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Martha S. ...
CHAMPAIGN COUNTY CLERK

TOWN OF THE
CITY OF CHAMPAIGN

ANNUAL TREASURER'S REPORT

In witness whereof, the said Linda A. Abernathy, hereunto sets her hand and seal the 21st of December, 2007.

Linda A. Abernathy
Linda A. Abernathy (Seal)

STATE OF ILLINOIS}

COUNTY OF CHAMPAIGN}

Linda A. Abernathy, being duly sworn upon oath, deposes and states that she was Supervisor and Ex-Officio Treasurer of the Town of the City of Champaign during the fiscal period beginning July 1, 2006 and ending June 30, 2007, that she has read and is familiar with the Treasurer's Report hereinafter set out and that the same and the items thereof are true according to the best of her knowledge, information and belief.

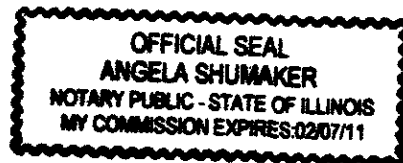
Angela Shumaker
Notary Public

21st December 2007

CITY OF CHAMPAIGN
CITY CLERK'S OFFICE

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ANGELA SHUMAKER
OFFICIAL SEAL

ANNUAL TREASURER'S REPORT
TOWN OF THE CITY OF CHAMPAIGN
 Fiscal Year Ending
 June 30, 2007
 (Consolidated for All Funds)

REVENUE SUMMARY: Property Taxes - \$435,165; Personal Property Replacement Tax - \$96,487; Interest - \$6825; Misc. Income - \$4,396.
TOTAL REVENUES - \$542,873

COMPENSATION SUMMARY: Compensation \$25,000 to \$49,999: Paula J Bates; LaDonna M. Kaiser; Kimberly Muhammad; Beverly J. Munds; Angela D. Shumaker; Barbara Nailon; Compensation \$50,000 to \$74,999: Linda A. Abernathy; Brian P. Christie. **TOTAL COMPENSATION \$- 317,550**

EXPENDITURE SUMMARY: Albertson's/Osco - \$3,546; AmerenIP - \$8,771; AT&T/SBC - \$5981; CC Employees' Credit Union - \$3,975 - Christie Clinic - \$6,721; Comm. Health/ Frances Nelson - \$2,734; City of Champaign - \$45,786; Champaign County - \$4,625; EFTPS - \$25,521; IMRF - \$23,564; Lauterbach & Amen, LL - \$3,416; Martin Hood & Friese and Assoc.- \$12,831; NJS Enterprise - \$4,200; Office Depot - \$4,738; RK Dixon - \$3,380; SAMS Club - \$24,314; Simply Spotless - \$4,443; TOIRMA - \$7,633; Visa-First - \$7,375
 All Other Disbursements less than \$2,500 - \$152,655 - **TOTAL EXPENDITURES - \$356,212**

SUMMARY STATEMENT OF CONDITION
 Excerpt from Comptroller's Annual Financial Report

CHANGES IN FUND BALANCE	GENERAL	SPECIAL REVENUE
Revenues	\$342,857	\$187,675
Expenditures	\$398,529	\$122,578
Excess of Receipts/Revenue Over (under) Disbursements	(\$45,495)	(\$85,394)
Net Increase(decrease) in Fund Balance	(\$205,437)	\$205,437
Prior Year Fund Balance	\$348,678	\$116,959
Ending Fund Balance	\$97,746	\$237,002

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Mark S. Hubert
CHAMPAIGN COUNTY CLERK

**TOWNSHIP OF CHAMPAIGN
Champaign, Illinois**

Annual Financial Report

For the Year Ended March 31, 2007

TOWNSHIP OF CHAMPAIGN

Champaign, Illinois

Annual Financial Report
For the Year Ended March 31, 2007

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BRAY, DRAKE, LILES & RICHARDSON LLP

KARL E. DRAKE, CPA
CURTIS D. LILES, CPA
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1606 N. Willow View Road, Suite 1E
Urbana, Illinois 61802-7446

Phone 217/337-0004
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CONSULTANT:
JAMES P. BRAY, CPA

May 14, 2007

Supervisor and
Board of Trustees
Champaign Township
Champaign, Illinois

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Champaign Township, Champaign, Illinois (the Township) as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Champaign Township. Our responsibility is to express opinions on these financial statements based on our audit.

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

As described in Note 1, the Township prepares its financial statements on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, each major fund, and the remaining fund information of Champaign Township as of March 31, 2007, and the respective changes in financial position - modified cash basis thereof for the year then ended in conformity with the basis of accounting described in Note 1.

The management's discussion and analysis and required supplementary information on pages 2 through 8 and 26 through 32 are not a required part of the basic financial statements but are supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Champaign Township's basic financial statements. The other supplementary schedule as listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary schedule as listed in the table of contents has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

Bray, Drake, Liles & Richardson LLP
BRAY, DRAKE, LILES & RICHARDSON LLP

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Management's Discussion and Analysis
March 31, 2007

As management of the Township of Champaign, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Township of Champaign for the fiscal year ended March 31, 2007.

Financial Highlights

- The assets of the Township of Champaign exceeded its liabilities at the close of the most recent fiscal year by \$1,654,709 (*net assets*). Of this amount, \$946,467 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Township's total net assets decreased by \$4,809.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$946,467, a decrease of \$99,455 in comparison with the prior year. This entire amount, \$946,467, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$139,285, or 62 percent of total general fund expenditures.
- The Township's total debt decreased by \$26,924 from the prior year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

- The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.
- The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

The governmental activities of the Township include general government, health and welfare, and highways and bridges.

