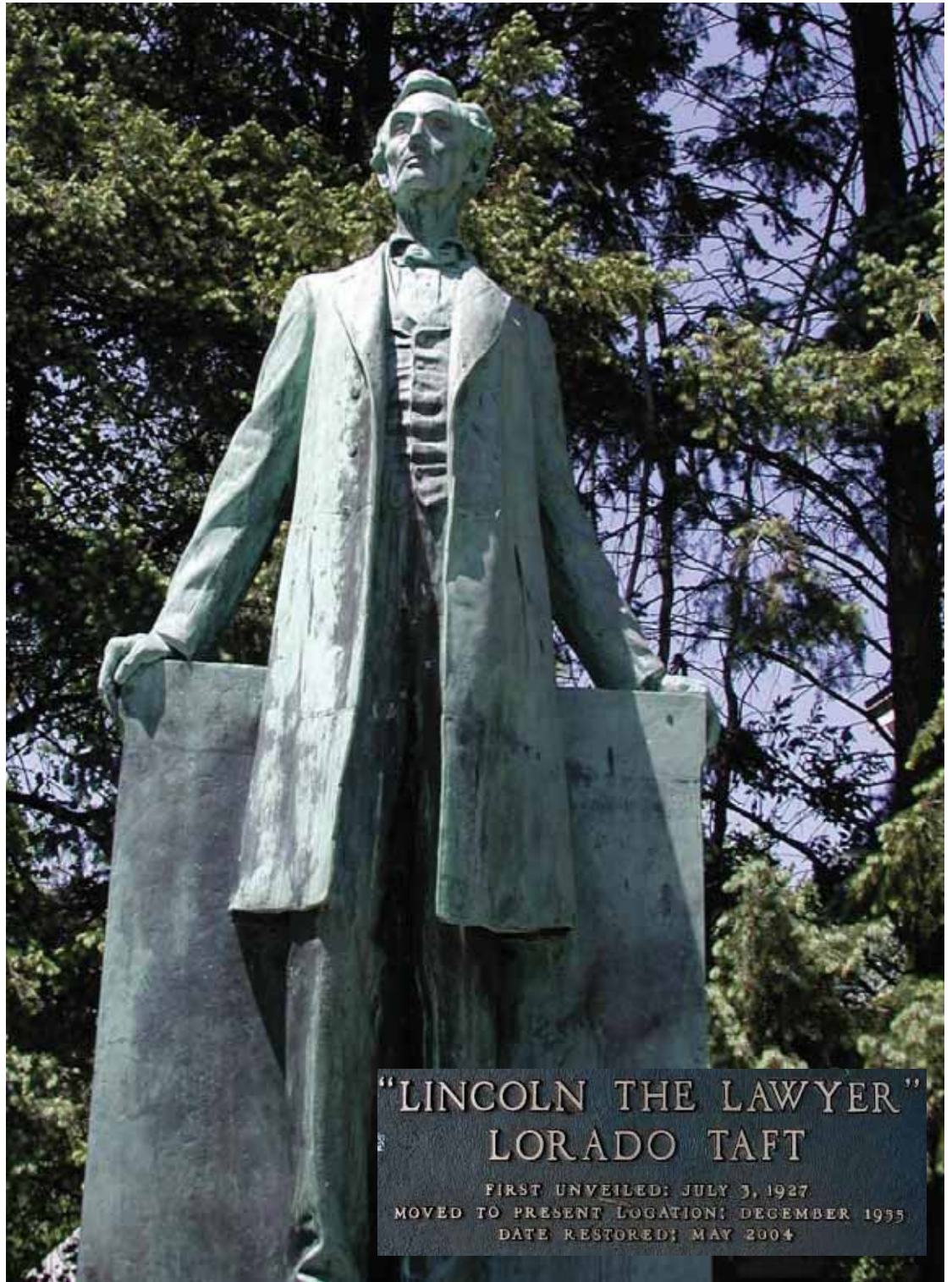




City of
Urbana,
Illinois
1833 - 2009



Comprehensive Annual Financial Report

For the Year Ended June 30, 2009

CITY OF URBANA, ILLINOIS
Comprehensive Annual Financial Report
Year Ended June 30, 2009

TABLE OF CONTENTS	PAGE
 <u>INTRODUCTORY SECTION</u>	
Letter of Transmittal.....	1 - 5
GFOA Certificate of Achievement.....	6
List of Principal Officials	7
Organizational Chart.....	8
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report.....	9
Management Discussion and Analysis	10 - 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, 2009

