

CITY OF URBANA, ILLINOIS  
Comprehensive Annual Financial Report  
Year Ended June 30, 2001

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December 1, 2001

To the Citizens of the City of Urbana:

The Comprehensive Annual Financial Report (CAFR) of the City of Urbana, Illinois, for the fiscal year ended June 30, 2001 is submitted herewith. The CAFR is management's annual financial report to its taxpayers, governing board, oversight bodies, investors and creditors.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management of the City of Urbana, and in particular, the City Comptroller. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups. All disclosures necessary to enable the reader to gain an understanding of the City of Urbana's financial condition and activities have been included.

The CAFR is presented in three sections:

The introductory section contains this transmittal letter, G.F.O.A. Certificate of Achievement Award, list of principal officials, and organizational chart.

The financial section includes the auditor's report on the financial statements and schedules, management's discussion and analysis, the basic financial statements, the notes to the financial statements, required supplemental information, and the combining and individual fund statements and schedules.

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

#### GENERAL INFORMATION

The City of Urbana is a home-rule municipality located in Champaign County, which is situated in east central Illinois, approximately 135 miles south of Chicago and 45 miles west of the Indiana border. The University of Illinois is located in both Urbana and Urbana's twin city of Champaign. Urbana's population is estimated at 36,395 and 10.2 square miles are within the City boundaries. The City operates under the Council-Mayor form of government. The legislative authority of the City is vested in a seven-member council, each elected from their respective districts. The Mayor is elected at large. Each member and the Mayor serve a four-year term.

## REPORTING ENTITY AND SERVICES PROVIDED

This report includes all funds and account groups of the City of Urbana. Included is the Urbana Free Library and the Firemen's and Policemen's Pension Fund. There are no other entities in which the primary government is considered to be financially accountable for or other organizations for which their exclusion would cause these statements to be misleading or incomplete. The City also participates in a joint venture, the Champaign-Urbana Solid Waste Disposal System. This joint venture does not meet the criteria for inclusion in the City's financial report. However, financial information for the joint venture is included in the notes to the financial statements.

The City of Urbana provides a full range of municipal services, as outlined below:

Police Services:	Patrol, Traffic Control, and Criminal Investigation
Fire Services:	Fire Suppression, Fire Prevention, and Emergency Medical Assistance
Public Works Services:	Street Maintenance and Reconstruction, Traffic Maintenance, Street Lighting Maintenance and Reconstruction, Sanitary and Storm Sewer Maintenance and Reconstruction, Arbor Maintenance and Improvement, Parking (on enterprise basis)
Community Development Services:	Planning and Zoning Enforcement, Building Inspection, Economic Development, Housing Improvement
Other Services:	Library Services, Human Relations

## ECONOMIC CONDITION AND OUTLOOK

Champaign County continues to maintain a very stable economic environment. The University of Illinois dominates the local economy and is responsible for a significant part of this economic stability. Food, service, and high technology industries dominate the small amount of manufacturing in the area. Two of the City's major revenue sources, sales and utility taxes, are especially reflective of this local economic stability and have been important in keeping Urbana financially sound and relatively debt-free. The City of Urbana has also been aggressive in encouraging new business development and in annexing properties into the City limits. This stability and aggressive development posture has allowed the local unemployment rate to average 2.4%, property values to average 7% annual growth and per-capita income to average 5.5% annual growth over the last three years. This economic growth is expected to continue at slightly lower rates over the next three to four years due to general economic slowdown. However, this growth should provide sufficient revenues to continue to maintain current major service levels.



## MAJOR INITIATIVES

Significant initiatives for the City in the current year are:

- a) Continue to assist Champaign County officials in the final construction phase of a new courthouse facility in downtown Urbana.
- b) Continue to monitor the construction of a 5.3 million-dollar renovation to the City's street lighting system. By the end of fiscal year 2002, \$3.1 million will have been spent toward this project, with the balance of \$2.2 million allocated to be spent over the next 4 years.
- c) Continue to monitor improvements being made by the City of Champaign and the University of Illinois regarding upstream Boneyard Creek storm water flow and the impact these improvements may have on the City of Urbana.
- d) Finalize details concerning the amounts of, and design of a \$6.85 million addition to the City Library building, with construction scheduled to begin in May 2002.
- e) Finalize details concerning significant infrastructure improvements related to economic development and annexation efforts on the northern boundary of the City limits. These efforts entail the relocation of a significant sales tax producer and the annexation of a major motel and retail sales entity.
- f) Finalize approval for and begin a comprehensive renovation to the sidewalks, streetscape, and lighting in the downtown area.

For the future, three areas of emphasis will be:

- a) Continue to identify and implement improvements in efficiency and new technology that will allow continued service delivery at lowest possible cost. One technology that is currently being studied is the implementation of a Geographical Information System (GIS) that will provide enhanced information concerning properties and infrastructure improvements in the City.
- b) Continue to participate in studies with the University of Illinois and the City of Champaign to determine future campus area changes and improvements to streets and other transportation systems.
- c) Monitor the progress of certain significant economic development projects that are currently in various stages of deliberation or construction:
  1. A 15 million-dollar construction of a new Meijer department store. The expected completion date has not been announced.

2. A residential housing complex centered around a privately financed public golf course which was opened in the spring of 1999.
3. Improvements and changes made to the downtown-enclosed retail shopping mall.
4. Receive approval for a Tax Increment Financing District Area 4 which will be located in the northern part of the city limits.

#### FINANCIAL INFORMATION

Management is responsible for and gives extensive consideration to its system of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of records for preparing financial reports and maintaining accountability for assets. The independent auditors also review internal control. Recommendations for improvements and weaknesses discovered are disclosed as a part of that audit. No instances of material weaknesses in the City's internal control system were noted in this audit.

Management is also responsible for maintaining certain budgetary controls to ensure compliance with various legal provisions. All funds have balanced annual budgets, prepared on a GAAP basis, and approved by the City Council except for pension trust and debt service funds. Budgetary control for pension trust funds is maintained through an annual actuarial review. Budgetary control for debt service funds is achieved through the original debt ordinance provisions. The level of expenditures cannot exceed appropriated amounts within certain basic expenditure categories within an individual department for the general fund or fund in whole for non-general funds.

The Budget Officer is authorized to transfer amounts within basic expenditure categories of personnel, materials and supplies, contractual and operations, and capital outlay. This budgetary control is maintained through the application of a weekly and monthly financial reporting system. Unspent amounts may or may not be re-appropriated in the following year's budget, as needed.

#### JOINT VENTURES

The City participates in a joint venture with the City of Champaign, the Champaign-Urbana Solid Waste Disposal System (CUSWDS). This joint venture is responsible for overseeing closeout and long-term maintenance of the old regional landfill site. Urbana's share of the joint venture (38.2%) is shown as an asset called Investment in Joint Ventures, which at June 30, 2001, was \$38,912. It is contemplated that the City's investment will remain at the same level.

#### PENSION TRUST FUNDS

A description of the City's three pension trust fund operations follows:

- a) All employees except sworn police and fire personnel that meet certain minimum hourly standards must be enrolled and participate in the Illinois Municipal Retirement Fund (IMRF). IMRF is a multiple employer retirement system that acts as a common investment and administrative agent for local government in Illinois. Participating members are required to contribute 4.5% of their annual salary for 2001 (same in 2000) and the City is required to contribute the remaining amounts necessary to fund the system, based on an actuarially determined amount that accumulates sufficient assets to pay benefits when due. The City contributed 2.6% of salaries in calendar year 2001 (3.8% in 2000). The unfunded actuarial accrued liability at December 30, 2000, was 0% of covered salaries, the same as in 1999. Any unfunded amounts are amortized over a thirty-two year period.
- b) Sworn police personnel are covered by the Police Pension Plan, which is a defined benefit, single employer plan, whose benefits and contribution levels are established by state statute. Members are required to contribute 9.9% of their salary and the City is required to contribute an amount actuarially determined, such that sufficient assets will be available to pay benefits when due. The amount contributed by the City equaled 43% of salaries in 2001 (42% in 2000). The unfunded actuarial accrued liability at June 30, 2000, was 308% of covered salaries, (326% in 1999). This amount is being amortized over a thirty-four year closed period.
- c) Sworn fire personnel are covered by the Firemen's Pension Plan, which is a defined benefit, single employer plan, whose benefits and contribution levels are established by state statute. Members are required to contribute 8.5% of their salary and the City is required to contribute an amount actuarially determined, such that sufficient assets will be available to pay benefits when due. The amount contributed by the City equaled 22% of salaries in 2001 (19% in 2000). The unfunded actuarial accrued liability at June 30, 2000, was 16% of covered salaries, down from 24% in 1999. Unfunded amounts are being amortized over a thirty-four year closed period.

#### CASH MANAGEMENT

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury, a U.S. government security mutual fund, money market funds, common stock mutual funds, common stocks, and accounts of insurance companies. The average yield of investments was 1.0% in 2001 (6.9% in 2000). The relatively low yield on investments resulted from significant decreases in the market value of investments in common stock and mutual funds during the year. The City earned total return on its investments of \$576,193 in 2001, as compared to \$3,947,531 in 2000 (including pension trust funds). The City's investment policy is to

minimize risk while maintaining a competitive yield. A breakdown of deposits and investments by category follows (including pension trust funds):

	<u>Amount</u>	<u>Percent Total</u>
U.S. Government Securities in which the securities are insured or held by the City's agent in the City's name	\$22,812,017	37%
Insured by federal depository insurance	3,985,098	6%
Collateralized with collateral held by the City's agent in the name of the City	9,120,679	15%
Illinois Public Treasurer's Investment Pool and other investments in which the City interest is not in specific securities	13,121,585	21%
Not insured or collateralized (equities)	<u>13,562,836</u>	22%
	<u>\$62,602,215</u>	

#### RISK MANAGEMENT

The City purchases commercial insurance to insure exposure to loss from risks other than worker's compensation claims. The City self-insures worker's compensation losses up to a limit of \$350,000 per individual claim. The results of the self-insurance program are reported in the City's Worker's Compensation Retained Risk Internal Service Fund.

#### OTHER INFORMATION

State statutes require an annual audit of the books of account, financial records, and transactions by an independent certified public accountant. As a recipient of various federal and state financial assistance programs, the City of Urbana is also required under the Federal Single Audit Act, to have an annual audit of certain major federal grant programs performed. This audit contains information concerning whether grant activity is presented fairly in the general purpose financial statements, whether internal control is sufficient to provide reasonable assurance that the funds are managed properly, and whether material grant compliance requirements have been met.

The auditor's report is included in the financial section of this report. The auditor's report relative to the Federal Single Audit Act is reported separately.

The Government Finance Officer's Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Urbana for its comprehensive annual financial report for the fiscal year ended June 30, 2000. This was the 13th consecutive year that Urbana has achieved this award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This

report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet these requirements and we intend to submit it to the GFOA to determine its eligibility for another certificate.

We would like to commend the entire staff of the Finance Department for their efficient and dedicated service in helping prepare this report. We would also like to commend the Mayor, members of the City Council and all officials and officers of the City of Urbana for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Bruce Walden  
CHIEF ADMINISTRATIVE OFFICER

Ronald C. Eldridge  
COMPTROLLER  
Certified Public Accountant

/sdr

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Urbana,  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Thomas D. Arave*  
President

*Jeffrey L. Esser*  
Executive Director

CITY OF URBANA

List of Principal Officials

June 30, 2001

Elected Officials

Mayor  
Tod Satterthwaite

City Clerk  
Phyllis D. Clark

Alderdwoman  
Ester Patt

Alderdwoman  
Ruth Wyman

Alderman  
James H. Hayes, Jr.

Alderdwoman  
Danielle Chynoweth

Alderdwoman  
Laura Huth

Alderman  
Joseph A. Whelan, Jr.

Alderman  
Milton E. Otto

Administrative Officials

Chief Administrative Officer  
Bruce K. Walden

Police Chief  
Eddie Adair

Fire Chief  
Rex Mundt

Public Works Director  
William Gray

Community Development Director  
Libby Tyler

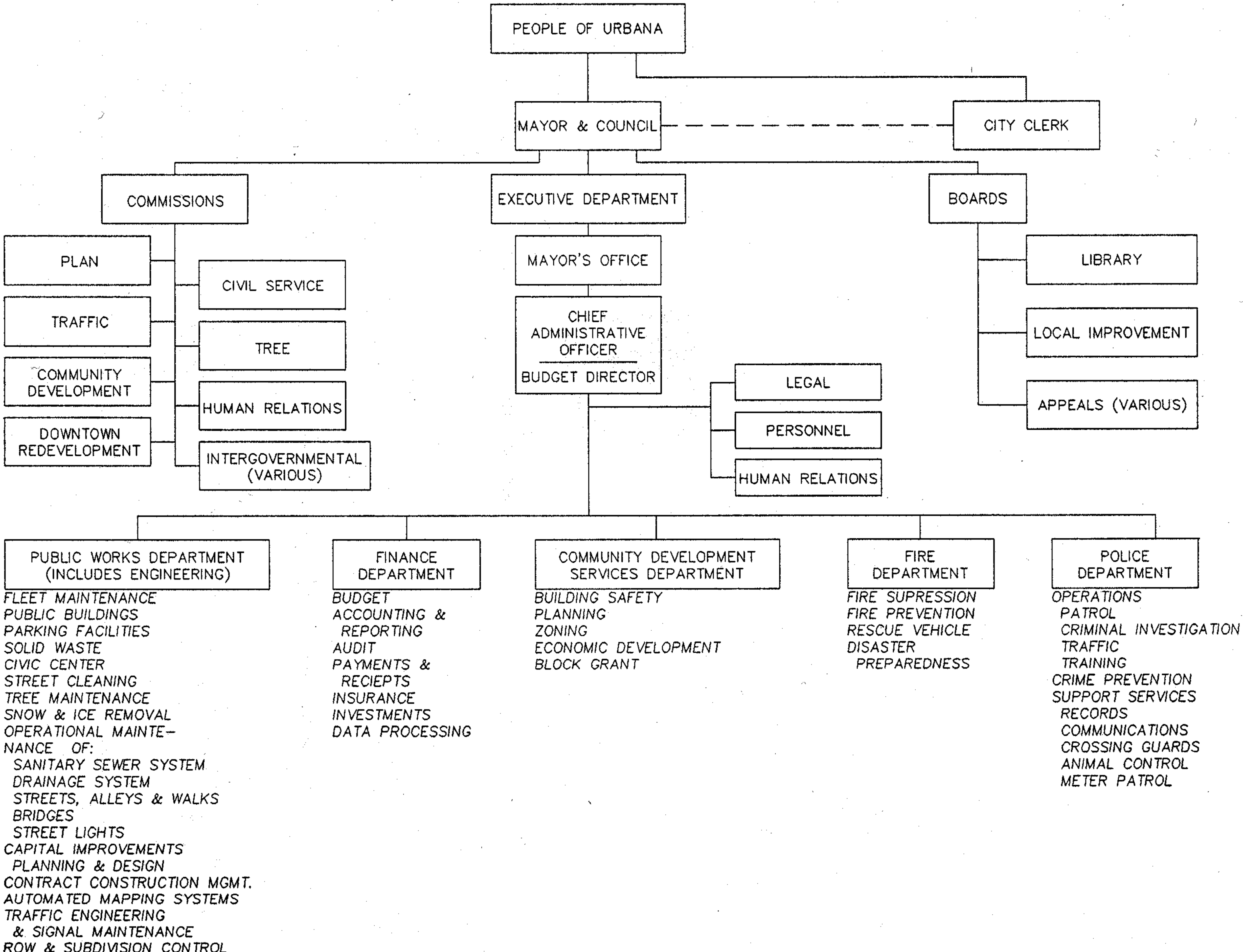
Corporation Counsel  
Jack Waaler

City Comptroller  
Ronald C. Eldridge

Personnel Director  
Ronald G. Gremore

Urbana Free Library Director  
Fred Schlipf

CITY OF URBANA  
 ORGANIZATION CHART  
 STRUCTURE AND MAJOR SERVICE FUNCTIONS





# BRAY, DRAKE, GUTHRIE & RICHARDSON LLP

JAMES P. BRAY  
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MAX E. GUTHRIE  
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Phone 217/337-0004  
Fax 217/337-5822

September 20, 2001

Honorable Tod Satterthwaite, Mayor  
and Members of the Urbana City Council  
Urbana, IL

## Independent Auditor's Report

We have audited the accompanying basic financial statements of the City of Urbana, Illinois, as of and for the year ended June 30, 2001, as listed in the table of contents under "Financial Section". These basic financial statements are the responsibility of the City of Urbana, Illinois's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City of Urbana, Illinois, as of June 30, 2001, and the results of its operations and the cash flows of its business type activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, dated September 20, 2001, on our consideration of the City of Urbana, Illinois's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As described in Note 1 to the basic financial statements, the City of Urbana adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis For State and Local Governments*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of July 1, 2000. This results in a change to the City of Urbana Illinois's method of accounting for certain nonexchange revenues and a change in the format and content of the basic financial statements.

The Management's Discussion and Analysis on pages 12 to 21 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the City of Urbana, Illinois, taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

*Bray, Drake, Guthrie & Richardson LLP*  
BRAY, DRAKE, GUTHRIE & RICHARDSON LLP

## Management's Discussion and Analysis

June 30, 2001

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As management of the City of Urbana, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City of Urbana for the fiscal year ended June 30, 2001. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-7 of this report.

## Financial Highlights:

- The assets of the City of Urbana exceeded liabilities at June 30, 2001, by \$79,858,034. Of this amount \$30,434,115 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net assets increased by \$6,395,130 during the year.
- At June 30, 2001, the governmental funds reported combined fund balances of \$28,024,411, of which \$27,798,705 was unreserved and is available for spending at the City's discretion.
- Governmental fund balances increased \$4,535,625 during the year.
- The City's long-term debt decreased \$592,687 (12%) due to scheduled debt principal retirements of \$658,650 and an increase in accumulated compensated employee absences of \$65,963.

## Overview of the Financial Statements:

This discussion and analysis are intended to serve as an introduction to the City of Urbana basic financial statements. The 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 additional supplementary information.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Urbana's finances, in a manner similar to a private-sector business. The government wide financial statements can be found on pages 23-24 of this report.

- The statement of net assets presents information on all of the City of Urbana assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Urbana 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,

## Management's Discussion and Analysis

June 30, 2001

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regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal period.

- Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The City of Urbana's governmental activities include Public Safety, Highways and Streets, General Government, Urban Redevelopment and Housing, Library Services and Interest on Long-term Debt. The City of Urbana has one business-type activity, the Motor Vehicle Parking System.

**Fund Financial Statements:**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Urbana, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance and related legal requirements. All of the funds of the City of Urbana can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information is useful in evaluating the City of Urbana'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 for governmental funds with information presented for governmental activities in the government-wide financial statements. 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.
- The City of Urbana maintains twenty-two 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, Urbana Free Library, Tax Stabilization and Building Financing Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in this report.

## Management's Discussion and Analysis

June 30, 2001

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- The City of Urbana adopts an annual appropriated budget for all of the governmental funds except for the debt service funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.
- The basic governmental fund financial statements can be found on pages 25-33 of this report.

## Proprietary Funds:

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City of Urbana maintains two different types of proprietary funds, enterprise and internal service:

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Urbana utilizes one enterprise fund to account for its Motor Vehicle Parking System.
- Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City of Urbana uses internal service funds to account for its fleet and equipment maintenance in the Central Garage Fund and for its worker's compensation claims costs in the Worker's Compensation Retained Risk Fund. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements and combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in this report.
- The basic proprietary fund financial statements can be found on pages 34-37 of this report.

## Fiduciary Funds:

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Urbana's programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 38-39 of this report.

## Notes to the Financial Statements:



## Management's Discussion and Analysis

June 30, 2001

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 41-69 of this report.

## Other Information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning funding progress for the City's I.M.R.F. employee pension obligation. Required supplementary information can be found on page 30 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 71-101 of this report.

## Government-wide Financial Analysis:

As stated earlier, net assets may serve over time as a useful indicator of a government's financial position. The largest part of the City of Urbana's net assets reflects its investment in capital assets (land, buildings and improvements, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Urbana uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Urbana'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. Following is a comparative statement of net assets (amounts expressed in thousands):

	Governmental Activities		Business-type Activities		Total	
	2001	2000	2001	2000	2001	2000
Current and other assets	\$ 32,100	\$ 28,117	\$ 1,821	\$ 1,661	\$ 33,921	\$ 29,778
Capital assets	<u>45,931</u>	<u>44,841</u>	<u>6,098</u>	<u>6,168</u>	<u>52,029</u>	<u>51,009</u>
Total assets	\$ 78,031	\$ 72,958	\$ 7,920	\$ 7,829	\$ 85,950	\$ 80,787
Long-term liabilities	1,980	2,157	2,483	2,901	4,462	5,058
Other liabilities	<u>1,578</u>	<u>2,190</u>	<u>52</u>	<u>76</u>	<u>1,630</u>	<u>2,266</u>
Total liabilities	\$ 3,558	\$ 4,347	\$ 2,534	\$ 2,977	\$ 6,092	\$ 7,324
Net assets:						
Invested in capital assets	45,808	43,927	3,616	3,267	49,424	47,204
Unrestricted	<u>28,665</u>	<u>24,674</u>	<u>1,770</u>	<u>1,585</u>	<u>30,434</u>	<u>26,259</u>
Total net assets	<u>\$ 74,473</u>	<u>\$ 68,611</u>	<u>\$ 5,385</u>	<u>\$ 4,852</u>	<u>\$ 79,858</u>	<u>\$ 73,463</u>

At the end of the fiscal year, the City of Urbana is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for governmental and business-type activities. This situation was true for last fiscal year as well.