The government-wide financial statements can be found on pages 9 through 10 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, General Assistance Fund, General Road Fund, Permanent Road Fund, and Building and Equipment Fund all of which are considered to be major funds.

The Township adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 through 12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 through 25 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Township's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 26 through 32 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets exceeded liabilities by \$1,654,709 at the close of the most recent fiscal year.

A portion of the Township's net assets (43 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following table reflects the condensed Statement of Net Assets.

Township of Champaign's Net Assets

	<u>3/31/07</u>	<u>3/31/06</u>
Current and other assets	\$ 946,467	\$1,045,922
Capital assets, net of accumulated depreciation	<u>708,242</u>	<u>640,520</u>
Total assets	<u>\$1,654,709</u>	<u>\$1,686,442</u>
Current liabilities	<u>\$ 0</u>	<u>\$ 26,924</u>
Total liabilities	<u>\$ 0</u>	<u>\$ 26,924</u>
Net Assets:		
Invested in capital assets net, of related debt	\$ 708,242	\$ 613,596
Unrestricted	<u>946,467</u>	<u>1,045,922</u>
Total net assets	<u>\$1,654,709</u>	<u>\$1,659,518</u>

Governmental Activities. Governmental activities decreased the Township's net assets by \$4,809. For the most part, increases in expenses and revenues closely paralleled inflation and growth in the demand for services.

The following table summarizes the revenues and expenses of the Township's activities:

Township of Champaign's Changes in Net Assets

Governmental Activities

	<u>3/31/07</u>	<u>3/31/06</u>
Revenues:		
Program revenues		
Charges for services	\$ 4,598	\$ 4,217
General revenues:		
Property taxes	832,349	809,555
Property taxes from		
City of Champaign	103,183	111,073
Replacement taxes	92,230	84,564
Interest income	45,353	35,531
Miscellaneous income	6,490	7,605
Loss on sale of fixed assets	<u>(1,051)</u>	<u>-</u>
Total revenues	<u>1,083,152</u>	<u>1,052,545</u>
Expenses:		
General government	220,357	204,162
Highways and streets	859,807	649,236
Health and welfare	<u>7,797</u>	<u>7,487</u>
Total expenses	<u>1,087,961</u>	<u>860,885</u>
Change in net assets	(4,809)	191,660
Net assets, beginning	<u>1,659,518</u>	<u>1,467,858</u>
Net assets, ending	<u>\$1,654,709</u>	<u>\$1,659,518</u>

Revenues for the Township are generated from a number of different sources and for the most part are dependent on different financial factors. The majority of revenue is derived from property taxes, which provides long-term stability.

Highways and streets expenses constituted the largest single category of expense within governmental activities totaling \$859,807, or 79 percent of total expenses of \$1,087,961. General Government expenses were next largest at \$220,357 or 20 percent of total expenses.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$946,467. This entire amount constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, unreserved fund balance and total fund balance of the general fund was \$139,285 as there was no amount held in reserve. Unreserved fund balance represents 62 percent of total general fund expenditures.

The fund balance of the Township's General Fund decreased by \$50,480 during the current fiscal year. The reason for this decrease is that the expenditures exceeded the amounts of budgeted revenue for the General Fund due to the Board's planned reduction in fund balances.

The fund balance of the General Assistance Fund increased by \$2,891 during the current fiscal year. The reason for this increase is that there was an increase in interest income on the investments held by this fund.

The fund balance of the General Road Fund increased by \$46,196 during the current fiscal year. The reason for this increase is that there was an increase in property taxes received from the City of Champaign

The fund balance of the Permanent Road Fund decreased by \$100,300 during the current fiscal year. The reason for this decrease is that we had several large expenditures to improve our infrastructure.

The fund balance for the Building and Equipment Fund decreased by \$2,238 during the current fiscal year. The reason for this increase is that there was a decrease in capital outlay from the prior year.

General Fund Budgetary Highlights

- During the year there was no change in appropriations between the original and final budget.

At the end of the year there was an excess of expenditures over revenues of \$89,635.

In 1999, the Board of Trustees decided to gradually reduce reserves over the next several years. For the past 7 years the Board set levies for the General Fund at amounts less than or equal to prior year's levies. A comparison of levy rates is:

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Town Fund	.0703	.0637	.0489	.0463	.0441	.0406	.0391
General Assistance Fund	.0000	.0000	.0004	.0000	.0000	.0004	.0004
General Road Fund	.0822	.0799	.0782	.0753	.0749	.0696	.0670
Permanent Road Fund	.1560	.1548	.1515	.1510	.1502	.1466	.1439
Building and Equipment Fund	.0316	.0307	.0300	.0289	.0287	.0267	.0256

The ultimate goal is to match levies with expenses leaving an ending fund balance for each fund with enough reserve to operate for the first 2 months of each fiscal year, the period beginning April 1, the start of the new fiscal year, and when the first real estate tax receipts are received. Large reserves in the General Town and General Assistance Funds and the uncertainty of how much of Champaign

Township's tax base may be lost through aggressive annexations by the City makes this a more difficult task. The General Road Fund and the Building & Equipment Fund have reserves near the operative level. The Permanent Road Fund is susceptible to balance fluctuations due to the uncertainty of the number of planned projects that will be completed each construction season. Uncontrollable circumstances, such as weather and availability of materials, usually dictate project completions.