TABLE OF CONTENTS	PAGE
General Fund, Statement of Revenues and Expenditures – Budget (GAAP Basis) and Actual	29 - 30
Vehicle and Equipment Replacement Special Revenue Fund, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual	31
Urbana Free Library Fund, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual	32
Tax Increment Financing District 2.....	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, Employee’s Pension Trust Funds, Statement of Changes in Fiduciary Net Assets	39
Notes to Financial Statements	41 - 72
Required Supplementary Information:	
Schedule of Funding Progress for I.M.R.F. Pension Plan (Unaudited) ...	73
Combining and Individual Fund Statements and Schedules:	
Non-Major Governmental Funds, Combining Balance Sheet	74
Non-Major Governmental Funds, Combining Statement of Revenues, Expenditures and Changes in Fund Balances	75
Non-Major Special Revenue Funds, Combining Balance Sheet.....	76 - 77

CITY OF URBANA, ILLINOIS
 Comprehensive Annual Financial Report
 Year Ended June 30, 2009

TABLE OF CONTENTS	PAGE
Non-Major Special Revenue Funds, Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance.....	78 - 79
Social Service Agencies Special Revenue Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual	80
Community Development Special Revenue Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....	81
Community Development HOME Grant Special Revenue Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual	82
Community Development Block Grant Special Revenue Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....	83
Tax Increment Financing District 1 Special Revenue Fund, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....	84
Tax Increment Financing District 3 Special Revenue Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual	85
Tax Increment Financing District 4 Special Revenue Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual	86
Building Financing Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....	87
Economic Development Special Revenue Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	88
Tax Stabilization Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....	89

CITY OF URBANA, ILLINOIS
 Comprehensive Annual Financial Report
 Year Ended June 30, 2009

TABLE OF CONTENTS	PAGE
Insurance Financing Special Revenue Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual	90
Non-Major Capital Projects Funds – Combining Balance Sheet	91
Non-Major Capital Projects Funds – Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	92
Capital Improvement and Replacement Capital Projects Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	93
Sanitary Sewer Construction Capital Projects Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual	94
Motor Fuel Tax Special Revenue Fund, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual	95
Motor Vehicle Parking Enterprise Fund – Schedule of Revenues, Expenses and Changes in Fund Net Assets – Budget (GAAP Basis) and Actual	96
Central Garage Internal Service Fund – Schedule of Revenues, Expenses and Changes in Fund Net Assets – Budget (GAAP Basis) and Actual	97
Fiduciary Funds – Pension Trust Funds Combining Statement of Fiduciary Net Assets.....	98
Fiduciary Funds – Pension Trust Funds, Combining Statement of Changes in Fiduciary Net Assets.....	99

CITY OF URBANA, ILLINOIS
Comprehensive Annual Financial Report
Year Ended June 30, 2009

TABLE OF CONTENTS	PAGE
<u>STATISTICAL SECTION:</u>	
Net Assets by Component.....	101
Changes in Net Assets.....	102 – 103
Fund Balances of Governmental Funds.....	104
Changes in Fund Balances of Governmental Funds.....	105 - 106
Assessed and Estimated Actual Value of Taxable Property.....	107
Property Tax Rates - Direct and Overlapping Government.....	108
Principal Property Taxpayers.....	109
Property Tax Levies and Collection.....	110
Ratios of Outstanding Debt by Type.....	111
Ratio of Net General Bonded Debt Outstanding.....	112
Direct and Overlapping Governmental Activities Debt.....	113
Computation of Legal Debt Margin.....	114
Schedule of Revenue Supported Bond Coverage.....	115
Demographic and Economic Statistics.....	116
Principal Employers.....	117
Number of City Employees, by Function.....	118
Operating Indicators, by Function.....	119 - 120
Capital Asset Statistics, by Function.....	121



December 22, 2009

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Urbana:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2009.

Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, based upon a comprehensive framework of internal control that has been established for this purpose, rests with management of the City of Urbana, and in particular, the City Comptroller. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. 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.

Bray, Drake, Liles & Richardson, LLP, have issued an unqualified "clean" opinion on the City of Urbana financial statements for the year ended June 30, 2009. This independent auditor's report is located at the front of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements, in the form of Management's Discussion and Analysis (MD&A), which immediately follows the independent auditor's report. This MD&A complements this letter of transmittal and should be read in conjunction with it. 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 relative to the Federal Single Audit Act is reported separately.



Profile of the Government.

The City of Urbana, chartered in 1855, 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 40,050 and 11.7 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. The Mayor recommends and the City Council approves department heads.

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, and Housing Improvement
Other Services:	Library Services, Human Relations

This report includes all funds of the City of Urbana. Included is the Urbana Free Library and the Firemen's and Policemen's Pension funds. 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 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. 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 Council is required to adopt a budget by no later than the beginning of the fiscal year. This annual budget serves as the annual foundation for the City of Urbana's financial planning and control. Management is responsible for maintaining certain budgetary controls to ensure compliance with 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. 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.

Local Economy.