## Management's Discussion and Analysis

June 30, 2001

There was an increase in net assets from governmental activities of \$5,861,820 of which \$1,871,320 was invested in capital assets and \$3,990,500 was added to unrestricted net assets. There was an increase in net assets from business-type activities of \$533,310 of which \$348,827 was invested in capital assets and \$184,483 was added to unrestricted net assets.

Following is a comparative statement of changes in net assets (amounts expressed in thousands):

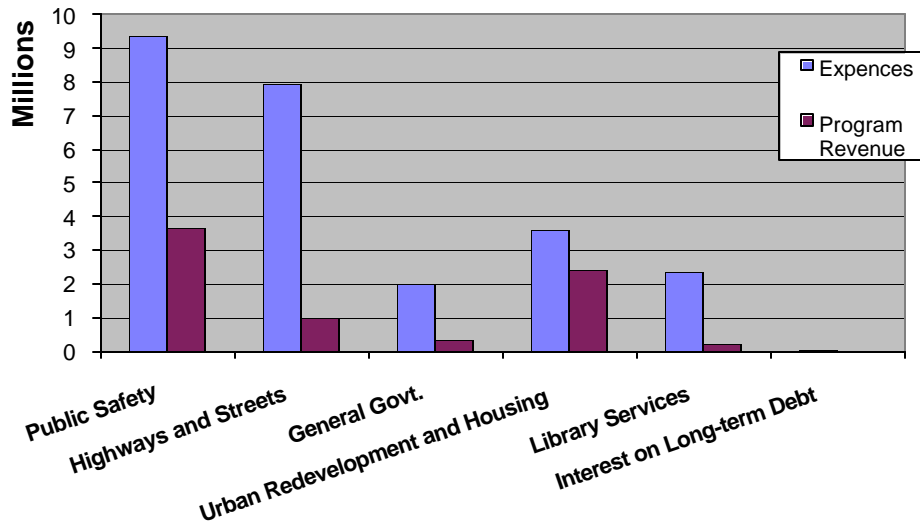
	Governmental Activities		Business-type Activities		Total	
	2001	2000	2001	2000	2001	2000
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,402	\$ 4,069	\$ 890	\$ 802	\$ 6,292	\$ 4,871
Operating Grants & Contributions	2,281	2,711	--	--	2,281	2,711
General Revenues:						
Property Tax	6,194	6,063	--	--	6,194	6,063
Utility Tax	3,675	3,296	--	--	3,675	3,296
State Sales Tax	3,451	3,487	--	--	3,451	3,487
Intergovernmental, Not Restricted to Specific Programs	4,615	4,219	--	--	4,615	4,219
Investment Income	1,632	1,075	93	84	1,725	1,159
Municipal Sales Tax	2,089	1,973	--	--	2,089	1,973
Other Taxes	1,295	1,132	--	--	1,295	1,132
Other	593	6	--	--	593	66
Total Revenues	<u>\$ 31,227</u>	<u>\$ 28,032</u>	<u>\$ 984</u>	<u>\$ 886</u>	<u>\$ 32,210</u>	<u>\$ 28,918</u>
Expenses:						
Public Safety	\$ 9,345	\$ 9,007	\$ --	\$ --	\$ 9,345	\$ 9,007
Highways & Streets	7,910	7,461	--	--	7,910	7,461
General Government	1,999	1,917	--	--	1,999	1,917
Urban Redevelopment And Housing	3,579	3,411	--	--	3,579	3,411
Library Services	2,360	2,171	--	--	2,360	2,171
Interest on LT Debt	39	56	--	--	39	56
Motor Vehicle Parking	--	--	583	594	583	593
Total Expenses	<u>\$ 25,232</u>	<u>\$ 24,023</u>	<u>\$ 583</u>	<u>\$ 594</u>	<u>\$ 25,815</u>	<u>\$ 24,617</u>
Increase in Net Assets						
Before Transfers	\$ 5,995	\$ 4,010	\$ 400	\$ 291	\$ 6,395	\$ 4,301
Transfers	(133)	(145)	133	145	--	--
Increase in Net Assets	\$ 5,862	\$ 3,865	\$ 533	\$ 437	\$ 6,395	4,301
Net Assets, Beg. Year	<u>68,611</u>	<u>64,746</u>	<u>4,852</u>	<u>4,415</u>	<u>73,463</u>	<u>69,162</u>
Net Assets, End Year	<u>\$ 74,473</u>	<u>\$ 68,611</u>	<u>\$ 5,385</u>	<u>\$ 4,852</u>	<u>\$ 79,858</u>	<u>\$ 73,463</u>

Management's Discussion and Analysis

June 30, 2001

- As noted, net assets increased \$6,395,130 (8.7% growth). This amount is slightly higher than last year when net assets increased \$4,301,959 (6.2% growth). Total revenues increased 11% over last year and expenses increased 4.9%. Major factors in revenues increasing 11% were:
  - Program revenues increased 13% due to the award of a non-recurring reimbursement grant in the amount of \$1,018,657 to purchase police radios.
  - The utility tax increased 12% due to unusual increases in natural gas billings. It is anticipated that future utility tax increases will reflect normal inflationary increases.
  - Investment income increased 49% due to unusual increases in the market value of U.S. government security and agency investments owned by the City. Management does not expect similar increases in market values in the future.
  - Other taxes increased 14% due to the annexation of a hotel, which increased the city's hotel/motel tax. Management expects hotel tax increases in the future to reflect inflationary increases after the impact of the new hotel is over.
- As noted earlier, expenses increased 4.9%. This amount generally reflected inflationary increases and some slight increases in service levels. Future cost increases are expected to be similar.

Expenses and Program Revenues – Governmental Activities



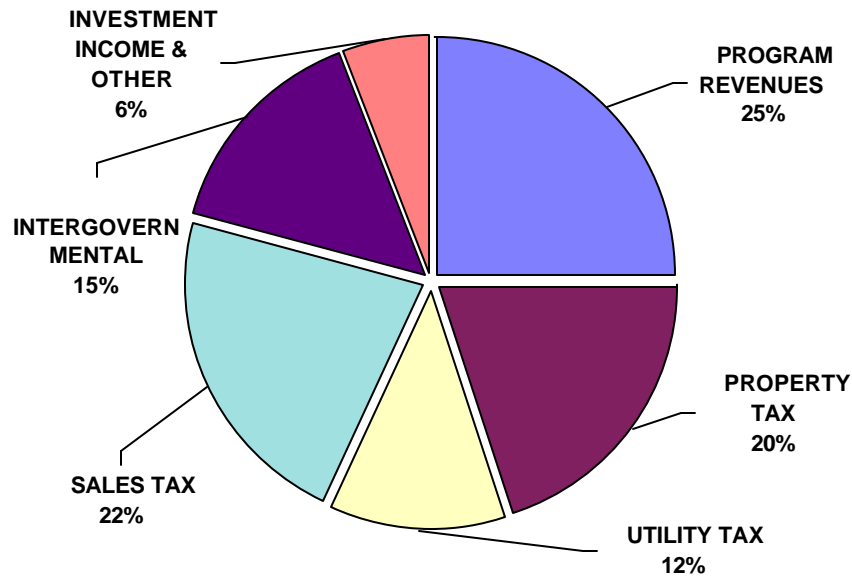
- Revenues for the City are generated from a number of different sources and for the most part are dependent on different financial factors. This relative mix of

## Management's Discussion and Analysis

June 30, 2001

different revenue sources, as illustrated in the chart below, provides long-term stability.

## Revenues by Sources – Governmental Activities



## Financial Analysis of the Government's Funds.

As noted earlier, the City of Urbana uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City of Urbana's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. 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. The City of Urbana's governmental funds reported combined ending fund balances of \$28,024,411 (99.2% is unreserved), an increase of \$4,535,625 over last year. Main reasons for this growth are the unusual revenue increases noted above.

The general fund is the primary operating fund of the City. During the year, revenues exceeded expenditures in the general fund by \$3,735,990. Planned operating transfers of \$3,305,497 to various other funds mainly for future capital projects reduced the increase in fund balance to \$430,493 during the year (8% increase). This fund balance is 36% of total expenditures, almost to last year's level of 35%.

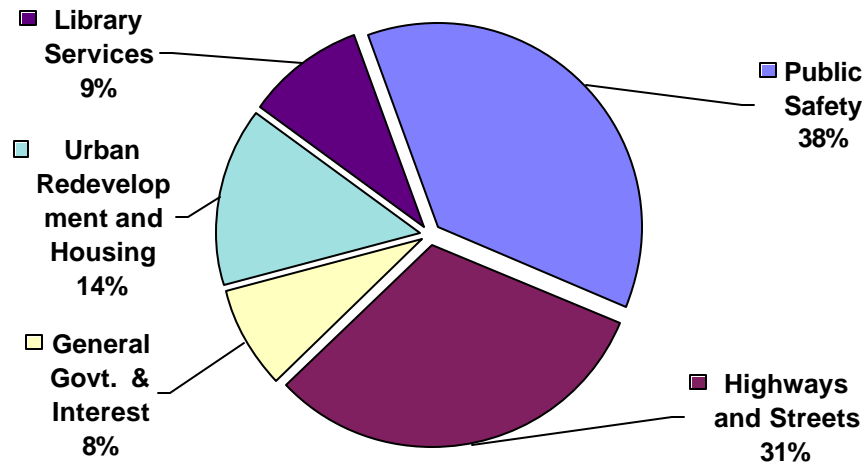
The chart below illustrates the breakdown of program costs:



## Management's Discussion and Analysis

June 30, 2001

## Expenditures by Program – Governmental Activities



## Proprietary Funds.

The only City of Urbana proprietary fund is the Motor Vehicle Parking Fund. This fund provides the same information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Motor Vehicle Parking Fund at June 30, 2001 was \$1,769,653, which was an increase of \$184,483 over last year.

## Budgetary Highlights.

Differences between the original budget and the final amended budget for all governmental funds were minor (\$354,000) and are summarized below:

- \$132,000 in new grants awarded for public safety equipment
- \$120,000 added for street improvement project
- \$102,000 added for various small program cost increases

Of this increase, \$161,000 was to be funded out of revenue increases directly related to the budget change. The remaining \$193,000 was to be budgeted from available fund balances. During the year, however, revenues exceeded budgetary estimates and expenditures were less than budget, thus eliminating the need to draw upon existing fund balances.

## Management's Discussion and Analysis

June 30, 2001

## Capital Asset Administration.

The City of Urbana's investment in capital assets includes land, buildings and improvements, equipment, streets, sewer systems, lighting systems, traffic signals, and other infrastructure. This investment in capital assets as of June 30, 2001, was \$52,029,406 (net of accumulated depreciation), up \$1,020,633 over last year. Purchase and depreciation amounts for the year are similar to the previous years. Major capital asset events during the year were:

- Addition of \$3,501,255 in total capital assets
- Addition of \$1,918,116 in infrastructure, of which \$1,500,000 was in various street improvements with the largest single improvement costing \$240,000
- Addition of \$1,123,568 in equipment, the largest single item costing less than \$128,0000
- Depreciation expense of \$2,480,622 was charged (\$1,204,668 was for infrastructure)

## Comparative Statement of Capital Assets, net of depreciation (in thousands):

	Governmental Activities		Business-type Activities		Total	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	Land \$ 6,489		\$ 2,972	\$ 2,843	\$ 3,646	\$ 3,646
Building and Improvements	6,994	6,965	2,364	2,441	9,358	9,406
Equipment	4,204	3,985	88	80	4,292	4,065
Infrastructure	<u>31,761</u>	<u>31,048</u>	<u>--</u>	<u>--</u>	<u>31,761</u>	<u>31,048</u>
Total Net Capital Assets	\$ 45,931	\$ 44,841	\$ 6,098	\$ 6,167	\$ 52,029	\$ 51,008

Additional information on capital assets can be found in note 4 in the Notes to Financial Statements.

## Management's Discussion and Analysis

June 30, 2001

## Debt Administration.

The City of Urbana had total outstanding bonded debt of \$3,175,000 at June 30, 2001. All of this amount is backed by the full faith and credit of the City of Urbana. Following is a comparative statement of outstanding debt (in thousands):

	Governmental Activities		Business-type Activities		Total	
	2001	2000	2001	2000	2001	2000
General obligation	\$ 692	\$ 904	\$ --	\$ --	\$ 692	\$ 904
Special revenue	<u>--</u>	<u>--</u>	<u>2,483</u>	<u>2,901</u>	<u>2,483</u>	<u>2,901</u>
Total bonds	\$ 692	\$ 904	\$ 2,483	\$ 2,901	\$ 3,175	\$ 3,805
Accumulated employee Absences	\$ 800	\$ 737	\$ --	\$ --	\$ 800	\$ 737
Landfill post-closure Monitoring	<u>487</u>	<u>516</u>	<u>--</u>	<u>--</u>	<u>487</u>	<u>516</u>
Total	<u>\$ 1,979</u>	<u>\$ 2,157</u>	<u>\$ 2,483</u>	<u>\$ 2,901</u>	<u>\$ 4,462</u>	<u>\$ 5,058</u>

During the year, \$658,650 was retired and \$62,963 in additional accumulated employee absences was accrued.

The City of Urbana maintains an Aa rating from Moody's. As a home-rule unit, no legal limit exists on the amount of debt that can be outstanding. Additional information on the City of Urbana long-term debt can be found in Note 4 of this report.

## Economic Factor's and Next Year's Budget.

Assessed valuation has averaged 6.3% annual growth over the last four years and 4.6% over the last 10 years. The City of Urbana has been very aggressive in encouraging new business development, encouraging new housing construction, and annexing properties into the city limits. These actions have been the primary reason for this 6.3% growth. We believe the future of the local real estate market remains strong, although growth in assessed value may more closely resemble the 10-year average in the future.

The general fund budget for next year increased 7%.

## Request for Information.

This financial report is designed to provide a general overview of the City of Urbana'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 Comptroller, 400 South Vine Street, Urbana, 61801.

Management's Discussion and Analysis

June 30, 2001

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CITY OF URBANA  
Statement of Net Assets  
June 30, 2001

<b>ASSETS</b>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Cash Equivalents:			
Cash on Hand	\$ 2,834	\$ 230	\$ 3,064
Checking	48,415	-	48,415
Savings	7,726,609	1,754,244	9,480,853
II. Public Treasurer's Pool	11,324,465	-	11,324,465
Money Market Funds	901,872	-	901,872
Investments	6,449,103	-	6,449,103
Receivables(net of uncollectibles):			
Property Tax	2,554,888	-	2,554,888
Accounts	104,994	70,654	175,648
Accrued Interest	82,318	-	82,318
Due from Other Governments	2,030,403	-	2,030,403
Other Taxes	539,087	-	539,087
Internal Balances	3,841	(3,841)	-
Prepaid Expenditures	225,705	-	225,705
Inventory of Supplies, at Cost	66,250	-	66,250
Investment in Joint Venture	38,912	-	38,912
Capital Assets (net of accumulated depreciation):			
Land	2,972,015	3,646,056	6,618,071
Buildings and Improvements	6,993,873	2,363,692	9,357,565
Equipment	4,203,883	88,478	4,292,361
Infrastructure	31,761,409	-	31,761,409
Total Assets	<u>\$ 78,030,876</u>	<u>\$ 7,919,513</u>	<u>\$ 85,950,389</u>
<b>LIABILITIES AND NET ASSETS</b>			
Liabilities:			
Accounts Payable	\$ 940,770	\$ 4,226	\$ 944,996
Accrued Interest	15,443	43,225	58,668
Accrued Salaries and Taxes	476,164	4,183	480,347
Unearned Revenues	145,867	-	145,867
Non-Current Liabilities:			
Due Within One Year	1,051,382	442,695	1,494,077
Due After More Than One Year	928,495	2,039,905	2,968,400
Total Liabilities	<u>3,558,121</u>	<u>2,534,234</u>	<u>6,092,355</u>
Net Assets:			
Invested in Capital Assets, net of Related Debt	45,808,293	3,615,626	49,423,919
Unrestricted	28,664,462	1,769,653	30,434,115
Total Net Assets	<u>74,472,755</u>	<u>5,385,279</u>	<u>79,858,034</u>
Total Liabilities and Net Assets	<u>\$ 78,030,876</u>	<u>\$ 7,919,513</u>	<u>\$ 85,950,389</u>

The accompanying notes are an integral part of these financial statements.

CITY OF URBANA  
Statement of Activities  
Fiscal Year Ended June 30, 2001

Functions/Programs:	Program Revenues				Governmental Activities	Business Type Activities	Total
	Expenses	Charges for Services	Operating Grants	Capital Grants			
Governmental Activities:							
Public Safety	\$ 9,344,652	\$ 2,577,934	\$ 58,330	\$ 1,018,657	\$ (5,689,731)	\$ -	\$(5,689,731)
Highways and Streets	7,909,898	994,612	20,734	-	(6,894,552)	-	(6,894,552)
General Government	1,998,922	347,199	-	-	(1,651,723)	-	(1,651,723)
Urban Redevelopment & Housing	3,578,934	332,474	2,111,398	-	(1,135,062)	-	(1,135,062)
Library Services	2,360,302	131,320	90,197	-	(2,138,785)	-	(2,138,785)
Interest on Long-Term Debt	39,232	-	-	-	(39,232)	-	(39,232)
Total Governmental Activities	25,231,940	4,383,539	2,280,659	1,018,657	(17,549,085)	-	(17,549,085)
Business-Type Activities:							
Motor Vehicle Parking	583,125	890,060	-	-	-	306,935	306,935
Total Functions/Programs	<u>\$25,815,065</u>	<u>\$ 5,273,599</u>	<u>\$ 2,280,659</u>	<u>\$ 1,018,657</u>	<u>(17,549,085)</u>	<u>306,935</u>	<u>(17,242,150)</u>
General Revenues:							
					6,193,883	-	6,193,883
					3,675,184	-	3,675,184
					3,451,347	-	3,451,347
					699,967	-	699,967
					594,824	-	594,824
					4,615,117	-	4,615,117
					1,631,838	93,478	1,725,316
					495,041	-	495,041
					2,088,866	-	2,088,866
					94,651	-	94,651
					3,084	-	3,084
					(132,897)	132,897	-
					<u>23,410,905</u>	<u>226,375</u>	<u>23,637,280</u>
					5,861,820	533,310	6,395,130
					68,610,935	4,851,969	73,462,904
					<u>\$ 74,472,755</u>	<u>\$ 5,385,279</u>	<u>\$79,858,034</u>

The accompanying notes are an integral part of this financial statement.

CITY OF URBANA  
Governmental Funds - Combined Balance Sheet

June 30, 2001

<b>ASSETS</b>	General	Urbana Free Library	Tax Stabilization	Building Financing	Other Governmental Funds	Totals
<b>Cash and Cash Equivalents:</b>						
Cash on Hand	\$ 2,268	\$ 516	\$ -	\$ -	\$ 50	\$ 2,834
Checking	4,380	27,931	-	-	10,121	42,432
Savings	344,322	646,201	125,936	536,186	5,895,741	7,548,386
Il. Public Treasurer's Pool	3,317,313	-	2,675,698	2,039,312	3,292,142	11,324,465
Money Market Funds	-	885,997	-	-	15,875	901,872
Investments	-	-	-	288,702	6,160,401	6,449,103
<b>Receivables (Net of Uncollectibles):</b>						
Property Tax	967,732	654,452	-	-	932,704	2,554,888
Accounts	104,994	-	-	-	-	104,994
Accrued Interest	-	2,806	-	-	79,512	82,318
Due from Other Governments	1,338,715	21,635	-	-	670,053	2,030,403
Other Taxes	388,001	-	-	-	151,086	539,087
Due from Other Funds	623,190	-	-	14,865	-	638,055
Prepaid Expenditures	225,706	-	-	-	-	225,706
<b>Total Assets</b>	<b>\$7,316,621</b>	<b>\$2,239,538</b>	<b>\$2,801,634</b>	<b>\$2,879,065</b>	<b>\$ 17,207,685</b>	<b>\$32,444,543</b>
 <b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities:</b>						
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ 646,113	\$ 646,113
Accounts Payable	265,547	10,157	-	58,717	394,494	728,915
Accrued Salaries and Taxes	441,072	27,184	-	-	1,128	469,384
Deferred Revenues	838,730	853,990	-	-	883,000	2,575,720
<b>Total Liabilities</b>	<b>1,545,349</b>	<b>891,331</b>	<b>-</b>	<b>58,717</b>	<b>1,924,735</b>	<b>4,420,132</b>
<b>Fund Balance:</b>						
Reserved for Prepaid Expenditures	225,706	-	-	-	-	225,706
<b>Unreserved and Designated For:</b>						
Employee Retirement Costs	-	-	-	-	340,132	340,132
Future Capital Outlays	-	-	-	2,820,348	5,165,019	7,985,367
Social Service Agencies	-	-	-	-	49,617	49,617
Equipment Replacement	-	-	-	-	2,231,990	2,231,990
Urbana Housing and Development	-	-	-	-	3,274,623	3,274,623
Local Matching for State Grants	-	-	-	-	1,402,229	1,402,229
Workers Compensation Claims	-	-	-	-	2,819,340	2,819,340
Unreserved and Undesignated	5,545,566	1,348,207	2,801,634	-	-	9,695,407
<b>Total Fund Balance</b>	<b>5,771,272</b>	<b>1,348,207</b>	<b>2,801,634</b>	<b>2,820,348</b>	<b>15,282,950</b>	<b>28,024,411</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$7,316,621</b>	<b>\$2,239,538</b>	<b>\$ 5,603,268</b>	<b>\$2,879,065</b>	<b>\$17,207,685</b>	<b>\$32,444,543</b>





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

June 30, 2001

Total fund balances, governmental funds	\$ 28,024,411
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds	45,859,507
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	2,468,764
Internal service funds are used by management to charge the costs of certain activities such as central garage and worker's compensation costs, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	115,393
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	<u>(1,995,320)</u>
Net assets of governmental activities	<u><u>\$ 74,472,755</u></u>

The accompanying notes are an integral part of these financial statements.