Capital Asset and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental activities as of March 31, 2007, amounts to \$708,242 (net of accumulated depreciation). This investment in capital assets includes land, buildings, building improvements, and machinery and equipment. Following is a Statement of Capital Assets, net of depreciation (in thousands):

	<u>Governmental Activities</u>	
	<u>3/31/07</u>	<u>3/31/06</u>
Land	\$ 75,000	\$ 75,000
Buildings	106,033	115,573
Building improvements	19,722	20,880
Equipment and machinery	201,317	214,141
Infrastructure	<u>306,170</u>	<u>214,926</u>
Total	<u>\$708,242</u>	<u>\$640,520</u>

Additional information on the Township's capital assets can be found in Note 5 in the Notes to Basic Financial Statements of this report.

Long-term debt. At the end of the current fiscal year, the Township did not have any outstanding debt. Following is a comparative statement of outstanding debt (in thousands):

	<u>Governmental Activities</u>	
	<u>3/31/07</u>	<u>3/31/06</u>
Notes payable	\$ <u>0</u>	<u>\$26,924</u>
Total	\$ <u>0</u>	<u>\$26,924</u>

The Township's total decreased by \$26,924 during the current fiscal year. Additional information on the Township's long-term debt can be found in Note 6 in the Notes to Basic Financial Statements of this report.

Economic Factors

The main campus of the University of Illinois provides a great deal of stability to the area's economy, as the University is the area's largest employer (with over 20,000 employees), and is a major purchaser of various goods and services, and has several new buildings under construction. This stability helps make Township's revenues more stable than many other townships'.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township.

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Statement of Net Assets - Modified Cash Basis
March 31, 2007

	<u>Governmental Activities</u>
 <u>ASSETS</u>	
Cash and cash equivalents	\$ 133,224
Investments	813,243
Capital Assets	
Land	75,000
Other capital assets, net of accumulated depreciation	<u>633,242</u>
 Total assets	 <u>1,654,709</u>
 <u>LIABILITIES</u>	
Long-term liabilities	
Due within one year	<u>-</u>
 Total liabilities	 <u>-</u>
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	708,242
Unrestricted	<u>946,467</u>
 Total net assets	 <u>\$ 1,654,709</u>

TOWNSHIP OF CHAMPAIGN

Champaign, Illinois

Statement of Activities - Modified Cash Basis

For the Year Ended March 31, 2007

	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
Functions/Programs			
Governmental activities:			
General government	\$ 220,751	\$ -	\$ (220,751)
Highways and streets	859,413	4,598	(854,815)
Health and welfare	<u>7,797</u>	<u>-</u>	<u>(7,797)</u>
Total governmental activities	<u>1,087,961</u>	<u>4,598</u>	<u>(1,083,363)</u>
General revenues:			
Taxes:			
Property taxes			832,349
Property taxes from City of Champaign			103,183
Replacement taxes			92,230
Interest income			45,353
Miscellaneous income			6,490
Loss on sale of fixed assets			<u>(1,051)</u>
Total general revenues			<u>1,078,554</u>
Change in net assets			(4,809)
Net assets, beginning of the year			<u>1,659,518</u>
Net assets, end of the year			<u>\$ 1,654,709</u>

See accompanying notes to the basic financial statements.

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Balance Sheet - Modified Cash Basis
Governmental Funds
March 31, 2007

	<u>General Fund</u>	<u>General Assistance Fund</u>	<u>General Road Fund</u>	<u>Permanent Road Fund</u>	<u>Building and Equipment Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 31,320	\$ 2,643	\$ 74,463	\$ 14,456	\$ 10,342	\$ 133,224
Investments	107,965	208,727	49,319	446,117	1,115	813,243
Total assets	<u>\$ 139,285</u>	<u>\$ 211,370</u>	<u>\$ 123,782</u>	<u>\$ 460,573</u>	<u>\$ 11,457</u>	<u>\$ 946,467</u>

LIABILITIES AND FUND EQUITIES

Liabilities:

Total liabilities \$ - \$ - \$ - \$ - \$ - \$ -

Fund Balances:

Fund balances, unreserved	<u>139,285</u>	<u>211,370</u>	<u>123,782</u>	<u>460,573</u>	<u>11,457</u>	<u>946,467</u>
Total fund balances	<u>139,285</u>	<u>211,370</u>	<u>123,782</u>	<u>460,573</u>	<u>11,457</u>	<u>946,467</u>
Total liabilities and fund balances	<u>\$ 139,285</u>	<u>\$ 211,370</u>	<u>\$ 123,782</u>	<u>\$ 460,573</u>	<u>\$ 11,457</u>	<u>\$ 946,467</u>

Reconciliation to Statement of Net Assets:

Amounts reported for governmental activities in the statement of net assets are different because:

Fund balance - total governmental funds \$ 946,467

Capital assets used in governmental activities of \$1,686,049 net of accumulated depreciation of \$977,807 are not financial resources and, therefore, are not reported in the funds. 708,242

Net assets of governmental activities \$ 1,654,709

TOWNSHIP OF CHAMPAIGN

Champaign, Illinois

Statement of Revenues, Expenditures, and Changes in Fund Balance - Modified Cash BasisGovernmental Funds