The economic recession has slowed the local Champaign County economy significantly. This is especially reflected in the jump in the local unemployment rate from a previous average of 4.5% to 8.7%. Because, the University of Illinois and the health service industry dominate the local economy, the negative impacts of this recession have not been as severe as in many other communities. Food, service, and high technology industries continue to dominate the small amount of manufacturing in the area. 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 property values to average 6.8% annual growth and per-capita income to average 2% annual growth over the last three years.

For the next 12 months, economic growth is expected to decline in some areas and remain fairly stagnant in others. The state income tax, which amounts to approximately 9% of total city revenues and 17% of General Fund revenues decreased 5% for FY08-09 and is projected to decrease 5% for next year. The sales tax decreased 1% for FY08-09 and is projected to decrease 2% for next year.

Two revenue sources more directly under control of the city are the property tax and licenses, fees and service charges. Both of these revenues have increased as a percentage of total governmental revenues over the last 10 years; property tax growing from 21% to 27% and licenses, fees and service charges growing from 10% to 12%.

During the past ten years, the percentage of the total governmental expenditures in any of the government's activities has remained fairly constant, with less than a 2% variation in any activity.

Long Term Financial Planning.

Annually, the City of Urbana adopts a long term financial plan, which includes all financial policies adopted by the City and various assumptions used in budget and service-delivery decisions. Readers of the document can ascertain the current

financial situation of the City and how this corresponds and contributes to long-term financial goals.

Unreserved fund balance in the governmental funds was \$30,998,461(78% of total expenditure levels) and was \$7,227,635 in the general fund (28% of total expenditure levels). This level is adequate for financing any required future costs and provides the City a adequate amount of fund balance to meet the short-term financial concerns due to the depressed sales and income taxes.

Relevant Financial Policies.

The City has established several policies to guide its financial operations. Some of the most significant policies include:

- Operating or recurring expenditures will be funded from recurring revenue sources.
- The property tax levy rate will remain the same.
- A reserve fund balance in the General Fund will be maintained at a level of at least 20% of the amount of expenditure.
- Long-term debt should not be issued for a time period that is greater than the useful life of the asset being financed.
- All current pension fund costs shall be fully funded and past-service costs shall be funded under accepted methods and legally required time period.
- All funds shall maintain a balanced budget. Balanced is defined as expenditures for the year do not exceed the total of budgeted revenues and unreserved, undesignated fund balance at the beginning of the year.

Major Initiatives.

Significant initiatives for the City in the current year are:

- a) Monitor the continued development and completion of a number of retail development projects, to include Five Points West, Stone Creek Commons, Cunningham Avenue North, and the Pointe, of which all involve retail sales.
- b) Continue to work with various neighborhood groups and certain residential housing ownership to strengthen the city's ability to respond to certain public safety and quality of housing concerns, especially in certain problem properties.
- c) Determine if the City will be awarded and will then accept a significant grant from the federal government to construct and operate a broadband computer access system.
- d) Continue to monitor the downturn in national and state economy and the impact on Urbana tax revenues. A prolonged economic downtown may significantly impact the City's ability to finance the current level of services in the future.

For the future, three areas of emphasis will be:

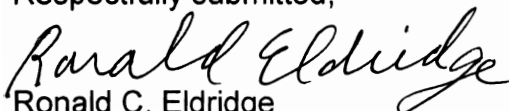
- Continue to identify and implement improvements in efficiency and new technology that will allow continued service delivery at lowest possible cost. A Geographical Information System (GIS) that will provide enhanced information concerning properties and infrastructure improvements in the City and expansion of the city website to provide payment options, services and information to citizens and staff members are two of these identified improvements.
- Renegotiation of new employee bargaining agreements with the 3 city employee bargaining units, which expire on June 30, 2010. Approximately 50% of the city's workforce is covered by these agreements.
- Reduce the energy footprint of the City of Urbana by implementing energy conservation policies in all of the city buildings, encouraging citizens to utilize alternative methods of transportation other than automobiles, and to encourage and facilitate energy efficient home construction.

Awards and Acknowledgements.

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, 2008. This was the 21st 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.

I would like to commend the entire staff of the Finance Department for their efficient and dedicated service in helping prepare this report. I 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,



Ronald C. Eldridge

COMPTROLLER

Certified Public Accountant

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, 2008

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.



A handwritten signature in black ink, appearing to read "M. L. R. +".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emmer".