Governmental Funds  
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
 Fiscal Year Ended June 30, 2001

	General	Urbana Free Library	Tax Stabilization	Building Financing	Other Governmental Funds	Totals
Revenues:						
Property Tax	\$ 2,733,111	\$1,662,878	\$ -	\$ -	\$ 1,684,703	\$ 6,080,692
Utility Tax	3,675,184	-	-	-	-	3,675,184
State Sales Tax	3,267,494	-	-	-	183,853	3,451,347
Sewer Benefit Tax	-	-	-	-	699,967	699,967
Hotel/Motel Tax	594,824	-	-	-	-	594,824
Intergovernmental	4,187,414	233,170	-	41,282	4,551,879	9,013,745
Investment Income, (Net of Investment Expense)	182,037	56,676	130,957	126,523	1,135,645	1,631,838
Licenses, Fines, and Service Charges	2,842,492	131,320	50,000	-	355,066	3,378,878
Other	-	483,188	-	-	11,853	495,041
Municipal Sales Tax	2,088,866	-	-	-	-	2,088,866
<b>Total Revenues</b>	<b>19,571,422</b>	<b>2,567,232</b>	<b>180,957</b>	<b>167,805</b>	<b>8,622,966</b>	<b>31,110,382</b>
Expenditures:						
Current:						
Public Safety	8,954,668	-	-	-	94,250	9,048,918
Highways and Streets	4,153,638	-	50,000	-	282,893	4,486,531
General Government	1,735,791	-	-	-	192,430	1,928,221
Urban Redevelopment and Housing	891,229	-	-	-	2,674,632	3,565,861
Library Services	-	2,116,241	-	-	141,767	2,258,008
Debt Service:						
Principal Retirement	-	-	-	-	211,775	211,775
Interest	-	-	-	-	45,210	45,210
Capital Outlay	100,106	42,740	-	-	4,754,512	4,897,358
<b>Total Expenditures</b>	<b>15,835,432</b>	<b>2,158,981</b>	<b>50,000</b>	<b>-</b>	<b>8,397,469</b>	<b>26,441,882</b>
Excess of Revenues Over (Under) Expenditures	3,735,990	408,251	130,957	167,805	225,497	4,668,500
Other Financing Sources (Uses):						
Operating Transfers In	-	57,540	70,344	741,892	3,833,909	4,703,685
Operating Transfers Out	(3,305,497)	-	-	-	(1,531,063)	(4,836,560)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,305,497)</b>	<b>57,540</b>	<b>70,344</b>	<b>741,892</b>	<b>2,302,846</b>	<b>(132,875)</b>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	430,493	465,791	201,301	909,697	2,528,343	4,535,625
Fund Balance, Beginning of Year	5,340,779	882,416	2,600,333	1,910,651	12,754,607	23,488,786
<b>Fund Balance, End of Year</b>	<b>\$ 5,771,272</b>	<b>\$1,348,207</b>	<b>2,801,634</b>	<b>\$ 2,820,348</b>	<b>\$ 15,282,950</b>	<b>\$28,024,411</b>

The accompanying notes are an integral part of these financial statements.

Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balance of Governmental Funds to the Statement of Activities

Fiscal Year Ended June 30, 2001

Net change in fund balance, total governmental funds	\$ 4,535,625
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,101,046
A certain amount of property tax revenues in the statement of activities does not provide current financial resources and is not reported as revenue in the funds	113,191
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of bond repayments.	211,775
Some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds.	(25,251)
Internal service funds are used by management to charge the costs of certain activities such as a central garage and and worker's compensation costs, to individual funds. The net revenue (expense) of the internal service funds is reported with government activities	<u>(74,566)</u>
Change in net assets of governmental activities	<u>\$ 5,861,820</u>



General Fund  
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget (GAAP Basis) and Actual  
 Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
<b>Revenues:</b>				
Property Tax	\$ 2,713,441	\$ 2,713,441	\$ 2,733,111	\$ 19,670
Utility Tax	3,281,020	3,281,020	3,675,184	394,164
State Sales Tax	3,123,126	3,123,126	3,267,494	144,368
Hotel/Motel Tax	498,634	498,634	594,824	96,190
Intergovernmental	4,198,721	4,198,721	4,187,414	(11,307)
Investment Income (Net of Investment Expense)	147,380	147,380	182,037	34,657
Licenses, Fines, and Service Charges	2,619,710	2,635,430	2,842,492	207,062
Municipal Sales Tax	2,009,099	2,009,099	2,088,866	79,767
Total Revenues	<u>18,591,131</u>	<u>18,606,851</u>	<u>19,571,422</u>	<u>964,571</u>
<b>Expenditures-Current:</b>				
<b>Police:</b>				
Personnel Services	4,212,522	4,234,266	4,105,259	129,007
Materials & Supplies	40,960	40,960	27,639	13,321
Other Services & Charges	892,693	876,722	835,525	41,197
Total Police	<u>5,146,175</u>	<u>5,151,948</u>	<u>4,968,423</u>	<u>183,525</u>
<b>Fire:</b>				
Personnel Services	3,521,799	3,532,689	3,484,927	47,762
Materials & Supplies	58,935	58,935	48,442	10,493
Other Services & Charges	464,361	453,861	452,876	985
Total Fire	<u>4,045,095</u>	<u>4,045,485</u>	<u>3,986,245</u>	<u>59,240</u>
Total Public Safety	<u>9,191,270</u>	<u>9,197,433</u>	<u>8,954,668</u>	<u>242,765</u>
<b>Highways and Streets:</b>				
Personnel Services	2,519,650	2,524,942	2,280,751	244,191
Materials & Supplies	399,388	399,388	348,588	50,800
Other Services & Charges	1,655,804	1,728,204	1,524,299	203,905
Total Highways and Streets	<u>4,574,842</u>	<u>4,652,534</u>	<u>4,153,638</u>	<u>498,896</u>
<b>General Government:</b>				
<b>Executive:</b>				
Personnel Services	603,074	606,407	586,650	19,757
Materials & Supplies	16,610	16,610	14,078	2,532
Other Services & Charges	325,869	341,589	206,888	134,701
Total Executive	<u>945,553</u>	<u>964,606</u>	<u>807,616</u>	<u>156,990</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

General Fund  
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget (GAAP Basis) and Actual  
 Fiscal Year Ended June 30, 2001

(Continued)	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
General Government (Cont'd):				
Finance:				
Personnel Services	\$ 590,310	\$ 591,783	\$ 562,266	\$ 29,517
Materials & Supplies	57,080	57,080	48,440	8,640
Other Services & Charges	187,613	187,613	161,626	25,987
Total Finance	<u>835,003</u>	<u>836,476</u>	<u>772,332</u>	<u>64,144</u>
City Clerk:				
Personnel Services	105,895	106,192	104,822	1,370
Materials & Supplies	2,180	2,180	2,080	100
Other Services & Charges	24,637	24,637	21,477	3,160
Total City Clerk	<u>132,712</u>	<u>133,009</u>	<u>128,379</u>	<u>4,630</u>
Legislative:				
Personnel Services	26,600	26,600	26,600	-
Materials & Supplies	750	750	564	186
Other Services & Charges	8,460	8,460	300	8,160
Total Legislative	<u>35,810</u>	<u>35,810</u>	<u>27,464</u>	<u>8,346</u>
Total General Government	<u>1,949,078</u>	<u>1,969,901</u>	<u>1,735,791</u>	<u>234,110</u>
Urban Redevelopment and Housing:				
Personnel Services	597,882	597,882	590,463	7,419
Materials & Supplies	13,700	13,700	8,200	5,500
Other Services & Charges	292,110	367,057	292,566	74,491
Total Community Development	<u>903,692</u>	<u>978,639</u>	<u>891,229</u>	<u>87,410</u>
Total Current Expenditures	16,618,882	16,798,507	15,735,326	1,063,181
Capital Outlay	<u>82,390</u>	<u>109,279</u>	<u>100,106</u>	<u>9,173</u>
Total Expenditures	<u>\$ 16,701,272</u>	<u>\$ 16,907,786</u>	<u>\$ 15,835,432</u>	<u>\$ 1,072,354</u>

The accompanying notes are an integral part of these financial statements.



Urbana Free Library Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Property Tax	\$ 1,698,211	\$ 1,698,211	\$ 1,662,878	\$ (35,333)
Intergovernmental	242,477	242,477	233,170	(9,307)
Interest	17,550	17,550	56,676	39,126
Licenses, Fines and Service Charges	111,921	111,921	131,320	19,399
Other-Donations	-	-	483,188	483,188
	<u>2,070,159</u>	<u>2,070,159</u>	<u>2,567,232</u>	<u>497,073</u>
Total Revenues				
Expenditures:				
Current:				
Library Services:				
Personnel Services	1,484,996	1,484,996	1,448,434	36,562
Materials and Supplies	317,876	317,876	313,287	4,589
Contractual Services	357,236	357,236	354,520	2,716
	<u>2,160,108</u>	<u>2,160,108</u>	<u>2,116,241</u>	<u>43,867</u>
Total Library Services				
Capital Outlay	43,277	43,277	42,740	537
	<u>2,203,385</u>	<u>2,203,385</u>	<u>2,158,981</u>	<u>44,404</u>
Total Expenditures				
Net Revenues Over (Under) Expenditures	(133,226)	(133,226)	408,251	541,477
Other Financing Sources (Uses):				
Operating Transfers In	58,578	58,578	57,540	(1,038)
	<u>58,578</u>	<u>58,578</u>	<u>57,540</u>	<u>(1,038)</u>
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(74,648)	(74,648)	465,791	540,439
Fund Balance, Beginning of Year	882,416	882,416	882,416	-
Fund Balance, End of Year	<u>\$ 807,768</u>	<u>\$ 807,768</u>	<u>\$ 1,348,207</u>	<u>\$ 540,439</u>

The accompanying notes are an integral part of these financial statements.

Tax Stabilization Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Interest	\$ 113,240	\$ 113,240	\$ 130,957	\$ 17,717
Licenses, Fines and Service Charges	-	-	50,000	50,000
Total Revenues	113,240	113,240	180,957	67,717
Expenditures:				
Current:				
Highways and Streets:				
Contractual Services	6,000	56,000	50,000	6,000
Net Revenues Over (Under) Expenditures	107,240	57,240	130,957	73,717
Other Financing Uses:				
Operating Transfers In (Out)	(79,656)	(129,656)	70,344	200,000
Net Revenues Over (Under) Expenditures and Other Financing Sources	27,584	(72,416)	201,301	273,717
Fund Balance, Beginning of Year	2,600,333	2,600,333	2,600,333	-
Fund Balance, End of Year	<u>\$2,627,917</u>	<u>\$2,527,917</u>	<u>\$ 2,801,634</u>	<u>\$ 273,717</u>

The accompanying notes are an integral part of these financial statements.

Building Financing Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Intergovernmental-State Grant	\$ -	\$ -	\$ 41,282	\$ 41,282
Interest	140,000	140,000	118,190	(21,810)
Net Appreciation (Depreciation) in Fair Value Investments	-	-	8,333	8,333
Total Investment Income (Net of of Investment Expense)	140,000	140,000	126,523	(13,477)
Total Revenues	140,000	140,000	167,805	27,805
Other Financing Sources (Uses):				
Operating Transfers In (Out)	750,000	750,000	741,892	(8,108)
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	890,000	890,000	909,697	19,697
Fund Balance, Beginning of Year	1,910,651	1,910,651	1,910,651	-
Fund Balance, End of Year	<u>\$ 2,800,651</u>	<u>\$ 2,800,651</u>	<u>\$2,820,348</u>	<u>\$ 19,697</u>

The accompanying notes are an integral part of these financial statements.

1

Proprietary Funds  
Statement of Net Assets

June 30, 2001

<b>ASSETS</b>	Business-type Activities Enterprise Fund		Governmental Activities
	Motor Vehicle Parking Current Yr.	Motor Vehicle Parking Last Yr.	Internal Service Funds
Current Assets:			
Cash and Cash Equivalents:			
Cash on Hand	\$ 230	\$ 230	\$ -
Checking	-	-	5,983
Savings	1,754,244	1,634,873	178,223
Accounts Receivable (net of uncollectibles)	70,654	25,947	
Due from Other Funds	-	-	11,899
Intergovernmental Receivable	-	-	-
Inventory of Supplies	-	-	66,250
Total Current Assets	1,825,128	1,661,050	262,355
Capital Assets:			
Land	3,646,056	3,646,056	-
Buildings and Improvements	5,244,438	5,122,690	-
Equipment	273,239	252,342	160,574
Less Accumulated Depreciation	(3,065,507)	(2,853,464)	(88,901)
Total Capital Assets (net of Accumulated Depreciation)	6,098,226	6,167,624	71,673
Total Assets	7,923,354	7,828,674	334,028
<b>LIABILITIES</b>			
Current Liabilities:			
Due to Other Funds	3,841	3,881	-
Accounts Payable	4,226	17,877	211,855
Accrued Interest	43,225	50,474	-
Accrued Salaries and Taxes	4,183	3,648	6,780
General Obligation Bonds-Current	442,695	418,225	-
Total Current Liabilities	498,170	494,105	218,635
Non-current Liabilities:			
General Obligation Bonds Payable	2,039,905	2,482,600	-
Total Liabilities	2,538,075	2,976,705	218,635
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	3,117,456	3,266,799	71,673
Unrestricted	2,267,823	1,585,170	43,720
Total Net Assets	\$ 5,385,279	\$ 4,851,969	\$ 115,393

The accompanying notes are an integral part of these financial statements.

Proprietary Funds  
Statement of Revenues, Expenses and Changes in Fund Net Assets

Fiscal Year Ended June 30, 2001

	Business-type Activities Enterprise Fund		Governmental Activities
	Motor Vehicle Parking Current Yr.	Motor Vehicle Parking Last Yr.	Internal Service Funds
Operating Revenues:			
Parking Meters	\$ 648,380	\$ 569,512	\$ -
Parking Rentals	241,680	232,066	-
Charges for Services	-	-	902,321
<b>Total Operating Revenues</b>	<b>890,060</b>	<b>801,578</b>	<b>902,321</b>
Operating Expenses:			
Personnel Services	119,219	118,057	373,265
Supplies	31,695	31,221	43,387
Contractual Services	74,528	75,701	139,153
Equipment Parts	-	-	128,109
Fuel	-	-	140,044
Depreciation	212,043	200,948	11,859
Worker's Compensation Claims	-	-	141,048
<b>Total Operating Expenses</b>	<b>437,485</b>	<b>425,927</b>	<b>976,865</b>
<b>Operating Income</b>	<b>452,575</b>	<b>375,651</b>	<b>(74,544)</b>
Non Operating Revenues (Expenses):			
Investment Income (Net of Invest. Expense)	93,478	84,051	-
Interest Expense	(145,640)	(168,357)	-
<b>Total Non Operating Revenues (Expenses)</b>	<b>(52,162)</b>	<b>(84,306)</b>	<b>-</b>
Income Before Operating Transfers In (Out)	400,413	291,345	(74,544)
Operating Transfers In (Out)	132,897	145,999	(22)
<b>Change in Net Assets</b>	<b>533,310</b>	<b>437,344</b>	<b>(74,566)</b>
Net Assets, Beginning of Year	4,851,969	4,414,625	189,959
Net Assets, End of Year	<b>\$ 5,385,279</b>	<b>\$ 4,851,969</b>	<b>\$ 115,393</b>

The accompanying notes are an integral part of these financial statements.

## CITY OF URBANA

Proprietary Funds  
Statement of Cash Flows

Fiscal Year Ended June 30, 2001

	Business-Type Activities Motor Vehicle Parking Enterprise Fund		Governmental Activities Internal Service Funds
	Current Year	Last Year	
Cash Flows from Operating Activities:			
Receipts from Users	\$ 845,313	\$ 781,477	\$ 942,145
Payments to Employees	(118,684)	(117,279)	(372,863)
Payments to Suppliers	(119,874)	(96,838)	(461,227)
Worker's Compensations Claims	-	-	(92,014)
Net Cash Provided by (Used in) Operating Activities	<u>606,755</u>	<u>567,360</u>	<u>16,041</u>
Cash Flows from Non-Capital Financing Activities:			
Operating Transfers In (Out)	<u>132,897</u>	<u>145,999</u>	<u>(22)</u>
Cash Flows from Capital and Related Financing Activities:			
(Purchase) of Buildings and Improvements	(121,748)	(132,490)	-
(Purchase) of Equipment	(20,897)	(3,837)	-
Payment of Interest on Debt	(152,889)	(176,089)	-
Payment of Debt Principal	(418,225)	(400,990)	(845)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(713,759)</u>	<u>(713,406)</u>	<u>(845)</u>
Cash Flows from Investing Activities:			
Investment Income	<u>93,478</u>	<u>84,051</u>	<u>-</u>
Increase (Decrease) in Cash and Cash Equivalents	119,371	84,004	15,174
Beginning Cash and Cash Equivalents	<u>1,635,103</u>	<u>1,551,099</u>	<u>169,032</u>
Ending Cash and Cash Equivalents	<u>\$ 1,754,474</u>	<u>\$ 1,635,103</u>	<u>\$ 184,206</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

Proprietary Funds  
Statement of Cash Flows, Continued

Fiscal Year Ended June 30, 2001

	Business-Type Activities Motor Vehicle Parking Enterprise Fund		Governmental Activities Internal Service Funds
	<u>Current Year</u>	<u>Last Year</u>	
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ 452,575	\$ 375,651	\$ (74,544)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used in) Operating Activities:			
Depreciation Expense	212,043	200,948	11,859
(Increase) in Accounts Receivable	(44,707)	(22,982)	-
Decrease in Due from Other Funds	-	-	39,824
(Increase) in Inventory of Supplies	-	-	(7,072)
(Decrease) in Due to Other Funds	(40)	(2,881)	-
Increase (Decrease) in Accounts Payable	(13,651)	15,846	45,572
Increase in Accrued Salaries and Taxes	535	778	402
	<u>          </u>	<u>          </u>	<u>          </u>
Net Cash Provided (Used in) Operating Activities	<u>\$ 606,755</u>	<u>\$ 567,360</u>	<u>\$ 16,041</u>

The accompanying notes are an integral part of these financial statements.



## CITY OF URBANA

Fiduciary Funds  
Statement of Fiduciary Net Assets

June 30, 2001

<b>ASSETS</b>	Firemen's Pension Trust Fund	Policemen's Pension Trust Fund	Total
Cash and Cash Equivalents:			
Checking	\$ -	\$ 289	\$ 289
Savings	330,099	434,723	764,822
II. Public Treasurer's Pool	2,089	-	2,089
Money Market Funds	599,330	293,827	893,157
Investments, at fair value	19,691,721	13,045,427	32,737,148
Receivables (Net of Uncollectibles)			
Property Tax	221,989	483,512	705,501
Accrued Interest	10,476	116,835	127,311
Total Assets	\$ 20,855,704	\$ 14,374,613	\$ 35,230,317
<b>LIABILITIES</b>			
Accounts Payable	\$ -	19,316	19,316
<b>NET ASSETS</b>			
Held in Trust for Pension Benefits	\$ 20,855,704	\$ 14,355,297	\$ 35,211,001

The accompanying notes are an integral part of these financial statements.

Fiduciary Funds  
Statement of Changes in Fiduciary Net Assets

Fiscal Year Ended June 30, 2001

	Firemen's Pension	Policemen's Pension	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Additions:			
Employer Contributions	\$ 482,779	\$ 968,842	\$ 1,451,621
Employee Contributions	175,181	198,539	373,720
Subtotal Contributions	<u>657,960</u>	<u>1,167,381</u>	<u>1,825,341</u>
Investment Income:			
Interest and Dividends	1,174,558	584,386	1,758,944
Net Increase (Decrease) in Fair Value of Investments	<u>(1,810,290)</u>	<u>(984,471)</u>	<u>(2,794,761)</u>
Total, Investment Income	(635,732)	(400,085)	(1,035,817)
Less Investment Expense	<u>(5,997)</u>	<u>(107,309)</u>	<u>(113,306)</u>
Net Investment Income	<u>(641,729)</u>	<u>(507,394)</u>	<u>(1,149,123)</u>
Total Additions	<u>16,231</u>	<u>659,987</u>	<u>676,218</u>
Deductions:			
Benefits	1,082,596	928,066	2,010,662
Administrative Costs	<u>10,664</u>	<u>10,544</u>	<u>21,208</u>
Total Deductions	<u>1,093,260</u>	<u>938,610</u>	<u>2,031,870</u>
Change in Net Assets	(1,077,029)	(278,623)	(1,355,652)
Net Assets, Beginning of Year	<u>21,932,733</u>	<u>14,633,920</u>	<u>36,566,653</u>
Net Assets, End of Year	<u>\$ 20,855,704</u>	<u>\$ 14,355,297</u>	<u>\$ 35,211,001</u>

The accompanying notes are an integral part of these financial statements.

## Notes to Financial Statements

June 30, 2001

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Note 1 - Reporting Entity, Description of Funds and Account Groups and Significant Accounting Policies:

## A. Reporting Entity

The City of Urbana is located in Champaign County, Illinois, and was chartered in 1855. It is a "home rule" municipality under Illinois law. The City is governed by an elected mayor and seven-member council and provides a full range of services including public safety, streets and roads, library, planning, zoning, urban and housing redevelopment. In addition, the City provides public parking services as an enterprise activity and participates in a joint venture association that oversees monitoring of an old closed landfill. As required by generally accepted accounting principles, these financial statements present the City and any component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units would be combined with data of the City. There are no component units of the City of Urbana. For financial reporting purposes, the City includes all funds, accounts groups, agencies, boards, commissions and authorities that are controlled by or dependent on the City. Control by or dependence on the City (financial accountability) was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the City, operational independence and/or the obligation of the City to finance any deficits that may occur, in accordance with Statement No. 14 of the Governmental Accounting Standards Board.

