
Other Financing Sources		$ 3,830,126				
Total Revenue	**$37,903,485**	**$42,500,696**	**$39,266,237**	**$40,088,277**	**$40,942,256**	**$41,829,663**
Personnel	$25,421,064	$25,965,899	$26,972,834	$27,845,644	$28,747,819	$29,680,400
Commodities	$ 2,398,625	$ 2,189,427	$ 2,152,340	$ 2,173,203	$ 2,194,527	$ 2,216,323
Services	$ 6,934,771	$ 7,088,910	$ 7,251,852	$ 7,418,828	$ 7,589,948	$ 7,765,324
Capital	$ 268,934	$ 285,464	$ 275,974	$ 275,974	$ 275,974	$ 275,974
Transfers	$ 3,756,776	$ 1,987,948	$ 2,819,626	$ 2,811,573	$ 2,894,480	$ 2,698,973
Debt	$ 471,663	$ 4,082,516	$ 194,155	$ 192,490	$ 195,290	$ 192,640
Total Expenditure	**$39,251,833**	**$41,600,165**	**$39,666,781**	**$40,717,713**	**$41,898,039**	**$42,829,634**
Revenue/Expenditure	$ (1,348,348)	$ 900,531	$ (400,544)	$ (629,436)	$ (955,783)	$ (999,970)
Projected Fund Balance	**$ 3,210,635**	**$ 4,111,166**	**$ 3,710,621**	**$ 3,081,186**	**$ 2,125,403**	**$ 1,125,432**
Fund Balance as % of Expenditure	**8.2%**	**9.9%**	**9.4%**	**7.6%**	**5.1%**	**2.6%**
Projected Fund Balance with						
Promissory Note Repayment from Nursing Home		**$ 6,153,566**	**$ 5,691,021**	**$ 5,061,586**	**$ 4,105,803**	**$ 3,105,832**
Fund Balance as % of Expenditure		**14.8%**	**14.3%**	**12.4%**	**9.8%**	**7.3%**
Gen. Fund O/S Loan due from Nursing Home		**$ 1,000,000**				
Gen. Fund O/S Promissory Note due to Bank		**$ 1,980,400**				

$307,427 of the General Fund Balance is reserved for potential property tax liability.

FY2019 - Early projections indicate revenues may exceed expenditures; however, it is still very premature in the fiscal year and there are many unknowns such as the impact of the fees and fines legislation, income tax cut extension, and whether sales tax revenues will gain momentum. Projected underspending will result in expenditure savings predominantly as a result of decreased personnel costs due to turnover, health insurance waivers, and redemption of the 2015 Bonds, eliminating that debt service obligation.