Executive Director

CITY OF URBANA

List of Principal Officials

June 30, 2009

Elected Officials

Mayor
Laurel Lunt Prussing

City Clerk
Phyllis D. Clark

Aldерwoman
Heather Stevenson

Aldерwoman
Lynne Barnes

Alderman
Charles Smyth

Alderman
David Gehrig

Alderman
Dennis Roberts

Alderman
Robert E. Lewis

Alderman
Brandon Bowersox

Administrative Officers

Police Chief
Mike Bily

Fire Chief
Michael Dilley

Public Works Director
William Gray

Community Development Director
Libby Tyler

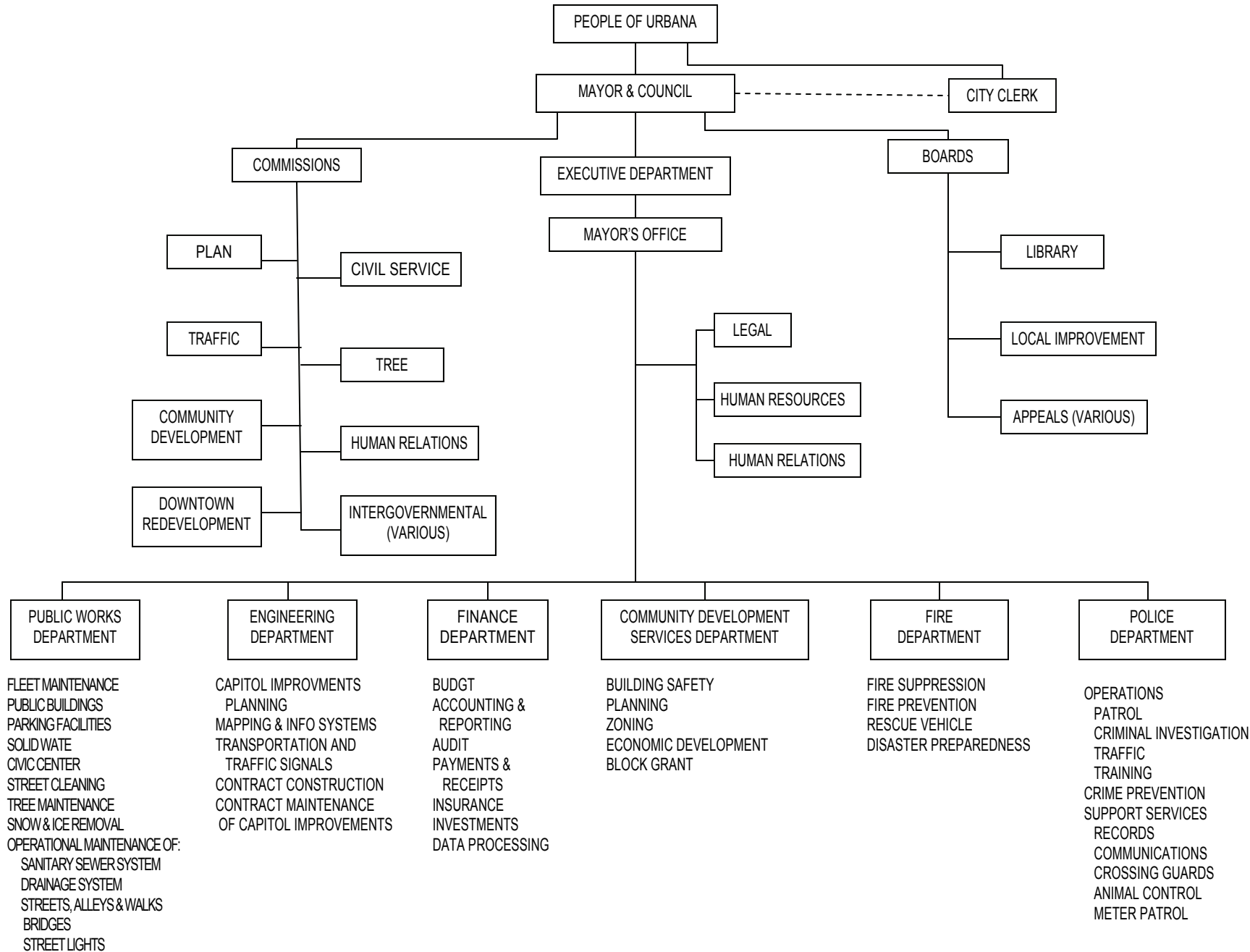
Corporation Counsel
Ronald O'Neal, Jr.

City Comptroller
Ronald C. Eldridge

Personnel Director
Vacellia Clark

Urbana Free Library Director
Debra Lissak

CITY OF URBANA ORGANIZATION CHART STRUCTURE AND MAJOR SERVICE FUNCTIONS



FINANCIAL SECTION



Certified Public Accountants

KARL E. DRAKE, CPA
CURTIS D. LILES, CPA
R. NEIL RICHARDSON, CPA

1606 N. Willow View Road, Suite 1E
Urbana, Illinois 61802-7446

Phone 217/337-0004
Fax 217/337-5822

JAMES P. BRAY, CPA (RETIRED)

December 22, 2009

Honorable Laurel Lunt Prussing, Mayor,
and Members of the Urbana City Council
Urbana, IL

Independent 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, 2009, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City of Urbana, Illinois's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 opinions.

