

CITY OF URBANA, ILLINOIS  
Comprehensive Annual Financial Report  
Year Ended June 30, 2002

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
 <u>INTRODUCTORY SECTION</u>	
Letter of Transmittal.....	1 - 7
GFOA Certificate of Achievement.....	8
List of Principal Officials .....	9
Organizational Chart.....	10
 <u>FINANCIAL SECTION</u>	
Independent Auditor's Report .....	11
Management Discussion and Analysis .....	12 - 22
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets .....	23
Statement of Activities.....	24
Fund Financial Statements:	
Governmental Funds, Combined Balance Sheet .....	25
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets.....	26
Governmental Funds, Combined Statement of Revenues, Expenditures and Changes in Fund Balances .....	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	28

CITY OF URBANA, ILLINOIS  
 Comprehensive Annual Financial Report  
 Year Ended June 30, 2002

TABLE OF CONTENTS	PAGE
General Fund, Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	29 - 30
Urbana Free Library Fund, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	31
Tax Stabilization Fund, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	32
Building Financing Fund, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	33
Proprietary Funds, Statement of Net Assets .....	34
Proprietary Funds, Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	35
Proprietary Funds, Statement of Cash Flows.....	36 - 37
Fiduciary Funds, Employee’s Pension Trust Funds, Statement of Fiduciary Net Assets .....	38
Fiduciary Funds, Statement of Changes in Fiduciary Net Assets.....	39
Notes to Financial Statements .....	41 - 70
Required Supplementary Information:	
Schedule of Funding Progress for I.M.R.F. Pension Plan .....	72
Combining and Individual Fund Statements and Schedules:	
Non-Major Governmental Funds, Combining Balance Sheet .....	73
Non-Major Governmental Funds, Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	74

CITY OF URBANA, ILLINOIS  
 Comprehensive Annual Financial Report  
 Year Ended June 30, 2002

TABLE OF CONTENTS	PAGE
Non-Major Debt Service Funds, Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	75
Non-Major Special Revenue Funds, Combining Balance Sheet.....	76 - 77
Non-Major Special Revenue Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	78 - 79
Municipal Retirement Special Revenue Fund, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	80
Motor Fuel Tax Special Revenue Fund, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	81
Social Service Agencies Special Revenue Fund, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	82
Vehicle and Equipment Replacement Special Revenue Fund, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....	83
Community Development Special Revenue Fund, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....	84
Community Development Block Grant Special Revenue Revenue Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....	85
Tax Increment Financing District 1 Special Revenue Fund, Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	86
Tax Increment Financing District 2 Special Revenue Fund, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	87

CITY OF URBANA, ILLINOIS  
 Comprehensive Annual Financial Report  
 Year Ended June 30, 2002

TABLE OF CONTENTS	PAGE
Tax Increment Financing District 3 Special Revenue Fund, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	88
Tax Increment Financing District 4 Special Revenue Fund, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	89
Economic Development Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual .....	90
Sales Tax Grant Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	91
Insurance Financing Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	92
Non-Major Capital Projects Funds – Combining Balance Sheet.....	93
Non-Major Capital Projects Funds – Combining Statement Revenues, Expenditures and Changes in Fund Balance.....	94
Capital Improvement and Replacement Capital Projects Fund – Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual .....	95
Sanitary Sewer Construction Capital Projects Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual .....	96
Motor Vehicle Parking Enterprise Fund – Statement of Revenues, Expenses and Changes in Fund Net Assets – Budget (GAAP Basis) and Actual .....	97
Internal Service Funds – Combining Statement of Net Assets .....	99

CITY OF URBANA, ILLINOIS  
 Comprehensive Annual Financial Report  
 Year Ended June 30, 2002

TABLE OF CONTENTS	PAGE
Internal Service Funds – Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	100
Internal Service Funds – Combining Statement of Cash Flows .....	101
Central Garage Internal Service Fund – Statement of Revenues, Expenses and Changes in Fund Net Assets – Budget (GAAP Basis) and Actual .....	102
Worker’s Compensation Retained Risk Internal Service Fund – Statement of Revenues, Expenses and Changes in Fund Net Assets – Budget (GAAP Basis) and Actual.....	103
Fiduciary Funds – Pension Trust Funds Combining Statement of Fiduciary Net Assets.....	104
Fiduciary Funds – Pension Trust Funds, Combining Statement of Changes in Fiduciary Net Assets.....	105

STATISTICAL SECTION:

Government-wide Expenses by Function .....	107
Government-wide Revenues .....	108
General Governmental Expenditure by Function – All Governmental Fund Types .....	109
General Governmental Revenues by Source .....	110
Property Tax Levies and Collection .....	111
Assessed and Estimated Actual Value of Taxable Property .....	112
Property Tax Rates - Direct and Overlapping Government .....	113
Special Assessment Collections.....	114
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita .....	115

CITY OF URBANA, ILLINOIS  
Comprehensive Annual Financial Report  
Year Ended June 30, 2002

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Computation of Legal Debt Margin .....	116
Computation of Direct and Overlapping Debt .....	117
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total Governmental Expenditures.....	118
Schedule of Revenue Supported Bond Coverage .....	119
Demographic Statistics .....	120
Property and Construction Value.....	121
Principal Property Taxpayers.....	122
Miscellaneous Statistical Data .....	123
City Tax Rates .....	124

December 1, 2002

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, 2002 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 City of Urbana. 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 independent 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 non-major 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 36,435 and 10.5 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 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 2.7%, property values to average 6.3% annual growth and per-capita income to average 3.0% 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. While economic activity in Champaign has remained relatively strong, the State of Illinois has experienced a dramatic decrease in the



amount of state revenues from various taxes. This decrease in state revenues has resulted in a corresponding decrease in the local share of the State Income Tax received by the City of Urbana, which amounts to approximately 9% of total city revenues and 16% of General Fund revenues. In addition, the State of Illinois has begun to review all its various revenue sharing formulas with local governments. If the general State economy does not improve or the State Legislature changes some of these revenue sharing formulas, revenues may not be sufficient to continue current service levels in the future. If this occurs, the City will have to examine the possibility of enacting revenues enhancements or expenditure reductions.

## MAJOR INITIATIVES

Significant initiatives for the City in the current year are:

- a) Continue to monitor the construction of a 5.4 million-dollar renovation to the City's street lighting system. By the end of fiscal year 2003, \$3.7 million will have been spent toward this project, with the balance of \$1.7 million allocated to be spent over the next 3 years.
- b) Begin construction of a \$8.25 million addition to the City Library building, with construction scheduled to be completed in fall of 2004.
- c) Monitor the final stages of a \$3.1 million comprehensive renovation to the sidewalks, streetscape, and lighting in the downtown area. The majority of this work should be completed by fall of 2003.
- d) Oversee the completion of \$3 million infrastructure improvement project that is required by two large retail sales developments on north Rt. 45 (expansion of the Farm & Feet Department Store and the relocation of the O'Brien Auto Sales).
- e) Determine what action the City (possibly in conjunction with other local government entities) will be required to take to remedy leakage in an old inactive landfill. At this time, it is uncertain how much this remedy may cost, although preliminary testing indicates that the amount and nature of the leakage is not posing a significant environmental threat.

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) Closely monitor the City's revenue and expenditure systems, especially given the current depression in the State economy. A significant portion of

City revenues is received from State revenue sharing programs. It may be necessary to curtail certain expenditure levels if amounts from these revenue sharing programs continue to be adversely impacted.

- c) Monitor the progress of certain significant economic development projects that are currently in various stages of deliberation or construction:
  1. A residential housing complex centered around a privately financed public golf course which was opened in the spring of 1999.
  2. Improvements and changes made to the downtown-enclosed retail shopping mall.
  3. Identify and implement initial redevelopment efforts in the Tax Increment Financing District Area 4, which is located in the northern part of the city limits.
  4. Receive approval for a new Tax Increment Financing District Area 5.
  5. Receive approval for the continuance of the "Build Urbana" residential housing incentive program. This program through increased marketing and a property tax rebate has greatly increased the level of residential single-family construction over the past 2 years.

## 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. 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 2002 (same in 2001) 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 1.9% of salaries in calendar year 2001 (2.6% in 2001). The unfunded actuarial accrued liability at December 30, 2001, was 0% of covered salaries, the same as in 2,000. Any unfunded amounts are amortized over a thirty-one 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 2002 (43% in 2001). The unfunded actuarial accrued liability at June 30, 2001, was 289% of covered salaries, (308% in 2000). This amount is being amortized over a thirty-three 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 23% of salaries in 2002 (22% in 2001). The unfunded actuarial accrued liability at June 30, 2001, was 44% of covered salaries, up from 16% in 2000. Unfunded amounts are being amortized over a thirty-three year closed period.

## CASH MANAGEMENT

The City's investment policy is to minimize risk while maintaining a competitive yield. 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 7.2% in 2002 (8.6% in 2001) before the impact of significant decreases in the market value of investments in common stock and mutual funds during the year. After the impact of these market decreases, the City lost \$4,416 on its investments in 2002, as compared to a return of \$576,193 in 2001. These amounts include pension trust funds. 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	\$21,882,505	33%
Deposits insured by federal depository insurance	3,527,841	5%
Deposits collateralized with collateral held by the City's agent in the name of the City	10,246,813	15%
Illinois Public Treasurer's Investment Pool and other investments in which the City interest is not in specific securities	20,183,207	29%
Not insured or collateralized (equities)	<u>12,577,909</u>	18%
	<u>\$68,418,275</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, 2001. This was the 14th 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, 2001

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.



*William Robert Vate*  
President

*Jeffrey L. Essler*  
Executive Director

CITY OF URBANA

List of Principal Officials

June 30, 2002

Elected Officials

Mayor  
Tod Satterthwaite

City Clerk  
Phyllis D. Clark

Alderswoman  
Ester Patt

Alderswoman  
Ruth Wyman

Alderman  
James H. Hayes, Jr.

Alderswoman  
Danielle Chynoweth

Alderswoman  
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

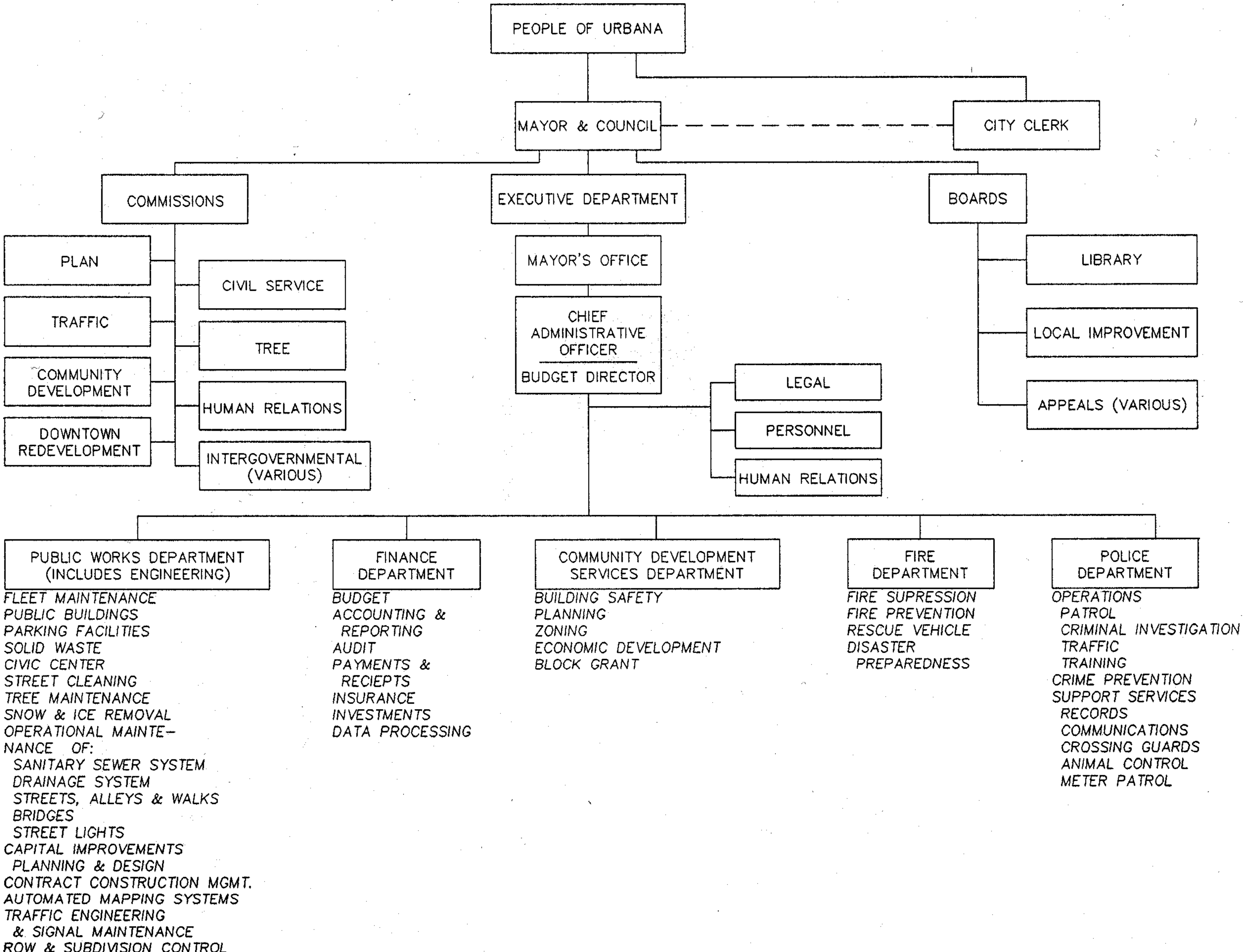
Corporation Counsel  
Jack Waaler

City Comptroller  
Ronald C. Eldridge

Personnel Director  
Mona Shannon

Urbana Free Library Director  
Fred Schlipf

# CITY OF URBANA ORGANIZATION CHART STRUCTURE AND MAJOR SERVICE FUNCTIONS





# FINANCIAL SECTION

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JAMES P. BRAY

Certified Public Accountants

Phone 217/337-0004

KARL E. DRAKE  
CURTIS D. LILES  
R. NEIL RICHARDSON1606 N. Willow View Road, Suite 1E  
Urbana, Illinois 61802-7446

Fax 217/337-5822

September 27, 2002

Honorable Tod Satterthwaite, Mayor

and Members of the Urbana City Council  
Urbana, ILIndependent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Urbana, Illinois, as of and for the year ended June 30, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents under "Financial Section". These financial statements are the responsibility of the City of Urbana, Illinois's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative information on the enterprise fund has been derived from the City of Urbana's 2001 financial statements and, in our report dated September 20, 2001, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

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 respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Urbana, Illinois, as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund, Urbana Free Library fund, tax stabilization fund, and building financing fund 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 27, 2002, 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.

The Management's Discussion and Analysis on pages 12 to 22 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 required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Urbana, Illinois' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

BRAY, DRAKE, LILES &amp; RICHARDSON LLP

Members of the American Institute of Certified Public  
Accountants Members of the Illinois CPA Society

# CITY OF URBANA

## Management's Discussion and Analysis

June 30, 2002

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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, 2002. 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, 2002, by \$86,564,537. Of this amount \$33,287,735 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net assets increased by \$6,706,503 during the year.
- At June 30, 2002, the governmental funds reported combined fund balances of \$30,255,096, of which \$25,032,521 was unreserved and is available for spending at the City's discretion.
- Governmental fund balances increased \$2,230,685 during the year.
- The City's long-term debt decreased \$478,038 (11%) due to scheduled debt principal retirements of \$693,650, issuance of a new note payable in the amount of \$177,335 and an increase in accumulated compensated employee absences of \$38,277.

### 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.

# CITY OF URBANA

## Management's Discussion and Analysis

June 30, 2002

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- The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.
- 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

# CITY OF URBANA

## Management's Discussion and Analysis

June 30, 2002

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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.

- 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

# CITY OF URBANA

## Management's Discussion and Analysis

June 30, 2002

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programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The only fiduciary funds utilized by the City of Urbana are the Firemen's and Policemen's Pension Trust Funds. The basic fiduciary fund financial statements can be found on pages 38-39 of this report.

### Notes to the Financial Statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-70 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 72 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 73-105 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):

CITY OF URBANA

Management's Discussion and Analysis

June 30, 2002

	Governmental Activities		Business-type Activities		Total	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Current and other assets	\$35,149	\$32,100	\$1,891	\$1,822	\$37,040	\$33,922
Capital assets	<u>49,608</u>	<u>45,931</u>	<u>6,356</u>	<u>6,098</u>	<u>55,964</u>	<u>52,029</u>
Total assets	\$84,757	\$78,031	\$8,247	\$7,920	\$93,004	\$85,951
Long-term liabilities	1,767	1,980	2,217	2,483	3,984	4,463
Other liabilities	<u>2,405</u>	<u>1,578</u>	<u>50</u>	<u>52</u>	<u>2,455</u>	<u>1,630</u>
Total liabilities	\$ 4,172	\$ 3,558	\$2,267	\$2,535	\$ 6,439	\$ 6,093
Net assets:						
Invested in capital assets	49,138	45,808	4,139	3,615	53,277	49,423
Unrestricted	<u>31,447</u>	<u>28,665</u>	<u>1,841</u>	<u>1,770</u>	<u>33,288</u>	<u>30,435</u>
Total net assets	<u>\$80,585</u>	<u>\$74,473</u>	<u>\$5,980</u>	<u>\$5,385</u>	<u>\$86,565</u>	<u>\$79,858</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.