For the Year Ended March 31, 2007

	General Fund	General Assistance Fund	General Road Fund	Permanent Road Fund	Building and Equipment Fund	Total Governmental Funds
Revenues:						
Property taxes	\$ 127,333	\$ 1,260	\$160,218	\$ 459,785	\$ 83,753	\$ 832,349
Property taxes from City of Champaign	14,756	145	88,282	-	-	103,183
Replacement taxes	20,965	-	71,265	-	-	92,230
Interest income	8,387	9,283	4,355	24,383	611	47,019
Traffic fines	-	-	4,598	-	-	4,598
Miscellaneous income	1,973	-	4,440	77	-	6,490
Total revenues	<u>173,414</u>	<u>10,688</u>	<u>333,158</u>	<u>484,245</u>	<u>84,364</u>	<u>1,085,869</u>
Expenditures:						
Current						
General government	217,894	-	-	-	-	217,894
Highways and streets	-	-	286,962	126,203	-	413,165
Health and welfare	-	7,797	-	-	-	7,797
Debt service:						
Principal	-	-	-	-	26,924	26,924
Interest	-	-	-	-	2,087	2,087
Capital outlay	6,000	-	-	458,342	53,115	517,457
Total expenditures	<u>223,894</u>	<u>7,797</u>	<u>286,962</u>	<u>584,545</u>	<u>82,126</u>	<u>1,185,324</u>
Net change in fund balances	(50,480)	2,891	46,196	(100,300)	2,238	(99,455)
Fund balances, beginning of the year	<u>189,765</u>	<u>208,479</u>	<u>77,586</u>	<u>560,873</u>	<u>9,219</u>	<u>1,045,922</u>
Fund balances, end of the year	<u>\$ 139,285</u>	<u>\$ 211,370</u>	<u>\$ 123,782</u>	<u>\$ 460,573</u>	<u>\$ 11,457</u>	<u>\$ 946,467</u>

Reconciliation to the Statement of Activities:

Net Change in fund balances- total governmental funds \$ (99,455)

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

Governmental funds report interest income received on interfund loans while governmental activities do not report interest received on interfund loans:	(1,666)
Governmental funds report interest expense paid on interfund loans while governmental activities do not report interest paid on interfund loans:	1,666
Governmental funds report the principal repayment of notes payable as expenditures while governmental activities report the repayment of principal as a reduction in liabilities:	26,924
Loss on disposal of fixed assets not reported in the governmental funds:	(1,051)
Governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the asset:	
Capital assets purchases capitalized	179,775
Depreciation expense	(111,002)
	<u>94,646</u>

Change in Net Assets of Government Activities \$ (4,809)

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Notes to Basic Financial Statements
March 31, 2007

Note 1 - Summary of Significant Accounting Policies

The Township of Champaign is a separate financial reporting entity with the authority to levy property taxes. The Township is governed by the Board of Town Trustees. The Township provides financial assistance to needy Township residents and maintains the Township's road system.

As discussed further in Note 1.C, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncement and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. **Financial Reporting Entity**

The Township has adopted the provisions of GASB Statement No. 14, "The Financial Reporting Entity," under which the financial statements include all the organizations, activities, functions and component units for which the Township is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Township's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Township.

Accordingly, the financial statements of the reporting unit include those of the Township of Champaign (the primary government) and its component unit. The component unit discussed below is included in the Township's reporting entity because of the significance of its operational or financial relationship with the Township.

Component Unit

In conformity with generally accepted accounting principles, the financial statements of component units have been included in the financial reporting entity as a blended component unit.

Blended Component Unit - The Township of Champaign Road District, an entity legally separate from the Township of Champaign, is governed by the same Board of Trustees as the Township of Champaign. For financial reporting purposes, the Township of Champaign Road District is reported as if it were part of the Township's operations because its purpose is to maintain and improve the roads of the Township.

Based upon the application of these criteria, the Road District is a component unit of the Township.

TOWNSHIP OF CHAMPAIGN

Champaign, Illinois

Notes to Basic Financial Statements - (continued)

March 31, 2007

Note 1 - Summary of Significant Accounting Policies (cont.)

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Fund Financial Statements

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in the individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

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

The funds of the financial reporting entity are described below:

General Town Fund

The General Town Fund is the primary operating fund of the Township and always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes or designated to finance particular functions or activities of the Township. The reporting entity includes the following special revenue funds:

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Notes to Basic Financial Statements - (continued)
March 31, 2007

Note 1 - Summary of Significant Accounting Policies (cont.)

B. Basis of Presentation (cont.)

Special Revenue Funds (cont.)

<u>Fund</u>	<u>Brief Description</u>
General Assistance Fund	Accounts for revenues received and expenditures paid for financial assistance for needy Township residents.
Road & Bridge Fund	Accounts for revenues and expenditures for Township road maintenance.
Permanent Road Fund	Accounts for revenues and expenditures for Township road maintenance.
Building & Equipment Fund	Accounts for revenues and expenditures for the purchase of new capital items.

C. Measurement Focus and Basis of Accounting

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

Measurement Focus

In the government-wide Statement of Net Assets and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

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

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

TOWNSHIP OF CHAMPAIGN

Champaign, Illinois

Notes to Basic Financial Statements - (continued)

March 31, 2007

Note 1 - Summary of Significant Accounting Policies (cont.)

C. Measurement Focus and Basis of Accounting (cont.)

Basis of Accounting (cont.)

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expense and liabilities) *are not yet recorded* in these financial statements.

If the Township utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

E. Capital Assets

The Township's modified cash basis of accounting reports capital assets resulting from modified cash transactions and reports depreciation where appropriate.

Government-Wide Financial Statements

In the government-wide financial statements, capital assets arising from modified cash transactions are accounted for as assets in the Statement of Net Assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Estimated historical cost was used to value the majority of the assets acquired prior to April 1, 2004. Prior to April 1, 2004, governmental funds' infrastructure assets were not capitalized. Infrastructure assets acquired since April 1, 2004 are recorded at cost.

Depreciation of all exhaustible capital assets arising from modified cash transactions is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The capitalization thresholds are as follows: equipment - \$2,500, buildings and building improvements- \$10,000, and road improvements - \$50,000.

TOWNSHIP OF CHAMPAIGN

Champaign, Illinois

Notes to Basic Financial Statements - (continued)

March 31, 2007

Note 1 - Summary of Significant Accounting Policies (cont.)