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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Vehicle and Equipment Replacement Fund, the Urbana Free Library Fund, and the Tax Increment Financing District 2 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 December 22, 2009, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 10 through 22 and the Schedule of Funding Progress for I.M.R.F. Pension Plan on page 73 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 budgetary comparison financial statements and the 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 budgetary comparison 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 & RICHARDSON LLP

Management's Discussion and Analysis

June 30, 2009

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, 2009. 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 1-5 of this report.

Financial Highlights:

- The assets of the City of Urbana exceeded liabilities at June 30, 2009, by \$123,209,269. Of this amount \$38,535,172 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net assets increased by \$3,314,713 (3%) during the year.
- At June 30, 2009, the governmental funds reported combined fund balances of \$31,407,936, of which \$30,998,461 was unreserved and is available for spending at the City's discretion.
- Governmental fund balances decreased \$313,409 (1%) during the year.
- The City's long-term debt increased \$519,526 due to debt principal retirements of \$153,592, a net increase in accumulated compensated employee absences of \$601,450, and a net increase in other postemployment benefits of \$71,668.

Overview of the Financial Statements:

This discussion and analysis is 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.

Management's Discussion and Analysis

June 30, 2009

- 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, and Library Services. 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 eighteen 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, Vehicle and Equipment Replacement, the Urbana Free

Management's Discussion and Analysis

June 30, 2009

Library Fund, and the Tax Increment Financing District 2 Fund, 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. 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 one internal service fund to account for fleet and equipment maintenance in the Central Garage Fund. Because this service predominantly benefits governmental rather than business-type functions, it have been included within governmental activities in the government-wide financial statements.
- The basic proprietary fund financial statements can be found on pages 34-37 of this report.

Fiduciary Funds:

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Urbana's programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The 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.

Management's Discussion and Analysis

June 30, 2009

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 41-72 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 73 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 74-99 of this report.

Government-wide Financial Analysis:

As stated earlier, net assets may serve over time as a useful indicator of a government's financial position. The largest part of the City of Urbana's net assets reflects its investment in capital assets (land, buildings and improvements, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Urbana uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Urbana's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Following is a comparative statement of net assets (amounts expressed in thousands):

	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and other assets	\$43,985	\$42,347	\$3,725	\$3,516	\$47,710	\$45,863
Capital assets	<u>77,101</u>	<u>74,059</u>	<u>5,701</u>	<u>5,702</u>	<u>82,802</u>	<u>79,761</u>
Total assets	<u>\$121,086</u>	<u>\$116,406</u>	<u>\$9,426</u>	<u>\$9,218</u>	<u>\$130,512</u>	<u>\$125,624</u>
Long-term liabilities	1,388	1,673	548	809	1,936	2,482
Other liabilities	<u>5,076</u>	<u>3,130</u>	<u>291</u>	<u>117</u>	<u>5,367</u>	<u>3,247</u>
Total liabilities	<u>\$ 6,464</u>	<u>\$ 4,803</u>	<u>\$ 839</u>	<u>\$926</u>	<u>\$ 7,303</u>	<u>\$ 5,729</u>
Net assets						
Invested in capital assets	77,100	74,059	5,018	4,893	82,118	78,952
Restricted	2,556	2,386	--	--	2,556	2,386
Unrestricted	<u>34,965</u>	<u>35,158</u>	<u>3,570</u>	<u>3,339</u>	<u>38,535</u>	<u>38,557</u>
Total net assets	<u>\$114,621</u>	<u>\$111,603</u>	<u>\$8,588</u>	<u>\$8,292</u>	<u>\$123,209</u>	<u>\$119,895</u>

Management's Discussion and Analysis

June 30, 2009

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 \$3,018,794; the investment in capital assets increased \$3,041,858; therefore, net assets from governmental activities other than capital assets decreased \$23,064. There was an increase in net assets from business-type activities of \$295,919 and a decrease of \$585 in the investment in capital assets from business-type activities.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,449	\$ 8,077	\$ 1,101	\$ 1,103	\$ 7,550	\$ 9,180
Operating Grants & Contributions	1,798	1,720	--	--	1,798	1,720
Capital Grants & Contributions	252	46	--	--	252	46
General Revenues:						
Property Tax	10,968	9,430	--	--	10,968	9,430
Utility Tax	3,832	3,757	--	--	3,832	3,757
State Sales Tax	5,159	5,244	--	--	5,159	5,244
Intergovernmental, Not Restricted to Specific Programs	5,422	5,311	--	--	5,422	5,311
Investment Income	954	1,487	111	161	1,065	1,648
Municipal Sales Tax	3,577	3,592	--	--	3,577	3,592
Other Taxes	1,529	1,550	--	--	1,529	1,550
Other	<u>85</u>	<u>90</u>	<u>--</u>	<u>--</u>	<u>85</u>	<u>90</u>
Total Revenues	<u>\$40,025</u>	<u>\$40,304</u>	<u>\$1,212</u>	<u>\$1,264</u>	<u>\$41,237</u>	<u>\$41,568</u>
Expenses:						
Public Safety	\$14,151	\$12,536	\$ --	\$ --	\$14,151	\$12,536
Highways & Streets	10,591	728	--	10,591	9,728	--
General Government	3,264	3,019	--	--	3,264	3,019
Urban Redevelopment And Housing	5,561	5,480	--	--	5,561	5,480
Library Services	3,641	3,298	--	--	3,641	3,298