There was an increase in net assets from governmental activities of \$6,112,055 of which \$3,329,357 was invested in capital assets and \$2,782,698 was added to unrestricted net assets. There was an increase in net assets from business-type activities of \$594,448 of which \$523,526 was invested in capital assets and \$70,922 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	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 4,505	\$ 4,384	\$ 962	\$ 890	\$ 5,467	\$ 5,274
Operating Grants & Contributions	2,291	2,383	-	-	2,291	2,383
General Revenues:						
Property Tax	6,259	6,194	-	-	6,259	6,194
Utility Tax	3,392	3,675	-	-	3,392	3,675
State Sales Tax	3,545	3,451	-	-	3,545	3,451
Intergovernmental, Not Restricted to Specific Programs	5,824	4,615	-	-	5,824	4,615
Investment Income	933	1,632	44	93	977	1,725
Municipal Sales Tax	2,063	2,089	-	-	2,063	2,089
Other Taxes	1,322	1,295	-	-	1,322	1,295
Other	<u>712</u>	<u>593</u>	<u>-</u>	<u>-</u>	<u>712</u>	<u>593</u>
Total Revenues	<u>\$30,846</u>	<u>\$30,311</u>	<u>\$1,006</u>	<u>\$ 983</u>	<u>\$31,852</u>	<u>\$31,294</u>

CITY OF URBANA

Management's Discussion and Analysis

June 30, 2002

(cont'd)	Governmental		Business-type		Total	
	Activities		Activities			
	2002	2001	2002	2001	2002	2001
Expenses:						
Public Safety	\$ 9,840	\$ 9,345	\$ -	\$ -	\$ 9,840	\$ 9,345
Highways & Streets	6,955	6,994	-	-	6,955	6,994
General Government	2,091	1,999	-	-	2,091	1,999
Urban Redevelopment And Housing	3,250	3,579	-	-	3,250	3,579
Library Services	2,403	2,360	-	-	2,403	2,360
Interest on LT Debt	26	39	-	-	26	39
Motor Vehicle Parking	-	-	580	583	580	583
Total Expenses	<u>\$24,565</u>	<u>\$24,316</u>	<u>\$ 580</u>	<u>\$ 583</u>	<u>\$25,145</u>	<u>\$24,899</u>
Increase in Net Assets Before Transfers	\$ 6,281	\$ 5,995	\$ 426	\$ 400	\$ 6,707	\$ 6,395
Transfers In (Out)	<u>(169)</u>	<u>(133)</u>	<u>169</u>	<u>133</u>	<u>-</u>	<u>-</u>
Increase in Net Assets	\$ 6,112	\$ 5,862	\$ 595	\$ 533	\$ 6,707	6,395
Net Assets, Beg. 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>
Net Assets, End Year	<u>\$80,585</u>	<u>\$74,473</u>	<u>\$5,980</u>	<u>\$5,385</u>	<u>\$86,565</u>	<u>\$79,858</u>

- As noted, net assets from governmental activities increased \$6,112,055 (8% growth). This increase is similar to last year when net assets from government activities increased \$5,861,820 (8% growth). Total revenues increased 1.7% compared to last year and expenses increased 1%. Significant revenue changes were:
  - The utility tax decreased 8% due to a temporary tax rate reduction. The tax rate has now been returned to the previous level.
  - Investment income decreased 43% due to the lowering of interest rates earned on investments and less monies available to be invested. Investment income in the near future will likely approximate amounts earned last year.
  - Intergovernmental revenue increased 26% because the City of Urbana was reimbursed by the IL Dept. of Transportation for construction of a street.
- As noted earlier, expenses increased 1%. This amount generally reflected inflationary increases in most services combined with a slight decrease in the level of housing rehabilitation programs reported in Urban Redevelopment and Housing. Future cost increases are expected to be similar or slightly below inflationary increases.

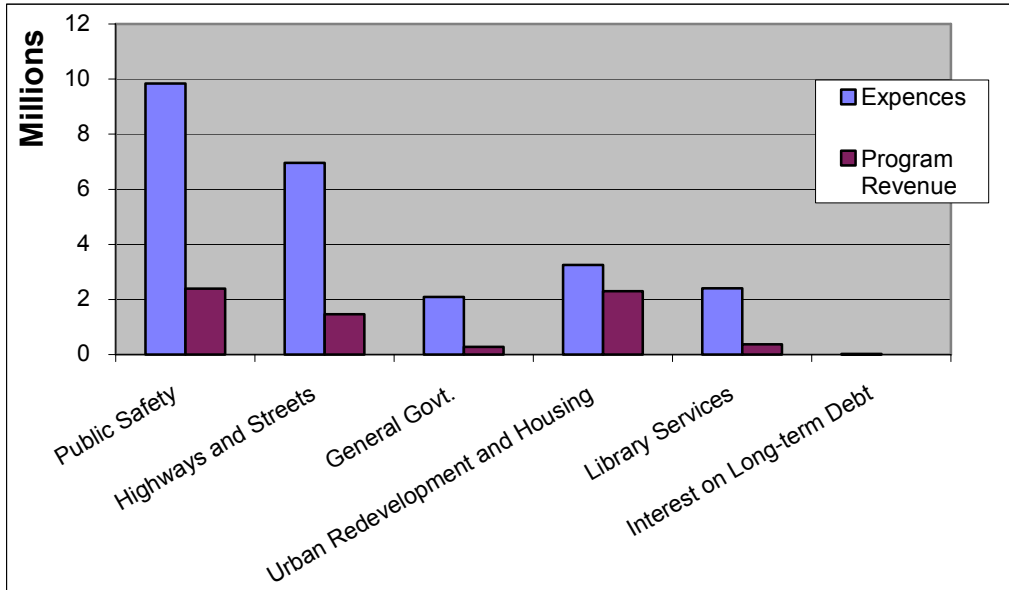


# CITY OF URBANA

## Management's Discussion and Analysis

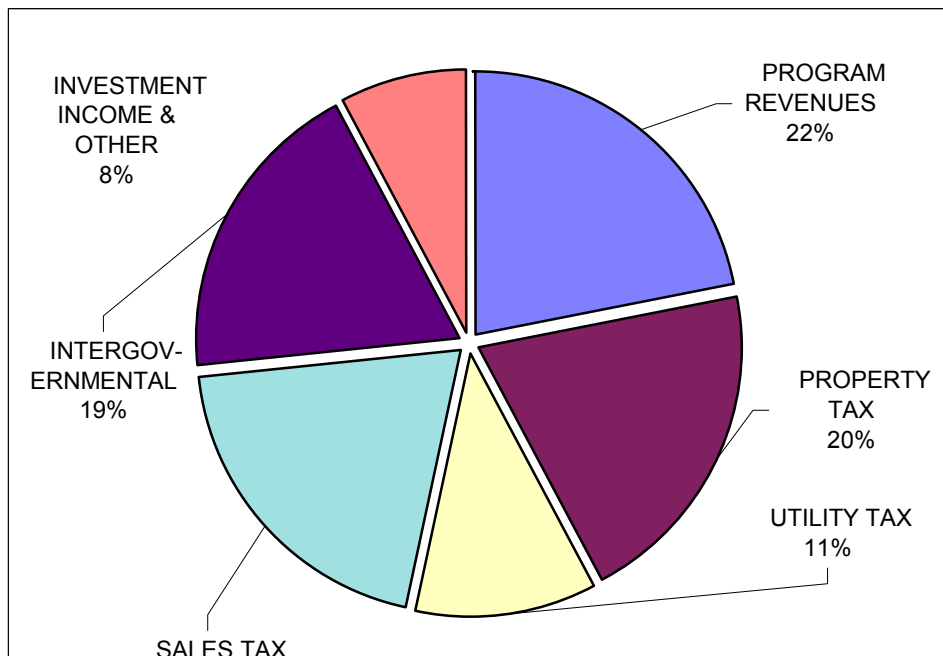
June 30, 2002

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

### Revenues by Sources – Governmental Activities



CITY OF URBANA

Management's Discussion and Analysis

June 30, 2002

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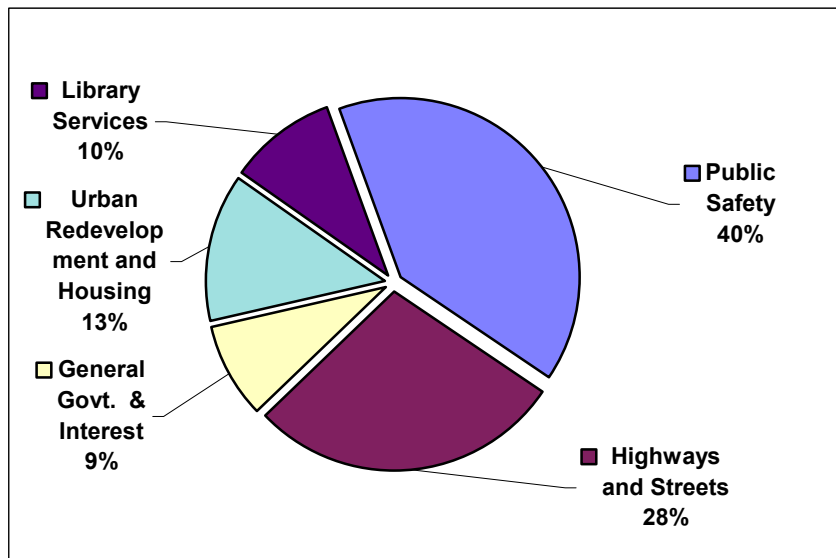
Financial Analysis of the Government's Funds:

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 \$30,255,096 (83% is unreserved), an increase of \$2,230,685 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 \$2,526,643. Planned transfers of \$4,034,724 to various other funds mainly for future capital projects reduced the fund balance by \$1,508,081 to \$4,263,191. Management believes this level of fund balance (26% of total expenditures) is very acceptable.

The chart below illustrates the breakdown of program costs:

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

# CITY OF URBANA

## Management's Discussion and Analysis

June 30, 2002

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more detail. Unrestricted net assets of the Motor Vehicle Parking Fund at June 30, 2002 were \$1,840,575, which was an increase of \$70,922 over last year.

### Budgetary Highlights.

Differences between the original budget and the final amended budget for all governmental funds were minor (increase of \$264,694). Major changes are summarized below:

- \$209,000 reduced in housing rehabilitation programs to reflect the reduction of a grant
- \$230,000 added for street improvement project
- \$243,694 added for various small program cost increases

Of this increase, \$34,694 was to be funded out of revenue increases directly related to the budget changes. The remaining \$230,000 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.

### 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, 2002, was \$55,964,137 (net of accumulated depreciation), up \$3,934,731 over last year (7% increase). This increase was attributable to a significant increase in infrastructure improvements over last year. Infrastructure improvements are expected to be between last year's and current year amounts for the next few years, as the City completes a number of new street construction projects. Depreciation amounts for the year are similar to the previous years. Major capital asset events during the year were:

- Addition of \$6,518,032 in total capital assets
- Addition of \$4,496,900 in infrastructure, of which \$3,263,336 was in various street improvements with the largest single improvement costing \$1,407,558 (Cunningham and Anthony Drive). All other individual infrastructure improvements cost less than \$160,000.
- Addition of \$684,987 in buildings and improvements, the largest item costing \$465,212 for architectural fees related to the new Library building addition
- Depreciation expense of \$2,583,301 was charged (\$1,355,466 was for infrastructure)

CITY OF URBANA

Management's Discussion and Analysis

June 30, 2002

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

	Governmental Activities		Business-type Activities		Total	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Land	\$ 3,307	\$ 2,972	\$3,707	\$ 3,646	\$ 7,014	\$ 6,618
Building and Improvements	7,521	6,994	2,356	2,364	9,877	9,358
Equipment	3,877	4,204	293	88	4,170	4,292
Infrastructure	<u>34,903</u>	<u>31,761</u>	-	-	<u>34,903</u>	<u>31,761</u>
Total Net Capital Assets	<u>\$49,608</u>	<u>\$45,931</u>	<u>\$6,356</u>	<u>\$ 6,098</u>	<u>\$55,964</u>	<u>\$52,029</u>

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

Debt Administration:

The City of Urbana had total outstanding bonded debt of \$2,687,335 at June 30, 2002. This entire 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	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
General obligation	\$ 470	\$ 692	\$ -	\$ -	\$ 470	\$ 692
Special revenue	-	-	<u>2,217</u>	<u>2,483</u>	<u>2,217</u>	<u>2,483</u>
Total bonds	\$ 470	\$ 692	\$2,217	\$2,483	\$2,687	\$3,175
Accumulated employee Absences	\$ 839	\$ 800	\$ -	\$ -	\$ 839	\$ 800
Landfill post-closure Monitoring	<u>\$ 458</u>	<u>\$ 487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 458</u>	<u>\$ 487</u>
Total	<u>\$1,767</u>	<u>\$1,979</u>	<u>\$2,217</u>	<u>\$2,483</u>	<u>\$3,984</u>	<u>\$4,462</u>

During the year, \$693,650 was retired, \$177,335 was issued and \$38,277 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 increased 3.5% last year and has averaged 6.0% annual growth over the last three years and 4.9% over the last 10 years. The City of Urbana has been very

CITY OF URBANA

Management's Discussion and Analysis

June 30, 2002

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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 growth. We believe the future of the local real estate market remains strong, although growth in assessed value may be slightly less than the 10-year average in the future.

The general fund budget for next year has increased 5%.

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.

CITY OF URBANA

Statement of Net Assets  
June 30, 2002

<b>ASSETS</b>	Governmental Activities	Business-type Activities	Total
Cash and Cash Equivalents:			
Cash on Hand	\$ 2,504	\$ 280	\$ 2,784
Checking	103,368	-	103,368
Savings	11,756,046	1,459,598	13,215,644
II. Public Treasurer's Pool	9,884,857	404,248	10,289,105
Money Market Funds	3,390,585	-	3,390,585
Investments	4,865,291	-	4,865,291
Receivables(net of uncollectibles):			
Property Tax	2,337,679	-	2,337,679
Accounts	157,830	32,110	189,940
Accrued Interest	43,327	-	43,327
Due from Other Governments	1,778,216	-	1,778,216
Other Taxes	426,740	-	426,740
Internal Balances	5,325	(5,325)	-
Prepaid Expenditures	285,905	-	285,905
Inventory of Supplies, at Cost	65,388	-	65,388
Investment in Joint Venture	45,655	-	45,655
Capital Assets (net of accumulated depreciation):			
Land	3,307,323	3,706,624	7,013,947
Buildings and Improvements	7,521,241	2,355,993	9,877,234
Equipment	3,876,338	293,775	4,170,113
Infrastructure	34,902,843	-	34,902,843
	<u>\$ 84,756,461</u>	<u>\$ 8,247,303</u>	<u>\$ 93,003,764</u>
<b>LIABILITIES AND NET ASSETS</b>			
Liabilities:			
Accounts Payable	\$ 1,679,519	\$ 1,885	\$ 1,681,404
Accrued Interest	7,759	44,196	51,955
Accrued Salaries and Taxes	562,123	4,255	566,378
Unearned Revenues	155,051	-	155,051

Non-Current Liabilities:			
Due Within One Year	266,485	343,205	609,690
Due After More Than One Year	<u>1,500,714</u>	<u>1,874,035</u>	<u>3,374,749</u>
Total Liabilities	<u>4,171,651</u>	<u>2,267,576</u>	<u>6,439,227</u>
Net Assets:			
Invested in Capital Assets, net of Related Debt	49,137,650	4,139,152	53,276,802
Unrestricted	<u>31,447,160</u>	<u>1,840,575</u>	<u>33,287,735</u>
Total Net Assets	<u>80,584,810</u>	<u>5,979,727</u>	<u>86,564,537</u>
Total Liabilities and Net Assets	<u>\$ 84,756,461</u>	<u>\$ 8,247,303</u>	<u>\$ 93,003,764</u>