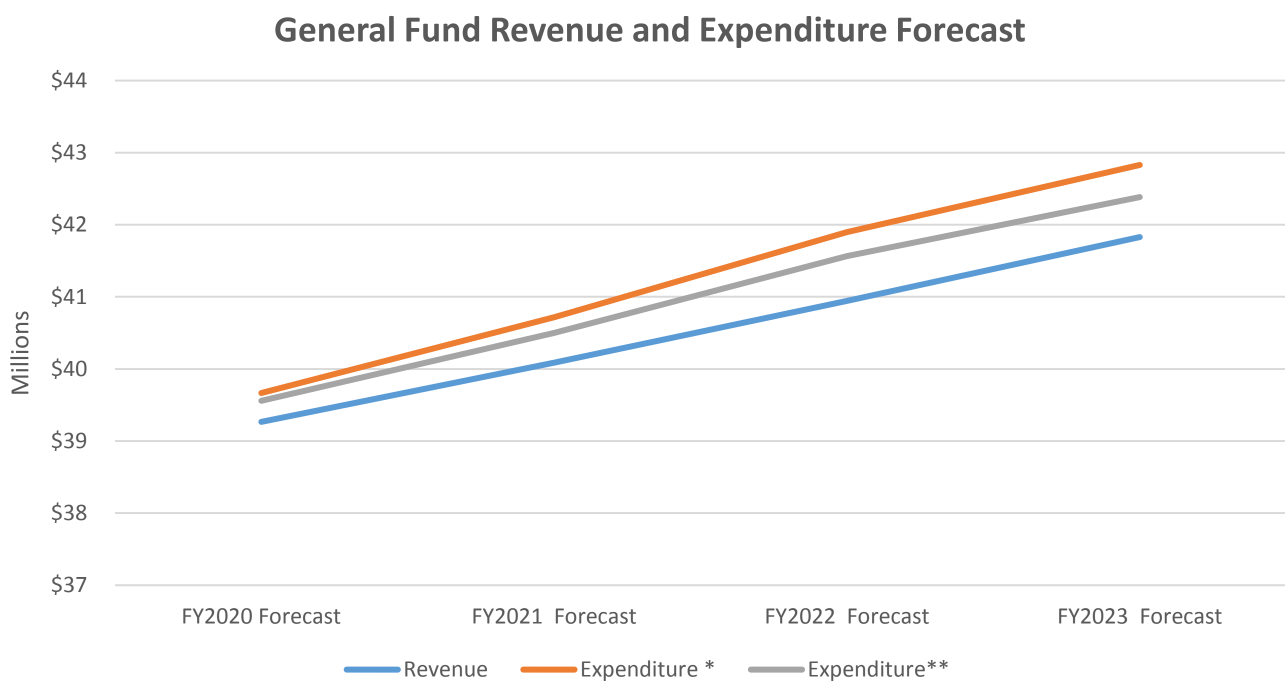
The FY2019 projection assumes State Reimbursement distributions will remain on schedule; however, the early receipt of revenue in FY2018 could result in less revenue being posted to FY2019 thereby impacting the revenue to expenditure difference by as much as $154,000.

Without reimbursement from the Nursing Home Fund for payment of the Promissory Note, the FY2019 Fund Balance projection is 9.9%. With full reimbursement from the Home, allowing Note repayment, the projected FY2019 Fund Balance is 14.8%. The County's target fund balance is 16.7%. At this time, it is recommended the County delay repaying the Note in order to monitor cash flow while the public aid pending cases are being resolved.

There remains an outstanding $1 million loan owed from the Home for the accounts payable loans extended beginning in November 2018 through March 2019. The loan does not impact the General Fund Balance; however, is recorded on the General Fund balance sheet.

FY2020-FY2023 - Forecasted revenue to expenditure deficits do not include funding for replacing the financial system.

WITHOUT CONTINUED EFFORTS TO BALANCE THE GENERAL FUND BUDGET,
A STRUCTURAL DEFICIT EMERGES AS FORECASTED EXPENDITURE GROWTH EXCEEDS REVENUE GROWTH.



*1.9% increase for commodities and services and 3% increase for gas/oil, Medical/Dental/Mental Health, and METCAD