Management's Discussion and Analysis

June 30, 2009

	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Motor Vehicle Parking	<u>--</u>	<u>--</u>	<u>715</u>	<u>667</u>	<u>715</u>	<u>667</u>
Total Expenses	<u>\$37,208</u>	<u>\$34,061</u>	<u>\$ 715</u>	<u>\$ 667</u>	<u>\$37,923</u>	<u>\$34,728</u>
Increase in Net Assets						
Before Transfers	\$ 2,817	\$ 6,243	\$ 497	\$ 557	\$ 3,314	\$ 6,840
Transfers In (Out)	<u>201</u>	<u>(245)</u>	<u>(201)</u>	<u>245</u>	<u>--</u>	<u>--</u>
Increase in Net Assets	\$ 3,018	\$ 5,998	\$ 296	\$ 842	3,314	6,840
Net Assets, Beg. Year	<u>111,603</u>	<u>105,605</u>	<u>8,292</u>	<u>7,450</u>	<u>119,895</u>	<u>113,055</u>
Net Assets, End Year	<u>\$114,621</u>	<u>\$111,603</u>	<u>\$8,588</u>	<u>\$8,292</u>	<u>\$123,209</u>	<u>\$119,895</u>

- As noted, net assets from governmental activities increased \$3,018,794 (2.7% growth). This increase is less than last year when net assets from government activities increased \$5,997,381 (5.7% growth). Total revenues decreased 0.7% compared to last year and expenses increased 8.5%. Reasons for significant revenue changes were:
 - Charges for services decreased \$1,628,282 or 20%. This decrease was because in 2008, the City completed a unusual amount of capital improvement projects (approximately \$1.8 million) in which private developers were charged and reimbursed the City for a portion of these costs. The amount received in 2009 returned to a more normal level.
 - Investment income decreased \$533,590 or 56% due to decreases in the fair value of investments during 2009. This revenue decrease should be considered of a non-recurring nature.
 - Property tax revenue increased \$1,537,910 or 16% due to increases in assessed valuation from the addition of certain commercial properties.
- As noted earlier, expenses increased 8.5%. Significant expense changes were:
 - Public safety increased \$1,614,603 or 13% due to scheduled salary adjustments under the Police and Fire bargaining agreements. This cost increase should be considered of a non-recurring nature as increases in the future will be closer to inflationary adjustments.

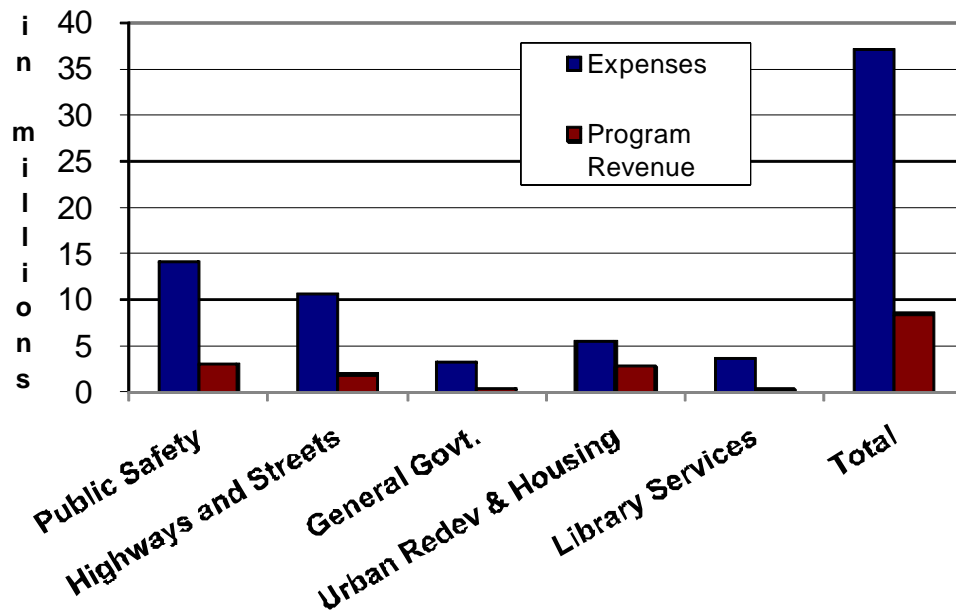
Management’s Discussion and Analysis

June 30, 2009

- Highways and Streets increased \$862,214 or 9% and General Government increased \$245,325 or 8% due to scheduled personnel and service increases in 2009. These cost increases will be closer to inflationary amounts in the future.
- Library services increased \$343,716 or 10% due to unusual increases in utility operating costs of the library building. This cost increase should be considered of a non-recurring nature, as cost increases in the future will be closer to inflation.
- Future expense increases are expected to be similar or slightly below inflationary levels (3-4% range).