## B. Joint Venture

The City participates in a joint venture, the Champaign-Urbana Solid Waste Disposal System (see note 3-B). A joint venture is an 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 an ongoing financial interest or an ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture. This joint venture does not meet the criteria for inclusion in the City's financial report as a component unit since the City does not exercise administrative control. The City of Urbana does report its equity interest in the joint venture using the equity method. An equity interest in a joint venture is manifest in the government having an explicit, measurable right to the net present or future resources of the joint venture.

Financial statements for the joint venture may be obtained at the following address:

Champaign-Urbana Solid Waste Disposal System  
706 South Glover Street  
Urbana, Illinois 61801

## C. Government-wide and Fund Financial Statements

## Notes to Financial Statements

June 30, 2001

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The government-wide financial statements (statement of net assets and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the government's parking system and other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. If there are any legally separate component units for which the primary government is financially accountable for, these are reported separately from the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Measurable means that the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to finance any liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. All other governmental fund revenues are considered available if they are collected within one year after year-end.

Those revenues susceptible to accrual are property taxes, franchise fees, special assessments, licenses, state sales, state income, utility, and municipal sales taxes that

## Notes to Financial Statements

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are collected and held by the state or other party on behalf of the government. Charges for services, fines, and parking fees are not susceptible to accrual because they are generally not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred, except for future interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The City of Urbana does not operate any utility services; therefore, there are no unbilled utility service receivables.

Deferred revenue is reported on the governmental fund balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria. Deferred revenues also arise when resources are received prior to the government having a legal claim to them. In a subsequent period, when both recognition criteria are met, or when the government has a legal claim to the resources, the liability is removed and the revenue recognized.

All private-sector standards of accounting and financial reporting (including those issued after December 1, 1989) are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with guidance of the Governmental Accounting Standards Board.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services in connection with the proprietary funds' principal operations. The principal operating revenues of the Motor Vehicle Parking System enterprise fund and the government's internal service funds are charges to customers for services. Operating expenses for the enterprise fund and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### E. Fund and Accounting Entity

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum numbers of funds are maintained consistent with legal and managerial requirements. The City of Urbana utilizes the following funds:

##### 1) Major Governmental Funds:

General – The General Fund is the operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement are accounted for in this fund. The General Fund pays operating expenditures, fixed charges, and capital improvement costs not paid through other funds.

## CITY OF URBANA

## Notes to Financial Statements

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Urbana Free Library – This fund accounts for property taxes levied and other revenues earmarked for payment of the operations of the Urbana Free Library.

Tax Stabilization – This fund accounts for large, known and possible future obligations. Revenues to pay for these obligations are provided by transfers from the general fund.

Building Financing – This fund is being used to accumulate funds for future expansion of city buildings and facilities. Transfers from the general fund provide revenues for these activities.

2) Major Proprietary Fund:

Motor Vehicle Parking Enterprise Fund - accounts for the revenues and cost of operations of the city's parking lots and garage. These operations that are financed similar to a private business enterprise; the intent is that the cost of the service be financed by user charges, and the activities be measured on a net income basis. This is deemed appropriate for capital maintenance, public policy, management control, accountability, and other purposes.

3) Nonmajor Special Revenue Governmental Funds - are used to account for the proceeds of certain specific revenue sources requiring separate accounting because of legal, regulatory, or administrative action. Nonmajor Special Revenue Funds used by the City are:

Municipal Retirement – This fund accounts for real property taxes that are levied to provide monies to make required payments to the Illinois Municipal Retirement Fund.

Motor Fuel Tax – This fund accounts for revenues received from the Illinois Department of Transportation for local government's share of the state motor fuel tax. These revenues are restricted to certain street and road improvements.

Social Services Agencies – This fund accounts for the City's payments to certain social service agencies. A transfer from the general fund provides revenue for these payments.

Vehicle and Equipment Replacement – This fund accounts for the City's purchase of vehicles and major items of equipment. A transfer from the general fund provides revenue for these purchases.

Community Development Special – This fund accounts for intergovernmental housing grants received. These revenues are restricted for various housing rehabilitation loans and grant payments.

## Notes to Financial Statements

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Community Development Block Grant – This fund accounts for revenues received from the Department of Housing and Urban Development. These revenues are restricted to accomplishing objectives of the C.D.B.G. program.

Tax Increment Financing District 1 – This fund accounts for the incremental property taxes, and state sales tax realized within the Tax Increment Financing District Number 1. It also accounts for a state grant. Expenditure of these revenues is restricted to capital improvements and redevelopment within the district.

Tax Increment Financing District 2 – This fund accounts for the incremental property taxes and state sales tax realized within the Tax Increment Financing District Number 2. It also accounts for a state grant. Expenditure of these revenues is restricted to capital improvements and redevelopment within the district.

Tax Increment Financing District 3 – This fund accounts for the incremental property taxes realized within the Tax Increment Financing District Number 3. Expenditure of these revenues is restricted to capital improvements and redevelopment within the district.

Tax Increment Financing District 4 – This fund accounts for the incremental property taxes realized within the Tax Increment Financing District Number 4. Expenditure of these revenues is restricted to capital improvements and redevelopment within the district.

Economic Development – This fund accounts for certain expenditures to encourage community economic development activities. Transfers from the general fund provide revenues for these activities.

Sales Tax Grant – This fund accounts for monies set aside and transferred each year to the general fund to replace certain sales tax proceeds that are required to be deposited to the tax increment district funds in order to obtain a State sales tax grant. A transfer from the general fund originally provided revenues for these transfers.

Insurance Financing – This fund is being used to accumulate funds for possible obligations from the City's worker's compensation retained risk program. Actual costs of the program are reported in the Worker's Compensation Retained Risk Internal Service Fund.

4) Nonmajor Debt Service Funds - are used to account for the annual payment of principal, interest, and expenditures on long-term general obligation debt and special assessment debt that has a general obligation commitment. Debt derived from the operations of an enterprise activity is accounted for in the enterprise funds. Debt Service Funds used by the City are:



## Notes to Financial Statements

June 30, 2001

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1994 Capital Bonds – This fund accounts for debt service payments on a 1994 general obligation debt issue. It is anticipated that transfers from the Sales Tax Grant - Special Revenue Fund will be made to pay this debt service.

1992 T.I.F. 3 Bonds – This fund accounts for debt service payments on a 1992 general obligation debt issue. It is anticipated that transfers from the T.I.F. District 3 Special Revenue Fund will be made to pay this debt service.

5) Nonmajor Capital Project Funds – are used to account for the financial resources segregated for the acquisition, construction, improvement, or replacement of major capital projects other than those financed by enterprise operations. Capital project funds used by the City are:

Capital Improvement and Replacement – This fund accounts for various major capital improvements. Revenues for these projects are acquired through transfers from the general fund.

Sanitary Sewer Construction – This fund is used to account for revenues from the City's sewer benefit tax. These revenues are restricted to payments for sanitary sewer improvements and maintenance.

City Hall/Library Improvement – This fund accounts for various improvements to the City Hall and Library facilities. Revenues for these projects are acquired through transfers from the general fund.

6) Nonmajor Internal Service Funds – are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government, on a cost-reimbursement basis. Internal Service Funds used by the City are:

Central Garage – This fund is used to account for vehicle maintenance costs, which are provided, to other departments, on a cost-reimbursement basis.

Worker's Compensation Retained Risk – This fund is used to account for the accumulation of monies necessary to pay for worker's compensation claims under a self-insurance program. Revenues are being accumulated through charges to the various departments of the City.

7) Fiduciary Funds – account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement. The City maintains two pension trust fiduciary funds:

Firemen's Pension Trust – This fund is used to account for the activity of a defined benefit single employer pension plan that covers all eligible city firefighters. Revenues to make the benefit payments are partially obtained from a property tax levy.

## Notes to Financial Statements

June 30, 2001

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Policemen's Pension Trust – This fund is used to account for the activity of a defined benefit single employer pension plan that covers all eligible city police officers. Revenues to make the benefit payments are partially obtained from a property tax levy.

F. Assets, Liabilities, and Net Assets or Fund Balance:

1) Deposits and Investments – The City considers cash on hand, checking, savings, the Illinois Public Treasurer's Pool, money market funds, and investments with original maturity of three months or less from the date of acquisition to be cash and cash equivalents. At June 30, 2001, there were no investments that were considered to be cash equivalents. The City maintains a cash and investment pool for use by all funds. Each fund's portion of this pool is displayed on the combined balance sheet in cash and investments. Interest income is distributed to each appropriate fund based on an average daily balance. Investments are reported at fair value. The Illinois Public Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. The City is authorized by state statute and locally approved investment policies to invest in the following:

- a. obligations of the U.S. Treasury, its agencies and instruments
- b. savings accounts, certificates of deposit, or time deposits that are direct obligations of any bank or savings and loan association that is insured by the Federal Deposit Insurance Corporation
- c. Illinois Public Treasurer's Investment Pool
- d. money market mutual funds where the portfolio is limited to U.S. Government securities Investments are stated at fair value.

In addition to the above, the City's Pension Trust Funds may also invest in:

- a. general and separate accounts of Illinois authorized life insurance companies
- b. mutual funds
- c. common stocks

## Notes to Financial Statements

June 30, 2001

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## 2) Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" for the current portion of interfund loans or "advances to/from other funds" for the non-current portion of interfund loans. All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not expendable available financial resources. All receivables are shown net of an allowance for uncollectibles.

The City passes its annual tax levy ordinance on or before the second Tuesday of December. The taxes are extended by the Champaign County Clerk against the equalized assessed valuation as of January 1st of the calendar year that the levy ordinance was enacted. Property taxes become a lien at that time. Property tax bills are due in two equal installments, payable in June and in September of the following year. The Champaign County Treasurer remits receipts to the City within a short period after collection. Delinquent property tax bills are sold in October. For governmental fund financial statements, approximately one-half of the property tax levy is deferred since this amount is normally not collected within a time period to be available (defined as within 60 days). No provision has been made for delinquent property taxes since in past years the amount has averaged less than one percent per year. As a home-rule unit of government, no property tax limitations are imposed.

## 3.) Inventories and Prepaid Items

The only inventories for supplies are carried in the Central Garage Internal Service Fund (\$66,250), and are stated at the lower of cost or market, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments reflect costs to future periods and are recorded as prepaid items in both the government-wide and governmental fund financial statements.

## 4.) Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of at least \$5,000 and an estimated useful life in excess of two years. These assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and

## Notes to Financial Statements

June 30, 2001

repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year, no interest was capitalized.

Land is not depreciated. Property, plant, and equipment of the government is depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Buildings	75
Building improvements	20-30
Vehicles	7-10
Office equipment	10
Other equipment	5
Infrastructure:	
Streets and Road Systems	30
Street Signals	15
Street Lighting Systems	40
Sewer Systems	50

## 5.) Compensated Absences:

City employees are granted vacation pay and sick leave in various amounts. Sick leave and vacation benefits may be accumulated; however, upon death or retirement, employees are eligible to receive only a portion of accumulated time. Such amounts are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. Governmental funds record as an expenditure the amount accrued during the year that would normally be liquidated with expendable available resources. There were no accumulated amounts for the proprietary funds at June 30, 2001.

## 6.) Long-Term Obligations:

In the government-wide financial statements and in the proprietary funds in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are

## Notes to Financial Statements

June 30, 2001

reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Note 2 – Reconciliation of Government-wide and Fund Financial Statements -

A. Explanation of Differences between the governmental fund balance sheet and the government-wide statement of activities:

The governmental fund financial statements include a statement reconciling the differences between fund balance in the governmental funds and net assets in the government-wide statement of net assets. One element of that reconciliation states that “other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds”. The details of this reconciling amount follows:

Approximately ½ of the amount of property tax receivable is deferred in the governmental funds	\$2,429,853
The amount of the investment in the joint venture is not reported as an asset in the governmental funds	<u>38,911</u>
Total	\$2,468,764

Another element of that reconciliation states that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds”. The details of this reconciling amount follows:

Bonds principle payable	\$1,979,877
Bond interest payable	<u>15,443</u>
Total	\$1,995,320

There are no bond-deferred charges, discounts or premiums.

B. Explanation of differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental fund financial statements include a statement reconciling the differences between changes in fund balance in the governmental funds and changes in net assets in the government-wide statement of activities. One element of that reconciliation is “the amount by which capital outlays exceeded depreciation in the current period”. The details of this reconciling amount follow:

## Notes to Financial Statements

June 30, 2001

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Capital outlays	\$3,357,766
Depreciation	<u>(2,256,720)</u>
Total	<u>\$1,101,046</u>

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds". The details of this reconciling item follow:

In the governmental funds, the payment to the joint venture was reported as expenditure under Highways and Streets. In the statement of activities this payment was reduced by the increase in the investment in the joint venture, which is shown as an asset.	\$ 3,084
Accrued interest payable	5,978
Amortization of long-term liability for future landfill Monitoring	28,650
Accumulated employee compensated absences	<u>(62,963)</u>
Total	<u>\$ (25,251)</u>

Note 3 – Stewardship, Compliance, and Accountability:

Budgetary Information – The Mayor and Budget Officer (Chief Administrative Officer acts as the Budget Officer) submit an operating budget to the City Council on approximately May 1, of each year for the fiscal year beginning on July 1, of that year. Public hearings and study sessions are conducted to obtain taxpayer comment. Prior to July 1, the budget ordinance is legally adopted. The Chief Administrative Officer is authorized to transfer budget amounts within each of the categories of personnel services materials and supplies, other services and charges, and capital outlay, as long as total expenditures in any single fund are not increased. All other budget revisions require City Council approval. The Council made several supplementary budgetary appropriations during the year resulting in a total increase in budgeted amounts of \$329,554 for all funds. Two significant budget increases were to recognize a new grant awarded to the city to purchase equipment in the amount of \$132,000 and an increase in the amount budgeted for a street improvement project in the amount of \$120,000. Other budget increase changes were small and insignificant.

## Notes to Financial Statements

June 30, 2001

All funds in which budgets are prepared (General, Special Revenue, Capital Projects, Enterprise, and Internal Service Funds) are adopted on a basis consistent with generally accepted accounting principles (GAAP). No annual budget is approved for the Fiduciary and Debt Service Funds. Budgetary control of the Pension Trust Funds is maintained through an annual actuarial review. Budgetary control of Debt Service Funds is achieved through the original debt ordinance provisions. No expenditures exceeded authorized budgeted levels.

The City of Urbana does not utilize encumbrance accounting, which provides for commitments of expenditures to be a reserve of fund balance at year-end. Appropriations that are not spent at year-end lapse may be acted upon as a supplemental appropriation, if required.

Note 4 – Detailed Notes on All Funds:

## A. Deposits and Investments

At year-end, the carrying amount of the government's deposits was \$13,105,777 and the bank balance was \$14,692,525. Of the bank balance, \$3,985,098 was covered by general depository insurance and \$10,707,427 was covered by collateral held by the City's agent in the City's name.

Investments – The City's investments are categorized below to give an indication of the level of risk assumed:

Category 1 – insured or registered, or securities held by the City or the City's agent in the City's name.

At year-end, the City's investment balances were as follows (fair value):

	<u>Category</u>	
	<u>1</u>	<u>Total</u>
U.S. Government Securities	<u>\$22,812,017</u>	\$22,812,017
Investments Not Subject to Categorization:		
Insurance Company Accounts		2,006,312
Investment in Illinois Public Treasurer's Pool		11,326,555
Investment in Money Market Funds		1,795,030
Investment in Mutual Funds		5,962,406
Investment in Common Stocks		5,594,118

## Notes to Financial Statements

June 30, 2001

No credit risk level is assigned to investment in Insurance Company Accounts, the Illinois Public Treasurer's Investment Pool, the Money Market Funds, Mutual Funds, or Common Stocks since the City does not own any specific identifiable securities.

## B. Investment in Joint Venture:

The Cities of Champaign and Urbana have entered into a joint venture, called the Champaign-Urbana Solid Waste Disposal System (CUSWDS), to oversee the operations of a local sanitary landfill. Effective June 1, 1987, the CUSWDS landfill ceased active operations. However, CUSWDS will be responsible for overseeing closeout and long-term maintenance of the site. The landfill was operated on an enterprise basis with its revenues derived primarily from user charges. The co-directors of the joint venture, the Mayor of Urbana and the City Manager of Champaign, have equal voting rights in respect to the system's operations. The annual budget is approved by both City Councils. Financial responsibility is based on the population of the two cities, at the time of the venture's establishment. Based on this proportionate share of population, the City of Urbana owns 38.2% of the net worth of the joint venture. This amount is shown as an asset called Investment in Joint Venture in the government-wide statement of net assets. The City of Champaign is reported the remaining 61.8%. Management anticipates that revenues will approximate expenses in the future.

Summary financial information for the joint venture at June 30, 2001, and the for the year then ended, is as follows:

Total Assets	\$101,864
Total Liabilities	<u>    --</u>
Total Fund Equity	<u>\$101,864</u>
Total Revenues	\$ 64,813
Total Expenses	<u>56,739</u>
Net Income (Loss)	<u>\$ 8,074</u>

## C. Capital Assets:

A summary of changes in capital assets follows:

	Balance 06/30/00	Additions	Balance Deletions	06/30/01
Governmental Activities:				
Land (not being depreciated)	\$ 2,843,487	\$ 128,528	\$ --	\$ 2,972,015
Capital assets being Depreciated:				
Buildings and Improvements	8,956,049	188,399	--	9,144,448



CITY OF URBANA

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Notes to Financial Statements

June 30, 2001

Accum. Depn. Buildings and Improvements Net	<u>(1,991,173)</u>	<u>(159,402)</u>	<u>--</u>	<u>(2,150,575)</u>
	<u>6,964,876</u>	<u>28,997</u>	<u>--</u>	<u>6,993,873</u>
Equipment Accum. Depn. Equipment Net	<u>7,760,379</u> <u>(3,775,555)</u>	<u>1,123,568</u> <u>(904,509)</u>	<u>(452,194)</u> <u>452,194</u>	<u>8,431,753</u> <u>(4,227,870)</u> <u>4,203,883</u>
Infrastructure Accum. Depn. Infrastructure Net	<u>39,983,947</u> <u>(8,935,986)</u>	<u>1,918,116</u> <u>(1,204,668)</u>	<u>--</u> <u>--</u>	<u>41,902,063</u> <u>(10,140,654)</u> <u>31,761,409</u>
Total, Governmental Activities, Net Capital Assets	<u>\$ 44,841,148</u>	<u>\$ 1,090,032</u>	<u>\$ --</u>	<u>\$ 45,931,180</u>

Business-type Activities:

Land (not being depreciated)	<u>\$ 3,646,056</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,646,056</u>
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Capital assets being Depreciated:

Buildings and Improvements Accum. Depn.	<u>5,122,690</u> <u>(2,681,300)</u>	<u>121,748</u> <u>(199,446)</u>	<u>--</u> <u>--</u>	<u>5,244,438</u> <u>(2,880,746)</u>
	<u>Balance</u> <u>06/30/00</u>	<u>Additions</u>	<u>Balance</u> <u>Deletions</u>	<u>06/30/01</u>
Buildings and Improvements Net	<u>2,441,390</u>	<u>(77,698)</u>	<u>--</u>	<u>2,363,692</u>
Equipment Accum. Depn. Equipment Net	<u>252,341</u> <u>(172,162)</u>	<u>20,896</u> <u>(12,597)</u>	<u>--</u> <u>--</u>	<u>273,237</u> <u>(184,759)</u> <u>88,478</u>
Total, Business-type Activities, Net Capital Assets	<u>\$ 6,167,625</u>	<u>\$ (69,399)</u>	<u>\$ --</u>	<u>\$ 6,098,226</u>

Depreciation expense was charged to functions/programs as follows:

Public Safety	\$ 494,185
Highways and Streets	1,604,727
General Government	71,400

## Notes to Financial Statements

June 30, 2001

Urban Redevelopment and Housing	27,194
Library	<u>59,214</u>
Total Depreciation Expense, Governmental Activities	<u>\$2,268,579</u>

## D. Long-Term Debt:

1.) General Obligation Bonds – The City of Urbana issues general obligation bonds (direct obligations that carry the full faith and credit of the City) to provide funds for the acquisition and construction of major capital assets. General obligation bonds have also been issued to refund general obligation bonds. As of June 30, 2001, the City had the following outstanding general obligation debt:

a. A portion of a bond issue dated June 1, 1994 (1994C Capital Improvement Bonds) that is considered a general obligation debt provides for serial retirement of varying amounts of principal and interest over the next 4 years as listed below. The balance of this issue is considered a revenue obligation debt (1994C Parking Bonds). Debt service on this issue is being paid through the 1994 Capital Bonds Debt Service Fund by an operating transfer from the Sales Tax Grant Special Revenue Fund.

<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>
2002	5.1	\$102,305	\$23,019
2003	5.2	107,835	17,801
2004	5.3	113,365	12,194
2005	5.3	<u>118,895</u>	<u>6,242</u>
		<u>\$442,400</u>	<u>\$59,256</u>

In 2001, \$96,775 of principal and \$27,954 interest was paid.

b. On October 1, 1992, the City issued \$1,000,000 in general obligation bonds (1992 TIF 3 Bonds). The proceeds were used to construct certain housing improvements in the TIF 3 area. The issue provides for serial retirement of varying amounts of principal and interest over the next 2 years as listed below. Debt service on this issue is being provided by an operating transfer from the Tax Increment Financing District 3 Special Revenue Fund.