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

CITY OF URBANA  
Statement of Activities

Fiscal Year Ended June 30, 2002

Functions/Programs:	Expenses	Program Revenues			Governmental Activities	Business Type Activities	Total
		Charges for Services	Operating Grants	Capital Grants			
Governmental Activities:							
Public Safety	\$ 9,839,621	\$ 2,348,345	\$ 35,809	\$ 6,614	\$ (7,448,853)	\$ -	\$(7,448,853)
Highways and Streets	6,954,657	1,466,681	-	-	(5,487,976)	-	(5,487,976)
General Government	2,091,136	275,091	-	-	(1,816,045)	-	(1,816,045)
Urban Redevelopment & Housing	3,249,966	213,964	2,080,476	-	(955,526)	-	(955,526)
Library Services	2,403,620	200,884	167,510	-	(2,035,226)	-	(2,035,226)
Interest on Long-Term Debt	25,717	-	-	-	(25,717)	-	(25,717)
Total Governmental Activities	24,564,717	4,504,965	2,283,795	6,614	(17,769,343)	-	(17,769,343)
Business-Type Activities:							
Motor Vehicle Parking	580,178	961,892	-	-	-	381,714	381,714
Total Functions/Programs	<u>\$25,144,895</u>	<u>\$ 5,466,857</u>	<u>\$ 2,283,795</u>	<u>\$ 6,614</u>	<u>(17,769,343)</u>	<u>381,714</u>	<u>(17,387,629)</u>
General Revenues:							
					6,259,205	-	6,259,205
					3,391,827	-	3,391,827
					3,544,544	-	3,544,544
					725,491	-	725,491
					597,001	-	597,001
					5,823,783	-	5,823,783
					932,775	44,065	976,840
					672,922	-	672,922
					2,062,862	-	2,062,862
					32,914	-	32,914
					6,743	-	6,743
					(168,669)	168,669	-
					23,881,398	212,734	24,094,132
					6,112,055	594,448	6,706,503
					74,472,755	5,385,279	79,858,034
					<u>\$ 80,584,810</u>	<u>\$ 5,979,727</u>	<u>\$86,564,537</u>

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



Charges for Services	4,505	962	5,467
Operating Grants	2,284		2,284
Capital Grants	7		7
Property Tax	6,259		6,259
Utility Tax	3,392		3,392
State Sales Tax	3,545		3,545
Intergovt.	5,824		5,824
investment	933	44	977
Municipal Sales	2,063		2,063
Other taxes	1,322		1,322
Other	712		712
Total Rev.	30,846	1,006	31,852
Expenses:			
Public Safety	9,840		9,840
Highways & Streets	6,955		6,955
General Government	2,091		2,091
Urban Redevelopment			0
And Housing	3,250		3,250
Library Services	2,403		2,403
Interest on LT Debt	26		26
Motor Vehicle Parking	0	580	580
Total Exp.	24,565	580	25,145
Increase in Net Assets			
Before Transfers	6,281	426	6,707
Transfers	(169)	169	0
Increase in Net Assets	6,112	595	6,707
Net Assets, Beg. Year	74,473	5,385	79,858
Net Assets, End Year	80,585	5,980	86,565

CITY OF URBANA

Governmental Funds - Combined Balance Sheet

June 30, 2002

ASSETS	General	Urbana Free Library	Tax Stabilization	Building Financing	Other Governmental Funds	Totals
Cash and Cash Equivalents:						
Cash on Hand	\$ 1,888	\$ 516	\$ -	\$ -	\$ 100	\$ 2,504
Checking	4,200	27,221	-	-	48,877	80,298
Savings	5,673,404	771,509	196,102	25,608	4,916,529	11,583,152
II. Public Treasurer's Pool	53,324	-	724,696	2,777,140	6,329,697	9,884,857
Money Market Funds	-	1,520,614	-	-	1,869,971	3,390,585
Investments	-	-	-	638,702	4,226,589	4,865,291
Receivables (Net of Uncollectibles):						
Property Tax	877,952	581,938	-	-	877,789	2,337,679
Accounts	153,685	4,145	-	-	-	157,830
Accrued Interest	-	2,203	-	-	41,124	43,327
Due from Other Governments	1,328,590	18,449	-	137,500	293,677	1,778,216
Other Taxes	360,433	-	-	-	66,307	426,740
Due from Other Funds	-	-	2,855,317	-	400,154	3,255,471
Prepaid Expenditures	285,905	-	-	-	-	285,905
<b>Total Assets</b>	<b>\$ 8,739,381</b>	<b>\$ 2,926,595</b>	<b>\$ 3,776,115</b>	<b>\$3,578,950</b>	<b>\$ 19,070,814</b>	<b>\$38,091,855</b>
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities:						
Due to Other Funds	\$ 2,895,097	\$ -	\$ -	\$ 38,400	\$ 344,915	\$ 3,278,412
Accounts Payable	344,470	12,883	91	126,697	980,100	1,464,241
Accrued Salaries and Taxes	515,214	38,678	-	-	1,168	555,060
Deferred Revenues	721,409	920,709	-	-	896,928	2,539,046
<b>Total Liabilities</b>	<b>4,476,190</b>	<b>972,270</b>	<b>91</b>	<b>165,097</b>	<b>2,223,111</b>	<b>7,836,759</b>
Fund Balance:						
Reserved for Prepaid Expenditures	285,905	-	-	-	-	285,905

Reserved for Building Expansion	-	1,522,817		3,413,853		4,936,670
Unreserved	<u>3,977,286</u>	<u>431,508</u>	<u>3,776,024</u>	<u>-</u>	<u>16,847,703</u>	<u>25,032,521</u>
Total Fund Balance	<u>4,263,191</u>	<u>1,954,325</u>	<u>3,776,024</u>	<u>3,413,853</u>	<u>16,847,703</u>	<u>30,255,096</u>
Total Liabilities and Fund Balance	<u>\$ 8,739,381</u>	<u>\$ 2,926,595</u>	<u>\$ 3,776,115</u>	<u>\$3,578,950</u>	<u>\$ 19,070,814</u>	<u>\$38,091,855</u>

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

CITY OF URBANA

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

June 30, 2002

Total fund balances, governmental funds \$ 30,255,096

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 49,539,866

Other long-term assets are not available  
to pay for current-period expenditures  
and therefore are deferred in the funds 2,429,650

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. 135,156

Long-term liabilities, including bonds  
payable, are not due and payable in the  
current period and therefore are not  
reported in the funds (1,774,958)

Net assets of governmental activities \$ 80,584,810

CITY OF URBANA

Governmental Funds

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

Fiscal Year Ended June 30, 2002

	General	Urbana Free Library	Tax Stabilization	Building Financing	Other Governmental Funds	Totals
<b>Revenues:</b>						
Property Tax	\$ 2,704,471	\$1,744,523	\$ -	\$ -	\$ 1,856,069	\$ 6,305,063
Utility Tax	3,391,827	-	-	-	-	3,391,827
State Sales Tax	3,276,917	-	-	-	267,627	3,544,544
Sewer Benefit Tax	-	-	-	-	725,491	725,491
Hotel/Motel Tax	597,001	-	-	-	-	597,001
Intergovernmental	3,840,696	167,510	-	308,717	4,974,699	9,291,622
Investment Income, (Net of Investment Expense)	139,529	40,771	87,146	-	665,329	932,775
Licenses, Fines, and Service Charges	2,970,367	150,884	96,534	-	142,664	3,360,449
Other	-	672,673	-	-	249	672,922
Municipal Sales Tax	2,062,862	-	-	-	-	2,062,862
<b>Total Revenues</b>	<b>18,983,670</b>	<b>2,776,361</b>	<b>183,680</b>	<b>308,717</b>	<b>8,632,128</b>	<b>30,884,556</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Public Safety	9,400,383	-	-	-	127,199	9,527,582
Highways and Streets	4,322,425	-	-	-	336,142	4,658,567
General Government	1,806,709	-	17,202	-	191,700	2,015,611
Urban Redevelopment and Housing	865,972	-	-	-	2,370,844	3,236,816
Library Services	-	2,222,873	-	-	136,598	2,359,471
<b>Debt Service:</b>						
Principal Retirement	-	-	-	-	222,305	222,305
Interest	-	-	-	-	33,401	33,401
Capital Outlay	61,538	473,212	147,463	-	5,675,915	6,358,128
<b>Total Expenditures</b>	<b>16,457,027</b>	<b>2,696,085</b>	<b>164,665</b>	<b>-</b>	<b>9,094,104</b>	<b>28,411,881</b>

Excess of Revenues Over

(Under) Expenditures	<u>2,526,643</u>	<u>80,276</u>	<u>19,015</u>	<u>308,717</u>	<u>(461,976)</u>	<u>2,472,675</u>
Other Financing Sources (Uses):						
Transfers In	-	525,842	955,375	284,788	3,664,412	5,430,417
Transfers Out	<u>(4,034,724)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,637,683)</u>	<u>(5,672,407)</u>
Total Other Financing Sources (Uses)	<u>(4,034,724)</u>	<u>525,842</u>	<u>955,375</u>	<u>284,788</u>	<u>2,026,729</u>	<u>(241,990)</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(1,508,081)	606,118	974,390	593,505	1,564,753	2,230,685
Fund Balance, Beginning of Year	<u>5,771,272</u>	<u>1,348,207</u>	<u>2,801,634</u>	<u>2,820,348</u>	<u>15,282,950</u>	<u>28,024,411</u>
Fund Balance, End of Year	<u>\$ 4,263,191</u>	<u>\$ 1,954,325</u>	<u>\$ 3,776,024</u>	<u>\$ 3,413,853</u>	<u>\$ 16,847,703</u>	<u>\$ 30,255,096</u>

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

# CITY OF URBANA

## 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, 2002

Net change in fund balance, total governmental funds	\$ 2,230,685
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.	3,680,360
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	(45,858)
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.	222,305
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.	4,800
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>19,763</u>
Change in net assets of governmental activities	<u><u>\$ 6,112,055</u></u>

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

CITY OF URBANA

General Fund

Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Property Tax	\$ 2,645,860	\$ 2,645,860	\$ 2,704,471	\$ 58,611
Utility Tax	3,484,514	3,484,514	3,391,827	(92,687)
State Sales Tax	3,554,588	3,554,588	3,276,917	(277,671)
Hotel/Motel Tax	576,875	576,875	597,001	20,126
Intergovernmental	4,349,199	4,349,199	3,840,696	(508,503)
Investment Income (Net of Investment Expense):				
Interest	181,524	181,524	127,283	(54,241)
Net Increase (Decrease) in Fair Value of Investments	-	-	12,246	12,246
Subtotal, Investment Income	181,524	181,524	139,529	(41,995)
Licenses, Fines, and Service Charges	2,654,652	2,654,652	2,970,367	315,715
Municipal Sales Tax	2,068,088	2,068,088	2,062,862	(5,226)
Total Revenues	<u>\$ 19,515,300</u>	<u>\$ 19,515,300</u>	<u>\$ 18,983,670</u>	<u>\$ (531,630)</u>
Expenditures-Current:				
Police:				
Personnel Services	\$ 4,558,850	\$ 4,567,890	\$ 4,401,046	\$ 166,844
Materials & Supplies	44,470	44,470	26,849	17,621
Other Services & Charges	880,815	880,815	791,568	89,247
Total Police	<u>5,484,135</u>	<u>5,493,175</u>	<u>5,219,463</u>	<u>273,712</u>
Fire:				
Personnel Services	3,765,840	3,765,840	3,710,553	55,287
Materials & Supplies	61,570	61,570	56,126	5,444
Other Services & Charges	419,540	419,540	414,241	5,299
Total Fire	<u>4,246,950</u>	<u>4,246,950</u>	<u>4,180,920</u>	<u>66,030</u>



Total Public Safety	<u>9,731,085</u>	<u>9,740,125</u>	<u>9,400,383</u>	<u>339,742</u>
Highways and Streets:				
Personnel Services	2,658,940	2,666,660	2,457,306	209,354
Materials & Supplies	408,029	408,029	352,230	55,799
Other Services & Charges	<u>1,708,490</u>	<u>1,708,490</u>	<u>1,512,889</u>	<u>195,601</u>
Total Highways and Streets	<u>4,775,459</u>	<u>4,783,179</u>	<u>4,322,425</u>	<u>460,754</u>

(Continued)

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

CITY OF URBANA

General Funds

Combined Statement of Revenues, Expenditures and Changes in Fund Balances , Cont'd  
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
General Government:				
Executive:				
Personnel Services	\$ 777,285	\$ 757,025	\$ 616,581	\$ 140,444
Materials & Supplies	16,610	16,610	13,584	3,026
Other Services & Charges	241,620	241,620	174,913	66,707
Total Executive	<u>1,035,515</u>	<u>1,015,255</u>	<u>805,078</u>	<u>210,177</u>
Finance:				
Personnel Services	643,960	647,520	634,658	12,862
Materials & Supplies	57,080	57,080	34,882	22,198
Other Services & Charges	193,540	193,540	165,875	27,665
Total Finance	<u>894,580</u>	<u>898,140</u>	<u>835,415</u>	<u>62,725</u>
City Clerk:				
Personnel Services	111,803	112,643	112,013	630
Materials & Supplies	2,180	2,180	1,527	653
Other Services & Charges	25,330	25,330	23,988	1,342
Total City Clerk	<u>139,313</u>	<u>140,153</u>	<u>137,528</u>	<u>2,625</u>
Legislative:				
Personnel Services	26,600	26,600	26,600	-
Materials & Supplies	750	750	192	558
Other Services & Charges	8,460	8,460	1,896	6,564
Total Legislative	<u>35,810</u>	<u>35,810</u>	<u>28,688</u>	<u>7,122</u>
Total General Government	<u>2,105,218</u>	<u>2,089,358</u>	<u>1,806,709</u>	<u>282,649</u>
Urban Redevelopment and Housing:				
Personnel Services	632,900	633,190	548,808	84,382

30 Materials & Supplies	14,130	14,130	9,642	4,488
Other Services & Charges	359,821	364,932	307,522	57,410
Total Community Development	<u>1,006,851</u>	<u>1,012,252</u>	<u>865,972</u>	<u>146,280</u>
Total Current Expenditures	17,618,613	17,624,914	16,395,489	1,229,425
Capital Outlay	<u>68,168</u>	<u>68,168</u>	<u>61,538</u>	<u>6,630</u>
Total Expenditures	<u>\$ 17,686,781</u>	<u>\$ 17,693,082</u>	<u>\$ 16,457,027</u>	<u>\$ 1,236,055</u>

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

CITY OF URBANA

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

Fiscal Year Ended June 30, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Property Tax	\$ 1,823,800	\$ 1,823,800	\$ 1,744,523	\$ (79,277)
Intergovernmental	191,286	191,286	167,510	(23,776)
Investment Income - Interest	15,300	15,300	40,771	25,471
Licenses, Fines and Service Charges	123,801	123,801	150,884	27,083
Other-Donations	-	-	672,673	672,673
<b>Total Revenues</b>	<b>2,154,187</b>	<b>2,154,187</b>	<b>2,776,361</b>	<b>622,174</b>
Expenditures:				
Current:				
Library Services:				
Personnel Services	1,553,964	1,587,795	1,554,125	33,670
Materials and Supplies	281,245	327,576	326,339	1,237
Contractual Services	369,155	369,155	342,409	26,746
<b>Total Library Services</b>	<b>2,204,364</b>	<b>2,284,526</b>	<b>2,222,873</b>	<b>61,653</b>
Capital Outlay	473,612	473,612	473,212	400
<b>Total Expenditures</b>	<b>2,677,976</b>	<b>2,758,138</b>	<b>2,696,085</b>	<b>62,053</b>
Net Revenues Over (Under) Expenditures	(523,789)	(603,951)	80,276	684,227
Other Financing Sources (Uses):				
Transfers In	60,630	60,630	525,842	465,212

Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(463,159)	(543,321)	606,118	1,149,439
Fund Balance, Beginning of Year	<u>1,348,207</u>	<u>1,348,207</u>	<u>1,348,207</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 885,048</u>	<u>\$ 804,886</u>	<u>\$ 1,954,325</u>	<u>\$ 1,149,439</u>

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

CITY OF URBANA

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

Fiscal Year Ended June 30, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Investment Income - Interest	\$ 118,000	\$ 118,000	\$ 87,146	\$ (30,854)
Licenses, Fines and Service Charges	-	-	96,534	96,534
<b>Total Revenues</b>	<b>118,000</b>	<b>118,000</b>	<b>183,680</b>	<b>65,680</b>
Expenditures:				
Current:				
Highways and Streets:				
Contractual Services	5,210	5,210	-	5,210
General Government:				
Contractual Services	5,000	23,000	17,202	5,798
Capital Outlay	126,130	171,130	147,463	23,667
<b>Total Expenditures</b>	<b>136,340</b>	<b>199,340</b>	<b>164,665</b>	<b>34,675</b>
<b>Net Revenues Over (Under) Expenditures</b>	<b>(18,340)</b>	<b>(81,340)</b>	<b>19,015</b>	<b>100,355</b>
Other Financing Uses:				
Transfers In (Out)	737,920	737,920	955,375	217,455
<b>Net Revenues Over (Under) Expenditures and Other Financing Sources</b>	<b>719,580</b>	<b>656,580</b>	<b>974,390</b>	<b>317,810</b>

Fund Balance, Beginning of Year	<u>2,801,634</u>	<u>2,801,634</u>	<u>2,801,634</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$3,521,214</u></u>	<u><u>\$3,458,214</u></u>	<u><u>\$ 3,776,024</u></u>	<u><u>\$ 317,810</u></u>

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

CITY OF URBANA

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

Fiscal Year Ended June 30, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Intergovernmental-State Grant	\$ 250,000	\$ 250,000	\$ 308,717	\$ 58,717
Other Financing Sources (Uses):				
Transfers In (Out)	<u>(1,723,317)</u>	<u>(1,723,317)</u>	<u>284,788</u>	<u>2,008,105</u>
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(1,473,317)	(1,473,317)	593,505	2,066,822
Fund Balance, Beginning of Year	<u>2,820,348</u>	<u>2,820,348</u>	<u>2,820,348</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,347,031</u>	<u>\$ 1,347,031</u>	<u>\$3,413,853</u>	<u>\$ 2,066,822</u>