Program revenues paid for 25% of expenses in 2009, a decrease from last year’s amount of 29%. The reasons for this decrease were highlighted under significant revenues-charges for services changes above. The 25% in 2009 is a more normal level.

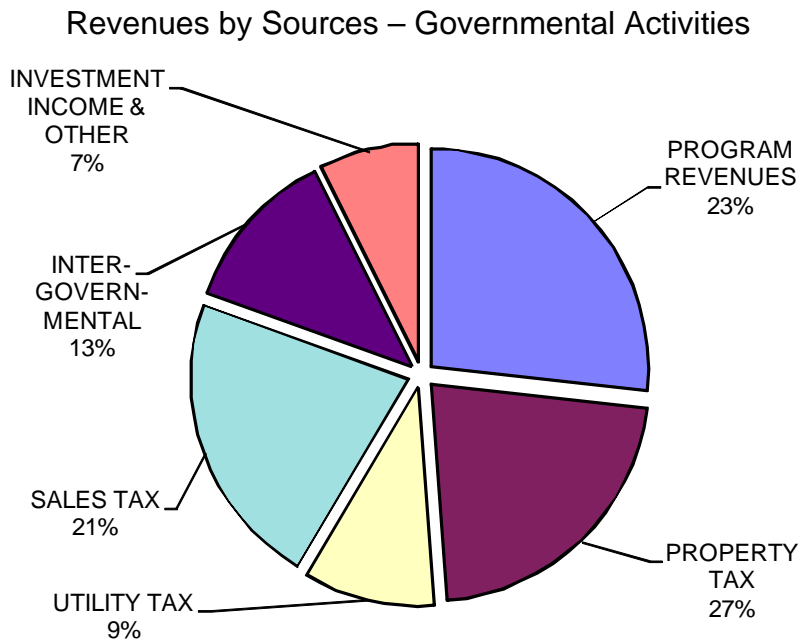
Expenses and Program Revenues – Governmental Activities



Management's Discussion and Analysis

June 30, 2009

- 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.



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 \$31,407,936 (99% is unreserved), an decrease of \$313,409 over last year (1% of beginning fund balance).

The general fund is the primary operating fund of the City. During the year, revenues exceeded expenditures in the general fund by 1,689,158. Planned transfers of \$848,139 to various other funds mainly for certain other operating expenses meant the fund balance increased \$841,019 for the year to \$7,227,635 at June 30, 2009. Management believes this is an acceptable level of fund balance (28% of total

Management's Discussion and Analysis

June 30, 2009

expenditures and transfers; 26% last year). This increase is considered in the normal range by management.

Other Major Governmental Funds:

Vehicle and Equipment Replacement Fund. Expenditures exceeded revenues by \$1,267,996. Planned transfers of \$886,070 from other funds, mainly to finance equipment purchases, meant the fund balance decreased \$381,926 for the year to \$4,560,509. It is not unusual for this fund to fluctuate with significant increases and decreases in fund balance, as this fund is accumulating or spending monies to pay for certain equipment purchases. Management believes the amount of fund balance is acceptable.

Urbana Free Library Fund. Expenditures exceeded revenues by \$351,723. Planned transfers of \$384,783 from other funds, mainly to finance employee retirement costs, meant the fund balance increased \$33,060 for the year to \$1,766,400. Management believes the amount of fund balance is acceptable.

Tax Increment Financing District 2 Fund. Revenues exceeded expenditures and planned transfers out by \$904,695 leaving a fund balance at the end of the year of \$4,191,086. This fund is accumulating fund balance in order to finance future capital projects.

Other Non-Major Governmental Funds:

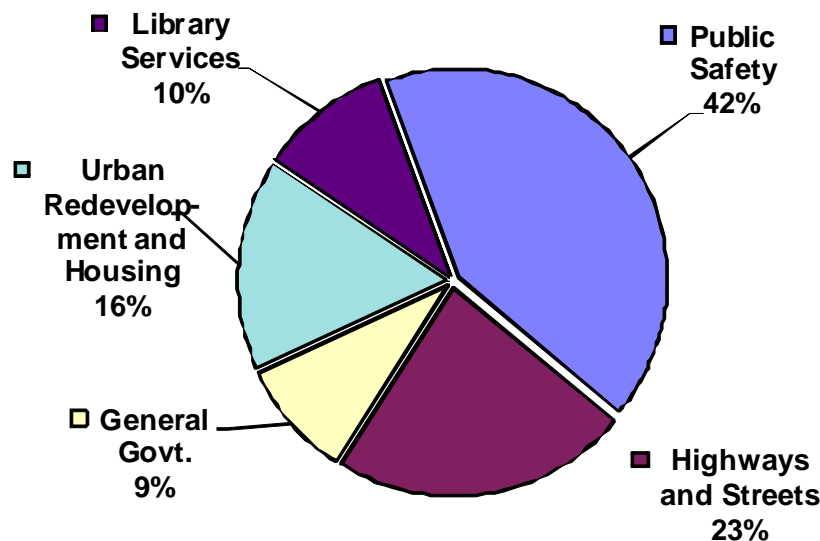
During the year, expenditures exceeded revenues in other non-major governmental funds by \$1,509,418. Net planned transfers of \$200,839 to other funds mainly for certain operating expenses meant the fund balance decreased \$1,710,257 for the year to a combined total of \$13,662,306 at June 30, 2009. This decrease was due to higher than normal capital outlays. Management believes this is an acceptable level of fund balance.