<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>
2002	5.5	\$120,000	\$13,800
2003	5.5	<u>130,000</u>	<u>7,200</u>

## CITY OF URBANA

## Notes to Financial Statements

June 30, 2001

<u>\$250,000</u>	<u>\$21,000</u>
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In 2001, \$115,000 of principal and \$17,226 interest was paid.

2.) Employee compensated absences in the amount of \$800,427 were accrued at June 30, 2001 (See Note F-5).

3.) The City has agreed to certain post-closure monitoring of an old landfill, which has been closed. The City estimates that its share of these costs will be \$487,050 over the next 17 years.

4.) The City has no lease agreements, which qualify as a capital lease. The City has various other lease obligations for facilities and equipment. These may be canceled by either party and are considered operating leases. Amounts under these operating leases are not material.

5.) The annual requirements to amortize all long-term general obligations, other than accrued employee compensated absences and post-closure landfill monitoring (above), as of June 30, 2001, including interest payments of \$80,256 are as follows:

Year Ended	Total
2002	\$259,124
2003	262,836
2004	125,559
2005	<u>125,137</u>
TOTAL	<u>\$772,656</u>

6.) Revenue Bonds – The City of Urbana also issues bonds where income from the acquired or constructed assets is used to pay debt service. At June 30, 2001, the City had the following outstanding revenue obligation debt:

a. A revenue bond issue dated June 1, 1994 (1994A Parking Bonds) provides for serial retirement of varying amounts of principal and interest over the next 12 years as listed below. Debt service on this issue is being provided by an operating transfer from the Tax Increment Financing District 1 Special Revenue Fund to the Motor Vehicle Parking Enterprise Fund.

<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>
2002	5.3	\$ 165,000	\$ 59,588
2003	5.3	50,000	50,925

## Notes to Financial Statements

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2004	5.3	55,000	48,300
2005	5.3	60,000	45,413
2006	5.3	70,000	42,263
2007	5.3	75,000	38,588
2008	5.3	85,000	34,650
2009	5.3	95,000	30,188
2010	5.3	105,000	25,200
2011	5.3	115,000	19,688
2012	5.3	125,000	13,650
2013	5.3	<u>135,000</u>	<u>7,088</u>
		<u>\$1,135,000</u>	<u>\$ 415,541</u>

During the year, \$155,000 of principal and \$65,613 interest was paid.

b. A revenue bond issue dated June 1, 1994, (1994B Parking Bonds) provides for serial retirement of varying amounts of principal and interest over the next 12 years as listed below. Debt service on this issue is being provided by an operating transfer from the Tax Increment Financing District Two Special Revenue Fund to the Motor Vehicle Parking Enterprise Fund.

Interest Year	Rate	Principal	Interest
2002	5.2	\$ 195,000	\$ 51,480
2003	5.2	200,000	41,340
2004	5.2	210,000	30,940
2005	5.2	225,000	20,020
2006	5.2	20,000	8,320
2007	5.2	20,000	7,280
2008	5.2	20,000	6,240
2009	5.2	20,000	5,200
2010	5.2	20,000	4,160
2011	5.2	20,000	3,120
2012	5.2	20,000	2,080
2013	5.2	<u>20,000</u>	<u>1,040</u>
		<u>\$ 990,000</u>	<u>\$ 181,220</u>

During the year, \$185,000 of principal and \$58,493 interest was paid.

c. A portion of a bond issue dated June 1, 1994 (1994C Parking Bonds) that is considered a revenue obligation debt provides for serial retirement of varying amounts of principal and interest over the next 4 years as listed below. The balance of this issue is considered a general obligation debt (1994C Capital Improvement

## CITY OF URBANA

## Notes to Financial Statements

June 30, 2001

Bonds). Debt service on this issue is being paid by the Motor Vehicle Parking Enterprise Fund.

<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>
2002	5.1	\$ 82,695	\$ 18,606
2003	5.2	87,165	14,389
2004	5.3	91,635	9,856
2005	5.3	<u>96,105</u>	<u>5,045</u>
		<u>\$ 357,600</u>	<u>\$ 47,896</u>

During the year, \$78,225 of principal and \$21,534 interest was paid.

7.) The annual requirements to amortize all long-term revenue obligations, as of June 30, 2001, including interest of \$644,657 are as follows:

<u>Year Ended</u>	<u>Amount</u>
2002	\$ 572,369
2003	443,819
2004	445,731
2005	451,583
2006	140,583
2007	140,868
2008	145,890
2009	150,388
2010	154,360
2011	157,808
2012	160,730
2013	<u>163,128</u>
	<u>\$3,127,257</u>

8.) Changes in Long-Term Debt - The following is a summary of debt transactions of the City for the year ended June 30, 2001:

	<u>Payable</u> <u>6/30/00</u>	<u>Retired</u>	<u>Payable</u> <u>Additions</u>	<u>6/30/01</u>
General Obligation Bonds:				
1992 TIF 3 Bonds	\$ 365,000	\$ 115,000	\$ --	\$ 250,000
1994C Cap. Imp. Bonds	<u>539,175</u>	<u>96,775</u>	<u>--</u>	<u>442,400</u>
Total	<u>\$ 904,175</u>	<u>\$ 211,775</u>	<u>\$ --</u>	<u>\$ 692,400</u>

## Notes to Financial Statements

June 30, 2001

Accumulated Compensated Absences	<u>\$ 737,464</u>	<u>\$ --</u>	<u>\$ 62,963</u>	<u>\$ 800,427</u>
Landfill Post-closure Monitoring	<u>\$ 515,700</u>	<u>\$ 28,650</u>	<u>\$ --</u>	<u>\$ 487,050</u>
Revenue Bonds & Notes:				
1994A Parking Bonds	\$1,290,000	\$ 155,000	\$ --	\$1,135,000
1994B Parking Bonds	1,175,000	185,000	--	990,000
1994C Parking Bonds	<u>435,825</u>	<u>78,225</u>	<u>--</u>	<u>357,600</u>
Total	<u>\$2,900,825</u>	<u>\$ 418,225</u>	<u>\$ --</u>	<u>\$2,482,600</u>

## E. Pension and Retirement Fund Commitments:

## 1.) Illinois Municipal Retirement Fund (IMRF):

The City of Urbana contributes to the Illinois Municipal Retirement Fund ("IMRF"), a defined benefit pension plan which provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. I.M.R.F. is an agent-multiple-employer pension plan that 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. I.M.R.F. issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees that participate in I.M.R.F. are required to contribute 4.5 percent of their annual covered salary, as required by State Statute. The City of Urbana is required to contribute at an actuarially determined rate. The City of Urbana rate for calendar year 2000 was 3.79% and for calendar year 2001 is 2.56% of payroll. The employer contribution requirements are established and may be amended by the I.M.R.F. Board of Trustees.

For December 31, 2000, the City of Urbana's annual pension cost of \$219,551 was equal to the City of Urbana's required and actual contributions. The required contribution was determined as part of the December 31, 1998 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year attributable to inflation, (c) additional salary increases ranging from .4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) 3% per year cost-of-living adjustments. The actuarial value of I.M.R.F. assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The assumptions used for the 1998 actuarial valuation were based

## CITY OF URBANA

## Notes to Financial Statements

June 30, 2001

on the 1993-95 experience study. However, the 2000 actuarial valuation information are based on the assumptions in the 1996-98 experience study. The effect of the assumption change increased the unfunded actuarial accrued liability by \$261,858. I.M.R.F.'s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2000 was 32 years.

Trend Information

<u>Actuarial Date</u>	<u>Annual Pension Cost (APC)</u>	<u>% APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/00	\$219,551	100%	\$0
12/31/99	\$399,114	100%	\$0
12/31/98	\$385,171	100%	\$0
12/31/97	\$418,462	100%	\$0
12/31/96	\$405,117	100%	\$0
12/31/95	\$377,385	100%	\$0

Trend Information

<u>Actuarial Date</u>	<u>Annual Pension Cost (APC)</u>	<u>% APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/94	\$391,576	100%	\$0
12/31/93	\$368,799	100%	\$0
12/31/92	\$414,336	100%	\$0

A schedule of funding progress is presented in the Required Supplemental Information Section, following the notes.

## 2.) Police Pension Fund:

The City of Urbana contributes to the Urbana Police Pension Fund, a defined benefit single-employer pension plan, which provides retirement, death and disability benefits for police officers.

Although this is a single-employer plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois General Assembly. The City of Urbana accounts for the plan as a fiduciary pension trust fund. The Police Pension Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the City of Urbana Police Pension Fund, 400 S. Vine Street, Urbana, Illinois 61801.

Covered employees are required by State Statute to contribute 9.91% of their base salary to the plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City of Urbana is required to contribute the

## Notes to Financial Statements

June 30, 2001

remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033, the City's contributions must accumulate to the point where the past service cost of the plan is fully funded.

The City's annual pension cost and net pension obligation to the Police Pension Fund for the current year is as follows:

Annual Required Contribution	\$ 911,079
Interest on Net Pension Obligation	0
Adjustment to Annual Required Contribution	<u>0</u>
Annual Pension Cost	911,079
Contributions Made	968,842
Increase (decrease) in Net Pension Obligation	(57,763)
Net Pension Obligation, Beginning of Year	<u>(21,645)</u>
Net Pension Obligation, End of Year	<u>\$ (79,408)</u>

The annual required contribution for the current year was determined as part of the June 30, 2000, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7% investment rate of return [net of administrative expenses], (b) projected salary increases of 5.25% per year, and (c) post retirement benefit increases of 3% per year. The unfunded actuarial liability is being amortized as a level percentage of projected payroll over a 34 year closed period.

## Three Year Trend Information:

Actuarial Valuation Date	Annual Pension Cost (A.P.C.)	Percent A.P.C. Contributed	Net Pension Obligation
<i>INFORMATION BEFORE 1996 IS NOT AVAILABLE.</i>			
June 30, 1996	\$621,024	109.1%	(\$56,625)
June 30, 1997	\$894,326	97.5%	(\$34,619)
June 30, 1998	\$876,966	98.7%	(\$22,783)
June 30, 1999	\$954,569	99.9%	(\$21,645)
June 30, 2000	\$911,079	106.3%	(\$79,408)



## CITY OF URBANA

## Notes to Financial Statements

June 30, 2001

Actuarial Value Date	6/30/98	6/30/99	6/30/00
Actuarial Value of Plan Assets	\$11,445,123	\$12,489,176	\$13,582,546
Actuarial Accrued Liability (Entry Age Normal Cost)	\$17,708,970	\$19,014,902	\$19,769,233
Unfunded (Overfunded) Actuarial Accrued Liability	\$ 6,263,847	\$ 6,525,726	\$ 6,186,687
Funded Ratio	64.6%	65.7%	68.7%
Covered Payroll	\$ 1,869,403	\$ 2,004,454	\$ 2,005,269
Unfunded (Overfunded) Actuarial Accrued Liability As % Covered Payroll	335.1%	325.6%	308.5%

## 3.) Firemen's Pension Fund:

The City of Urbana contributes to the Urbana Firemen's Pension Fund that is a defined benefit single-employer pension plan, which provides retirement, death and disability benefits for firefighters.

Although this is a single-employer plan, the defined benefits and employee and employer contributions levels are governed by Illinois State Statutes and may be amended only by the Illinois General Assembly. This fund is accounted for and reported as a fiduciary pension trust fund. The Firemen's Pension Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the City of Urbana Firemen's Pension Fund, 400 S. Vine Street, Urbana, Illinois 61801.

Covered employees are required to contribute 8.455% of their salary to the Firemen's Pension Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City of Urbana is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary.

The City's annual pension cost and net pension obligation to the Firemen's Pension Fund for the current year is as follows:

Annual Required Contribution	\$ 459,832
Interest on Net Pension Obligation	0
Adjustment to Annual Required Contribution	<u>0</u>
Annual Pension Cost	459,832
Contributions Made	482,779
Increase (decrease) in Net Pension Obligation	(22,947)
Net Pension Obligation, Beginning of Year	<u>(106,411)</u>
Net Pension Obligation, End of Year	<u><u>\$ (129,358)</u></u>

## Notes to Financial Statements

June 30, 2001

The annual required contribution for the current year was determined as part of the June 30, 2000, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return [net of administrative expenses], (b) projected salary increases of 5.25% per year, and (c) post retirement benefit increases of 3% per year. The unfunded actuarial liability is being amortized as a level percentage of projected payroll over a 34 year closed period.

## Three Year Trend Information:

Actuarial Valuation Date	Annual Pension Cost (A.P.C.)	Percent A.P.C. Contributed	Net Pension Obligation	
<i>INFORMATION BEFORE 1996 IS NOT AVAILABLE.</i>				
June 30, 1996	\$328,061	110.2%	(\$33,328)	
June 30, 1997	\$308,987	113.2%	(\$74,104)	
June 30, 1998	\$380,367	103.8%	(\$88,443)	
June 30, 1999	\$440,150	104.1%	(\$106,411)	
June 30, 2000	\$459,832	105.0%	(\$129,358)	
Actuarial Value Date		6/30/98	6/30/99	6/30/00
Actuarial Value of Plan Assets	\$17,962,009	\$19,449,427	\$20,943,568	
Actuarial Accrued Liability (Entry Age Normal Cost) Unfunded (Overfunded)	\$18,450,491	\$19,931,074	\$21,272,505	
Actuarial Accrued Liability	\$ 488,482	\$ 481,647	\$ 328,937	
Funded Ratio	97.4%	97.6%	98.5%	
Covered Payroll Unfunded (Overfunded)	\$ 1,805,334	\$ 2,016,499	\$ 2,007,050	
Actuarial Accrued Liability As % Covered Payroll		27.1%	23.9%	16.4%

## 4.) Legal Debt Margin:

The City of Urbana is a "Home Rule" unit as established by the 1970 Illinois Constitution. As a Home Rule Community, no statutory debt limit exists.

## 5.) Other Bonding:

The City has issued certain amounts of industrial revenue, home mortgage revenue, and commercial development bonds. The City of Urbana issued these bonds and the proceeds used by private individuals or entities. The interest revenue received on the bonds is tax free, thus allowing the bonds to be sold at a lower than normal market interest rate. The City issued the bonds since the proceeds were used for a purpose, which benefited the general public. These bonds are all secured by the private enterprises or individuals utilizing these bonds and do not constitute an indebtedness, liability, or moral or legal obligation

## CITY OF URBANA

## Notes to Financial Statements

June 30, 2001

of the City of Urbana. Amounts of these bonds outstanding at June 30, 2001 are not significant.

## 6.) Other Taxes Receivable:

At Jun 30, 3001, the City of Urbana has accrued the following other taxes in both the government-wide and governmental fund financial statements (these amounts are received shortly after the end of the year):

	General Fund	Other Governmental Sanitary Sewer Capital Project Fund	Total
Util. Tax	\$ 288,401	\$ --	\$ 288,401
Hotel/Motel Tax	53,896	--	53,896
Local Sales Tax	22,553	--	22,553
Sewer Benefit Tax	--	151,086	151,086
Recycling Tax	<u>23,151</u>	<u>--</u>	<u>23,151</u>
	<u>\$ 388,001</u>	<u>\$ 151,086</u>	<u>\$ 539,087</u>

## 7.) Due from Other Governments:

Following is a breakdown of amounts due from other governments in both the government-wide and governmental fund financial statements, at June 30, 2001:

	General	Free Library	Other Govt.	Total
State:				
Income Tax	\$ 240,369	\$ --	\$ --	\$ 240,369
Sales Tax	1,042,387	--	--	1,042,387
Motor Fuel Tax	--	--	84,654	84,654
Corporate Personal Prop.				
Replacement Tax	43,875	11,705	--	55,580
Grants	4,795	9,930	--	14,725
Federal, Grants	<u>7,289</u>	<u>--</u>	<u>585,399</u>	<u>592,688</u>
Total	<u>\$1,338,715</u>	<u>\$ 21,635</u>	<u>\$ 670,053</u>	<u>\$2,030,403</u>

## 8.) Interfund Receivables and Payables:

A schedule of Due To and From Other Funds follows:

	Due From	Due To
General Fund	\$ 623,190	\$ --

## Notes to Financial Statements

June 30, 2001

Building Financing	14,865	--
Other Govt. Funds:		
Municipal Retirement	--	925
Social Service Agency	--	7,500
Vehicle and Equipment Replacement	--	29,062
Community Development Special	--	551,631
Community Development Block Grant	--	31,827
Tax Increment Financing District 1	--	5,011
Tax Increment Financing District 2	--	4,670
Tax Increment Financing District 4	--	1
Economic Development	--	1,187
Capital Improvement and Replacement	--	14,299
	<u>Due From</u>	<u>Due To</u>
Internal Service Funds:		
Central Garage	11,899	--
Total, Govt. Activities	\$ 649,954	\$ 646,113
Business-type Activities:		
Motor Vehicle Parking	\$ --	\$ 3,841
Total	<u>\$ 649,954</u>	<u>\$ 649,954</u>

## 9.) Reserve of Fund Balance:

Governments reserve net assets and fund balance for amounts that are not available to finance current operations and for amounts that are legally restricted by outside parties for a specific purpose. The City of Urbana reports the following reserves of net assets and fund balance:

a. The Firemen's and Policemen's Pension Trust Funds are single-employer, defined benefit pension plans to provide retirement, death, and disability benefits to firemen, policemen, and their dependents. As a result, fund balance is reserved for employee benefits.

b. Other Fund Reserves - There are other reserves of fund balance for prepaid expenditures, as explained in previous footnotes, according to generally accepted accounting principles.

## 10.) Industry Segment Data:

## Notes to Financial Statements

June 30, 2001

Industry segment information relating to the City's single enterprise as of June 30, 2001, and for the year then ended is as follows:

	<u>Motor Vehicle Parking</u>
Financial Position:	
Total Assets	\$ 7,923,354
Net Working Capital	1,326,958
Capital Assets (Net of Depreciation)	6,098,226
Long-Term Debt	2,039,905
Net Assets:	
Invested in Capital Assets (Net of Related Debt)	3,615,626
Unrestricted	1,769,653
Results of Operations:	
Operating Revenues	890,060
Depreciation Expense	(212,043)
	<u>Motor Vehicle Parking</u>
Other Operating Expenses	<u>\$ (225,442)</u>
Net Income (Loss) From Operations	452,575
Non-Operating Revenues (Expenses)	(52,162)
Operating Transfers In (Out)	<u>132,897</u>
Net Income (Loss)	533,310
Beginning Net Assets	<u>4,851,969</u>
Ending Net Assets	<u>\$ 5,385,279</u>
Cash Flows from Operations:	
Cash Provided by Operating Activities	\$ 606,755
Cash Provided from Non-capital Financing Activities	132,897
Cash Provided by (used in) Capital and Related Financing Activities	(713,759)
Net Cash Provided from Investing Activities	<u>93,478</u>
Increase (Decrease) in Cash and Equivalents	119,371
Beginning Cash and Cash Equivalents	<u>1,635,103</u>
Ending Cash and Cash Equivalents	<u>\$ 1,754,474</u>

Note 5 – Other Information:

## Notes to Financial Statements

June 30, 2001

## A. Risk Management and Worker's Compensation Self Insurance:

The City is exposed to various risks of loss related to torts, theft or damage to assets, errors and omissions, and natural disasters. The City has purchased commercial insurance for these risks. There have been no significant reductions in coverage from the prior year.

The City is also exposed to risk of loss from job-related illnesses and injuries to employees. To cover this risk, the City, in 1994, established a limited risk management and retention program. Charges for premiums are paid from City funds and departments into the Worker's Compensation Retained Risk Internal Service Fund and are available to pay claims, claim reserves and administrative costs. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can reasonably be estimated. The City has purchased excess commercial insurance to cover all amounts above \$350,000 per individual claim. Estimated losses have been determined based upon workers compensation claims made from the inception of the program through June 30, 2001. Amounts for claims incurred but not reported are considered to be immaterial at June 30, 2001. There have been no significant reductions in coverage from the prior year and settlements have been below coverage since inception of the program. Changes in the balance of claims liabilities during the past two years are as follows:

	<u>2001</u>	<u>2000</u>
Unpaid Claims, Beginning of Year	\$ 132,483	\$ 175,485
Incurred Claims	141,048	65,812
Claim Payments	<u>(92,014)</u>	<u>(108,814)</u>
Unpaid Claims, End of Year	<u>\$ 181,517</u>	<u>\$ 132,483</u>

## B. Deferred Compensation Plan:

The City maintains for its employees a deferred compensation plan under provisions of Internal Revenue Code Section 457. The plan, available to all full-time employees, allows participants to defer a portion of their salary until future years. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. The City has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for this plan. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants and are not subject to claims of the City's creditors. Accordingly, these plan assets are not reported as a part of these financial statements.

## C. Related Party Transactions:

The City of Urbana has entered into various agreements with other local governments. Because of the City's close relationship with these governments, these

## Notes to Financial Statements

June 30, 2001

transactions may not be considered at a normal arm's length. Significant activity under these related party transactions are:

The City of Urbana made payments to the City of Champaign under an agreement that provided police and fire dispatching services to Urbana. These payments totaled \$284,036 in 2001, and were reported under Other Services and Charges – Public Safety in the General Fund.

The City of Urbana received payments from the University of Illinois under an agreement in which the City provides fire safety services to the University. These payments totaled \$1,014,548 in 2001, and were reported under Intergovernmental Revenues in the General Fund.

## D. Contingent Liabilities:

1.) There are several lawsuits in which the City may potentially be involved. The City Attorney believes that the potential settlements from these claims, in excess of insurance coverage, would not materially affect the financial statements.

2.) In 1993, the City removed certain underground gasoline storage tanks and testing disclosed soil contamination at a number of different locations. Since that time, the City has performed certain remedial efforts such that all locations are now at acceptable levels and have been certified by the State EPA in 1999. Management believes that there will be no additional costs in this matter.