E. **Capital Assets (cont.)**

Government-Wide Financial Statements (cont.)

The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Building improvements	20 years
Machinery, furniture, and equipment	5-7 years
Road Improvements	10 years
New Infrastructure	40 years

Fund Financial Statements

In the fund financial statements, capital assets arising from modified cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition

F. **Inventories**

The supplies inventories of the Township are considered immaterial and are not recorded on the balance sheets, but are expensed when purchased.

G. **Long-Term Debt**

All long-term debt arising from modified cash basis transactions to be repaid from governmental resources is reported as liabilities in the government-wide statements.

Long-term debt arising from modified cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

H. **Equity Classification**

Government-Wide Financial Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt-Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

TOWNSHIP OF CHAMPAIGN

Champaign, Illinois

Notes to Basic Financial Statements - (continued)

March 31, 2007

Note 1 - Summary of Significant Accounting Policies (cont.)

H. Equity Classification (cont.)

Government-Wide Financial Statements (cont.)

- b. Restricted net assets-Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets-All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

It is the Township's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

I. Program Revenues

Program Revenues

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the Township's taxpayers are reported as program revenues. The Township has the following program revenues in each activity:

Charges for services	Traffic Fines
----------------------	---------------

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

J. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Assets and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

TOWNSHIP OF CHAMPAIGN

Champaign, Illinois

Notes to Basic Financial Statements - (cont.)

March 31, 2007

Note 1 - Summary of Significant Accounting Policies (cont)

J. **Internal and Interfund Balances and Activities (cont.)**

Fund Financial Statements

Interfund activity, if any, within and among the governmental fund categories is reported as follows in the fund financial statements:

1. Interfund loans-Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services-Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements-Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers-Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances-Amounts reported in the fund financial statements are interfund receivables and payables are eliminated in the governmental columns of the Statement of Net Assets.
2. Internal activities-Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

K. **Estimates**

The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the Township requires management to make estimates and assumptions that affect certain reported amounts and disclosure (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

Note 2 - Cash and Investments

The Township deposits consist of demand deposits, money market accounts and certificates of deposit. These certificates of deposit are stated at cost, which approximates fair value.

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Notes to Basic Financial Statements - (continued)
March 31, 2007

Note 2 – Cash and Investments (cont.)

The Public Funds Investment Act of the State of Illinois allows public agencies to invest in the following:

- Bonds, notes, certificates of indebtedness, treasury bills which are guaranteed by the full faith and credit of the United States of America as to principal and interest.
- Bonds, notes, debentures or similar obligations of the United States of America or its agencies.
- Interest-bearing savings, certificates of deposit, or time deposits of any bank as defined by the Illinois Banking Act.
- Short-term obligations of corporations organized in the U.S. with assets exceeding \$500,000,000 and other specified criteria.
- Money market mutual funds registered under the Investment Company Act of 1940 provided the portfolio is limited to obligations described in points 1 and 2 above.
- Federal National Mortgage Association
- Public Treasurers' Investment Pools
- Repurchase agreements of government securities within the meaning of the Government Securities Act of 1986.

The breakdown of the Township's deposits as of March 31, 2007 is shown below.

<u>Deposits</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Cash	<u>\$133,224</u>	<u>\$148,964</u>
<u>Investments</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Illinois Funds	\$513,243	\$513,243
Certificate of Deposit	<u>300,000</u>	<u>300,000</u>
Total	<u>\$813,243</u>	<u>\$813,243</u>

Custodial Credit Risk

Deposits are subject to custodial credit risk if uninsured and uncollateralized or covered by collateral that is not in the Township's name. It is the Township's policy to require collateral for deposit balances above FDIC insurance coverage; at March 31, 2007, none of the Township's deposits were uncollateralized.

Investment pools (Illinois Funds) are not subject to custodial credit risk, because they are not evidenced by securities that exist in physical or book entry form.

Credit Rating Risk

Investments are subject to credit rating risk for all debt securities, whether held directly or indirectly (through investment pools, mutual funds, or money market funds). The Illinois Funds investment pools were rated AAAM by Standard & Poor's as of September 29, 2006.

TOWNSHIP OF CHAMPAIGN

Champaign, Illinois

Notes to Basic Financial Statements - (continued)

March 31, 2007

Note 2 – Cash and Investments (cont.)

Concentration Risk

Investments are subject to concentration risk when 5% or more of the total are in securities of a single issuer. At March 31, 2007, the Townships did not have any investments that met this criteria.

Interest Rate Risk

Investments are subject to a decline in fair value due to fluctuating market interest rates. Interest rate risk is minimized by having maturities of less than 1 year for all of the Township's investments.

Note 3 – Property Taxes

Property taxes are levied and attach as enforceable lien on January 1, on property values assessed as of the same date. The Board adopted the 2006 Township of Champaign levy and the 2006 Township of Champaign Road District levy on December 12, 2006. Tax bills are prepared by the County and issued on or about May 1, and are payable in two installments, on or about June 1 and September 1. The Township receives significant distributions of taxes approximately one month after these due dates. No provision has been made for delinquent property taxes since in past years the amount has been immaterial. The Township has recognized as revenue \$831,762 from the 2005 tax levy and \$587 from prior years' levies.

Note 4 - City of Champaign Reimbursement of Property Taxes

Pursuant to a State of Illinois statute, when one governmental body annexes the property of another governmental body, the body annexing the property is required to reimburse the other governmental body for lost property taxes on the annexed property for a period of 10 years. The City of Champaign (the City) is reimbursing the Township for property the City has annexed from the Township. The amount of annual reimbursement is based upon the Township's tax rates in effect during the year immediately proceeding the year of annexation. During the year ended March 31, 2007, the Township received \$103,183 from the City.