CITY OF URBANA

Proprietary Funds  
Statement of Net Assets  
June 30, 2002

	Business-type Activities Motor Vehicle Parking Enterprise Fund		Governmental Activities Internal Service Funds
	Current Year	Last Year	
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents:			
Cash on Hand	\$ 280	\$ 230	\$ -
Checking	-	-	23,070
Savings	1,459,598	1,754,244	172,894
II. Public Treasurer's Pool	404,248	-	-
Receivables (Net of Uncollectibles):			
Accounts	32,110	70,654	-
Due from Other Funds	-	-	28,266
Inventory of Supplies	-	-	65,388
Total Current Assets	<u>1,896,236</u>	<u>1,825,128</u>	<u>289,618</u>
Capital Assets:			
Land	3,706,624	3,646,056	-
Buildings and Improvements	5,445,229	5,244,438	-
Equipment	497,817	273,239	168,065
Less Accumulated Depreciation	<u>(3,293,278)</u>	<u>(3,065,507)</u>	<u>(100,186)</u>
Total Capital Assets (net of Accumulated Depreciation)	<u>6,356,392</u>	<u>6,098,226</u>	<u>67,879</u>
Total Assets	<u>8,252,628</u>	<u>7,923,354</u>	<u>357,497</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Due to Other Funds	5,325	3,841	-
Accounts Payable	1,885	4,226	215,278
Accrued Interest	44,196	43,225	-
Accrued Salaries and Taxes	4,255	4,183	7,063
General Obligation Bonds-Current	<u>343,205</u>	<u>442,695</u>	<u>-</u>

Total Current Liabilities	398,866	498,170	222,341
Non-Current Liabilities:			
General Obligation Bonds	<u>1,874,035</u>	<u>2,039,905</u>	<u>-</u>
Total Liabilities	<u>2,272,901</u>	<u>2,538,075</u>	<u>222,341</u>
<b>NET ASSETS</b>			
Invested in Capital Assets (Net of Related Debt)	4,139,152	3,615,626	67,879
Unrestricted	<u>1,840,575</u>	<u>1,769,653</u>	<u>67,277</u>
Total Net Assets	<u>\$ 5,979,727</u>	<u>\$ 5,385,279</u>	<u>\$ 135,156</u>

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

CITY OF URBANA

Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Assets

Fiscal Year Ended June 30, 2002

	Business-type Activities Motor Vehicle Parking Enterprise Fund		Governmental Activities Internal Funds
	Current Yr.	Last Yr.	
Operating Revenues:			
Parking Meters	\$ 727,358	\$ 648,380	\$ -
Parking Rentals	234,534	241,680	-
Charges for Services	-	-	773,114
<b>Total Operating Revenues</b>	<b>961,892</b>	<b>890,060</b>	<b>773,114</b>
Operating Expenses:			
Personnel Services	111,918	119,219	250,643
Supplies	33,601	31,695	18,358
Contractual Services	74,378	74,528	131,570
Equipment Parts	-	-	126,622
Fuel	-	-	107,014
Depreciation	227,774	212,043	11,285
Worker's Compensation Claims	-	-	181,180
<b>Total Operating Expenses</b>	<b>447,671</b>	<b>437,485</b>	<b>826,672</b>
<b>Operating Income</b>	<b>514,221</b>	<b>452,575</b>	<b>(53,558)</b>
Non Operating Revenues (Expenses):			
Investment Income (Net of Invest. Expense)	44,065	93,478	-
Interest Expense	(132,507)	(145,640)	-
<b>Total Non Operating Revenues (Expenses)</b>	<b>(88,442)</b>	<b>(52,162)</b>	<b>-</b>
<b>Income Before Transfers In (Out)</b>	<b>425,779</b>	<b>400,413</b>	<b>(53,558)</b>
<b>Transfers In (Out)</b>	<b>168,669</b>	<b>132,897</b>	<b>73,321</b>

Change in Net Assets	594,448	533,310	19,763
Net Assets, Beginning of Year	<u>5,385,279</u>	<u>4,851,969</u>	<u>115,393</u>
Net Assets, End of Year	<u><u>\$ 5,979,727</u></u>	<u><u>\$ 5,385,279</u></u>	<u><u>\$ 135,156</u></u>

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, 2002

	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	\$ 1,000,433	\$ 845,313	\$ 756,747
Payments to Employees	(111,846)	(118,684)	(250,360)
Payments to Suppliers	(108,836)	(119,874)	(391,770)
Worker's Compensations Claims	-	-	(168,689)
Net Cash Provided by (Used in) Operating Activities	<u>779,751</u>	<u>606,755</u>	<u>(54,072)</u>
Cash Flows from Non-Capital Financing Activities:			
Transfers In (Out)	<u>168,669</u>	<u>132,897</u>	<u>73,321</u>
Cash Flows from Capital and Related Financing Activities:			
(Purchase) of Land	(60,568)	-	-
(Purchase) of Buildings and Improvements	(200,791)	(121,748)	-
(Purchase) of Equipment	(224,578)	(20,897)	(7,491)
Payment of Interest on Debt	(131,536)	(152,889)	-
Payment of Debt Principal	(265,360)	(418,225)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(882,833)</u>	<u>(713,759)</u>	<u>(7,491)</u>
Cash Flows from Investing Activities:			
Investment Income	<u>44,065</u>	<u>93,478</u>	<u>-</u>
Increase (Decrease) in Cash and Cash Equivalents	109,652	119,371	11,758

Beginning Cash and Cash Equivalents	<u>1,754,474</u>	<u>1,635,103</u>	<u>184,206</u>
Ending Cash and Cash Equivalents	<u>\$ 1,864,126</u>	<u>\$ 1,754,474</u>	<u>\$ 195,964</u>

(Continued)

CITY OF URBANA

Proprietary Funds  
Statement of Cash Flows, Continued

Fiscal Year Ended June 30, 2002

	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)	\$ 514,221	452,575	(53,558)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used in) Operating Activities:			
Depreciation Expense	227,774	212,043	11,285
(Increase) in Accounts Receivable	38,541	(44,707)	-
Decrease in Due from Other Funds	-	-	(16,367)
(Increase) in Inventory of Supplies	-	-	862
(Decrease) in Due to Other Funds	1,484	(40)	-
Increase (Decrease) in Accounts Payable	(2,341)	(13,651)	3,423
Increase in Accrued Salaries and Taxes	72	535	283
Net Cash Provided (Used in) Operating Activities	<u>\$ 779,751</u>	<u>\$ 606,755</u>	<u>\$ (54,072)</u>

CITY OF URBANA

Fiduciary Funds  
Employee's Pension Trust Funds  
Statement of Fiduciary Net Assets

Fiscal Year Ended June 30, 2002

**ASSETS**

Cash and Cash Equivalents:	
Checking	\$ 264
Savings	1,274,028
Money Market Funds	481,055
Subtotal, Cash and Cash Equivalents	<u>1,755,347</u>
Investments (at fair value)	31,470,177
Receivables (Net of Uncollectibles):	
Property Tax	757,933
Accrued Interest	<u>123,032</u>
Total Assets	34,106,489

**LIABILITIES**

Accounts Payable	<u>91,066</u>
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**NET ASSETS** \$ 34,015,423



CITY OF URBANA

Fiduciary Funds  
Employee's Pension Trust Funds  
Statement of Changes in Fiduciary Net Assets

Fiscal Year Ended June 30, 2002

Additions:	
Employer Contributions	\$ 1,574,706
Employee Contributions	417,208
Subtotal, Contributions	<u>1,991,914</u>
Investment Income:	
Interest and Dividends	1,335,126
Net Increase (Decrease) in Fair Value of Investments	<u>(2,220,818)</u>
Subtotal, Investment Income	(885,692)
Less Investment Expense	<u>(95,564)</u>
Net Investment Income	<u>(981,256)</u>
Total Additions	<u>1,010,658</u>
Deductions:	
Benefits	2,164,410
Administrative Costs	<u>41,826</u>
Total Deductions	<u>2,206,236</u>
Change in Net Assets	(1,195,578)
Net Assets Beginning of Year	<u>35,211,001</u>
Net Assets, End of Year	<u>\$ 34,015,423</u>

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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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 4-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

# CITY OF URBANA

## Notes to Financial Statements

June 30, 2002

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C. Government-wide and Fund Financial Statements – 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.

Revenues susceptible to accrual are property taxes, franchise fees, licenses, state sales, state income, utility, and municipal sales taxes that are collected and held by the state or

# CITY OF URBANA

## Notes to Financial Statements

June 30, 2002

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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 which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Urbana does not operate any utilities; 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

June 30, 2002

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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.

# CITY OF URBANA

## Notes to Financial Statements

June 30, 2002

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

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

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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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 are accounted for in the enterprise funds. Debt Service Funds used by the City are:

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.

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

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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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.

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.

Separate financial statements for both the Firemen's Pension Trust and the Policemen's Pension Trust may be obtained at the following address:

City of Urbana Firemen's or Policemen's Pension Trust  
400 S. Vine Street  
Urbana, Illinois 61801

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, 2002, 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



CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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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

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.

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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3) Inventories and Prepaid Items

The only inventories for supplies are carried in the Central Garage Internal Service Fund (\$65,388), 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. The government defines capital assets 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 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 OF URBANA

## Notes to Financial Statements

June 30, 2002

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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, 2002.

### 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 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 “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 follow:

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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Approximately ½ of the amount of property tax receivable is deferred in the governmental funds	\$2,383,995
The amount of the investment in the joint venture is not reported as an asset in the governmental funds	<u>45,655</u>
Total	\$2,429,650

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 follow:

Bonds principal payable	\$1,767,199
Bond interest payable	<u>7,759</u>
Total	\$1,774,958

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:

Capital outlays	\$6,035,888
Depreciation	<u>( 2,355,528)</u>
Total	\$3,680,360

Another element of that reconciliation states “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:

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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In the governmental funds, the payment to the joint venture was reported as an 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.	\$ 6,743
Accrued interest payable	7,684
Amortization of long-term liability for future landfill Monitoring	28,650
Accumulated employee compensated absences	<u>( 38,277)</u>
Total	\$ 4,800

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 \$264,694 for all funds. Two significant budget changes were to reduce the amount originally budgeted for a housing rehabilitation program due to a grant revision that reduced the amount awarded to the city in the amount of \$209,000 and an increase in the amount budgeted for a street improvement project in the amount of \$230,000. Other budget increase changes were small and insignificant.

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

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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that are not spent at year-end lapse and 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 \$16,468,353 and the bank balance was \$13,774,655. Of the bank balance, \$3,527,841 was covered by general depository insurance and \$10,246,814 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 1</u>	<u>Total</u>
U.S. Government Securities	<u>\$21,882,505</u>	\$21,882,505
Investments Not Subject to Categorization:		
Insurance Company Accounts		1,541,611
Investment in Illinois Public Treasurer's Pool		10,289,106
Investment in Money Market Funds		3,871,640
Investment in Mutual Funds		6,022,461
Investment in Common Stocks		5,013,837

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

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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 a 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, 2002, and the for the year then ended, is as follows:

Total Assets	\$127,381
Total Liabilities	<u>7,866</u>
Total Fund Equity	<u>\$119,515</u>
Total Revenues	\$ 60,615
Total Expenses	<u>42,964</u>
Net Income (Loss)	<u>\$ 17,651</u>

C. Capital Assets:

A. A summary of changes in capital assets follows:

	<u>Balance</u> <u>06/30/01</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/02</u>
Governmental Activities:				
Land (not being depreciated)	\$ 2,972,015	\$ 335,308	\$ --	\$ 3,307,323
Capital assets being Depreciated:				
Buildings and Improvements	9,144,448	684,987	--	9,829,435
Accum. Depn.	<u>( 2,150,575)</u>	<u>( 157,619)</u>	<u>--</u>	<u>( 2,308,194)</u>
Buildings and Improvements Net	<u>6,993,873</u>	<u>527,368</u>	<u>--</u>	<u>7,521,241</u>

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

	<u>Balance</u> <u>06/30/01</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/02</u>
Equipment	8,431,753	514,898	( 719,760)	8,226,891
Accum. Depn.	<u>( 4,227,870)</u>	<u>( 842,443)</u>	<u>719,760</u>	<u>( 4,350,553)</u>
Equipment Net	<u>4,203,883</u>	<u>( 327,545)</u>	<u>--</u>	<u>3,876,338</u>
Infrastructure	41,902,063	4,496,900	--	46,398,963
Accum. Depn.	<u>(10,140,654)</u>	<u>( 1,355,466)</u>	<u>--</u>	<u>(11,496,120)</u>
Infrastructure Net	<u>31,761,409</u>	<u>3,141,434</u>	<u>--</u>	<u>34,902,843</u>
Total, Governmental Activities, Net Capital Assets	<u>\$45,931,180</u>	<u>\$3,676,565</u>	<u>\$ --</u>	<u>\$49,607,745</u>
Business-type Activities:				
Land (not being depreciated)	<u>\$ 3,646,056</u>	<u>\$ 60,568</u>	<u>\$ --</u>	<u>\$ 3,706,624</u>
Capital assets being Depreciated:				
Buildings and Improvements	5,244,438	200,791	--	5,445,229
Accum. Depn.	<u>( 2,880,746)</u>	<u>( 208,490)</u>	<u>--</u>	<u>( 3,089,236)</u>
Buildings and Improvements Net	<u>2,363,692</u>	<u>( 7,699)</u>	<u>--</u>	<u>2,355,993</u>
Equipment	273,237	224,580	--	497,817
Accum. Depn.	<u>( 184,759)</u>	<u>( 19,283)</u>	<u>--</u>	<u>( 204,042)</u>
Equipment Net	<u>88,478</u>	<u>205,297</u>	<u>--</u>	<u>293,775</u>
Total, Business-type Activities, Net Capital Assets	<u>\$ 6,098,226</u>	<u>\$ 258,166</u>	<u>\$ --</u>	<u>\$ 6,356,392</u>

Depreciation expense was charged to functions/programs as follows:

Public Safety	\$ 471,419
Highways and Streets	1,736,680
General Government	73,658
Urban Redevelopment and Housing	26,819
Library	<u>46,952</u>
Total Depreciation Expense, Governmental Activities	<u>\$2,355,528</u>



CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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D. Long-Term Debt:

A. 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, 2002, the City had the following outstanding general obligation debt:

1. 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 3 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>
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>\$340,095</u>	<u>\$ 36,237</u>

In 2002, \$102,305 of principal and \$22,957 interest was paid.

2. 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 year 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>
2003	5.5	130,000	7,200

In 2002, \$120,000 of principal and \$10,444 interest was paid.

B. Employee compensated absences in the amount of \$838,704 were accrued at June 30, 2002.

C. Landfill Closure and Post-Closure. The City previously operated an old landfill, which was officially closed in 1987. The City contractually agreed with surrounding property owners to certain post-closure monitoring of this closed landfill under EPA standards. In 1994, the City estimated that it would be required to spend \$687,600 over

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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the following 24 years (\$28,650 per year). At June 30, 2002, \$487,050 remains outstanding to be paid over the next 17 years. These costs are expected to be paid out of amounts to be provided in future periods, rather than from resources currently available. Each year, this estimate of costs is subject to changes resulting from inflation, technology, or applicable laws. The City has applied the Governmental Accounting Standards Board Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs, and has included in long-term debt the liability for the estimated costs to close and maintain the landfill.

D. 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.

E. 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, 2002, including interest payments of \$43,437 are as follows:

Year <u>Ended</u>	<u>Total</u>
2003	262,836
2004	125,559
2005	<u>125,137</u>
TOTAL	<u>\$ 513,532</u>

F. 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, 2002, the City had the following outstanding revenue obligation debt:

1. 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 11 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>
2003	5.3	50,000	50,925
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

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

(cont'd)	<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>
	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>\$970,000</u>	<u>\$355,953</u>

During the year, \$165,000 of principal and \$57,300 interest was paid.

2. 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 11 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.

<u>Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>
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>\$795,000</u>	<u>\$129,740</u>

During the year, \$195,000 of principal and \$48,700 interest was paid.

3. 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 3 years as listed below. The balance of this issue is considered a general obligation debt (1994C Capital Improvement Bonds). Debt service on this issue is being paid by the Motor Vehicle Parking Enterprise Fund.

Interest

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

<u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>
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>\$274,905</u>	<u>\$ 29,290</u>

During the year, \$82,695 of principal and \$17,862 interest was paid.

4. A revenue note dated December 15, 2001 (2001 Tepper Note) that is considered a revenue obligation debt provides for serial retirement of varying amounts of principal and interest over the next 15 years as listed below. Debt service on this issue is being paid by the Motor Vehicle Parking Enterprise Fund.

<u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>
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>\$274,905</u>	<u>\$ 29,290</u>

During the year, \$0 of principal and \$8,645 interest was paid.