## E. Construction Commitments:

At June 30, 2001, there are the following uncompleted construction contracts:

<u>Project Title</u>	<u>Fund</u>	<u>Remaining Committed Construction</u>
Anthony Dr. Impr.	Capital Impr. and Replacement	\$ 253,000
Lincoln/Fla. Signals	Motor Fuel Tax	252,000
Lincoln/Ill. Signals	Motor Fuel Tax	368,000
Misc. Sewer Impr.	Sanitary Sewer Construction	290,000
City Hall H.V.A.C. Impr.	Capital Impr. and Replacement	60,000
Guardian Dr. Impr.	Capital Impr. and Replacement	68,000
Park/Wright Impr.	Community Dev. Block Grant	<u>64,000</u>
		<u>\$1,355,000</u>

Resources to finance these commitments will be provided from fund balance.

## Notes to Financial Statements

June 30, 2001

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## F. Single Audit:

The Federal Single Audit Act of 1984 requires an annual audit of certain major federal grant programs. The annual audit reports for the year ended June 30, 2001, have been issued separately. These reports contain information concerning whether grant activity is presented fairly in the general purpose financial statements, whether internal controls are sufficient to provide reasonable assurance that the funds are managed properly, and whether material grant compliance requirements have been met.

## G. Other Post-Employment Benefits:

In addition to the pension benefits disclosed in Note 4, the City provides retired employees an option to remain on the City's group health care and life insurance program. Retired employees are required to reimburse the City for one hundred percent of the cost of the benefits provided under this option. Health care and life insurance costs are recorded net of the reimbursements. At June 30, 2001, 45 retirees were enrolled in the City's health and life insurance program. Amounts incurred by the City and reimbursed by the retired employees was \$116,690 for the year ended June 30, 2001.

## H. Fair Value of Financial Instruments, Proprietary Fund Types:

The City's financial instruments consist principally of cash and cash equivalents, investments, receivables, payables, accrued expenses, and bonds payable. There are no significant differences between the carrying value and fair value of any of these financial instruments.



CITY OF URBANA

Required Supplementary Information  
 Schedule of Funding Progress for I.M.R.R. Pension Plan

June 30, 2001

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) (Entry Age)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2000	\$ 17,874,586	\$ 14,321,612	\$ (3,552,974)	124.81%	\$ 5,792,901	(52.33%)
12/31/1999	15,834,430	12,973,331	(2,861,099)	122.05%	5,467,322	(52.33%)
12/31/1998	13,650,558	11,746,175	(1,904,383)	116.21%	5,094,857	(37.37%)
12/31/1997	11,722,929	10,801,065	(921,864)	108.53%	5,035,409	(18.30%)
12/31/1996	9,856,534	9,213,799	(642,735)	106.98%	4,794,418	(13.40%)
12/31/1995	8,713,605	8,659,346	(54,259)	100.63%	4,487,787	(1.20%)
12/31/1994	7,065,611	7,296,653	231,042	96.83%	4,228,678	5.46%
12/31/1993	6,357,410	6,586,814	229,404	96.52%	3,987,021	5.75%
12/31/1992	5,499,108	6,315,981	816,873	87.07%	3,886,830	21.02%

Note: information is not available for years before 12/31/92.

Non-Major Governmental Funds - Combining Balance Sheet  
June 30, 2001

<b>ASSETS</b>	<u>Debt Service</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Totals</u>
Cash and Cash Equivalents:				
Cash on Hand	\$ -	\$ 50	\$ -	\$ 50
Checking	-	10,121	-	10,121
Savings	-	4,467,418	1,428,323	5,895,741
II. Public Treasurer's Pool	-	3,292,142	-	3,292,142
Money Market Funds	-	15,875	-	15,875
Investments	-	4,899,833	1,260,568	6,160,401
Receivables (Net of Uncollectibles):				
Property Tax	-	932,704	-	932,704
Accrued Interest	-	79,512	-	79,512
Due from Other Governments	-	670,053	-	670,053
Other Taxes	-	-	151,086	151,086
 Total Assets	 <u>\$ -</u>	 <u>\$14,367,708</u>	 <u>\$2,839,977</u>	 <u>\$ 17,207,685</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Due to Other Funds	\$ -	\$ 631,814	\$ 14,299	\$ 646,113
Accounts Payable	-	127,348	267,146	394,494
Accrued Salaries and Taxes	-	1,128	-	1,128
Deferred Revenues	-	883,000	-	883,000
Total Liabilities	<u>-</u>	<u>1,643,290</u>	<u>281,445</u>	<u>1,924,735</u>

Fund Balance - Unreserved and Designated For:

Employee Retirement Costs	-	340,132	-	340,132
Future Capital Outlay	-	2,606,487	2,558,532	5,165,019
Social Service Agencies	-	49,617	-	49,617
Equipment Replacement	-	2,231,990	-	2,231,990
Urban Housing and Development	-	3,274,623	-	3,274,623
Local Matching for State Grants	-	1,402,229	-	1,402,229
Workers Compensation Claims	-	2,819,340	-	2,819,340
		<hr/>	<hr/>	<hr/>
Total Fund Balance	-	12,724,418	2,558,532	15,282,950
		<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balance	\$ -	\$ 14,367,708	\$ 2,839,977	\$ 17,207,685
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Non-Major Governmental Fund Types  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Fiscal Year Ended June 30, 2001

	Debt Service	Special Revenue	Capital Projects	Totals
Revenues:				
Property Tax	\$ -	\$ 1,684,703	\$ -	\$ 1,684,703
State Sales Tax	-	183,853	-	183,853
Sewer Benefit Tax	-	-	699,967	699,967
Intergovernmental	-	4,492,365	59,514	4,551,879
Investment Income (Net of Investment Expense)	-	942,277	193,368	1,135,645
Licenses, Fines, and Service Charges	-	323,692	31,374	355,066
Other	-	-	11,853	11,853
	<u>-</u>	<u>7,626,890</u>	<u>996,076</u>	<u>8,622,966</u>
Expenditures:				
Current:				
Public Safety	-	94,250	-	94,250
Highways and Streets	-	282,893	-	282,893
General Government	-	192,430	-	192,430
Urban Redevelopment and Housing	-	2,674,632	-	2,674,632
Library Services	-	141,767	-	141,767
Debt Service:				
Principal Retirement	211,775	-	-	211,775
Interest	45,210	-	-	45,210
Capital Outlay	-	3,180,684	1,573,828	4,754,512
	<u>256,985</u>	<u>6,566,656</u>	<u>1,573,828</u>	<u>8,397,469</u>
Excess of Revenues Over (Under) Expenditures	<u>(256,985)</u>	<u>1,060,234</u>	<u>(577,752)</u>	<u>225,497</u>
Other Financing Sources (Uses):				
Operating Transfers In	256,985	2,019,770	1,557,154	3,833,909
Operating Transfers Out	-	(1,171,543)	(359,520)	(1,531,063)
	<u>256,985</u>	<u>848,227</u>	<u>1,197,634</u>	<u>2,302,846</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	1,908,461	619,882	2,528,343
Fund Balance, Beginning of Year, As Restated	<u>-</u>	<u>10,815,957</u>	<u>1,938,650</u>	<u>12,754,607</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$12,724,418</u>	<u>\$ 2,558,532</u>	<u>\$15,282,950</u>

Non-Major Debt Service Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Fiscal Year Ended June 30, 2001

	1994 Capital Bonds	1992 T.I.F. 3 Bonds	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Expenditures-Debt Service:			
Principal	\$ 96,775	\$ 115,000	\$ 211,775
Interest	<u>27,954</u>	<u>17,256</u>	<u>45,210</u>
Total Expenditures	124,729	132,256	256,985
Other Financing Sources (Uses):			
Operating Transfers In (Out)	<u>124,729</u>	<u>132,256</u>	<u>256,985</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-
Fund Balance, Beg. of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF URBANA

Non-Major Special Revenue Funds - Combining Balance Sheet

June 30, 2001

(Page 1 of 2)

ASSETS	Municipal Retirement	Motor Fuel Tax	Social Service Agencies	Vehicle and Equipment Replacement	Community Development		Tax Increment Financing District 1
					Special	Block Grant	
Cash and Cash Equivalents:							
Cash on Hand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ -
Checking	9,670	-	-	-	1	450	-
Savings	85,999	31,408	63,617	45,141	100,502	-	316,637
II. Public Treasurer's Pool	-	1,394,814	-	35,616	-	-	1,450,821
Money Market Funds	-	-	-	-	-	-	-
Investments	254,569	1,095,874	-	2,249,660	-	-	-
Receivables (net of Uncollectibles):							
Property Tax	-	-	-	-	-	-	326,885
Accrued Interest	-	-	-	-	-	-	-
Due from Other Governments	-	84,654	-	-	554,072	31,327	-
<b>Total Assets</b>	<b>\$ 350,238</b>	<b>\$ 2,606,750</b>	<b>\$ 63,617</b>	<b>\$ 2,330,417</b>	<b>\$ 654,575</b>	<b>\$ 31,827</b>	<b>\$ 2,094,343</b>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Due to Other Funds	\$ 925	\$ -	\$ 7,500	\$ 29,062	\$ 551,631	\$ 31,827	\$ 5,011
Accounts Payable	9,181	263	6,500	69,365	3,783	-	-
Accrued Salaries and Taxes	-	-	-	-	-	-	-
Deferred Revenues	-	-	-	-	-	-	284,750
<b>Total Liabilities</b>	<b>10,106</b>	<b>263</b>	<b>14,000</b>	<b>98,427</b>	<b>555,414</b>	<b>31,827</b>	<b>289,761</b>
Fund Balance - Unreserved, Designated For:							
Employee Retirement Costs	340,132	-	-	-	-	-	-
Future Capital Outlay	-	2,606,487	-	-	-	-	-
Social Service Agencies	-	-	49,617	-	-	-	-
Equipment Replacement	-	-	-	2,231,990	-	-	-
Urban Housing and Development	-	-	-	-	99,161	-	1,804,582
Local Matching for State Grants	-	-	-	-	-	-	-
Worker Compensation Claims	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>340,132</b>	<b>2,606,487</b>	<b>49,617</b>	<b>2,231,990</b>	<b>99,161</b>	<b>-</b>	<b>1,804,582</b>

Total Liabilities and  
Fund Balance

\$ 350,238   \$ 2,606,750   \$ 63,617   \$ 2,330,417   \$ 654,575   \$ 31,827   \$ 2,094,343

(Continued)

CITY OF URBANA  
 Non-Major Special Revenue Funds - Combining Balance Sheet  
 June 30, 2001  
 (Page 2 of 2)

<b>ASSETS</b>	Tax Increment Financing District 2	Tax Increment Financing District 3	Tax Increment Financing District 4	Economic Development	Sales Tax Grant	Insurance Financing	Total
Cash and Cash Equivalents:							
Cash on Hand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50
Checking	-	-	-	-	-	-	10,121
Savings	186,767	285,615	1	525,279	7,112	2,819,340	4,467,418
II. Public Treasurer's Pool	410,891	-	-	-	-	-	3,292,142
Money Market Funds	-	-	-	-	15,875	-	15,875
Investments	-	-	-	-	1,299,730	-	4,899,833
Receivables (net of Uncollectibles):							
Property Tax	279,373	326,446	-	-	-	-	932,704
Accrued Interest	-	-	-	-	79,512	-	79,512
Due from Other Governments	-	-	-	-	-	-	670,053
<b>Total Assets</b>	<b>\$ 877,031</b>	<b>\$ 612,061</b>	<b>\$ 1</b>	<b>\$ 525,279</b>	<b>\$ 1,402,229</b>	<b>\$ 2,819,340</b>	<b>\$ 14,367,708</b>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Due to Other Funds	\$ 4,670	\$ -	\$ 1	\$ 1,187	\$ -	\$ -	\$ 631,814
Accounts Payable	18,616	10,542	-	9,098	-	-	127,348
Accrued Salaries and Taxes	1,128	-	-	-	-	-	1,128
Deferred Revenues	273,500	324,750	-	-	-	-	883,000
<b>Total Liabilities</b>	<b>297,914</b>	<b>335,292</b>	<b>1</b>	<b>10,285</b>	<b>-</b>	<b>-</b>	<b>1,643,290</b>
Fund Balance - Unreserved:, Designated For:							
Employee Retirement Costs	-	-	-	-	-	-	340,132
Future Capital Outlay	-	-	-	-	-	-	2,606,487
Social Service Agencies	-	-	-	-	-	-	49,617
Equipment Replacement	-	-	-	-	-	-	2,231,990
Urban Housing and Development	579,117	276,769	-	514,994	-	-	3,274,623
Local Matching for State Grants	-	-	-	-	1,402,229	-	1,402,229
Worker Compensation Claims	-	-	-	-	-	2,819,340	2,819,340
<b>Total Fund Balance</b>	<b>579,117</b>	<b>276,769</b>	<b>-</b>	<b>514,994</b>	<b>1,402,229</b>	<b>2,819,340</b>	<b>12,724,418</b>



Total Liabilities and  
Fund Balance

<u>\$ 877,031</u>	<u>\$ 612,061</u>	<u>\$ 1</u>	<u>\$ 525,279</u>	<u>\$ 1,402,229</u>	<u>\$ 2,819,340</u>	<u>\$ 14,367,708</u>
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CITY OF URBANA

Non-Major Special Revenue Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Fiscal Year Ended June 30, 2001  
 (Page 1 of 2)

	Municipal Retirement	Motor Fuel Tax	Social Service Agencies	Vehicle and Equipment Replacement	Community Development		Tax Increment Financing District 1
					Special	Block Grant	
Revenues:							
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 573,554
State Sales Tax	-	-	-	-	-	-	-
Intergovernmental	-	1,192,630	-	1,188,337	1,561,596	324,401	2,018
Investment Income:							
Interest	31,750	136,751	-	191,737	6,707	-	97,152
Net Appreciation (Depreciation) in Fair Value of Investments	9,167	33,306	-	69,387	-	-	-
Total Investment Income (Net of Investment Expense)	40,917	170,057	-	261,124	6,707	-	97,152
Licenses, Fines and Services Charges	-	-	-	153,909	98,290	43,236	-
Total Revenues	40,917	1,362,687	-	1,603,370	1,666,593	367,637	672,724
Expenditures:							
Current:							
Public Safety	62,097	-	-	32,153	-	-	-
Highways & Streets	282,893	-	-	-	-	-	-
General Government	59,915	-	132,515	-	-	-	-
Urban Redevelopment and Housing	82,925	-	-	-	1,679,840	438,637	1,191
Library Services	141,767	-	-	-	-	-	-
Capital Outlay	-	627,363	-	2,225,927	22,068	-	39,727
Total Expenditures	629,597	627,363	132,515	2,258,080	1,701,908	438,637	40,918
Excess of Revenues Over (Under) Expenditures	(588,680)	735,324	(132,515)	(654,710)	(35,315)	(71,000)	631,806
Other Financing Sources (Uses):							
Operating Transfers In	450,000	-	120,590	1,006,707	34,481	71,000	-
Operating Transfers (Out)	-	-	-	-	-	-	(228,336)
Total Other Financing Sources (Uses)	450,000	-	120,590	1,006,707	34,481	71,000	(228,336)
Excess of Revenues Over (Under) Expenditures and Other Financing Financing Sources (Uses)	(138,680)	735,324	(11,925)	351,997	(834)	-	403,470
Fund Balance, Beginning of Year	478,812	1,871,163	61,542	1,879,993	99,995	-	1,401,112
Fund Balance, End of Year	\$ 340,132	\$ 2,606,487	\$ 49,617	\$ 2,231,990	\$ 99,161	\$ -	\$ 1,804,582

(Continued)

CITY OF URBANA  
 Non-Major Special Revenue Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Fiscal Year Ended June 30, 2001  
 (Page 2 of 2)

	Tax Increment Financing District 2	Tax Increment Financing District 3	Tax Increment Financing District 4	Economic Development	Sales Tax Grant	Insurance Financing	Total
<b>Revenues:</b>							
Property Tax	\$ 537,164	\$ 573,985	\$ -	\$ -	\$ -	\$ -	\$ 1,684,703
State Sales Tax	183,853	-	-	-	-	-	183,853
Intergovernmental	223,383	-	-	-	-	-	4,492,365
<b>Investment Income:</b>							
Interest	33,861	10,737	-	20,380	92,607	168,353	790,035
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	-	-	40,382	-	152,242
Total Investment Income (Net of Investment Expense)	33,861	10,737	-	20,380	132,989	168,353	942,277
Licenses, Fines and Service Charges	-	-	-	28,257	-	-	323,692
<b>Total Revenues</b>	<b>978,261</b>	<b>584,722</b>	<b>-</b>	<b>48,637</b>	<b>132,989</b>	<b>168,353</b>	<b>7,626,890</b>
<b>Expenditures:</b>							
<b>Current:</b>							
Public Safety	-	-	-	-	-	-	94,250
Highways and Streets	-	-	-	-	-	-	282,893
General Government	-	-	-	-	-	-	192,430
Urban Redevelopment and Housing	206,356	164,013	9,904	91,766	-	-	2,674,632
Library Services	-	-	-	-	-	-	141,767
Capital Outlay	25,599	240,000	-	-	-	-	3,180,684
<b>Total Expenditures</b>	<b>231,955</b>	<b>404,013</b>	<b>9,904</b>	<b>91,766</b>	<b>-</b>	<b>-</b>	<b>6,566,656</b>
Excess of Revenues Over (Under) Expenditures	746,306	180,709	(9,904)	(43,129)	132,989	168,353	1,060,234
<b>Other Financing Sources (Uses):</b>							
Operating Transfers In	-	-	9,904	323,726	-	3,362	2,019,770
Operating Transfers (Out)	(440,370)	(194,256)	-	-	(308,581)	-	(1,171,543)
<b>Total Other Financing Sources (Uses)</b>	<b>(440,370)</b>	<b>(194,256)</b>	<b>9,904</b>	<b>323,726</b>	<b>(308,581)</b>	<b>3,362</b>	<b>848,227</b>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	305,936	(13,547)	-	280,597	(175,592)	171,715	1,908,461
Fund Balance, Beginning of Year	273,181	290,316	-	234,397	1,577,821	2,647,625	10,815,957
<b>Fund Balance, End of Year</b>	<b>\$ 579,117</b>	<b>\$ 276,769</b>	<b>\$ -</b>	<b>\$ 514,994</b>	<b>\$ 1,402,229</b>	<b>\$ 2,819,340</b>	<b>\$12,724,418</b>



Municipal Retirement Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Investment Income:				
Interest	\$ 15,000	\$ 15,000	\$ 31,750	\$ 16,750
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	9,167	9,167
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>40,917</u>	<u>25,917</u>
Expenditures-Current:				
Public Safety:				
Personnel Services	74,087	74,087	62,097	11,990
Highways & Streets:				
Personnel Services	337,513	337,513	282,893	54,620
General Government:				
Personnel Services	71,483	71,483	59,915	11,568
Urban Redevelopment & Housing:				
Personnel Services	98,936	98,936	82,925	16,011
Library Services:				
Personnel Services	169,138	169,138	141,767	27,371
Total Expenditures	<u>751,157</u>	<u>751,157</u>	<u>629,597</u>	<u>121,560</u>
Net Revenues Over (Under) Expenditures	(736,157)	(736,157)	(588,680)	147,477
Other Financing Sources (Uses):				
Operating Transfers In (Out)	<u>326,910</u>	<u>326,910</u>	<u>450,000</u>	<u>123,090</u>
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(409,247)	(409,247)	(138,680)	270,567
Fund Balance, Beginning of Year	<u>478,812</u>	<u>478,812</u>	<u>478,812</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 69,565</u>	<u>\$ 69,565</u>	<u>\$ 340,132</u>	<u>\$ 270,567</u>

Motor Fuel Tax Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Intergovernmental- State Allotment	\$ 1,474,750	\$ 1,474,750	\$ 1,192,630	\$ (282,120)
Investment Income:				
Interest	95,000	95,000	136,751	41,751
Net Appreciation (Depreciation) in Fair Value Investments	-	-	33,306	33,306
Total Investment Income (Net of of Investment Expense)	95,000	95,000	170,057	75,057
 Total Revenues	 1,569,750	 1,569,750	 1,362,687	 (207,063)
Expenditures-Capital Outlay:				
Windsor/Philo	75,000	75,000	-	75,000
Annual Street Maintenance	1,440,569	1,440,569	506,471	934,098
Lincoln/Florida	599,419	599,419	108,670	490,749
Huff/Boudreau Improvements	420,000	420,000	-	420,000
Street Lighting Replacement	157,524	157,524	4,681	152,843
Signal Improvements	315,000	315,000	7,541	307,459
 Total Expenditures	 3,007,512	 3,007,512	 627,363	 2,380,149
 Net Revenues Over (Under) Expenditures	 (1,437,762)	 (1,437,762)	 735,324	 2,173,086
Fund Balance, Beginning of Year	1,871,163	1,871,163	1,871,163	-
Fund Balance, End of Year	\$ 433,401	\$ 433,401	\$ 2,606,487	\$ 2,173,086

Social Service Agencies Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Expenditures-Current:				
General Government:				
Contractual Services	\$ 143,300	\$ 143,300	\$ 132,515	\$ 10,785
Other Financing Sources:				
Operating Transfers In	128,090	128,090	120,590	(7,500)
Net Revenues Over (Under) Expenditures and Other Financing Sources	(15,210)	(15,210)	(11,925)	3,285
Fund Balance, Beginning of Year	61,542	61,542	61,542	-
Fund Balance, End of Year	\$ 46,332	\$ 46,332	\$ 49,617	\$ 3,285