Note 5 – Capital Assets

Capital asset activity, resulting from modified cash basis transactions, for the fiscal year ended March 31, 2007, was as follows:

	<u>Balance at</u> <u>March 31, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at</u> <u>March 31, 2007</u>
<i>Governmental Activities:</i>				
Capital assets not being depreciated:				
Land and improvements	\$ 75,000	\$ -	\$ -	\$ 75,000
Total capital assets not being depreciated	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>75,000</u>

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Notes to Basic Financial Statements - (continued)
March 31, 2007

Note 5 - Capital Assets (cont.)

	<u>Balance at</u> <u>March 31, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at</u> <u>March 31, 2007</u>
Other capital assets:				
Buildings	\$ 401,700	\$ -	\$ -	\$ 401,700
Building improvements	24,384	-	-	24,384
Equipment and machinery	790,196	59,695	(21,011)	828,880
Infrastructure	<u>236,005</u>	<u>120,080</u>	<u>-</u>	<u>356,085</u>
Total other capital assets at historical cost	<u>1,452,285</u>	<u>179,775</u>	<u>(21,011)</u>	<u>1,611,049</u>
Less accumulated depreciation for:				
Buildings	286,127	9,540	-	295,667
Building improvements	3,504	1,158	-	4,662
Equipment and machinery	576,055	71,468	(19,960)	627,563
Infrastructure	<u>21,079</u>	<u>28,836</u>	<u>-</u>	<u>49,915</u>
Total accumulated depreciation	<u>886,765</u>	<u>111,002</u>	<u>(19,960)</u>	<u>977,807</u>
Other capital assets, net	<u>565,520</u>	<u>68,773</u>	<u>(1,051)</u>	<u>633,242</u>
Governmental activities capital assets, net	<u>\$ 640,520</u>	<u>\$ 68,773</u>	<u>\$ (1,051)</u>	<u>\$708,242</u>

Depreciation expense was charged to functions as follows in the statement of activities:

Governmental Activities:

General government	\$ 2,857
Highways and streets	<u>108,145</u>
Total depreciation expense for governmental activities	<u>\$111,002</u>

Note 6 - Long-Term Debt

The reporting entity's long-term debt arising from modified cash transactions is to be repaid from governmental activities.

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Notes to Basic Financial Statements - (continued)
March 31, 2007

Note 6 - Long-Term Debt (cont.)

Governmental Activities

During the fiscal year ended March 31, 2007 the Township paid off a note payable to Central Illinois Bank with an interest rate of 3.75% due in three annual payments of \$27,935.70, including interest, beginning November 8, 2003 and ending April 8, 2006. This note was secured by a 1999 John Deere 644H Wheel Loader.

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended March 31, 2007:

<u>Type of Debt</u>	<u>Balance</u> <u>April 1, 2006</u>	<u>Principal</u> <u>Repayments</u>	<u>Balance</u> <u>March 31, 2007</u>	<u>Amount Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities:				
Capital Debt Obligations	<u>\$26,924</u>	<u>\$26,924</u>	<u>\$0</u>	<u>\$0</u>

During the year ended March 31, 2007 the Township incurred interest expense of \$421, all of which is included in the Highways and Streets function in the Statement of Activities - Modified Cash Basis.

Note 7 - Interfund Transfers and Balances

Interfund Balances

During the year ended March 31, 2006, the Permanent Road Fund loaned the Building and Equipment Fund \$45,000 for the purchase of a new truck. The loan was paid off August 3, 2007 in the amount of \$46,666, including interest of \$1,666.

Note 8 - Deferred Compensation Plan

The Township offers a deferred compensation plan to its employees created in accordance with Internal Revenue Code Section 457 and administered by Nationwide Retirement Solutions. The plan, available to all Township employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Contributions to the plan are recorded as current salaries expenditures. All assets and income of the plan are held in trust by the plan administrator for the exclusive benefit of the participants and their beneficiaries. The Township does not take an active role in managing the plan assets. Therefore, in accordance with GASB Statement No. 32, the deferred compensation plan is not reported in the Township's financial statements.

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Notes to Basic Financial Statements - (continued)

March 31, 2007

Note 9 - Defined Benefit Pension Plan

The Township's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The Township is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 4.17% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006 was 26 years.

For December 31, 2006, the Township's annual pension cost of \$9,602 was equal to the Township's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending upon age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002-2004 experience study.

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/06	\$ 9,602	100%	\$0
12/31/05	8,997	100%	0
12/31/04	2,317	100%	0
12/31/03	5,890	100%	0
12/31/02	9,210	100%	0
12/31/01	2,145	100%	0
12/31/00	12,570	100%	0
12/31/99	16,301	100%	0
12/31/98	15,584	100%	0
12/31/97	13,562	100%	0

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Notes to Basic Financial Statements - (continued)
March 31, 2007

Note 10- Risk Management

The Township of Champaign is exposed to various risks related to torts; theft or, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and net income losses.

<i>Type of Loss</i>	<i>Method Managed</i>	<i>Risk of Loss Retained</i>
a. Torts, Errors, and omissions	Membership in Risk Management Pool	None
b. Workers compensation, health and life	Membership in Risk Management Pool	None
c. Physical property loss and natural disasters	Membership in Risk Management Pool	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Note 11 – Subsequent Events

Subsequent to March 31, 2007, the Township has filed a lawsuit against the Champaign County Board for annexing properties into the City of Champaign Township between May 4, 2004 and November 15, 2005 causing the Township to lose revenues from real estate taxes. The Township is seeking to reverse the decision of the Champaign County Board and to recoup legal fees related to the lawsuit.