**Flat commodities and services except a 3% increase for gas/oil, Medical/Dental/Mental Health, and METCAD

Public Safety Sales Tax Fund

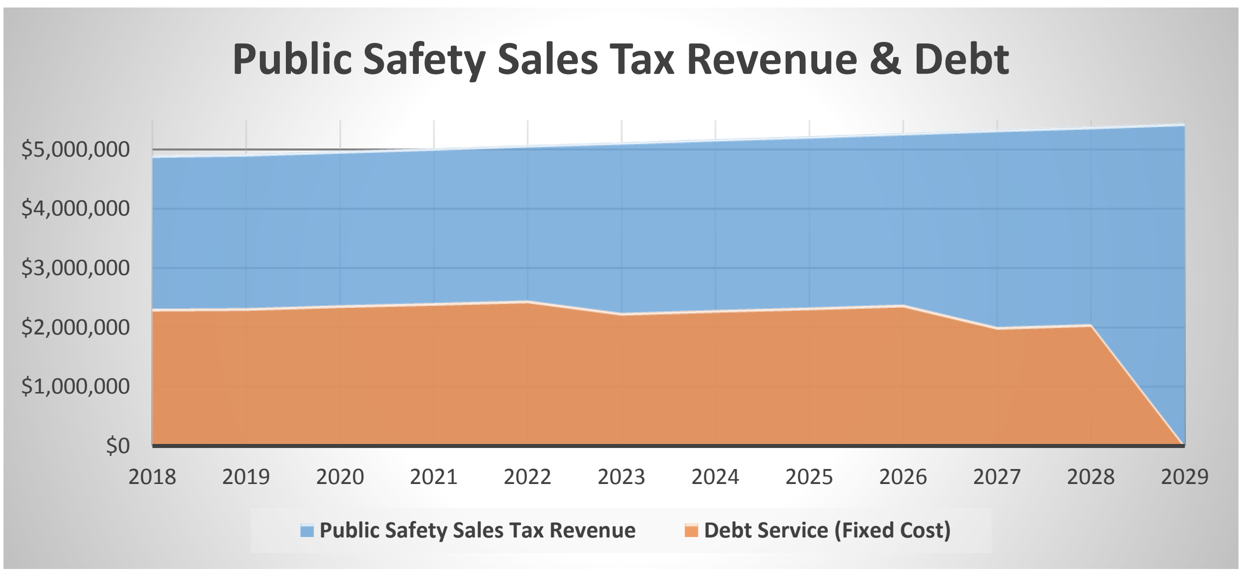
Revenue

State Administrative Fee. The 2% fee imposed by the State in July 2017, was reduced to 1.5% in July 2018, and has cost the County $151,614 in lost revenue at the time of this report.

Healthy Revenue Growth in FY2018. Following two years of slightly declining revenues in fiscal years 2015 and 2016, growth in fiscal years 2017 and 2018 was 1.2% and 3.4% respectively. The five-year and ten-year averages reflect 1.2% and 0.9% growth. FY2019 revenue is budget conservatively; however, revenues posted to the first two months of the fiscal year are -3.7% compared to the same period last year. For this reason FY2019 revenue is projected as flat against FY2018. The Forecast projects 1% growth thereafter.

Expenditure

Debt Service. In fiscal years 2019 through 2022, 47% 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 retired the 2005B Issue; however, principal payments on the 1999 Issue commenced in FY2019. Debt service obligations increase slightly each 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.



In fiscal years 2019 through 2022, 47% of Public Safety Sales Tax revenue is allocated to make the principal and interest payments on the County's alternate revenue bonds.

Programs.

1. **Delinquency Prevention, Intervention and Diversion.** Five percent of annual revenue is allocated towards this programming. The FY2019 budget includes $242,500 for the Youth Assessment Center (YAC). In FY2018 an additional $14,750 was contributed towards the relocation expenses of YAC. Forecasted expenditure for fiscal years 2020 through 2023 grows based on projected revenue growth.
2. **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.

3. **Jail Classification System.** The salary and health insurance cost for the lieutenant dedicated to jail classification system oversight is appropriated at $96,672 in FY2019. Incremental increases are forecasted in future fiscal years for wage and benefit growth.

4. **Specialty Court.** In FY2019, $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.

Justice System Technology, Equipment and Public Safety Services.

5. Partial funding for Courts Technology software maintenance (JANO) is paid from Public Safety Sales Tax funds. Software licensing and scheduled equipment replacement is appropriated as a transfer to the Capital Asset Replacement Fund (CARF). In FY2019, new SaaS for Civil Processing/Business Office and Jail Management Software (JMS) was implemented. Implementation costs for JMS will continue in FY2020, before the annual cost of the SaaS levels out in FY2021. In fiscal years 2021 through 2023, the CARF transfer projection for software licensing, SaaS, technology and equipment is approximately $378,000 on average for current funding only (no reserve funding for future fiscal years).