- G. The annual requirements to amortize all long-term revenue obligations, as of June 30, 2002, including interest of \$667,648 are as follows:

<u>Year Ended</u>	<u>Amount</u>
2003	465,819
2004	467,731
2005	473,583
2006	162,583
2007	162,868
2008	167,890
2009	172,388
2010	176,360
2011	179,808
2012	182,730
2013	185,128
2014	22,000
2015	22,000
2016	22,000
2017	<u>22,000</u>
	<u>\$2,884,888</u>

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

H. Changes in Long-Term Debt - The following is a summary of debt transactions of the City for the year ended June 30, 2002:

	<u>Payable 6/30/01</u>	<u>Retired</u>	<u>Additions</u>	<u>Payable 6/30/02</u>	<u>Amounts Due Within One Year</u>
General Obligation Bonds:					
1992 TIF 3 Bonds	\$ 250,000	\$ 120,000	\$ --	\$ 130,000	\$130,000
1994C Cap. Imp. Bonds	<u>442,400</u>	<u>102,305</u>	<u>--</u>	<u>340,095</u>	<u>107,835</u>
Total	<u>\$ 692,400</u>	<u>\$ 222,305</u>	<u>\$ --</u>	<u>\$ 470,095</u>	<u>\$237,835</u>
					Amounts Due Within One Year
	<u>Payable 6/30/01</u>	<u>Retired</u>	<u>Additions</u>	<u>Payable 6/30/02</u>	<u>Amounts Due Within One Year</u>
Accumulated Compensated Absences					
	<u>\$ 800,427</u>	<u>\$ --</u>	<u>\$ 38,277</u>	<u>\$ 838,704</u>	<u>\$ --</u>
Landfill Post-closure Monitoring					
	<u>\$ 487,050</u>	<u>\$ 28,650</u>	<u>\$ --</u>	<u>\$ 458,400</u>	<u>\$ 28,650</u>
Revenue Bonds & Notes:					
1994A Parking Bonds	\$1,135,000	\$ 165,000	\$ --	\$ 970,000	\$ 50,000
1994B Parking Bonds	990,000	195,000	--	795,000	200,000
1994C Parking Bonds	357,600	82,695	--	274,905	87,165
2002 Tepper Note	<u>--</u>	<u>--</u>	<u>177,335</u>	<u>177,335</u>	<u>6,040</u>
Total	<u>\$2,482,600</u>	<u>\$ 442,695</u>	<u>\$ 177,335</u>	<u>\$2,217,240</u>	<u>\$343,205</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 that 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

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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to contribute at an actuarially determined rate. The City of Urbana rate for calendar year 2001 was 2.56% and for calendar year 2002 is 1.94% of payroll. The employer contribution requirements are established and may be amended by the I.M.R.F. Board of Trustees.

For December 31, 2001, the City of Urbana's annual pension cost of \$154,118 was equal to the City of Urbana's required and actual contributions. The required contribution was determined as part of the December 31, 1999 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 2001 actuarial valuation were based on the 1996-98 experience study. I.M.R.F.'s unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis. The remaining amortization period at December 31, 2001 was 10 years.

Trend Information

<u>Actuarial Date</u>	<u>Annual Pension Cost (APC)</u>	<u>% APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/01	\$154,118	100%	\$0
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
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:

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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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.

The financial statements of the Police Pension Fund are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Securities without an established market are reported at estimated fair value.

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 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	\$1,012,133
Interest on Net Pension Obligation	0
Adjustment to Annual Required Contribution	<u>0</u>
Annual Pension Cost	1,012,133
Contributions Made	1,052,672
Increase (decrease) in Net Pension Obligation	( 40,539)
Net Pension Obligation, Beginning of Year	<u>( 79,408)</u>
Net Pension Obligation, End of Year	<u>(\$ 119,947)</u>

The annual required contribution for the current year was determined as part of the June 30, 2001, 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)

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

post retirement benefit increases of 3% per year. The unfunded actuarial liability is being amortized as a level percentage of projected payrolls over a 33 year closed period.

Three-Year Trend Information:

Actuarial Valuation Date	Annual Pension Cost (A.P.C.)	Percent A.P.C. Contributed	Net Pension Obligation
June 30, 1999	\$954,569	99.9%	(\$21,645)
June 30, 2000	\$911,079	106.3%	(\$79,408)
June 30, 2001	\$1,012,133	104.0%	(\$119,947)

Actuarial Value Date	6/30/99	6/30/00	6/30/01
Actuarial Value of Plan Assets	\$12,489,176	\$13,582,546	\$14,491,027
Actuarial Accrued Liability (Entry Age Normal Cost) Unfunded (Overfunded)	\$19,014,902	\$19,769,233	\$21,196,511
Actuarial Accrued Liability	\$ 6,525,726	\$ 6,186,687	\$ 6,705,484
Funded Ratio	65.7%	68.7%	68.4%
Covered Payroll Unfunded (Overfunded)	\$ 2,004,454	\$ 2,005,269	\$ 2,319,005
Actuarial Accrued Liability As % Covered Payroll	325.6%	308.5%	289.2%

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.

The financial statements of the Firemen's Pension Fund are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Securities without an established market are reported at estimated fair value.

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



CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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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	\$517,183
Interest on Net Pension Obligation	0
Adjustment to Annual Required Contribution	<u>0</u>
Annual Pension Cost	517,183
Contributions Made	522,034
Increase (decrease) in Net Pension Obligation	(4,851)
Net Pension Obligation, Beginning of Year	<u>(129,358)</u>
Net Pension Obligation, End of Year	<u><u>\$(134,209)</u></u>

The annual required contribution for the current year was determined as part of the June 30, 2001, 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 payrolls over a 33 year closed period.

Three-Year Trend Information:

Actuarial Valuation Date	Annual Pension Cost (A.P.C.)	Percent A.P.C. Contributed	Net Pension Obligation
June 30, 1999	\$440,150	104.1%	(\$106,411)
June 30, 2000	\$459,832	105.0%	(\$129,358)
June 30, 2001	\$517,183	100.9%	(\$134,209)

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CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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Actuarial Value Date	6/30/99	6/30/00	6/30/01
Actuarial Value of Plan Assets	\$19,449,427	\$20,943,568	\$21,796,116
Actuarial Accrued Liability (Entry Age Normal Cost)	\$19,931,074	\$21,272,505	\$22,731,090
Unfunded (Overfunded) Actuarial Accrued Liability	\$ 481,647	\$ 328,937	\$ 934,974
Funded Ratio	97.6%	98.5%	95.9%
Covered Payroll	\$ 2,016,499	\$ 2,007,050	\$ 2,138,464
Unfunded (Overfunded) Actuarial Accrued Liability As % Covered Payroll	23.9%	16.4%	43%

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 of the City of Urbana. Amounts of these bonds outstanding at June 30, 2002, are not significant.

6. Other Taxes Receivable:

At June 30, 2002 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):

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

	<u>General Fund</u>	<u>Other Governmental Sanitary Sewer Capital Project Fund</u>	<u>Total</u>
Utility Tax	\$266,062	\$ --	\$266,062
Hotel/Motel Tax	53,896	--	53,896
Local Sales Tax	24,159	--	24,159
Sewer Benefit Tax	--	66,307	66,307
Recycling Tax	<u>16,316</u>	<u>--</u>	<u>16,316</u>
	<u>\$360,433</u>	<u>\$ 66,307</u>	<u>\$426,740</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, 2002:

	<u>General</u>	<u>Free Library</u>	<u>Building Financing</u>	<u>Other Govt.</u>	<u>Total</u>
State:					
Income Tax	\$ 228,720	\$ --	\$ --	\$ --	\$ 228,720
Sales Tax	1,086,708	--	--	--	1,086,708
Motor Fuel Tax	--	--	--	94,695	94,695
Corporate Personal Prop. Repl. Tax	7,839	18,449	--	--	26,288
Univ. Tel. Franchise	5,323	--	--	--	5,323
Grants	--	--	137,500	--	137,500
Federal, Grants	<u>--</u>	<u>--</u>	<u>--</u>	<u>198,982</u>	<u>198,982</u>
Total	<u>\$1,328,590</u>	<u>\$18,449</u>	<u>\$137,500</u>	<u>\$293,677</u>	<u>\$1,778,216</u>

8. Interfund Receivables and Payables:

A schedule of Due To and From Other Funds follows:

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ --	\$2,895,097
Tax Stabilization	2,855,317	--
Building Financing	--	38,400
Other Govt. Funds:		
Municipal Retirement	2,404	--
Motor Fuel Tax	341,313	--
Social Service Agency	--	7,500
Vehicle and Equipment Replacement	26,765	--
Community Development Special	--	190,361
Community Development Block Grant	--	28,672
Tax Increment Financing District 2	2,584	--
Tax Increment Financing District 4	27	--
Economic Development	18,503	--
Sales Tax Grant	--	118,382
Capital Improvement and Replacement	7,964	--
Sanitary Sewer Construction	594	--
Internal Service Funds:		
Central Garage	28,266	--
Total, Govt. Activities	3,283,737	3,278,412
Business-type Activities:		
Motor Vehicle Parking	--	5,325
Total	<u>\$3,283,737</u>	<u>\$3,283,737</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.

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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Note 5 – Other Information:

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, 2002. Amounts for claims incurred but not reported are considered to be immaterial at June 30, 2002. 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>2002</u>	<u>2001</u>
Unpaid Claims, Beginning of Year	\$ 181,517	\$ 132,483
Incurred Claims	181,180	141,048
Claim Payments	( 170,214)	( 92,014)
Unpaid Claims, End of Year	<u>\$ 192,483</u>	<u>\$ 181,517</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.

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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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 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 \$285,316 in 2002, 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 \$1,072,009 in 2002, 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, 2002, 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	\$2,108,000
Street Resurfacing	Motor Fuel Tax	927,000
Downtown Lighting and St. Improvements	Capital Impr. and Replacement	<u>1,123,000</u>
		<u>\$4,158,000</u>

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

CITY OF URBANA

Notes to Financial Statements

June 30, 2002

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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, 2002, 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 6, 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, 2002, 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, 2002.

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.F. Pension Plan

June 30, 2002

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) (Entry Age)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/01	\$ 19,110,786	\$ 15,676,083	\$ (3,434,703)	121.91%	\$ 6,020,221	(52.33%)
12/31/00	17,874,586	14,321,612	(3,552,974)	124.81%	5,792,901	(52.33%)
12/31/99	15,834,430	12,973,331	(2,861,099)	122.05%	5,467,322	(52.33%)
12/31/98	13,650,558	11,746,175	(1,904,383)	116.21%	5,094,857	(37.37%)
12/31/97	11,722,929	10,801,065	(921,864)	108.53%	5,035,409	(18.30%)
12/31/96	9,856,534	9,213,799	(642,735)	106.98%	4,794,418	(13.40%)
12/31/95	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%



# **NON-MAJOR GOVERNMENTAL FUNDS**

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- **DEBT SERVICE FUNDS**
- **SPECIAL REVENUE FUNDS**
- **CAPITAL PROJECTS FUNDS**



CITY OF URBANA

Non-Major Governmental Funds - Combining Balance Sheet

June 30, 2002

<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	\$ -	\$ 100	\$ -	\$ 100
Checking	-	48,877	-	48,877
Savings	-	4,715,274	201,255	4,916,529
II. Public Treasurer's Pool	-	4,633,486	1,696,211	6,329,697
Money Market Funds	-	1,869,971	-	1,869,971
Investments	-	3,471,021	755,568	4,226,589
Receivables (Net of Uncollectibles):				
Property Tax	-	877,789	-	877,789
Accrued Interest	-	41,124	-	41,124
Due from Other Governments	-	293,677	-	293,677
Other Taxes	-	-	66,307	66,307
Due from Other Funds	-	391,596	8,558	400,154
	<u>-</u>	<u>391,596</u>	<u>8,558</u>	<u>400,154</u>
<b>Total Assets</b>	<b>\$ -</b>	<b>\$16,342,915</b>	<b>\$2,727,899</b>	<b>\$19,070,814</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Due to Other Funds	\$ -	\$ 344,915	\$ -	\$ 344,915
Accounts Payable	-	878,967	101,133	980,100
Accrued Salaries and Taxes	-	1,168	-	1,168
Deferred Revenues	-	896,928	-	896,928
<b>Total Liabilities</b>	<b>-</b>	<b>2,121,978</b>	<b>101,133</b>	<b>2,223,111</b>
Fund Balance - Unreserved and Designated For:				
Employee Retirement Costs	-	188,442	-	188,442
Future Capital Outlay	-	2,604,264	2,626,766	5,231,030

Social Service Agencies	-	41,297	-	41,297
Equipment Replacement	-	2,650,499	-	2,650,499
Urban Housing and Development	-	4,836,989	-	4,836,989
Local Matching for State Grants	-	1,079,679	-	1,079,679
Workers Compensation Claims	-	2,819,767	-	2,819,767
		<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balance	-	14,220,937	2,626,766	16,847,703
		<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balance	\$ -	<u>\$16,342,915</u>	<u>\$ 2,727,899</u>	<u>\$19,070,814</u>

CITY OF URBANA

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

Fiscal Year Ended June 30, 2002

	Debt Service	Special Revenue	Capital Projects	Totals
Revenues:				
Property Tax	\$ -	\$ 1,856,069	\$ -	\$ 1,856,069
State Sales Tax	-	267,627	-	267,627
Sewer Benefit Tax	-	-	725,491	725,491
Intergovernmental	-	3,902,126	1,072,573	4,974,699
Investment Income (Net of Investment Expense)	-	566,307	99,022	665,329
Licenses, Fines, and Service Charges	-	132,968	9,696	142,664
Other	-	-	249	249
	<u>-</u>	<u>6,725,097</u>	<u>1,907,031</u>	<u>8,632,128</u>
Total Revenues				
Expenditures:				
Current:				
Public Safety	-	127,199	-	127,199
Highways and Streets	-	272,580	63,562	336,142
General Government	-	191,700	-	191,700
Urban Redevelopment and Housing	-	2,370,844	-	2,370,844
Library Services	-	136,598	-	136,598
Debt Service:				
Principal Retirement	222,305	-	-	222,305
Interest	33,401	-	-	33,401
Capital Outlay	-	2,643,750	3,032,165	5,675,915
	<u>255,706</u>	<u>5,742,671</u>	<u>3,095,727</u>	<u>9,094,104</u>
Total Expenditures				
Excess of Revenues Over (Under) Expenditures	<u>(255,706)</u>	<u>982,426</u>	<u>(1,188,696)</u>	<u>(461,976)</u>
Other Financing Sources (Uses):				
Transfers In	255,706	1,777,876	1,630,830	3,664,412

Transfers Out	<u>-</u>	<u>(1,263,783)</u>	<u>(373,900)</u>	<u>(1,637,683)</u>
Total Other Financing Sources (Uses)	<u>255,706</u>	<u>514,093</u>	<u>1,256,930</u>	<u>2,026,729</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	1,496,519	68,234	1,564,753
Fund Balance, Beginning of Year	<u>-</u>	<u>12,724,418</u>	<u>2,558,532</u>	<u>15,282,950</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$14,220,937</u>	<u>\$ 2,626,766</u>	<u>\$16,847,703</u>

CITY OF URBANA

Non-Major Debt Service Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Fiscal Year Ended June 30, 2002

	1994 Capital Bonds	1992 T.I.F. 3 Bonds	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Expenditures-Debt Service:			
Principal	\$ 102,305	\$ 120,000	\$ 222,305
Interest	<u>22,957</u>	<u>10,444</u>	<u>33,401</u>
Total Expenditures	125,262	130,444	255,706
Other Financing Sources (Uses):			
Transfers In (Out)	<u>125,262</u>	<u>130,444</u>	<u>255,706</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>

CITY OF URBANA

Non-Major Special Revenue Funds - Combining Balance Sheet

June 30, 2002

(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	-	-	-	-	42,723	6,154	-
Savings	1,401	1,679,293	50,532	9,739	102,703	-	190,492
II. Public Treasurer's Pool	-	397,850	-	746,544	-	-	1,672,356
Money Market Funds	-	-	-	-	-	-	-
Investments	190,570	710,874	-	1,894,660	-	-	-
Receivables (net of Uncollectibles):							
Property Tax	-	-	-	-	-	-	307,376
Accrued Interest	-	-	-	-	-	-	-
Due from Other Governments	-	94,695	-	14,190	162,324	22,468	-
Due from Other Funds	2,404.00	341,313	-	26,765	-	-	-
<b>Total Assets</b>	<b>\$ 194,375</b>	<b>\$ 3,224,025</b>	<b>\$ 50,532</b>	<b>\$ 2,691,898</b>	<b>\$ 307,750</b>	<b>\$ 28,672</b>	<b>\$ 2,170,224</b>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Due to Other Funds	\$ -	\$ -	\$ 7,500	\$ -	\$ 190,361	\$ 28,672	\$ -
Accounts Payable	5,933	619,761	1,735	41,399	17,208	-	181,359
Accrued Salaries and Taxes	-	-	-	-	-	-	-
Deferred Revenues	-	-	-	-	-	-	297,698
<b>Total Liabilities</b>	<b>5,933</b>	<b>619,761</b>	<b>9,235</b>	<b>41,399</b>	<b>207,569</b>	<b>28,672</b>	<b>479,057</b>
Fund Balance - Unreserved, Designated For:							
Employee Retirement Costs	188,442	-	-	-	-	-	-
Future Capital Outlay	-	2,604,264	-	-	-	-	-
Social Service Agencies	-	-	41,297	-	-	-	-
Equipment Replacement	-	-	-	2,650,499	-	-	-
Urban Housing and Development	-	-	-	-	100,181	-	1,691,167
Local Matching for State Grants	-	-	-	-	-	-	-
Worker Compensation Claims	-	-	-	-	-	-	-
<b>Total Fund Balance</b>	<b>188,442</b>	<b>2,604,264</b>	<b>41,297</b>	<b>2,650,499</b>	<b>100,181</b>	<b>-</b>	<b>1,691,167</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 194,375</b>	<b>\$ 3,224,025</b>	<b>\$ 50,532</b>	<b>\$ 2,691,898</b>	<b>\$ 307,750</b>	<b>\$ 28,672</b>	<b>\$ 2,170,224</b>