Vehicle and Equipment Replacement Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Intergovernmental	\$ 24,300	\$ 49,930	\$ 1,188,337	\$ 1,138,407
Investment Income:				
Interest	49,999	49,999	191,737	141,738
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	69,387	69,387
Total Investment Income (Net of Investment Expense)	49,999	49,999	261,124	211,125
Licenses, Fines and Service Charges	17,001	72,301	153,909	81,608
Total Revenues	91,300	172,230	1,603,370	1,431,140
Expenditures:				
Current - Public Safety:				
Contractual Services	37,543	72,182	32,153	40,029
Capital Outlay	2,840,441	2,938,032	2,225,927	712,105
Total Expenditures	2,877,984	3,010,214	2,258,080	752,134
Net Revenues Over (Under) Expenditures	(2,786,684)	(2,837,984)	(654,710)	2,183,274
Other Financing Sources (Uses):				
Operating Transfers In	1,004,930	1,004,930	1,006,707	1,777
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(1,781,754)	(1,833,054)	351,997	2,185,051
Fund Balance, Beg. of Year:	1,879,993	1,879,993	1,879,993	-
Fund Balance, End of Year	\$ 98,239	\$ 46,939	\$ 2,231,990	\$ 2,185,051



Community Development Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Intergovernmental:				
State Grants	\$ 25,000	\$ 25,000	\$ 90,502	\$ 65,502
Federal Grants	1,261,729	1,261,729	1,471,094	209,365
Total Intergovernmental	1,286,729	1,286,729	1,561,596	274,867
Interest	4,010	4,010	6,707	2,697
Licenses, Fines and Service Charges	139,200	139,200	98,290	(40,910)
Total Revenues	1,429,939	1,429,939	1,666,593	236,654
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Contractual Services	3,672,896	3,879,413	1,679,840	2,199,573
Capital Outlay	96,964	96,964	22,068	74,896
Total Expenditures	3,769,860	3,976,377	1,701,908	2,274,469
Net Revenues Over (Under) Expenditures	(2,339,921)	(2,546,438)	(35,315)	2,511,123
Other Financing Sources (Uses):				
Operating Transfers In (Out)	(132,829)	(132,829)	34,481	167,310
Net Revenues Over (Under) Expenditures and Other Financing Sources	(2,472,750)	(2,679,267)	(834)	2,678,433
Fund Balance, Beginning of Year	99,995	99,995	99,995	-
Fund Balance, End of Year	<u>\$ (2,372,755)</u>	<u>\$ (2,579,272)</u>	<u>\$ 99,161</u>	<u>\$ 2,678,433</u>

Community Development Block Grant Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Intergovernmental-				
Federal Entitlement	\$ 837,820	\$ 837,820	\$ 324,401	\$ (513,419)
Licenses, Fines and Service Charges	7,500	7,500	43,236	35,736
Total Revenues	<u>845,320</u>	<u>845,320</u>	<u>367,637</u>	<u>(477,683)</u>
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	160,065	160,065	143,438	16,627
Materials and Supplies	4,600	4,600	504	4,096
Contractual Services	461,101	461,101	294,695	166,406
Total Urban Redevelopment and Housing	<u>625,766</u>	<u>625,766</u>	<u>438,637</u>	<u>187,129</u>
Capital Outlay	219,553	219,553	-	219,553
Total Expenditures	<u>845,319</u>	<u>845,319</u>	<u>438,637</u>	<u>406,682</u>
Net Revenues Over (Under) Expenditures	1	1	(71,000)	(71,001)
Other Financing Sources (Uses):				
Operating Transfers In (Out)	-	-	71,000	71,000
Net Revenues Over (Under) Expenditures and Other Financing Sources	1	1	-	(1)
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

Tax Increment Financing District 1 Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Property Tax	\$ 589,500	\$ 589,500	\$ 573,554	\$ (15,946)
Intergovernmental-State Grant	3,600	3,600	2,018	(1,582)
Interest	-	-	97,152	97,152
	<u>593,100</u>	<u>593,100</u>	<u>672,724</u>	<u>79,624</u>
Total Revenues				
	593,100	593,100	672,724	79,624
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Contractual Services	53,606	53,606	1,191	52,415
Capital Outlay	721,407	721,407	39,727	681,680
	<u>775,013</u>	<u>775,013</u>	<u>40,918</u>	<u>734,095</u>
Total Expenditures				
	775,013	775,013	40,918	734,095
Net Revenues Over (Under) Expenditures	(181,913)	(181,913)	631,806	813,719
Other Financing Uses:				
Operating Transfers (Out)	(1,469,875)	(1,469,875)	(228,336)	1,241,539
	<u>(1,469,875)</u>	<u>(1,469,875)</u>	<u>(228,336)</u>	<u>1,241,539</u>
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(1,651,788)	(1,651,788)	403,470	2,055,258
Fund Balance, Beginning of Year	1,401,112	1,401,112	1,401,112	-
	<u>1,401,112</u>	<u>1,401,112</u>	<u>1,401,112</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (250,676)</u>	<u>\$ (250,676)</u>	<u>\$ 1,804,582</u>	<u>\$ 2,055,258</u>

Tax Increment Financing District 2 Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Property Tax	\$ 518,500	\$ 518,500	\$ 537,164	\$ 18,664
State Sales Tax	214,000	214,000	183,853	(30,147)
Intergovernmental-State Grant	160,000	160,000	223,383	63,383
Interest	1,000	1,000	33,861	32,861
	<u>893,500</u>	<u>893,500</u>	<u>978,261</u>	<u>84,761</u>
Total Revenues				
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	40,460	40,460	33,320	7,140
Contractual Services	322,501	322,501	173,036	149,465
Total Urban Redevelopment and Housing	362,961	362,961	206,356	156,605
Capital Outlay	668,087	668,087	25,599	642,488
	<u>1,031,048</u>	<u>1,031,048</u>	<u>231,955</u>	<u>799,093</u>
Total Expenditures				
Net Revenues Over (Under) Expenditures	(137,548)	(137,548)	746,306	883,854
Other Financing Sources (Uses):				
Operating Transfers In (Out)	(439,900)	(439,900)	(440,370)	(470)
	<u>(577,448)</u>	<u>(577,448)</u>	<u>305,936</u>	<u>883,384</u>
Net Revenues Over (Under) Expenditures and Other Financing Sources				
Fund Balance, Beginning of Year	273,181	273,181	273,181	-
	<u>273,181</u>	<u>273,181</u>	<u>273,181</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (304,267)</u>	<u>\$ (304,267)</u>	<u>\$ 579,117</u>	<u>\$ 883,384</u>

Tax Increment Financing District 3 Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Property Tax	\$ 340,000	\$ 340,000	\$ 573,985	\$ 233,985
Interest	6,000	6,000	10,737	4,737
 Total Revenues	 346,000	 346,000	 584,722	 238,722
 Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Contractual Services	231,200	231,200	164,013	67,187
Capital Outlay	320,000	320,000	240,000	80,000
 Total Expenditures	 551,200	 551,200	 404,013	 147,187
 Net Revenues Over (Under) Expenditures	 (205,200)	 (205,200)	 180,709	 385,909
 Other Financing Sources (Uses):				
Operating Transfers In (Out)	(76,000)	(76,000)	(194,256)	(118,256)
 Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	 (281,200)	 (281,200)	 (13,547)	 267,653
 Fund Balance, Beginning of Year	 290,316	 290,316	 290,316	 -
 Fund Balance, End of Year	 \$ 9,116	 \$ 9,116	 \$ 276,769	 \$ 267,653

Tax Increment Financing District 4 Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Contractual Services	\$ 9,904	\$ 9,904	\$ 9,904	\$ -
Other Financing Sources (Uses):				
Operating Transfers In (Out)	-	9,904	9,904	-
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	9,904	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ 9,904</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Economic Development Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Interest	\$ 8,000	\$ 8,000	\$ 20,380	\$ 12,380
Licenses, Fines and Service Charges	22,800	22,800	28,257	5,457
Total Revenues	30,800	30,800	48,637	17,837
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Contractual Services	454,130	484,130	91,766	392,364
Net Revenues Over (Under) Expenditures	(423,330)	(453,330)	(43,129)	410,201
Other Financing Sources (Uses):				
Operating Transfers In (Out)	194,096	194,096	323,726	129,630
Net Revenues Over Sources (Uses)	(229,234)	(259,234)	280,597	539,831
Fund Balance, Beginning of Year	234,397	234,397	234,397	-
Fund Balance, End of Year	\$ 5,163	\$ (24,837)	\$ 514,994	\$ 539,831

Sales Tax Grant Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Investment Income:				
Interest	\$ 89,177	\$ 89,177	\$ 92,607	\$ 3,430
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	40,382	40,382
Total Investment Income (Net of Investment Expense)	89,177	89,177	132,989	43,812
Other Financing Sources (Uses):				
Operating Transfers In (Out)	(474,851)	(474,851)	(308,581)	166,270
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(385,674)	(385,674)	(175,592)	210,082
Fund Balance, Beginning of Year:	1,577,821	1,577,821	1,577,821	-
Fund Balance, End of Year	\$ 1,192,147	\$ 1,192,147	\$ 1,402,229	\$ 210,082



Insurance Financing Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Investment Income:				
Interest	\$ 138,000	\$ 138,000	\$ 168,353	\$ 30,353
Other Financing Sources (Uses):				
Operating Transfers In (Out)	-	-	3,362	3,362
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	138,000	138,000	171,715	33,715
Fund Balance, Beginning of Year:	2,647,625	2,647,625	2,647,625	-
Fund Balance, End of Year	<u>\$ 2,785,625</u>	<u>\$ 2,785,625</u>	<u>\$ 2,819,340</u>	<u>\$ 33,715</u>

Non-Major Capital Projects Funds  
Combining Balance Sheet  
June 30, 2001

<b>ASSETS</b>	<u>Capital Improvement and Replacement</u>	<u>Sanitary Sewer Construction</u>	<u>City Hall Improvement</u>	<u>Total</u>
Cash and Cash Equivalents:				
Savings	\$ 771,278	\$ 657,045	\$ -	\$ 1,428,323
Investments	1,260,568	-	-	1,260,568
Receivables (Net of Uncollectibles):				
Other Taxes	-	151,086	-	151,086
 Total Assets	 <u>\$ 2,031,846</u>	 <u>\$ 808,131</u>	 <u>\$ -</u>	 <u>\$ 2,839,977</u>
 <b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Due to Other Funds	\$ 14,299	\$ -	\$ -	\$ 14,299
Accounts Payable	267,146	-	-	267,146
 Total Liabilities	 <u>281,445</u>	 <u>-</u>	 <u>-</u>	 <u>281,445</u>
Fund Balance:				
Unreserved, Designated for Future Capital Outlay:				
General Construction	1,750,401	-	-	1,750,401
Sewer Construction	-	808,131	-	808,131
 Total Fund Balance	 <u>1,750,401</u>	 <u>808,131</u>	 <u>-</u>	 <u>2,558,532</u>
 Total Liabilities and Fund Balance	 <u>\$ 2,031,846</u>	 <u>\$ 808,131</u>	 <u>\$ -</u>	 <u>\$ 2,839,977</u>

Non-Major Capital Projects Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Fiscal Year Ended June 30, 2001

	Capital Improvement and Replacement	Sanitary Sewer Construction	City Hall Improvement	Total
Revenues:				
Sewer Benefit Tax	\$ -	\$ 699,967	\$ -	\$ 699,967
Intergovernmental	59,514	-	-	59,514
Investment Income:				
Interest	124,032	34,925	-	158,957
Net Appreciation (Depreciation) in Fair Value Investments	34,411	-	-	34,411
Total, Investment Income (Net Investment Expense)	158,443	34,925	-	193,368
Licenses, Fines, and Service Charges	31,374	-	-	31,374
Other	11,853	-	-	11,853
Total Revenues	261,184	734,892	-	996,076
Expenditures-Capital Outlay:				
General Construction	1,309,208	-	22,974	1,332,182
Sewer Construction	74,914	166,732	-	241,646
Total Expenditures	1,384,122	166,732	22,974	1,573,828
Net of Revenues Over (Under) Expenditures	(1,122,938)	568,160	(22,974)	(577,752)
Other Financing Sources (Uses):				
Operating Transfers In	1,534,180	-	22,974	1,557,154
Operating Transfers (Out)	-	(359,520)	-	(359,520)
Total Other Financing Sources (Uses)	1,534,180	(359,520)	22,974	1,197,634
Net of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	411,242	208,640	-	619,882
Fund Balance, Beg. Year	1,339,159	599,491	-	1,938,650
Fund Balance, End Year	\$ 1,750,401	\$ 808,131	\$ -	\$ 2,558,532



Capital Improvement and Replacement Capital Projects Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Intergovernmental	\$ 177,000	\$ 177,000	\$ 59,514	\$ (117,486)
Investment Income:				
Interest	88,000	88,000	124,032	36,032
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	34,411	34,411
Total, Investment Income (Net of Investment Expense)	88,000	88,000	158,443	70,443
Licenses, Fines and Service Charges	8,001	8,001	31,374	23,373
Other	10,000	10,000	11,853	1,853
<b>Total Revenues</b>	<b>283,001</b>	<b>283,001</b>	<b>261,184</b>	<b>(21,817)</b>
Expenditures-Capital Outlay:				
General Construction:				
Street and Light Improvements	2,775,721	2,795,721	1,111,248	1,684,473
City Property Improvements	237,242	287,242	197,960	89,282
<b>Total General Construction</b>	<b>3,012,963</b>	<b>3,082,963</b>	<b>1,309,208</b>	<b>1,773,755</b>
Sewer Construction	186,464	186,464	74,914	111,550
<b>Total Expenditures</b>	<b>3,199,427</b>	<b>3,269,427</b>	<b>1,384,122</b>	<b>1,885,305</b>
<b>Net of Revenues Over (Under) Expenditures</b>	<b>(2,916,426)</b>	<b>(2,986,426)</b>	<b>(1,122,938)</b>	<b>1,863,488</b>
Other Financing Sources (Uses):				
Operating Transfers In	1,421,013	1,471,013	1,534,180	63,167
<b>Net of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>(1,495,413)</b>	<b>(1,515,413)</b>	<b>411,242</b>	<b>1,926,655</b>
Fund Balance, Beginning of Year:	1,339,159	1,339,159	1,339,159	-
<b>Fund Balance, End of Year</b>	<b>\$ (156,254)</b>	<b>\$ (176,254)</b>	<b>\$ 1,750,401</b>	<b>\$ 1,926,655</b>

Sanitary Sewer Construction Capital Projects Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Sewer Benefit Tax	\$ 645,000	\$ 645,000	\$ 699,967	\$ 54,967
Investment Income - Interest	28,000	28,000	34,925	6,925
Total Revenues	673,000	673,000	734,892	61,892
Expenditures - Capital Outlay:				
Sewer Construction	624,079	624,079	166,732	457,347
Net of Revenues Over (Under) Expenditures	48,921	48,921	568,160	519,239
Other Financing Sources (Uses):				
Operating Transfers (Out)	(359,520)	(359,520)	(359,520)	-
Net of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(310,599)	(310,599)	208,640	519,239
Fund Balance, Beginning of Year	599,491	599,491	599,491	-
Fund Balance, End of Year	<u>\$ 288,892</u>	<u>\$ 288,892</u>	<u>\$ 808,131</u>	<u>\$ 519,239</u>

City Hall/Library Improvement Capital Projects Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Expenditures - Capital Outlay:				
General Construction	\$ 37,982	\$ 37,982	\$ 22,974	\$ 15,008
Other Financing Sources:				
Operating Transfers In	-	-	22,974	22,974
Net of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(37,982)	(37,982)	-	37,982
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ (37,982)	\$ (37,982)	\$ -	\$ 37,982

Motor Vehicle Parking Enterprise Fund  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Parking Meters	\$ 500,000	\$ 500,000	\$ 648,380	\$ 148,380
Parking Rentals	240,100	240,100	241,680	1,580
Total Operating Revenues	<u>740,100</u>	<u>740,100</u>	<u>890,060</u>	<u>149,960</u>
Operating Expenses:				
Personnel Services	131,910	131,910	119,219	12,691
Supplies	44,611	44,611	31,695	12,916
Contractual Services	122,622	122,622	74,528	48,094
Depreciation	220,000	220,000	212,043	7,957
Total Operating Expenses	<u>519,143</u>	<u>519,143</u>	<u>437,485</u>	<u>81,658</u>
Operating Income	<u>220,957</u>	<u>220,957</u>	<u>452,575</u>	<u>231,618</u>
Non-Operating Revenues (Expenses):				
Investment Income (net of investment expense)	50,000	50,000	93,478	43,478
Interest Expense	(577,000)	(577,000)	(145,640)	431,360
Total Non-Operating Revenues (Expenses)	<u>(527,000)</u>	<u>(527,000)</u>	<u>(52,162)</u>	<u>474,838</u>
Income (Loss) Before Operating Transfers	(306,043)	(306,043)	400,413	706,456
Operating Transfers In (Out)	<u>135,872</u>	<u>135,872</u>	<u>132,897</u>	<u>(2,975)</u>
Change in Net Assets	(170,171)	(170,171)	533,310	703,481
Net Assets, Beginning of Year	<u>4,851,969</u>	<u>4,851,969</u>	<u>4,851,969</u>	<u>-</u>
Net Assets, End of Year	<u><u>\$ 4,681,798</u></u>	<u><u>\$ 4,681,798</u></u>	<u><u>\$ 5,385,279</u></u>	<u><u>\$ 703,481</u></u>









Internal Service Funds  
Combining Statement of Net Assets

June 30, 2001

<b>ASSETS</b>	Central Garage	Worker's Compensation Retained Risk	Total
Current Assets:			
Cash and Cash Equivalents:			
Checking	\$ -	\$ 5,983	\$ 5,983
Savings	2,689	175,534	178,223
Due from Other Funds	11,899	-	11,899
Inventory of Supplies, At Cost	66,250	-	66,250
Total Current Assets	<u>80,838</u>	<u>181,517</u>	<u>262,355</u>
Noncurrent Assets:			
Equipment	160,574	-	160,574
Less Accumulated Depreciation	<u>(88,901)</u>	<u>-</u>	<u>(88,901)</u>
Total Capital Assets (net of Accumulated Depreciation)	<u>71,673</u>	<u>-</u>	<u>71,673</u>
Total Assets	<u>152,511</u>	<u>181,517</u>	<u>334,028</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	30,338	181,517	211,855
Accrued Salaries and Taxes	<u>6,780</u>	<u>-</u>	<u>6,780</u>
Total Liabilities	<u>37,118</u>	<u>181,517</u>	<u>218,635</u>
<b>NET ASSETS</b>			
Invested in Capital Assets	71,673	-	71,673
Unrestricted	<u>43,720</u>	<u>-</u>	<u>43,720</u>
Total Net Assets	<u>\$ 115,393</u>	<u>\$ -</u>	<u>\$ 115,393</u>

## CITY OF URBANA

Internal Service Funds  
Combining Statement of Revenues, Expenses,  
and Changes in Fund Net Assets

Fiscal Year Ended June 30, 2001

	Central Garage	Worker's Compensation Retained Risk	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Operating Revenues:			
Charges for Services	\$ 584,053	\$ 318,268	\$ 902,321
Operating Expenses:			
Personnel Services	225,976	147,289	373,265
Supplies	13,456	-	13,456
Contractual Services	139,153	29,931	169,084
Equipment Parts	128,109	-	128,109
Fuel	140,044	-	140,044
Depreciation	11,859	-	11,859
Worker's Compensation Claims	-	141,048	141,048
	<u>658,597</u>	<u>318,268</u>	<u>976,865</u>
Total Operating Expenses			
Operating Income (Loss)	(74,544)	-	(74,544)
Operating Transfers (Out)	(22)	-	(22)
Net Income	(74,566)	-	(74,566)
Net Assets, Beginning of Year	<u>189,959</u>	<u>-</u>	<u>189,959</u>
Net Assets, End of Year	<u>\$ 115,393</u>	<u>\$ -</u>	<u>\$ 115,393</u>

Internal Service Funds  
Combining Statement of Cash Flows

Fiscal Year Ended June 30, 2001

	Central Garage	Worker's Compensation Retained Risk	Total
Cash Flows from Operating Activities:			
Receipts from Users	\$ 623,877	\$ 318,268	\$ 942,145
Payments to Employees	(225,574)	(147,289)	(372,863)
Payments to Suppliers	(431,296)	(29,931)	(461,227)
Worker's Compensations Claims	-	(92,014)	(92,014)
Net Cash Provided by (Used in) Operating Activities	(32,993)	49,034	16,041
Cash Flows from Non-Capital Financing Activities:			
Operating Transfers (Out)	(22)	-	(22)
Cash Flows from Capital and Related Financing Activities:			
(Purchase) of equipment	(845)	-	(845)
Increase (Decrease) in Cash and Cash Equivalents	(33,860)	49,034	15,174
Beginning Cash and Cash Equivalents	36,549	132,483	169,032
Ending Cash and Cash Equivalents	\$ 2,689	\$ 181,517	\$ 184,206
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ (74,544)	\$ -	\$ (74,544)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used in) Operating Activities:			
Depreciation Expense	11,859	-	11,859
Decrease in Due from Other Funds	39,824	-	39,824
(Increase) in Inventory of Supplies	(7,072)	-	(7,072)
Increase (Decrease) in Accounts Payable	(3,462)	49,034	45,572
Increase in Accrued Salaries and Taxes	402	-	402
Net Cash Provided (Used in) Operating Activities	\$ (32,993)	\$ 49,034	\$ 16,041