Required Supplementary Information

TOWNSHIP OF CHAMPAIGN

Champaign, Illinois

REQUIRED SUPPLEMENTARY INFORMATION

Illinois Municipal Retirement Fund Analysis of Funding Progress

March 31, 2007

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) —Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/06	\$570,404	\$278,605	\$(291,799)	204.74%	\$230,266	0.00
12/31/05	484,219	237,040	(247,179)	204.28%	209,239	0.00%
12/31/04	435,155	221,820	(213,335)	196.17%	218,593	0.00%
12/31/03	403,705	191,409	(212,296)	210.91%	228,310	0.00%
12/31/02	373,118	218,527	(154,591)	170.74%	160,171	0.00%
12/31/01	300,010	210,658	(89,352)	142.42%	162,516	0.00%
12/31/00	240,719	186,833	(53,886)	128.84%	165,399	0.00%
12/31/99	307,659	212,749	(94,910)	144.61%	169,803	0.00%
12/31/98	206,440	184,845	(21,595)	111.68%	142,193	0.00%
12/31/97	137,587	174,867	37,280	78.68%	131,417	28.37%

On a market value basis, the actuarial value of assets as of December 31, 2006 is \$625,552. On a market basis, the funded ratio would be 224.53%.

****Digest of Changes:***

The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002-2004 Experience Study. The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For Regular members, fewer normal and more early retirements are expected to occur.

SLEP Member contribution rate changed from 6.50% to 7.50% effective June 1, 2006.

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Budgetary Comparison Schedule - General Fund
For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property taxes	\$ 127,800	\$ 127,800	\$ 127,333	\$ (467)
Property taxes from City of Champaign	18,000	18,000	14,756	(3,244)
Replacement taxes	22,000	22,000	20,965	(1,035)
Interest income	7,500	7,500	8,387	887
Traffic fines	-	-	-	-
Miscellaneous income	<u>2,700</u>	<u>2,700</u>	<u>1,973</u>	<u>(727)</u>
Total revenues	<u>178,000</u>	<u>178,000</u>	<u>173,414</u>	<u>(4,586)</u>
<u>Expenditures:</u>				
Current				
General government	262,635	257,335	217,894	39,441
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	<u>5,000</u>	<u>10,300</u>	<u>6,000</u>	<u>4,300</u>
Total expenditures	<u>267,635</u>	<u>267,635</u>	<u>223,894</u>	<u>43,741</u>
Net change in fund balance	(89,635)	(89,635)	(50,480)	39,155
Fund balance, beginning of the year	<u>189,765</u>	<u>189,765</u>	<u>189,765</u>	<u>-</u>
Fund balance, end of the year	<u>\$ 100,130</u>	<u>\$ 100,130</u>	<u>\$ 139,285</u>	<u>\$ 39,155</u>

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Budgetary Comparison Schedule - General Assistance Fund
For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property taxes	\$ 1,200	\$ 1,200	\$ 1,260	\$ 60
Property taxes from City of Champaign	100	100	145	45
Replacement taxes	-	-	-	-
Interest income	7,500	7,500	9,283	1,783
Traffic fines	-	-	-	-
Miscellaneous income	-	-	-	-
Total revenues	<u>8,800</u>	<u>8,800</u>	<u>10,688</u>	<u>1,888</u>
<u>Expenditures:</u>				
Current				
General government	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	123,100	123,100	7,797	115,303
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>123,100</u>	<u>123,100</u>	<u>7,797</u>	<u>115,303</u>
Net change in fund balance	(114,300)	(114,300)	2,891	117,191
Fund balance, beginning of the year	<u>208,479</u>	<u>208,479</u>	<u>208,479</u>	<u>-</u>
Fund balance, end of the year	<u>\$ 94,179</u>	<u>\$ 94,179</u>	<u>\$ 211,370</u>	<u>\$ 117,191</u>

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Budgetary Comparison Schedule - General Road Fund
For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property taxes	\$ 184,500	\$ 184,500	\$ 160,218	\$ (24,282)
Property taxes from City of Champaign	30,000	30,000	88,282	58,282
Replacement taxes	75,000	75,000	71,265	(3,735)
Interest income	2,500	2,500	4,355	1,855
Traffic fines	5,000	5,000	4,598	(402)
Miscellaneous income	5,000	5,000	4,440	(560)
Total revenues	<u>302,000</u>	<u>302,000</u>	<u>333,158</u>	<u>31,158</u>
<u>Expenditures:</u>				
Current				
General government	-	-	-	-
Highways and streets	343,656	343,656	286,962	56,694
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>343,656</u>	<u>343,656</u>	<u>286,962</u>	<u>56,694</u>
Net change in fund balance	(41,656)	(41,656)	46,196	87,852
Fund balance, beginning of the year	<u>77,586</u>	<u>77,586</u>	<u>77,586</u>	<u>-</u>
Fund balance, end of the year	<u>\$ 35,930</u>	<u>\$ 35,930</u>	<u>\$ 123,782</u>	<u>\$ 87,852</u>