(Continued)

CITY OF URBANA

Non-Major Special Revenue Funds - Combining Balance Sheet

June 30, 2002

(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>ASSETS</b>							
Cash and Cash Equivalents:							
Cash on Hand	\$ -	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ 100
Checking	-	-	-	-	-	-	48,877
Savings	18,511	582,936	8,169	186,959	71,049	1,813,490	4,715,274
II. Public Treasurer's Pool	760,214	50,245	-	-	-	1,006,277	4,633,486
Money Market Funds	-	-	-	1,175,400	694,571	-	1,869,971
Investments	275,000	-	-	8,600	391,317	-	3,471,021
Receivables (net of Uncollectibles):							
Property Tax	364,843	195,566	10,004	-	-	-	877,789
Accrued Interest	-	-	-	-	41,124	-	41,124
Due from Other Governments	-	-	-	-	-	-	293,677
Due from Other Funds	2,584	-	27	18,503	-	-	391,596
<b>Total Assets</b>	<b>\$ 1,421,152</b>	<b>\$ 828,747</b>	<b>\$ 18,200</b>	<b>\$ 1,389,512</b>	<b>\$ 1,198,061</b>	<b>\$ 2,819,767</b>	<b>\$ 16,342,915</b>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ 118,382	\$ -	\$ 344,915
Accounts Payable	-	-	-	11,572	-	-	878,967
Accrued Salaries and Taxes	1,168	-	-	-	-	-	1,168
Deferred Revenues	320,000	268,260	10,500	470	-	-	896,928
<b>Total Liabilities</b>	<b>321,168</b>	<b>268,260</b>	<b>10,500</b>	<b>12,042</b>	<b>118,382</b>	<b>-</b>	<b>2,121,978</b>
Fund Balance - Unreserved, Designated For:							
Employee Retirement Costs	-	-	-	-	-	-	188,442
Future Capital Outlay	-	-	-	-	-	-	2,604,264
Social Service Agencies	-	-	-	-	-	-	41,297
Equipment Replacement	-	-	-	-	-	-	2,650,499
Urban Housing and Development	1,099,984	560,487	7,700	1,377,470	-	-	4,836,989
Local Matching for State Grants	-	-	-	-	1,079,679	-	1,079,679
Worker Compensation Claims	-	-	-	-	-	2,819,767	2,819,767
<b>Total Fund Balance</b>	<b>1,099,984</b>	<b>560,487</b>	<b>7,700</b>	<b>1,377,470</b>	<b>1,079,679</b>	<b>2,819,767</b>	<b>14,220,937</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,421,152</b>	<b>\$ 828,747</b>	<b>\$ 18,200</b>	<b>\$ 1,389,512</b>	<b>\$ 1,198,061</b>	<b>\$ 2,819,767</b>	<b>\$ 16,342,915</b>



CITY OF URBANA

Non-Major Special Revenue Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Fiscal Year Ended June 30, 2002

(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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 581,615
State Sales Tax	-	-	-	-	-	-	-
Intergovernmental	-	1,026,796	-	69,854	1,448,522	361,811	-
Investment Income:							
Interest	11,299	96,196	-	113,075	3,027	-	50,917
Net Appreciation (Depreciation) in Fair Value of Investments	3,654	13,630	-	36,327	-	-	-
Total Investment Income (Net of Investment Expense)	14,953	109,826	-	149,402	3,027	-	50,917
Licenses, Fines and Services Charges	-	-	-	43,301	31,533	28,822	-
Total Revenues	14,953	1,136,622	-	262,557	1,483,082	390,633	632,532
Expenditures:							
Current:							
Public Safety	59,834	-	-	67,365	-	-	-
Highways & Streets	272,580	-	-	-	-	-	-
General Government	57,730	-	133,970	-	-	-	-
Urban Redevelopment and Housing	79,901	-	-	-	1,453,083	384,669	8,974
Library Services	136,598	-	-	-	-	-	-
Capital Outlay	-	1,138,845	-	747,843	117,045	-	500,887
Total Expenditures	606,643	1,138,845	133,970	815,208	1,570,128	384,669	509,861
Excess of Revenues Over (Under) Expenditures	(591,690)	(2,223)	(133,970)	(552,651)	(87,046)	5,964	122,671
Other Financing Sources (Uses):							
Transfers In	440,000	-	125,650	971,160	88,066	-	-
Transfers (Out)	-	-	-	-	-	(5,964)	(236,086)
Total Other Financing Sources (Uses)	440,000	-	125,650	971,160	88,066	(5,964)	(236,086)
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(151,690)	(2,223)	(8,320)	418,509	1,020	-	(113,415)
Fund Balance, Beginning of Year	340,132	2,606,487	49,617	2,231,990	99,161	-	1,804,582
Fund Balance, End of Year	\$ 188,442	\$ 2,604,264	\$ 41,297	\$ 2,650,499	\$ 100,181	\$ -	\$ 1,691,167

(Continued)

CITY OF URBANA  
 Non-Major Special Revenue Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 Fiscal Year Ended June 30, 2002

(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
Revenues:							
Property Tax	\$ 670,762	\$ 593,192	\$ 10,500	\$ -	\$ -	\$ -	\$ 1,856,069
State Sales Tax	267,627	-	-	-	-	-	267,627
Intergovernmental	270,143	-	-	725,000	-	-	3,902,126
Investment Income:							
Interest	23,878	9,179	-	55,602	62,835	73,748	499,756
Net Appreciation (Depreciation) in Fair Value of Investments	5,272	-	-	165	7,503	-	66,551
Total Investment Income (Net of Investment Expense)	29,150	9,179	-	55,767	70,338	73,748	566,307
Licenses, Fines and Service Charges	-	-	-	29,312	-	-	132,968
<b>Total Revenues</b>	<b>1,237,682</b>	<b>602,371</b>	<b>10,500</b>	<b>810,079</b>	<b>70,338</b>	<b>73,748</b>	<b>6,725,097</b>
Expenditures:							
Current:							
Public Safety	-	-	-	-	-	-	127,199
Highways and Streets	-	-	-	-	-	-	272,580
General Government	-	-	-	-	-	-	191,700
Urban Redevelopment and Housing	210,605	130,209	13,921	89,482	-	-	2,370,844
Library Services	-	-	-	-	-	-	136,598
Capital Outlay	139,130	-	-	-	-	-	2,643,750
<b>Total Expenditures</b>	<b>349,735</b>	<b>130,209</b>	<b>13,921</b>	<b>89,482</b>	<b>-</b>	<b>-</b>	<b>5,742,671</b>
Excess of Revenues Over (Under) Expenditures	887,947	472,162	(3,421)	720,597	70,338	73,748	982,426
Other Financing Sources (Uses):							
Transfers In	-	-	11,121	141,879	-	-	1,777,876
Transfers (Out)	(367,080)	(188,444)	-	-	(392,888)	(73,321)	(1,263,783)
<b>Total Other Financing Sources (Uses)</b>	<b>(367,080)</b>	<b>(188,444)</b>	<b>11,121</b>	<b>141,879</b>	<b>(392,888)</b>	<b>(73,321)</b>	<b>514,093</b>
Excess of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	520,867	283,718	7,700	862,476	(322,550)	427	1,496,519
Fund Balance, Beginning of Year	579,117	276,769	-	514,994	1,402,229	2,819,340	12,724,418
<b>Fund Balance, End of Year</b>	<b>\$ 1,099,984</b>	<b>\$ 560,487</b>	<b>\$ 7,700</b>	<b>\$ 1,377,470</b>	<b>\$ 1,079,679</b>	<b>\$ 2,819,767</b>	<b>\$14,220,937</b>

CITY OF URBANA

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

Fiscal Year Ended June 30, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Investment Income:				
Interest	\$ 15,000	\$ 15,000	\$ 11,299	\$ (3,701)
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	3,654	3,654
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>14,953</u>	<u>(47)</u>
Expenditures-Current:				
Public Safety:				
Personnel Services	75,701	75,701	59,834	15,867
Highways & Streets:				
Personnel Services	344,865	344,865	272,580	72,285
General Government:				
Personnel Services	73,040	73,040	57,730	15,310
Urban Redevelopment & Housing:				
Personnel Services	101,091	101,091	79,901	21,190
Library Services:				
Personnel Services	172,823	172,823	136,598	36,225
Total Expenditures	<u>767,520</u>	<u>767,520</u>	<u>606,643</u>	<u>160,877</u>
Net Revenues Over (Under) Expenditures	(752,520)	(752,520)	(591,690)	160,830
Other Financing Sources (Uses):				
Transfers In (Out)	<u>500,000</u>	<u>500,000</u>	<u>440,000</u>	<u>(60,000)</u>
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(252,520)	(252,520)	(151,690)	100,830
Fund Balance, Beginning of Year	<u>340,132</u>	<u>340,132</u>	<u>340,132</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 87,612</u>	<u>\$ 87,612</u>	<u>\$ 188,442</u>	<u>\$ 100,830</u>

CITY OF URBANA

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, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Intergovernmental-				
State Allotment	\$ 1,075,000	\$ 1,075,000	\$ 1,026,796	\$ (48,204)
State Reimbursements	219,000	219,000	-	(219,000)
Total, Intergovernmental	<u>1,294,000</u>	<u>1,294,000</u>	<u>1,026,796</u>	<u>(267,204)</u>
Investment Income:				
Interest	123,000	123,000	96,196	(26,804)
Net Appreciation (Depreciation) in Fair Value Investments	<u>-</u>	<u>-</u>	<u>13,630</u>	<u>13,630</u>
Total Investment Income (Net of of Investment Expense)	<u>123,000</u>	<u>123,000</u>	<u>109,826</u>	<u>(13,174)</u>
Total Revenues	<u>1,417,000</u>	<u>1,417,000</u>	<u>1,136,622</u>	<u>(280,378)</u>
Expenditures-Capital Outlay:				
Windsor/Philo	75,000	75,000	-	75,000
Annual Street Maintenance	1,124,097	1,124,097	926,148	197,949
Lincoln/Florida	490,749	490,749	-	490,749
Huff/Boudreau Improvements	420,000	420,000	-	420,000
University/Guardian Improvements	200,000	200,000	56,132.00	143,868
Street Lighting Replacement	152,842	152,842	-	152,842
Signal Improvements	<u>477,457</u>	<u>477,457</u>	<u>156,565</u>	<u>320,892</u>
Total Expenditures	<u>2,940,145</u>	<u>2,940,145</u>	<u>1,138,845</u>	<u>1,801,300</u>
Net Revenues Over (Under) Expenditures	(1,523,145)	(1,523,145)	(2,223)	1,520,922
Fund Balance, Beginning of Year	<u>2,606,487</u>	<u>2,606,487</u>	<u>2,606,487</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,083,342</u>	<u>\$ 1,083,342</u>	<u>\$ 2,604,264</u>	<u>\$ 1,520,922</u>

CITY OF URBANA

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, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Expenditures-Current:				
General Government:				
Contractual Services	\$ 145,970	\$ 145,970	\$ 133,970	\$ 12,000
Other Financing Sources:				
Transfers In	<u>133,150</u>	<u>133,150</u>	<u>125,650</u>	<u>(7,500)</u>
Net Revenues Over (Under) Expenditures and Other Financing Sources	(12,820)	(12,820)	(8,320)	4,500
Fund Balance, Beginning of Year	<u>49,617</u>	<u>49,617</u>	<u>49,617</u>	-
Fund Balance, End of Year	<u>\$ 36,797</u>	<u>\$ 36,797</u>	<u>\$ 41,297</u>	<u>\$ 4,500</u>

CITY OF URBANA

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, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Intergovernmental	\$ 36,050	\$ 74,853	\$ 69,854	\$ (4,999)
Investment Income:				
Interest	75,000	75,000	113,075	38,075
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	36,327	36,327
Total Investment Income (Net of Investment Expense)	75,000	75,000	149,402	74,402
Licenses, Fines and Service Charges	22,250	24,000	43,301	19,301
Total Revenues	133,300	173,853	262,557	88,704
Expenditures:				
Current - Public Safety:				
Contractual Services	122,787	152,383	67,365	85,018
Capital Outlay	1,693,942	1,704,899	747,843	957,056
Total Expenditures	1,816,729	1,857,282	815,208	1,042,074
Net Revenues Over (Under) Expenditures	(1,683,429)	(1,683,429)	(552,651)	1,130,778
Other Financing Sources (Uses):				
Transfers In	957,710	957,710	971,160	13,450
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(725,719)	(725,719)	418,509	1,144,228
Fund Balance, Beg. of Year:	2,231,990	2,231,990	2,231,990	-
Fund Balance, End of Year	\$ 1,506,271	\$ 1,506,271	\$ 2,650,499	\$ 1,144,228

CITY OF URBANA

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

Fiscal Year Ended June 30, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Intergovernmental:				
State Grants	\$ -	\$ 19,430	\$ 168,910	\$ 149,480
Federal Grants	1,598,557	1,354,884	1,279,612	(75,272)
Total Intergovernmental	1,598,557	1,374,314	1,448,522	74,208
Investment Income - Interest	5,010	5,010	3,027	(1,983)
Licenses, Fines and Service Charges	124,200	124,200	31,533	(92,667)
Total Revenues	1,727,767	1,503,524	1,483,082	(20,442)
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Contractual Services	3,339,931	3,130,688	1,453,083	1,677,605
Capital Outlay	116,831	116,831	117,045	(214)
Total Expenditures	3,456,762	3,247,519	1,570,128	1,677,391
Net Revenues Over (Under) Expenditures	(1,728,995)	(1,743,995)	(87,046)	1,656,949
Other Financing Sources (Uses):				
Transfers In (Out)	(73,598)	(73,598)	88,066	161,664
Net Revenues Over (Under) Expenditures and Other Financing Sources	(1,802,593)	(1,817,593)	1,020	1,818,613
Fund Balance, Beginning of Year	99,161	99,161	99,161	-
Fund Balance, End of Year	\$ (1,703,432)	\$ (1,718,432)	\$ 100,181	\$ 1,818,613

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, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Intergovernmental-				
Federal Entitlement	\$ 922,427	\$ 922,427	\$ 361,811	\$ (560,616)
Licenses, Fines and Service Charges	121,200	121,200	28,822	(92,378)
Total Revenues	<u>1,043,627</u>	<u>1,043,627</u>	<u>390,633</u>	<u>(652,994)</u>
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	167,847	152,847	150,838	2,009
Materials and Supplies	4,000	4,000	1,231	2,769
Contractual Services	538,547	533,547	232,600	300,947
Total Urban Redevelopment and Housing	<u>710,394</u>	<u>690,394</u>	<u>384,669</u>	<u>305,725</u>
Capital Outlay	<u>222,033</u>	<u>232,033</u>	<u>-</u>	<u>232,033</u>
Total Expenditures	<u>932,427</u>	<u>922,427</u>	<u>384,669</u>	<u>537,758</u>
Net Revenues Over (Under) Expenditures	111,200	121,200	5,964	(115,236)
Other Financing Sources (Uses):				
Transfers In (Out)	<u>26,420</u>	<u>26,420</u>	<u>(5,964)</u>	<u>(32,384)</u>
Net Revenues Over (Under) Expenditures and Other Financing Sources	137,620	147,620	-	(147,620)
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 137,620</u>	<u>\$ 147,620</u>	<u>\$ -</u>	<u>\$ (147,620)</u>



CITY OF URBANA

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, 2002

	Budget		Actual	Variance With
	Original	Final		Final Budget Over (Under)
Revenues:				
Property Tax	\$ 595,395	\$ 595,395	\$ 581,615	\$ (13,780)
Intergovernmental-State Grant	3,600	3,600	-	(3,600)
Investment Income - Interest	60,000	60,000	50,917	(9,083)
<b>Total Revenues</b>	<b>658,995</b>	<b>658,995</b>	<b>632,532</b>	<b>(26,463)</b>
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Contractual Services	53,771	53,771	8,974	44,797
Capital Outlay	1,259,823	1,259,823	500,887	758,936
<b>Total Expenditures</b>	<b>1,313,594</b>	<b>1,313,594</b>	<b>509,861</b>	<b>803,733</b>
Net Revenues Over (Under) Expenditures	(654,599)	(654,599)	122,671	777,270
Other Financing Uses:				
Transfers (Out)	(1,575,154)	(1,575,154)	(236,086)	1,339,068
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(2,229,753)	(2,229,753)	(113,415)	2,116,338
Fund Balance, Beginning of Year	1,804,582	1,804,582	1,804,582	-
<b>Fund Balance, End of Year</b>	<b>\$ (425,171)</b>	<b>\$ (425,171)</b>	<b>\$ 1,691,167</b>	<b>\$ 2,116,338</b>