6. In FY2020, it will be essential for the Public Safety Sales Tax Fund to provide partial funding to replace the County's aging in-house financial system. The County has initiated Enterprise Resource Planning (ERP), and is in the processes of hiring a Project Manager with a plan for implementation in 2020.

7. Approximately 85% of the County's METCAD 9-1-1 costs are paid with Public Safety Sales Tax funds.

Public Safety Facilities Utilities and Maintenance.

8. In FY2019, $800,000 is appropriated as a transfer to the General Fund to offset the cost of public safety buildings utilities and general maintenance. The Forecast maintains the transfer at this level in future fiscal years.

Needs

Technology Investment. While the County has invested in Jail Management and Sheriff's Office software, there is an imminent need to replace and upgrade additional technology that supports the County's public safety offices such as the previously mentioned financial system. The cost of a new system is likely to be shared by multiple County funds, although predominantly an expense of the General and Public Safety Sales Tax Funds.

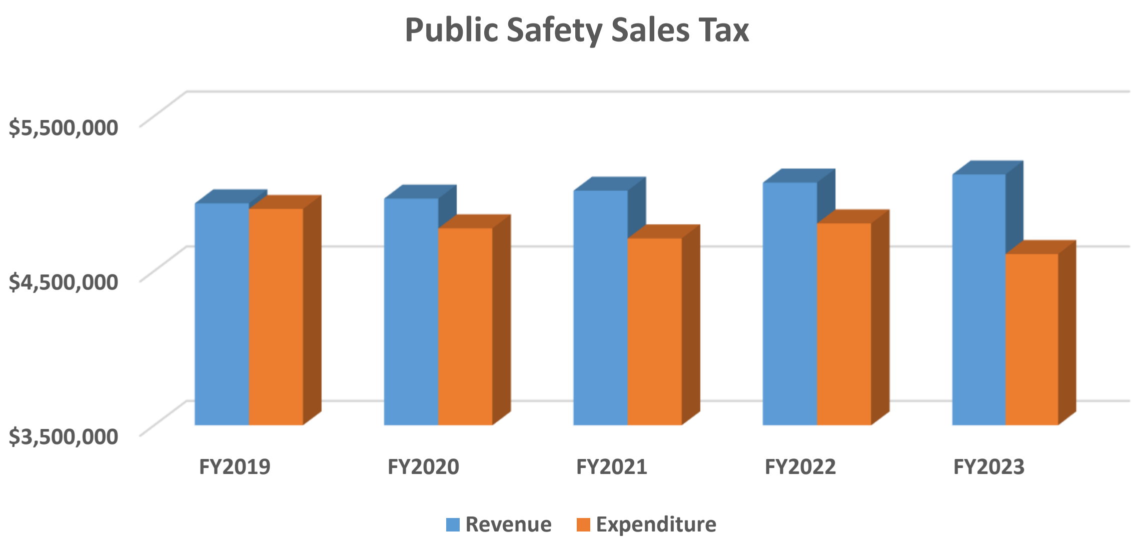
Other technology systems that will need replaced in upcoming fiscal years are the Law Enforcement Records Management System and METCAD dispatch software, which will be done in conjunction with other local entities. Per the Courts Technology Specialist, the Courts JANO system continues to provide the County with efficient and effective court management and does not need replaced at this time; however, the County has the option to move to the cloud version when the current i-Series computer is obsolete. JANO has expanded its business adding four new counties in the past two years.

The current AS/400 lease ends in October 2020, and it will be necessary to renew the lease. This cost has historically been shared between the Public Safety Sales Tax, Probation and Court Services, and Court Automation funds.

Public Safety Facilities Investment. The 2015 Facilities Condition Assessment Report 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.