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Budgetary Comparison Schedule - Permanent Road Fund
For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property taxes	\$ 440,000	\$ 440,000	\$ 459,785	\$ 19,785
Property taxes from City of Champaign	60,000	60,000	-	(60,000)
Replacement taxes	-	-	-	-
Interest income	12,000	12,000	24,383	12,383
Traffic fines	-	-	-	-
Miscellaneous income	250	250	77	(173)
Total revenues	<u>512,250</u>	<u>512,250</u>	<u>484,245</u>	<u>(28,005)</u>
<u>Expenditures:</u>				
Current				
General government	-	-	-	-
Highways and streets	210,500	210,500	126,203	84,297
Health and welfare	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	<u>530,000</u>	<u>530,000</u>	<u>458,342</u>	<u>71,658</u>
Total expenditures	<u>740,500</u>	<u>740,500</u>	<u>584,545</u>	<u>155,955</u>
Net change in fund balances	(228,250)	(228,250)	(100,300)	127,950
Fund balances, beginning of the year	<u>560,873</u>	<u>560,873</u>	<u>560,873</u>	-
Fund balances, end of the year	<u>\$ 332,623</u>	<u>\$ 332,623</u>	<u>\$ 460,573</u>	<u>\$ 127,950</u>

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Budgetary Comparison Schedule - Building and Equipment Fund
For the Year Ended March 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property taxes	\$ 84,000	\$ 84,000	\$ 83,753	\$ (247)
Property taxes from City of Champaign	14,000	14,000	-	(14,000)
Replacement taxes	-	-	-	-
Interest income	800	800	611	(189)
Traffic fines	-	-	-	-
Miscellaneous income	100	100	-	(100)
Total revenues	<u>98,900</u>	<u>98,900</u>	<u>84,364</u>	<u>(14,536)</u>
<u>Expenditures:</u>				
Current				
General government	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Principal	26,924	26,924	26,924	-
Interest	4,000	4,000	2,087	1,913
Capital outlay	67,976	67,976	53,115	14,861
Total expenditures	<u>98,900</u>	<u>98,900</u>	<u>82,126</u>	<u>16,774</u>
Net change in fund balances	-	-	2,238	2,238
Fund balances, beginning of the year	9,219	9,219	9,219	-
Fund balances, end of the year	<u>\$ 9,219</u>	<u>\$ 9,219</u>	<u>\$ 11,457</u>	<u>\$ 2,238</u>

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Notes to Budgetary Comparison Schedules
March 31, 2007

Budget Law

Formal budgetary accounting is employed as a management control for all funds of the Township. All governmental funds have legally adopted budgets on the cash basis of accounting. Adjustments necessary to convert the budgetary basis of accounting to the GAAP basis have been determined to not have a material effect on the financial statements and therefore are not presented in these financial statements.

The Township board prepares its annual operating budget under the provisions of the Illinois Municipal Budget Law. In accordance with those provisions, the following process is used to adopt the annual budget:

- a. Prior to the end of the first quarter of the fiscal year, the Township Supervisor submits to the board a proposed operating budget for the year commencing on April 1.
- b. Public hearings are conducted to obtain citizen comments. At least one public hearing must be held no later than 30 days prior to final approval of the budget.
- c. Subsequent to the public hearings the budget is adopted by the board

At the fund level, actual expenditures cannot exceed budgeted appropriations; however, with proper approval by the Board, budgetary transfers between line items can be made. The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments.

In the event the budget needs to be amended, a majority of the voting members must approve the amended budget in a regular board meeting. The original budget was amended during the fiscal year.

Basis of Accounting

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements. Revenues and expenditures are reported when they result from cash transactions.

Supplementary Information

TOWNSHIP OF CHAMPAIGN
Champaign, Illinois

Schedule of Assessed Valuations, Rates, Extensions and Collections
March 31, 2007

Levy Revenue Year	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Assessed Valuations	\$ <u>343,123,733</u>	\$ <u>314,534,118</u>	\$ <u>283,357,572</u>	\$ <u>270,074,802</u>	\$ <u>253,834,432</u>
Tax Rates:					
General fund	0.0391	0.0406	0.0441	0.0463	0.0489
General assistance fund	0.0004	0.0004	-	-	0.0004
General road fund	0.0670	0.0696	0.0749	0.0753	0.0782
Building and equipment fund	0.0256	0.0267	0.0287	0.0289	0.0300
Permanent road fund	<u>0.1439</u>	<u>0.1466</u>	<u>0.1502</u>	<u>0.1510</u>	<u>0.1515</u>
	<u>0.2760</u>	<u>0.2839</u>	<u>0.2979</u>	<u>0.3015</u>	<u>0.3090</u>
Tax Extensions:					
General fund	\$ 134,161	\$ 127,701	\$ 124,961	\$ 125,045	\$ 124,125
General assistance fund	1,372	1,258	-	-	1,015
General road fund	229,893	218,916	212,235	174,366	168,653
Building and equipment fund	87,840	83,981	81,324	78,052	76,150
Permanent road fund	<u>493,755</u>	<u>461,107</u>	<u>425,603</u>	<u>407,813</u>	<u>384,559</u>
	<u>\$ 947,021</u>	<u>\$ 892,963</u>	<u>\$ 844,123</u>	<u>\$ 785,276</u>	<u>\$ 754,502</u>
Tax Collections:					
General fund	\$ -	\$ 127,247	\$ 124,590	\$ 124,815	\$ 123,952
General assistance fund	-	1,259	-	-	1,012
General road	-	160,073	178,962	172,340	168,514
Building and equipment fund	-	83,697	81,074	77,921	76,110
Permanent road fund	<u>-</u>	<u>459,486</u>	<u>424,344</u>	<u>407,061</u>	<u>384,309</u>
	<u>\$ -</u>	<u>\$ 831,762</u>	<u>\$ 808,970</u>	<u>\$ 782,137</u>	<u>\$ 753,897</u>
Percentage of Extensions Collected	<u>0.00%</u>	<u>93.15%</u>	<u>95.84%</u>	<u>99.60%</u>	<u>99.92%</u>