CITY OF URBANA

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, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Property Tax	\$ 561,000	\$ 561,000	\$ 670,762	\$ 109,762
State Sales Tax	186,700	186,700	267,627	80,927
Intergovernmental-State Grant	226,500	226,500	270,143	43,643
Investment Income:				
Interest	5,000	5,000	23,878	18,878
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	5,272	5,272
Total Investment Income (Net of Investment Expense)	5,000	5,000	29,150	24,150
Total Revenues	979,200	979,200	1,237,682	258,482
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	42,100	42,100	36,017	6,083
Contractual Services	558,685	558,685	174,588	384,097
Total Urban Redevelopment and Housing	600,785	600,785	210,605	390,180
Capital Outlay	870,907	910,907	139,130	771,777
Total Expenditures	1,471,692	1,511,692	349,735	1,161,957
Net Revenues Over (Under) Expenditures	(492,492)	(532,492)	887,947	1,420,439
Other Financing Sources (Uses):				
Transfers In (Out)	(277,539)	(277,539)	(367,080)	(89,541)
Net Revenues Over (Under) Expenditures and Other Financing Sources	(770,031)	(810,031)	520,867	1,330,898
Fund Balance, Beginning of Year	579,117	579,117	579,117	-
Fund Balance, End of Year	\$ (190,914)	\$ (230,914)	\$ 1,099,984	\$ 1,330,898

CITY OF URBANA

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, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Property Tax	\$ 536,520	\$ 536,520	\$ 593,192	\$ 56,672
Investment Income - Interest	12,000	12,000	9,179	(2,821)
Total Revenues	<u>548,520</u>	<u>548,520</u>	<u>602,371</u>	<u>53,851</u>
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Contractual Services	250,159	250,159	130,209	119,950
Capital Outlay	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>80,000</u>
Total Expenditures	<u>330,159</u>	<u>330,159</u>	<u>130,209</u>	<u>199,950</u>
Net Revenues Over (Under) Expenditures	218,361	218,361	472,162	253,801
Other Financing Sources (Uses):				
Transfers In (Out)	<u>(192,000)</u>	<u>(192,000)</u>	<u>(188,444)</u>	<u>3,556</u>
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	26,361	26,361	283,718	257,357
Fund Balance, Beginning of Year	<u>276,769</u>	<u>276,769</u>	<u>276,769</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 303,130</u>	<u>\$ 303,130</u>	<u>\$ 560,487</u>	<u>\$ 257,357</u>

CITY OF URBANA

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, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Property Tax	\$ -	\$ -	\$ 10,500	\$ 10,500
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Contractual Services	-	13,921	13,921	-
Net Revenues Over (Under) Expenditures	-	(13,921)	(3,421)	10,500
Other Financing Sources (Uses):				
Transfers In (Out)	-	12,000	11,121	(879)
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	(1,921)	7,700	9,621
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ (1,921)	\$ 7,700	\$ 9,621

CITY OF URBANA

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

Fiscal Year Ended June 30, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Intergovernmental	\$ 118,220	\$ 118,220	\$ 725,000	\$ 606,780
Investment Income:				
Interest	5,000	5,000	\$ 55,602	50,602
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	165	165
Total Investment Income (Net of Investment Expense)	5,000	5,000	55,767	50,767
Licenses, Fines and Service Charges	26,000	26,000	29,312	3,312
Total Revenues	149,220	149,220	810,079	660,859
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	16,710	16,710	5,710	11,000
Contractual Services	725,795	735,795	83,772	652,023
Total Expenditures	742,505	752,505	89,482	663,023
Net Revenues Over (Under) Expenditures	(593,285)	(603,285)	720,597	1,323,882
Other Financing Sources (Uses):				
Transfers In (Out)	18,000	6,000	141,879	135,879
Net Revenues Over Sources (Uses)	(575,285)	(597,285)	862,476	1,459,761
Fund Balance, Beginning of Year	514,994	514,994	514,994	-
Fund Balance, End of Year	\$ (60,291)	\$ (82,291)	\$ 1,377,470	\$ 1,459,761

CITY OF URBANA

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, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Investment Income:				
Interest	\$ 82,600	\$ 82,600	\$ 62,835	\$ (19,765)
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	7,503	7,503
Total Investment Income (Net of Investment Expense)	82,600	82,600	70,338	(12,262)
Other Financing Sources (Uses):				
Transfers In (Out)	(502,998)	(502,998)	(392,888)	110,110
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(420,398)	(420,398)	(322,550)	97,848
Fund Balance, Beginning of Year:	1,402,229	1,402,229	1,402,229	-
Fund Balance, End of Year	\$ 981,831	\$ 981,831	\$ 1,079,679	\$ 97,848

CITY OF URBANA

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

Fiscal Year Ended June 30, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Investment Income - Interest	\$ 162,000	\$ 162,000	\$ 73,748	\$ (88,252)
Other Financing Sources (Uses):				
Transfers In (Out)	<u>(73,321)</u>	<u>(73,321)</u>	<u>(73,321)</u>	<u>-</u>
Net Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	88,679	88,679	427	(88,252)
Fund Balance, Beginning of Year:	<u>2,819,340</u>	<u>2,819,340</u>	<u>2,819,340</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 2,908,019</u></u>	<u><u>\$ 2,908,019</u></u>	<u><u>\$ 2,819,767</u></u>	<u><u>\$ (88,252)</u></u>

CITY OF URBANA

Non-Major Capital Projects Fund  
Combining Balance Sheet  
June 30, 2002

<b>ASSETS</b>	<u>Capital Improvement and Replacement</u>	<u>Sanitary Sewer Construction</u>	<u>Total</u>
Cash and Cash Equivalents:			
Savings	\$ 62,324	\$ 138,931	\$ 201,255
II. Public Treasurer's Pool	1,410,878	285,333	1,696,211
Investments	570,568	185,000	755,568
Receivables (Net of Uncollectibles):			
Other Taxes	-	66,307	66,307
Due from Other Funds	7,964	594	8,558
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 2,051,734</u>	<u>\$ 676,165</u>	<u>\$ 2,727,899</u>
 <b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts Payable	<u>\$ 21,964</u>	<u>\$ 79,169</u>	<u>\$ 101,133</u>
Fund Balance:			
Unreserved, Designated for Future Capital Outlay:			
General Construction	2,029,770	-	2,029,770
Sewer Construction	-	596,996	596,996
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balance	<u>2,029,770</u>	<u>596,996</u>	<u>2,626,766</u>
Total Liabilities and Fund Balance	<u>\$ 2,051,734</u>	<u>\$ 676,165</u>	<u>\$ 2,727,899</u>



CITY OF URBANA

Non-Major Capital Projects Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Fiscal Year Ended June 30, 2002

	Capital Improvement and Replacement	Sanitary Sewer Construction	Total
Revenues:			
Sewer Benefit Tax	\$ -	\$ 725,491	\$ 725,491
Intergovernmental	1,072,573	-	1,072,573
Investment Income:			
Interest	66,840	17,695	84,535
Net Appreciation (Depreciation) in Fair Value Investments	10,940	3,547	14,487
Total, Investment Income (Net Investment Expense)	77,780	21,242	99,022
Licenses, Fines, and Service Charges	9,696	-	9,696
Other	249	-	249
Total Revenues	<u>1,160,298</u>	<u>746,733</u>	<u>1,907,031</u>
Expenditures:			
Current - Highways and Streets	<u>58,513</u>	<u>5,049</u>	<u>63,562</u>
Capital Outlay:			
General Construction	2,223,321	-	2,223,321
Sewer Construction	<u>229,925</u>	<u>578,919</u>	<u>808,844</u>
Total Capital Outlay	<u>2,453,246</u>	<u>578,919</u>	<u>3,032,165</u>
Total Expenditures	<u>2,511,759</u>	<u>583,968</u>	<u>3,095,727</u>
Net of Revenues Over (Under) Expenditures	<u>(1,351,461)</u>	<u>162,765</u>	<u>(1,188,696)</u>
Other Financing Sources (Uses):			
Transfers In	1,630,830	-	1,630,830
Transfers (Out)	<u>-</u>	<u>(373,900)</u>	<u>(373,900)</u>
Total Other Financing Sources (Uses)	<u>1,630,830</u>	<u>(373,900)</u>	<u>1,256,930</u>
Net of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	279,369	(211,135)	68,234
Fund Balance, Beg. Year	<u>1,750,401</u>	<u>808,131</u>	<u>2,558,532</u>
Fund Balance, End Year	<u><u>\$ 2,029,770</u></u>	<u><u>\$ 596,996</u></u>	<u><u>\$ 2,626,766</u></u>

CITY OF URBANA

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, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,250,001	\$ 2,250,001	\$ 1,072,573	\$ (1,177,428)
Investment Income:				
Interest	101,000	101,000	66,840	(34,160)
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	10,940	10,940
Total, Investment Income (Net of Investment Expense)	101,000	101,000	77,780	(23,220)
Licenses, Fines and Service Charges	7,999	7,999	9,696	1,697
Other	10,000	10,000	249	(9,751)
Total Revenues	2,369,000	2,369,000	1,160,298	(1,208,702)
Expenditures:				
Current - Highways and Streets	99,765	99,765	58,513	41,252
Capital Outlay:				
General Construction:				
Street and Light Improvements	5,230,265	5,460,265	2,145,001	3,315,264
City Property Improvements	83,307	83,307	78,320	4,987
Total General Construction	5,313,572	5,543,572	2,223,321	3,320,251
Sewer Construction	681,115	681,115	229,925	451,190
Total Capital Outlay	5,994,687	6,224,687	2,453,246	3,771,441
Total Expenditures	6,094,452	6,324,452	2,511,759	3,812,693
Net of Revenues Over				

(Under) Expenditures	<u>(3,725,452)</u>	<u>(3,955,452)</u>	<u>(1,351,461)</u>	<u>2,603,991</u>
Other Financing Sources (Uses):				
Transfers In	<u>1,556,514</u>	<u>1,566,514</u>	<u>1,630,830</u>	<u>64,316</u>
Net of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(2,168,938)	(2,388,938)	279,369	2,668,307
Fund Balance, Beginning of Year:	<u>1,750,401</u>	<u>1,750,401</u>	<u>1,750,401</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (418,537)</u></u>	<u><u>\$ (638,537)</u></u>	<u><u>\$ 2,029,770</u></u>	<u><u>\$ 2,668,307</u></u>

CITY OF URBANA

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, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Sewer Benefit Tax	\$ 675,000	\$ 675,000	\$ 725,491	\$ 50,491
Investment Income:				
Interest	32,000	32,000	17,695	(14,305)
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	3,547	3,547
Total, Investment Income (Net of Investment Expense)	32,000	32,000	21,242	(10,758)
Total Revenues	707,000	707,000	746,733	39,733
Expenditures:				
Current - Highways and Streets	5,049	5,049	5,049	-
Capital Outlay - Sewer Construction	1,252,153	1,252,153	578,919	673,234
Total Expenditures	1,257,202	1,257,202	583,968	673,234
Net of Revenues Over (Under) Expenditures	(550,202)	(550,202)	162,765	712,967
Other Financing Sources (Uses):				
Transfers (Out)	(373,900)	(373,900)	(373,900)	-
Net of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(924,102)	(924,102)	(211,135)	712,967
Fund Balance, Beginning of Year	808,131	808,131	808,131	-
Fund Balance, End of Year	\$ (115,971)	\$ (115,971)	\$ 596,996	\$ 712,967

# ENTERPRISE FUND

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CITY OF URBANA

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, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Operating Revenues:				
Parking Meters	\$ 524,000	\$ 698,250	\$ 727,358	\$ 29,108
Parking Rentals	240,100	240,100	234,534	(5,566)
Total Operating Revenues	<u>764,100</u>	<u>938,350</u>	<u>961,892</u>	<u>23,542</u>
Operating Expenses:				
Personnel Services	136,650	136,650	111,918	24,732
Supplies	51,435	51,435	33,601	17,834
Contractual Services	142,281	142,281	74,378	67,903
Depreciation	227,774	227,774	227,774	-
Total Operating Expenses	<u>558,140</u>	<u>558,140</u>	<u>447,671</u>	<u>110,469</u>
Operating Income	<u>205,960</u>	<u>380,210</u>	<u>514,221</u>	<u>134,011</u>
Non-Operating Revenues (Expenses):				
Investment Income (net of investment expense)	85,000	85,000	44,065	(40,935)
Interest Expense	(587,645)	(587,645)	(132,507)	455,138
Total Non-Operating Revenues (Expenses)	<u>(502,645)</u>	<u>(502,645)</u>	<u>(88,442)</u>	<u>414,203</u>
Income (Loss) Before Transfers	<u>(296,685)</u>	<u>(122,435)</u>	<u>425,779</u>	<u>548,214</u>
Transfers In (Out)	<u>124,410</u>	<u>124,410</u>	<u>168,669</u>	<u>44,259</u>

Change in Net Assets	(172,275)	1,975	594,448	592,473
Net Assets, Beginning of Year	<u>5,385,279</u>	<u>5,385,279</u>	<u>5,385,279</u>	<u>-</u>
Net Assets, End of Year	<u>\$ 5,213,004</u>	<u>\$ 5,387,254</u>	<u>\$ 5,979,727</u>	<u>\$ 592,473</u>

# INTERNAL SERVICE FUNDS

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CITY OF URBANA

Internal Service Funds  
Combining Statement of Net Assets

June 30, 2002

<b>ASSETS</b>	Central Garage	Worker's Compensation Retained Risk	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Current Assets:			
Cash and Cash Equivalents:			
Checking	\$ -	\$ 23,070	\$ 23,070
Savings	1,956	170,938	172,894
Due from Other Funds	28,266	-	28,266
Inventory of Supplies, At Cost	65,388	-	65,388
	<u>          </u>	<u>          </u>	<u>          </u>
Total Current Assets	95,610	194,008	289,618
	<u>          </u>	<u>          </u>	<u>          </u>
Noncurrent Assets:			
Equipment	168,065	-	168,065
Less Accumulated Depreciation	(100,186)	-	(100,186)
	<u>          </u>	<u>          </u>	<u>          </u>
Total Capital Assets (net of Accumulated Depreciation)	67,879	-	67,879
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	163,489	194,008	357,497
	<u>          </u>	<u>          </u>	<u>          </u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	21,270	194,008	215,278
Accrued Salaries and Taxes	7,063	-	7,063
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	28,333	194,008	222,341
	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET ASSETS</b>			

Invested in Capital Assets	67,879	-	67,879
Unrestricted	<u>67,277</u>	<u>-</u>	<u>67,277</u>
Total Net Assets	<u>\$ 135,156</u>	<u>\$ -</u>	<u>\$ 135,156</u>

CITY OF URBANA

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

Fiscal Year Ended June 30, 2002

	Central Garage	Worker's Compensation Retained Risk	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Operating Revenues:			
Charges for Services	\$ 612,124	\$ 160,990	\$ 773,114
	<u>          </u>	<u>          </u>	<u>          </u>
Operating Expenses:			
Personnel Services	235,408	15,235	250,643
Supplies	12,370	5,988	18,358
Contractual Services	99,662	31,908	131,570
Equipment Parts	126,622	-	126,622
Fuel	107,014	-	107,014
Depreciation	11,285	-	11,285
Worker's Compensation Claims	-	181,180	181,180
	<u>          </u>	<u>          </u>	<u>          </u>
Total Operating Expenses	592,361	234,311	826,672
	<u>          </u>	<u>          </u>	<u>          </u>
Operating Income (Loss)	19,763	(73,321)	(53,558)
	<u>          </u>	<u>          </u>	<u>          </u>
Transfers In	-	73,321	73,321
	<u>          </u>	<u>          </u>	<u>          </u>
Net Income	19,763	-	19,763
	<u>          </u>	<u>          </u>	<u>          </u>
Net Assets, Beginning of Year	115,393	-	115,393
	<u>          </u>	<u>          </u>	<u>          </u>
Net Assets, End of Year	<u>\$ 135,156</u>	<u>\$ -</u>	<u>\$ 135,156</u>

CITY OF URBANA

Internal Service Funds  
Combining Statement of Cash Flows

Fiscal Year Ended June 30, 2002

	Central Garage	Worker's Compensation Retained Risk	Total
Cash Flows from Operating Activities:			
Receipts from Users	\$ 595,757	\$ 160,990	\$ 756,747
Payments to Employees	(235,125)	(15,235)	(250,360)
Payments to Suppliers	(353,874)	(37,896)	(391,770)
Worker's Compensations Claims	-	(168,689)	(168,689)
Net Cash Provided by (Used in) Operating Activities	6,758	(60,830)	(54,072)
Cash Flows from Non-Capital Financing Activities:			
Transfers In (Out)	-	73,321	73,321
Cash Flows from Capital and Related Financing Activities:			
(Purchase) of equipment	(7,491)	-	(7,491)
Increase (Decrease) in Cash and Cash Equivalents	(733)	12,491	11,758
Beginning Cash and Cash Equivalents	2,689	181,517	184,206
Ending Cash and Cash Equivalents	\$ 1,956	\$ 194,008	\$ 195,964
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Net Income (Loss)	\$ 19,763	\$ (73,321)	\$ (53,558)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used in)			