The County replaced the domestic hot water system at the Satellite Jail in FY2018, and in FY2019 is replacing the roof at the Juvenile Detention Center and overhead garage doors at the Adult Detention Center. Per the Facilities 10-Year Capital Plan, in FY2020 approximately $1 million in additional funding is required over the FY2019 level. Of the $2.2 million in planned projects scheduled for 2020, $1.6 million is for improvements at the Satellite Jail and METCAD facilities.

The Capital Plan does not include the downtown Sheriff's Office/Correctional Center, which has a significant Deferred Maintenance Backlog (DMB) and requires ADA improvements. It is essential for the County to resume discussions regarding a plan for this facility.



FISCAL YEAR	PROJECTED REVENUE TOTAL	PROJECTED EXPENDITURE TOTAL*	PROJECTED AVAILABLE FUNDS
2019	$4,936,381	$4,900,115	$36,266
2020	$4,967,129	$4,774,954	$192,175
2021	$5,018,054	$4,710,015	$308,039
2022	$5,070,342	$4,806,757	$263,585
2023	$5,122,797	$4,609,162	$513,635

In upcoming fiscal years, available funds must be prioritized to address the technology and facility needs of the County's Public Safety Offices.

*ERP Funding is not included in the Projected Expenditure Total.

Final Thoughts

The Forecast has been prepared based on conservative revenue assumptions, including modest property and sales tax growth and the extension of income tax cuts. Forecasted expenditures assume consistent growth in personnel costs and modest increases in commodities and services costs. Deviations from these assumptions will have a subsequent impact on forecasted revenues and expenditures, particularly in the later fiscal years.

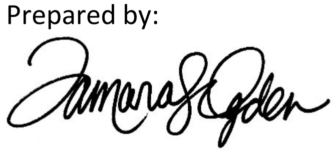
The Forecast does not included funding to replace the County's financial system although this is an urgent need that can no longer be deferred and must be managed with currently available revenues. Upon issuance of an RFP, and receipt of responses, the County will have a better idea of the system cost. It is expected there will be limited Public Safety Sales Tax funds available beginning in FY2020 to partially fund the system. Unfortunately, there is a projected structural deficit within the General Fund. **Unless new revenue sources are secured, it is essential the County restrict expenditure growth to the maximum extent possible within these funds in order to ensure it has adequate financial resources for its financial system and facility needs.**

	Projected Revenue/Expenditure Differences			
Fund	**FY2020**	**FY2021**	**FY2022**	**FY2023**
General	-$400,544	-$629,436	-$955,783	-$999,970
Public Safety Sales Tax	$192,175	$308,039	$263,585	$513,635
Capacity for Additional Facility & Technology Investment	**-$208,369**	**-$321,397**	**-$692,198**	**-$486,335**

It is essential for the County Board to be cognizant of the debt it carries on the General Fund balance sheet for the $1.98 million Promissory Note and the $1 million loan to the Nursing Home.