Central Garage Internal Service Fund  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Operating Revenues:				
Charges for Services	\$ 568,300	\$ 581,270	\$ 584,053	\$ 2,783
Operating Expenses:				
Personnel Services	225,780	226,020	225,976	44
Supplies	17,400	17,400	13,456	3,944
Contractual Services	127,253	140,223	139,153	1,070
Equipment Parts	140,000	140,000	128,109	11,891
Fuel	145,000	145,000	140,044	4,956
Depreciation	20,820	20,820	11,859	8,961
Total Operating Expenses	676,253	689,463	658,597	30,866
Operating Income (Loss)	(107,953)	(108,193)	(74,544)	33,649
Non-Operating Revenues:				
Interest Income	2,000	2,000	-	(2,000)
Net Income (Loss) Before Operating Transfers (Out)	(105,953)	(106,193)	(74,544)	31,649
Operating Transfers (Out)	(22)	(22)	(22)	-
Net Income	(105,975)	(106,215)	(74,566)	31,649
Net Assets, Beginning of Year	189,959	189,959	189,959	-
Net Assets, End of Year	\$ 83,984	\$ 83,744	\$ 115,393	\$ 31,649

Worker's Compensation Retained Risk Internal Service Fund  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2001

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Charges for Services	\$ 322,580	\$ 322,580	\$ 318,268	\$ (4,312)
Operating Expenses:				
Personnel Services	175,404	175,404	147,289	28,115
Contractual Services	33,110	33,110	29,931	3,179
Worker's Compensation Claims	4,833,130	4,833,130	141,048	4,692,082
Total Operating Expenses	5,041,644	5,041,644	318,268	4,723,376
Net Income (Loss)	(4,719,064)	(4,719,064)	-	4,719,064
Net Assets, Beginning of Year	-	-	-	-
Net Assets, End of Year	\$ (4,719,064)	\$ (4,719,064)	\$ -	\$ 4,719,064



CITY OF URBANA  
 Government-wide Expenses by Function  
 1992 – 2001

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Public Safety									\$9,006,645	\$9,344,652
Highways and Streets									7,461,185	7,909,899
General Government									1,917,145	1,998,922
	<b>INFORMATION BEFORE 2000 IS NOT AVAILABLE</b>									
Urbana Redevelopment and Housing									3,410,603	3,578,934
Library Services									2,170,881	2,360,302
Interest on Long Term Debt									58,065	39,232
Motor Vehicle Parking									<u>594,284</u>	<u>583,125</u>
TOTAL									<u>\$24,616,828</u>	<u>\$25,815,065</u>

CITY OF URBANA  
Government-wide Revenues

1992 - 2001

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Program Revenues:										
Charges for Services									\$4,870,989	\$5,273,599
Operating Grants and Contributions									2,711,469	2,280,659
Capital Grants and Contributions									--	1,018,657
General Revenues:	<b>INFORMATION BEFORE 2000 IS NOT AVAILABLE</b>									
Property Tax									6,063,053	6,193,883
Utility Tax									3,295,625	3,675,184
State Sales Tax									3,487,139	3,451,347
Intergovernmental, not Restricted for Programs									4,218,595	4,615,117
Investment Income									1,159,216	1,725,316
Municipal Sales Tax									1,973,384	2,088,866
Other Taxes									1,131,926	1,294,791
Other									<u>7,391</u>	<u>97,735</u>
TOTAL									<u>\$28,918,787</u>	<u>\$32,210,195</u>

CITY OF URBANA

General Governmental Expenditures by Function  
All Governmental Fund Types

1992-2001

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Public Safety	\$4,873,249	\$5,036,142	\$5,342,253	\$5,452,736	\$5,697,114	\$6,667,554	\$7,218,190	\$7,987,766	\$8,538,859	\$9,048,918
Highways and Streets	4,467,282	4,427,515	4,397,893	4,907,596	3,815,463	3,861,232	3,969,182	4,146,427	4,418,632	4,486,531
General Government	2,169,623	2,068,843	2,098,140	2,213,591	2,268,314	1,674,295	1,652,481	1,787,030	1,845,006	1,928,221
Urbana Redevelopment and Housing	1,408,952	1,103,662	1,720,911	1,293,380	1,455,401	2,805,506	2,977,474	2,720,502	3,382,667	3,565,861
Library Services	1,555,254	1,268,054	2,004,504	1,717,898	1,761,857	1,813,966	1,908,429	2,018,048	2,096,563	2,258,008
Debt Service	126,851	1,079,006	252,315	165,424	255,548	255,582	253,716	254,903	260,095	256,985
Capital Projects	<u>1,330,591</u>	<u>1,807,842</u>	<u>971,456</u>	<u>947,298</u>	<u>4,750,004</u>	<u>5,766,632</u>	<u>6,952,643</u>	<u>6,325,971</u>	<u>4,660,922</u>	<u>4,897,358</u>
TOTAL	<u>\$15,931,802</u>	<u>\$17,091,064</u>	<u>\$16,787,472</u>	<u>\$16,697,923</u>	<u>\$20,003,701</u>	<u>\$22,844,767</u>	<u>\$24,932,115</u>	<u>\$25,240,647</u>	<u>\$25,202,744</u>	<u>\$26,441,882</u>

CITY OF URBANA  
 General Governmental Revenues by Source  
 1992-2001

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Property Tax	\$ 3,216,512	\$ 3,528,077	\$ 3,382,479	\$ 3,877,609	\$ 3,989,254	\$ 4,872,054	\$ 5,008,346	\$ 5,526,884	\$ 5,880,930	\$ 6,080,692
Utility Tax	2,300,880	2,356,017	2,527,698	2,498,356	2,697,344	2,742,049	2,804,077	3,092,749	3,295,625	3,675,184
State Sales Tax	2,262,786	2,441,921	2,572,562	2,823,685	2,903,130	2,947,988	3,085,728	3,180,629	3,487,139	3,451,347
Other Taxes	4,142,959	2,294,898	2,369,494	2,551,562	2,668,260	2,849,916	2,822,596	2,946,532	3,105,310	3,383,657
Intergovernmental	2,068,285	3,944,329	3,457,331	3,615,822	4,677,530	5,130,642	5,632,322	7,831,993	7,983,596	9,013,745
Investment Income	816,252	625,701	723,426	952,965	1,067,934	1,110,640	1,160,973	792,501	1,069,164	1,631,838
Special Assessments	10,688	10,362	361	196	65	--	--	--	--	--
Licenses, Fines & Service Charges	1,961,789	1,552,317	1,781,935	2,013,662	2,210,676	2,269,809	2,909,026	3,424,933	3,011,093	3,378,878
Other	<u>2,461,178</u>	<u>1,302,872</u>	<u>379,483</u>	<u>219,656</u>	<u>191,112</u>	<u>78,897</u>	<u>126,285</u>	<u>7,103</u>	<u>7,391</u>	<u>495,041</u>
TOTAL	<u>\$19,241,329</u>	<u>\$18,056,494</u>	<u>\$17,194,769</u>	<u>\$18,553,513</u>	<u>\$20,405,305</u>	<u>\$22,001,995</u>	<u>\$23,549,353</u>	<u>\$26,803,324</u>	<u>\$27,840,248</u>	<u>\$31,110,382</u>

## Property Tax Levies and Collection

Fiscal Years 1992 - 2001

<u>Revenue Year</u>	<u>Fiscal Year</u>	<u>Taxes Extended</u>	<u>Net Forfeitures (Over) Under Delinquents Collected</u>	<u>Total Collection</u>	<u>Percent Collected</u>
2000	2001	\$4,452,251	(\$2,334,350)	\$2,117,901	47.6%
1999	2000	4,301,563	(184)	4,301,379	100.0%
1998	1999	4,136,200	(4,281)	4,131,919	99.9%
1997	1998	3,977,243	(55,458)	3,921,785	98.6%
1996	1997	3,601,794	--	3,601,794	100.0%
1995	1996	3,671,999	--	3,671,999	100.0%
1994	1995	3,639,188	--	3,639,188	100.0%
1993	1994	3,550,593	--	3,550,593	100.0%
1992	1993	3,452,593	(28,858)	3,423,735	99.2%
1991	1992	3,303,844	(7,313)	3,296,531	99.8%

Note: Does not include tax increment or special service area.  
Revenue year is the calendar year in which the taxes are  
extended against the equalized assessed valuation.  
Collections in the current fiscal year normally reflect  
approximately one-half of the year's levy.

## CITY OF URBANA

## Assessed and Estimated Actual Value of Taxable Property

1992 - 2001

<u>Fiscal Year</u>	<u>Assessed</u>	<u>Actual</u>	<u>Ratio of Assessed To Actual</u>
2001	\$324,389,854	\$973,169,562	33%
2000	309,353,707	928,061,121	33%
1999	282,207,629	846,622,887	33%
1998	268,152,819	804,458,457	33%
1997	254,381,957	763,145,871	33%
1996	247,222,701	741,668,103	33%
1995	236,126,962	708,380,886	33%
1994	226,990,964	680,972,892	33%
1993	217,719,301	653,157,903	33%
1992	214,437,840	643,313,520	33%

Note: State law prescribes an assessment ratio of 33% of actual value.

CITY OF URBANA

Property Tax Rates - Direct and Overlapping Government

Revenue Years 1992 - 2001

TAX RATES (PER \$100 ASSESSED VALUATION)

<u>Fiscal Year</u>	<u>Revenue Year</u>	<u>School Unit 116</u>	<u>Urbana City</u>	<u>Champaign County</u>	<u>Park District</u>	<u>Parkland College</u>	<u>Mass Transit</u>	<u>Cunningham Township</u>	<u>Public Health</u>	<u>Forest Preserve</u>	<u>Total</u>
2001	2000	4.7245	1.3725	.6201	.7960	.4469	.2764	.1547	.1170	.0855	8.5936
2000	1999	4.7839	1.3905	.6425	.8122	.4659	.2813	.2265	.1206	.0885	8.8119
1999	1998	4.8976	1.4656	.6768	.8456	.4692	.2839	.2372	.1300	.0922	9.0981
1998	1997	4.8978	1.4832	.6904	.8687	.4602	.2854	.2464	.1438	.0959	9.1718
1997	1996	5.0026	1.4159	.6773	.8957	.4622	.2868	.2490	.1596	.0977	9.2468
1996	1995	4.8022	1.4853	.6835	.8193	.4777	.2167	.2457	.1594	.0982	8.9880
1995	1994	4.8064	1.5412	.6105	.7712	.4942	.1877	.2475	.1607	.1055	8.9249
1994	1993	4.7498	1.5642	.6246	.7373	.4813	.1858	.2477	.1595	.1054	8.8556
1993	1992	4.7563	1.5858	.6378	.7432	.4745	.1899	.2216	.1578	.1077	8.8746
1992	1991	4.5823	1.5407	.6284	.7416	.4272	.1883	.2161	.1767	.1069	8.6082

Taxes for Urbana are collected by Champaign County. The County distributes collections shortly after collection date. Normally, approximately 100% of the levy is received.



## CITY OF URBANA

## Special Assessment Collections

Fiscal Year 1992 - 2001

<u>Fiscal Year</u>	<u>Assessments Due</u>	<u>Assessments Collected</u>	<u>Ratio Collections To Amounts Due</u>	<u>Total Assessments Receivable at End of Year</u>
2001	No assessments were due after 1996.			
2000				
1999				
1998				
1997				
1996	\$ 66	\$ 66	1.00	\$ 65
1995	2,714	2,714	1.00	131
1994	13,667	11,445	.84	2,844
1993	10,329	7,792	.75	14,289
1992	25,685	25,542	.99	22,081

Special Assessment payments are due over a period of five to ten years.

CITY OF URBANA

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

1992 - 2001

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>General * Bonded Debt</u>	<u>Less Amount in Debt Service Funds</u>	<u>Net General Bonded Debt</u>	<u>Net Bonded Debt</u>	
						<u>Ratio of Debt to Assessed Value</u>	<u>Ratio of Debt Per Capita</u>
2001	36,395	\$324,389,854	\$692,400	\$ --	\$ 692,400	.21%	\$19.02
2000	36,395	309,353,707	904,175	--	904,175	.29%	24.84
1999	36,344	282,207,629	1,108,185	--	1,108,185	.39%	30.49
1998	36,334	268,152,819	1,297,995	--	1,297,995	.48%	35.72
1997	36,344	254,381,957	1,483,252	--	1,483,252	.58%	40.81
1996	36,344	247,222,701	1,660,354	--	1,660,354	.67%	45.68
1995	36,344	236,126,962	1,839,103	--	1,839,103	.78%	50.60
1994	36,344	226,990,964	1,938,920	( 287)	1,939,207	.85%	53.36
1993	36,344	217,719,301	1,947,347	32,017	1,915,330	.88%	52.70
1992	36,344	214,437,840	1,937,940	32,088	1,905,852	.89%	52.44

\*Revenue and special assessment debt not included.

## CITY OF URBANA

## Computation of Legal Debt Margin

June 30, 2001

The City of Urbana is a "Home Rule" unit as established by the 1970 Illinois Constitution. As a Home Rule community, no statutory debt limit exists.

## Computation of Direct and Overlapping Debt

June 30, 2001

<u>Jurisdiction</u>	<u>Principal Debt Outstanding</u>	<u>Percentage Applicable to City of Urbana</u>	<u>Amount Applicable to City of Urbana</u>
School District #116	\$35,008,854	80.2%	\$28,074,515
City of Urbana	692,400	100.0%	692,400
Champaign County	35,804,721	15.3%	5,469,128
Champaign Forest Preserve	97,000	15.0%	14,585
Urbana Park District	<u>1,150,000</u>	96.4%	<u>1,109,132</u>
Total	<u>\$72,752,975</u>		<u>\$35,359,760</u>

This schedule represents the City of Urbana's proportionate share of any overlapping governmental unit's outstanding debt. For example, Champaign County's taxing district's assessed valuation is \$2,123,681,806. The City of Urbana's proportionate share is computed by dividing Urbana's assessed value of \$324,389,854 by \$2,123,681,806 and multiplying this rate by Champaign County's \$35,804,721 outstanding debt. An overlapping government unit is any, which levies a tax on a citizen of Urbana. This schedule does not include revenue-supported debt.

## CITY OF URBANA

Ratio of Annual Debt Service Expenditures for  
General Bonded Debt to Total Governmental Expenditures

1992 - 2001

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Govt. Expenditures</u>
2001	\$211,775	\$45,210	\$ 256,985	\$26,441,882	.0097
2000	204,010	56,085	260,095	25,202,744	.0103
1999	188,480	66,423	254,903	25,240,647	.0101
1998	177,950	75,766	253,716	24,932,115	.0102
1997	170,185	85,397	255,582	22,844,767	.0119
1996	162,420	93,128	255,548	20,003,701	.0128
1995	80,000	85,424	165,424	16,697,923	.0099
1994	136,800	115,515	252,315	16,787,472	.0150
1993	989,210	89,796	1,079,006	17,091,064	.0631 (1)
1992	56,620	70,231	126,851	15,931,802	.0079

(1) City paid off 1990 TIF 3 Bonds early.

## CITY OF URBANA

### Schedule of Revenue Supported Bond Coverage

1992 - 2001

<u>Year</u>	<u>Revenue (1)</u>	<u>Expense (2)</u>	<u>Available for Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total (4)</u>	<u>Coverage (3)</u>
2001	\$1,116,435	\$225,442	\$ 890,993	\$418,225	\$152,889	\$571,114	1.56
2000	1,031,628	224,979	806,649	400,990	168,357	569,347	1.42
1999	996,292	248,918	747,374	381,520	191,843	573,363	1.30
1998	1,040,419	262,312	778,107	367,050	217,935	584,985	1.33
1997	1,072,670	281,443	791,227	354,815	243,306	598,121	1.32
1996	1,074,551	248,371	826,180	337,580	268,064	605,644	1.36
1995	814,060	482,414	331,646	337,580	275,482	613,062	.54
1994	1,090,979	701,186	389,793	473,200	253,032	726,232	.54
1993	1,193,430	722,196	471,234	473,200	375,444	848,644	.56
1992	2,597,395	713,460	1,883,935	430,790	402,761	833,551	2.26

(1) Includes operating revenues, interest income, and operating transfers in.

(2) Total expenses exclusive of interest and depreciation.

(3) Net Revenues available for Debt Service divided by Debt Service Payments.

(4) Revenue supported bonds issued by the City during this period were the Parking System Bonds, issued in 1977, the 1963 Construction Bonds, which were paid off early in 1977, Downtown Parking Bonds, issued in 1981, which were refunded early by the 1985 Parking Bonds, which in turn were refunded by the 1994A and 1994B Parking Bonds, and the 1991 Parking Bonds, which were refunded by the 1994C Parking Bonds.

CITY OF URBANA  
Demographic Statistics

1991 - 2000

<u>Calendar Year</u>	<u>(1) Population</u>	<u>(2) Per Capita Income</u>	<u>(1) Median Age</u>	<u>(1) Education Level in Years of Formal Schooling</u>	<u>(3) School Enrollment</u>	<u>(4) Unemployment Rate</u>
2000	36,395	\$25,233	24.6	16.0	4,731	2.5%
1999	36,344	\$24,590	25.5	16.0	4,724	2.5%
1998	36,344	\$23,278	25.5	16.0	4,772	2.7%
1997	36,344	\$21,676	25.5	16.0	4,591	2.8%
1996	36,344	\$20,376	25.5	16.0	4,722	2.5%
1995	36,344	\$19,237	25.5	16.0	4,921	3.7%
1994	36,344	\$17,852	25.5	16.0	4,997	3.9%
1993	36,344	\$17,926	25.5	16.0	4,942	4.1%
1992	36,344	\$17,460	25.5	16.0	5,093	5.3%
1991	36,344	\$16,957	25.5	16.0	4,876	5.3%

Notes: (1) Estimate by City Staff from U.S. Bureau of Census information  
 (2) Bureau of Economic Analysis, U.S. Commerce Dept.  
 (3) Champaign County Superintendent of Schools  
 (4) Illinois Bureau of Employment Security, expressed as a percentage

CITY OF URBANA

Property and Construction Value

1990 - 2000

Calendar Year	Commercial Construction (1)		Residential Construction (1)		Total Value	Current Property Values (3)		
	Number Of Units	Value	Number Of Units	Value		Commercial	Residential	Total
2000	16	\$8,396,130	110	\$9,274,585	\$17,670,715	\$404,936,133	\$568,233,429	\$973,169,562
1999	19	10,532,254	117	10,147,234	20,679,488	389,051,979	539,009,142	928,061,121
1998	15	13,499,519	177	11,766,176	25,265,695	348,006,495	498,616,392	846,622,887
1997	9	22,839,970	68	31,023,388	53,863,358	330,125,295	474,333,162	804,458,457
1996	20	20,208,363	86	4,107,165	24,315,528	308,901,609	454,244,262	763,145,871
1995	20	10,503,544	78	3,433,936	13,937,480	296,667,241	445,000,862	741,668,103
1994	27	13,327,095	47	13,026,065	26,353,160	283,352,354	425,028,532	708,380,886
1993	15	11,419,037	35	10,616,895	22,035,932	274,021,392	406,951,500	680,972,892
1992	17	11,712,795	33	11,096,601	22,809,396	260,943,981	392,213,922	653,157,903
1991	9	8,628,141	48	3,449,499	12,077,640	254,366,298	388,947,222	643,313,520

(1) Compiled from building permits issued.

(2) Per Cunningham Township Assessor.

(3) Per Champaign County Clerk



## CITY OF URBANA

## Principal Property Taxpayers

June 30, 2001

	<u>2000 Equalized Assessed Value</u>	<u>Percent of Total Assessed Valuation</u>
1. Carle Foundation (Health Care)	\$17,261,900	5.1%
2. Melrose Apartments (Residential Housing)	5,579,250	1.7%
3. Town and Country Apartments (Residential Housing)	5,504,930	1.7%
4. J. M. Jones Company (Food Service)	4,658,290	1.5%
5. Holiday Inn (Hotel)	4,235,900	1.3%
6. Capstone Apartments (Residential Housing)	3,865,050	1.1%
7. First Busey Corporation (Banking)	3,734,820	1.1%
8. Flex-N-Gate (Manufacturing)	3,562,010	1.1%
9. Clark Lindsey Village (Residential Retirement)	3,517,910	.9%
10. Schnucks (Retail Grocery and Drugs)	<u>2,776,900</u>	<u>.7%</u>
	<u>\$54,696,960</u>	<u>16.9%</u>

## Miscellaneous Statistical Data

June 30, 2001

Date of Incorporation	1854
Form of Government	Mayoral
Population	36,395
Area - Square Miles	10.2
Miles of Streets	122.8
Miles of Sewers	183.6
Number of Street Lights	3,738
Number of Dwelling Units	15,310
Fire Protection	
Number of Stations	4
Number of Firefighters	58
Police Protection	
Number of Stations	1
Number of Police Officers	50
Education - School District 116	
Number of Elementary Schools	7
Number of Secondary Schools	2
Recreation - Park District	
Number of Parks	22
Number of Acres	427
Number of Swimming Pools	1
Full-time Equivalent Employee Budgeted Positions	305
Population:	
1930	13,060
1940	14,064
1950	22,834
1960	27,294
1970	33,976
1980	35,978
1990	36,198
2000	36,395

CITY OF URBANA

City Tax Rates

(Per \$100 of Assessed Value)

1992 - 2001

<u>Fiscal Year</u>	<u>I.M.R.F.</u>	<u>General</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Library</u>	<u>Totals</u>
2001	--	.4302	.1328	.2860	.5235	1.3725
2000	--	.4387	.1314	.2953	.5251	1.3905
1999	--	.4879	.1287	.3008	.5482	1.4656
1998	.3015	.2045	.1172	.3152	.5448	1.4832
1997	.3178	.1698	.1283	.2557	.5443	1.4159
1996	.4254	.2655	.1252	.1307	.5385	1.4853
1995	.4252	.3288	.1286	.1191	.5395	1.5412
1994	.4154	.3744	.1269	.1181	.5294	1.5642
1993	.3607	.3812	.1415	.1701	.5323	1.5858
1992	.3268	.3911	.1419	.1637	.5172	1.5407