Operating Activities:

Depreciation Expense	11,285	-	11,285
(Increase) in Due from Other Funds	(16,367)	-	(16,367)
Decrease in Inventory of Supplies	862	-	862
Increase (Decrease) in Accounts Payable	(9,068)	12,491	3,423
Increase in Accrued Salaries and Taxes	<u>283</u>	<u>-</u>	<u>283</u>

Net Cash Provided (Used in) Operating  
Activities

<u>\$ 6,758</u>	<u>\$ (60,830)</u>	<u>\$ (54,072)</u>
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CITY OF URBANA

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, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Operating Revenues:				
Charges for Services	\$ 668,400	\$ 668,400	\$ 612,124	\$ (56,276)
Operating Expenses:				
Personnel Services	233,800	235,410	235,408	2
Supplies	18,270	18,270	12,370	5,900
Contractual Services	146,575	146,575	99,662	46,913
Equipment Parts	147,000	147,000	126,622	20,378
Fuel	175,000	175,000	107,014	67,986
Depreciation	23,400	23,400	11,285	12,115
Total Operating Expenses	744,045	745,655	592,361	153,294
Net Income (Loss)	(75,645)	(77,255)	19,763	97,018
Net Assets, Beginning of Year	115,393	115,393	115,393	-
Net Assets, End of Year	\$ 39,748	\$ 38,138	\$ 135,156	\$ 97,018

CITY OF URBANA

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, 2002

	Budget		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Revenues:				
Charges for Services	\$ 160,990	\$ 160,990	\$ 160,990	\$ -
Operating Expenses:				
Personnel Services	159,443	159,443	15,235	144,208
Supplies	5,988	5,988	5,988	-
Contractual Services	34,967	34,967	31,908	3,059
Worker's Compensation Claims	2,938,142	2,938,142	181,180	2,756,962
Total Operating Expenses	3,138,540	3,138,540	234,311	2,904,229
Net Income (Loss) Before Transfers In (Out)	(2,977,550)	(2,977,550)	(73,321)	2,904,229
Transfers In	73,321	73,321	73,321	-
Net Income (Loss)	(2,904,229)	(2,904,229)	-	2,904,229
Net Assets, Beginning of Year	-	-	-	-
Net Assets, End of Year	\$ (2,904,229)	\$ (2,904,229)	\$ -	\$ 2,904,229

CITY OF URBANA

Fiduciary Funds - Pension Trust Funds  
Combining Statement of Fiduciary Net Assets

June 30, 2002

<b>ASSETS</b>	Firemen's Pension Trust Fund	Policemen's Pension Trust Fund	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Cash and Cash Equivalents:			
Checking	\$ -	\$ 264	\$ 264
Savings	539,927	734,101	1,274,028
Money Market Funds	20,445	460,610	481,055
Subtotal, Cash and Cash Equivalents	<u>560,372</u>	<u>1,194,975</u>	<u>1,755,347</u>
Investments, at fair value	19,107,852	12,362,325	31,470,177
Receivables (Net of Uncollectibles)			
Property Tax	241,706	516,227	757,933
Accrued Interest	<u>10,607</u>	<u>112,425</u>	<u>123,032</u>
 Total Assets	 \$ 19,920,537	 \$ 14,185,952	 \$ 34,106,489
 <b>LIABILITIES</b>			
 Accounts Payable	 <u>\$ 4,020</u>	 <u>87,046</u>	 <u>91,066</u>
 <b>NET ASSETS</b>			
 Held in Trust for Pension Benefits	 <u>\$ 19,916,517</u>	 <u>\$ 14,098,906</u>	 <u>\$ 34,015,423</u>



CITY OF URBANA

Fiduciary Funds - Pension Trust Funds  
Combining Statement of Changes in Fiduciary Net Assets

Fiscal Year Ended June 30, 2002

	<u>Firemen's Pension</u>	<u>Policemen's Pension</u>	<u>Total</u>
Additions:			
Employer Contributions	\$ 522,034	\$ 1,052,672	\$ 1,574,706
Employee Contributions	186,700	230,508	417,208
Subtotal Contributions	<u>708,734</u>	<u>1,283,180</u>	<u>1,991,914</u>
Investment Income:			
Interest and Dividends	772,801	562,325	1,335,126
Net Increase (Decrease) in Fair Value of Investments	<u>(1,240,847)</u>	<u>(979,971)</u>	<u>(2,220,818)</u>
Total, Investment Income	(468,046)	(417,646)	(885,692)
Less Investment Expense	<u>(3,129)</u>	<u>(92,435)</u>	<u>(95,564)</u>
Net Investment Income	<u>(471,175)</u>	<u>(510,081)</u>	<u>(981,256)</u>
Total Additions	<u>237,559</u>	<u>773,099</u>	<u>1,010,658</u>
Deductions:			
Benefits	1,162,819	1,001,591	2,164,410
Administrative Costs	<u>13,927</u>	<u>27,899</u>	<u>41,826</u>
Total Deductions	<u>1,176,746</u>	<u>1,029,490</u>	<u>2,206,236</u>
Change in Net Assets	(939,187)	(256,391)	(1,195,578)

Net Assets, Beginning of Year	<u>20,855,704</u>	<u>14,355,297</u>	<u>35,211,001</u>
Net Assets, End of Year	<u><u>\$ 19,916,517</u></u>	<u><u>\$ 14,098,906</u></u>	<u><u>\$ 34,015,423</u></u>

# STATISTICAL SECTION

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# CITY OF URBANA

## Government-wide Expenses by Function

1993 - 2002

	<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>	<u>2002</u>
Public Safety								\$9,006,645	\$9,344,652	\$9,839,621
Highways and Streets								7,461,185	6,993,107	6,954,657
General Government								1,917,145	1,998,922	2,091,136
<b>INFORMATION BEFORE 2000 IS NOT AVAILABLE</b>										
Urban Redevelopment and Housing								3,410,603	3,578,934	3,249,966
Library Services								2,170,881	2,360,302	2,403,620
Interest on Long Term Debt								58,065	39,232	25,717
Motor Vehicle Parking								<u>594,284</u>	<u>583,125</u>	<u>580,178</u>
Total								<u>\$24,616,828</u>	<u>\$24,897,274</u>	<u>\$25,144,895</u>

# CITY OF URBANA

## Government-wide Revenues

1993 - 2002

	<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>	<u>2002</u>
<b>Program Revenues:</b>										
Charges for Services								\$4,870,989	\$5,273,599	\$5,466,857
Operating Grants and Contributions								2,711,469	2,282,525	2,283,795
Capital Grants and Contributions								--	--	6,614
	<b>INFORMATION BEFORE 2000 IS NOT AVAILABLE</b>									
<b>General Revenues:</b>										
Property Tax								6,063,053	6,193,883	6,259,205
Utility Tax								3,295,625	3,675,184	3,391,827
State Sales Tax								3,487,139	3,451,347	3,544,544
Intergovernmental, not Restricted for Programs								4,218,595	4,615,117	5,823,783
Investment Income								1,159,216	1,725,316	976,840
Municipal Sales Tax								1,973,384	2,088,866	2,062,862
Other Taxes								1,131,926	1,294,791	1,322,492
Other								<u>7,391</u>	<u>97,735</u>	<u>712,579</u>
Total								<u>\$28,918,787</u>	<u>29,698,363</u>	<u>\$31,851,398</u>

CITY OF URBANA  
 General Governmental Expenditures by Function  
 All Governmental Fund Types  
 1993 - 2002

	<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>	<u>2002</u>
Public Safety	\$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	\$9,527,582
Highways and Streets	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	4,658,567
General Government	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	2,015,611
Urban Redevelopment and Housing	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	3,236,816
Library Services	1,568,054	2,004,504	1,717,898	1,761,857	1,813,966	1,908,429	2,018,048	2,096,563	2,258,008	2,359,471
Debt Service	1,079,006	252,315	165,424	255,548	255,582	253,716	254,903	260,095	256,985	255,706
Capital Projects	<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>	4,660,922	<u>4,897,358</u>	<u>6,358,128</u>
Total	<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>	<u>\$28,411,881</u>

**CITY OF URBANA**  
**General Governmental Revenues by Source**  
**1993 - 2002**

	<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>	<u>2002</u>
Property Tax	\$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	\$6,305,063
Utility Tax	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	3,391,827
State Sales Tax	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	3,544,544
Other Taxes	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	3,385,354
Intergovernmental	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	9,291,622
Investment Income	625,701	723,426	952,965	1,067,934	1,110,640	1,160,973	792,501	1,069,164	1,631,838	932,775
Special Assessments	10,362	361	196	65	--	--	--	--	--	--
Licenses, Fines and Service Charges	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	3,360,449
Other	<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>	<u>672,922</u>
Total	<u>\$18,056,494</u>	<u>\$17,194,769</u>	<u>\$18,553,513</u>	<u>\$20,405,305</u>	<u>\$22,002,00</u>	<u>\$23,549,353</u>	<u>\$26,803,324</u>	<u>\$27,840,248</u>	<u>\$31,110,382</u>	<u>\$30,884,556</u>

CITY OF URBANA  
Property Tax Levies and Collection  
Fiscal Years 1993 - 2002

<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>
2001	2002	\$4,469,662	(\$2,248,657)	\$2,221,005	49.7%
2000	2001	4,452,251	(43,101)	4,409,150	99.0%
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%

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

1993 - 2002

<u>Fiscal Year</u>	<u>Assessed</u>	<u>Actual</u>	<u>Ratio of Assessed To Actual</u>
2002	\$335,711,396	\$1,007,134,188	33%
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%

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>
2002	2001	4.7448	1.3314	0.62	0.7939	0.4556	0.2772	0.2051	0.1172	0.0859	8.6311
2001	2000	4.7245	1.3725	0.6201	0.796	0.4469	0.2764	0.1547	0.117	0.0855	8.5936
2000	1999	4.7839	1.3905	0.6425	0.8122	0.4659	0.2813	0.2265	0.1206	0.0885	8.8119
1999	1998	4.8976	1.4656	0.6768	0.8456	0.4692	0.2839	0.2372	0.13	0.0922	9.0981
1998	1997	4.8978	1.4832	0.6904	0.8687	0.4602	0.2854	0.2464	0.1438	0.0959	9.1718
1997	1996	5.0026	1.4159	0.6773	0.8957	0.4622	0.2868	0.249	0.1596	0.0977	9.2468
1996	1995	4.8022	1.4853	0.6835	0.8193	0.4777	0.2167	0.2457	0.1594	0.0982	8.988
1995	1994	4.8064	1.5412	0.6105	0.7712	0.4942	0.1877	0.2475	0.1607	0.1055	8.9249
1994	1993	4.7498	1.5642	0.6246	0.7373	0.4813	0.1858	0.2477	0.1595	0.1054	8.8556
1993	1992	4.7563	1.5858	0.6378	0.7432	0.4745	0.1899	0.2216	0.1578	0.1077	8.8746

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

CITY OF URBANA  
Special Assessment Collections  
Fiscal Year 1993 - 2002

<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>
2002	<b>NO ASSESSMENTS WERE DUE AFTER 1996</b>			
2001				
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

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

1993 - 2002

<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 Ratio of Debt to Assessed Value</u>	<u>Ratio of Debt Per Capita</u>
2002	36,435	\$335,711,396	\$470,095	\$ --	\$470,095	0.14%	\$12.90
2001	36,395	324,389,854	692,400	--	692,400	0.21%	19.02
2000	36,395	309,353,707	904,175	--	904,175	0.29%	24.84
1999	36,344	282,207,629	1,108,185	--	1,108,185	0.39%	30.49
1998	36,334	268,152,819	1,297,995	--	1,297,995	0.48%	35.72
1997	36,344	254,381,957	1,483,252	--	1,483,252	0.58%	40.81
1996	36,344	247,222,701	1,660,354	--	1,660,354	0.67%	45.68
1995	36,344	236,126,962	1,839,103	--	1,839,103	0.78%	50.6
1994	36,344	226,990,964	1,938,920	-287	1,939,207	0.85%	53.36
1993	36,344	217,719,301	1,947,347	32,017	1,915,330	0.88%	52.7

\*Revenue and special assessment debt not included.

CITY OF URBANA

Computation of Legal Debt Margin

June 30, 2002

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.

CITY OF URBANA

Computation of Direct and Overlapping Debt

June 30, 2002

<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	\$36,959,235	80.0%	\$29,567,388
City of Urbana	470,095	100.0%	470,095
Champaign County	35,666,702	15.1%	5,385,672
Champaign Forest Preserve	97,000	14.9%	14,453
Urbana Park District	<u>1,150,000</u>	96.2%	<u>1,106,300</u>
Total	<u>\$74,343,032</u>		<u>\$36,543,908</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 \$2,223,911,599. The City of Urbana's proportionate share is computed by dividing Urbana's assessed value of \$335,711,396 by \$2,223,911,599 and multiplying this rate by Champaign County's \$35,666,702 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

1993 - 2002

<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>
2002	\$222,305	\$33,401	\$255,706	\$28,411,881	.0090
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)

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

# CITY OF URBANA

## Schedule of Revenue Supported Bond Coverage

1993 - 2002

<u>Year</u>	<u>Revenue (1)</u>	<u>Expense (2)</u>	<u>Debt Service</u>	<u>Available for Principal</u>	<u>Interest</u>	<u>Total (4)</u>	<u>Coverage (3)</u>
2002	\$1,174,626	\$219,897	\$954,729	\$442,695	\$132,507	\$575,202	1.66
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	1.3
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	0.54
1994	1,090,979	701,186	389,793	473,200	253,032	726,232	0.54
1993	1,193,430	722,196	471,234	473,200	375,444	848,644	0.56

(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

1992 - 2001

<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>
2001	36,435	\$25,331	24.6	13.1	4,583	3.1%
2000	36,395	25,233	24.6	13.1	4,663	2.5%
1999	36,344	24,590	25.5	13.0	4,724	2.5%
1998	36,344	23,278	25.5	12.9	4,772	2.7%
1997	36,344	21,676	25.5	12.8	4,591	2.8%
1996	36,344	20,376	25.5	12.8	4,722	2.5%
1995	36,344	19,237	25.5	12.7	4,921	3.7%
1994	36,344	17,852	25.5	12.7	4,997	3.9%
1993	36,344	17,926	25.5	12.6	4,942	4.1%
1992	36,344	17,460	25.5	12.6	5,093	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

1992 - 2001

Calendar Year	Commercial Construction (1)		Residential Construction (1)		Current Property Value (2)			
	Number Of Units	Value	Number Of Units	Value	Total Value	Commercial	Residential	Total
2001	4	\$1,471,000	86	\$12,343,185	\$13,814,185	\$418,670,844	\$588,463,344	\$1,007,134,188
2000	25	21,620,412	55	18,147,032	39,767,444	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

(1) Compiled from building permits issued.

(2) Per Champaign County Clerk

CITY OF URBANA

Principal Property Taxpayers

June 30, 2002

	<u>2001 Equalized Assessed Value</u>	<u>Percent of Total Assessed Valuation</u>
1. Carle Foundation (Health Care)	\$14,777,770	4.4%
2. Campus Property Management (Residential Housing)	7,719,660	2.3%
3. Melrose Apartments (Residential Housing)	5,707,580	1.7%
4. Town and Country Apartments (Residential Housing)	5,631,560	1.7%
5. J. M. Jones Company (Food Service)	4,764,900	1.4%
6. Holiday Inn (Hotel)	3,998,300	1.2%
7. Flex-N-Gate (Manufacturing)	3,990,320	1.2%
8. Capstone Apartments (Residential Housing)	3,953,960	1.2%
9. First Busey Corporation (Banking)	3,820,730	1.1%
10. Clark Lindsey Village (Residential Retirement)	<u>3,598,820</u>	1.0%
	<u>\$57,963,600</u>	<u>17.3%</u>

CITY OF URBANA

Miscellaneous Statistical Data

June 30, 2002

Date of Incorporation	1854
Form of Government	Mayoral
Population	36,435
Area - Square Miles	10.5
Miles of Streets	124.5
Miles of Sewers	184.2
Number of Street Lights	3,738
Number of Dwelling Units	15,569
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	500
Number of Swimming Pools	1
Full-time Equivalent Employee Budgeted Positions	304
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)

1993 - 2002

<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>
2002	--	0.3429	0.1412	0.304	0.5433	1.3314
2001	--	0.4302	0.1328	0.286	0.5235	1.3725
2000	--	0.4387	0.1314	0.2953	0.5251	1.3905
1999	--	0.4879	0.1287	0.3008	0.5482	1.4656
1998	0.3015	0.2045	0.1172	0.3152	0.5448	1.4832
1997	0.3178	0.1698	0.1283	0.2557	0.5443	1.4159
1996	0.4254	0.2655	0.1252	0.1307	0.5385	1.4853
1995	0.4252	0.3288	0.1286	0.1191	0.5395	1.5412
1994	0.4154	0.3744	0.1269	0.1181	0.5294	1.5642
1993	0.3607	0.3812	0.1415	0.1701	0.5323	1.5858