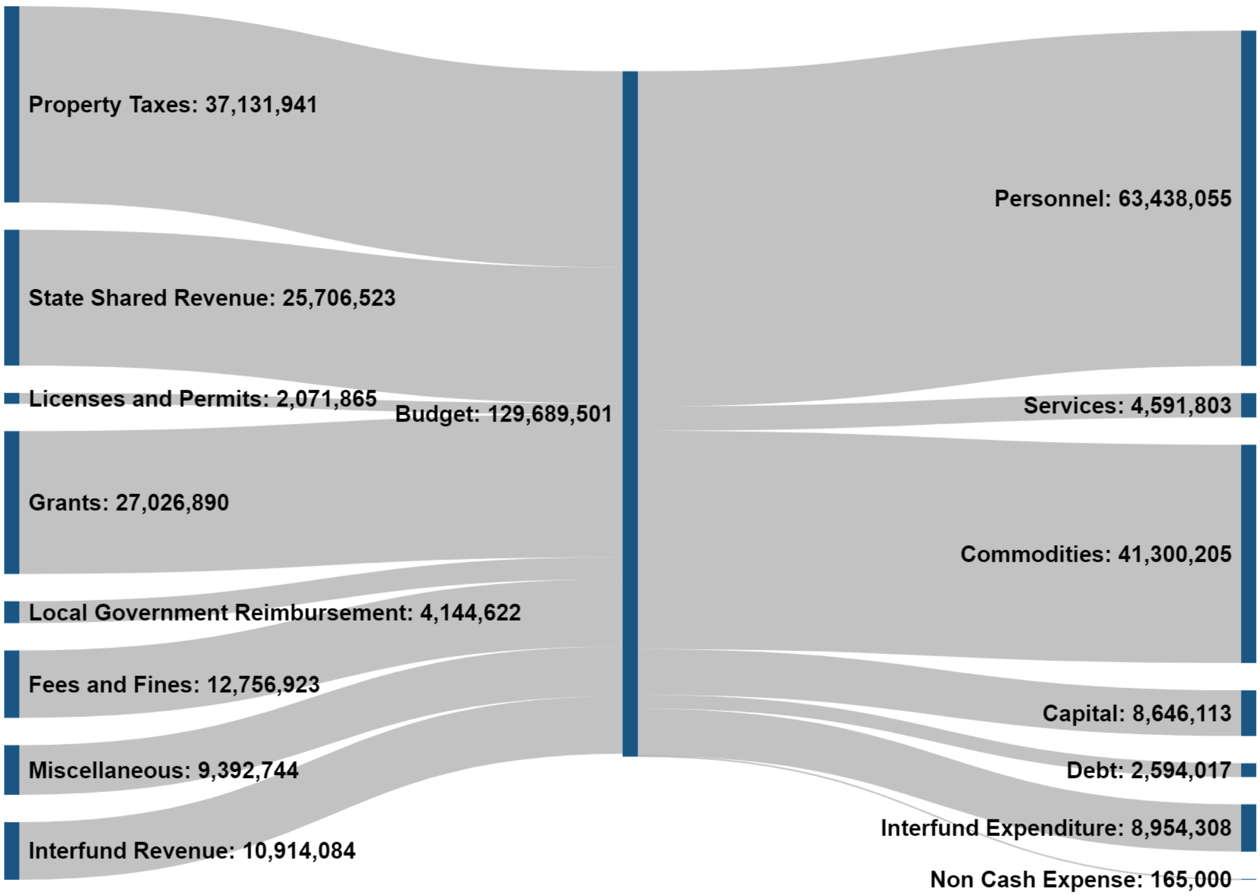
In May, a resolution establishing the FY2020 budget process will be presented to the Finance Committee. The County Executive will provide budget instructions to Department Heads and Elected Officials in June, followed by meetings in July to begin developing the FY2020 budget. By this time, more data will be available to better analyze revenue and expenditure performance in the current fiscal year and fine tune projections for the upcoming fiscal year.

Prepared by:



Tami Ogden
Deputy Director of Finance

FY2020 BUDGET SUMMARY



<u>FY2020 Champaign County Budget</u>

Revenue	**$129,145,592**
Expenditure	**$129,689,501**

The Champaign County budget is prepared by the County Executive per 55 ILCS 5/2-5009 in conjunction with the County's elected officials and department heads, and submitted to the County Board for its approval. The County Board receives and places the budget on file for public review in October, with final approval scheduled for November 21, 2019. The FY2020 budget is a balanced budget per Champaign County's Financial Policies. The nominal revenue to expenditure deficit is the result of appropriating reserve balances within individual funds for planned projects and capital expenditures.

Budgeted revenue includes $1.06 million in property tax revenue the County is uncertain whether it will receive in FY2020. The property tax levy was prepared in order to capture new growth revenue in the event the OSF and Carle properties are assessed as non-exempt in the upcoming levy year. The Board of Review will make the initial determination as to whether this happens, based upon the submissions of each hospital and the state of the law at the time the Board of Review acts. If the EAV associated with the hospital properties is included in the