Management's Discussion and Analysis

June 30, 2009

The chart below illustrates the breakdown of current program costs for governmental activities:

Current Expenditures by Program – Governmental Activities



Proprietary Funds:

The only City of Urbana proprietary fund is the Motor Vehicle Parking Fund. This fund provides the same information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Motor Vehicle Parking Fund at June 30, 2009 were \$3,570,442 which was an increase of \$171,562 over last year.

General Fund Budgetary Highlights:

Differences between the original budget and the final amended budget for the general fund were minor (total increase of \$413,491). This amount was to be funded from available fund balance. During the year, however, revenues exceeded expenditures, thus eliminating the need to draw upon existing fund balances.

Total revenues were \$345,778, lower than the original and final budget (1% variance). The majority of this variance was due to state and municipal sales taxes being lower than anticipated. Total expenditures were \$2,162,068, lower than the final and original

Management's Discussion and Analysis

June 30, 2009

budget (7% variance). Sixty-three percent of the total difference was in personnel services approximately evenly reported in all of the city's 5 current programs. This amount in personnel services was due to unusual personnel vacancies during the year. The difference in other services and charges (18% of the total difference) was due to the City incurring lower utility and certain service contractual amounts in Highways and Streets and Urban Redevelopment and Housing. Unspent amounts in other areas were in the range of 1 - 2%, which is considered normal.

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, 2009, was \$82,118,253 (net of accumulated depreciation), an increase of \$3,041,273 over last year. This increase is smaller than last year's increase of \$3,938,908. Infrastructure improvements can fluctuate considerably annually, depending on the cost of various projects. Improvement amounts are expected to be similar to 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 \$6,770,147 in total capital assets
- Addition of \$3,888,377 in infrastructure, of which \$844,601 was spent in improving the Lincoln/Church St. signals, \$296,746 for the Windsor Road improvement, \$274,328 for the Philo Road improvement, and \$809,519 in the annual asphalt/concrete patching city-wide project. All other individual infrastructure improvements cost less than \$260,000.
- Addition of \$877,615 in buildings and improvements, the largest item being the acquisition of a property at 1301 Washington which cost \$437,543 for the building and \$291,690 for the land.
- Addition of \$1,405,719 in equipment, of which \$348,448 was spent to purchase a new fire truck and \$148,675 was spent to purchase a street sweeper. All other equipment additions cost less than \$100,000.
- Depreciation expense of \$3,455,343 was charged (\$2,348,715 was for infrastructure)
- Assets of \$1,251,376 were taken out of service during the year. All of these assets were fully depreciated.

Management's Discussion and Analysis

June 30, 2009

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

	Governmental Activities		Business-type Activities		Total	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	\$ 4,149	\$ 3,551	\$3,722	\$ 3,722	\$ 7,871	\$ 7,273
Building and Improvements	15,174	14,894	1,775	1,752	16,949	16,646
Equipment	4,663	4,039	204	228	4,867	4,267
Infrastructure	<u>53,115</u>	<u>51,575</u>	<u>--</u>	<u>--</u>	<u>53,115</u>	<u>51,575</u>
Total Net Capital Assets	<u>\$77,101</u>	<u>\$74,059</u>	<u>\$5,701</u>	<u>\$ 5,702</u>	<u>\$82,802</u>	<u>\$79,761</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 bonded debt outstanding of \$684,039 at June 30, 2009. 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>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Special revenue bonds	\$ --	\$ --	\$ 684	\$ 809	\$ 684	\$809
Accumulated employee Absences	1,988	1,387	--	--	1,988	1,387
Landfill post-closure Monitoring	258	287	--	--	258	287
Other postemployment Benefits	<u>72</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>72</u>	<u>--</u>
Total	\$2,318	\$1,674	\$ 684	\$ 809	\$3,002	\$2,483

During the year, \$124,942 of special revenue debt was retired; \$28,650 of landfill post-closure monitoring costs was amortized; \$1,570,907 of accumulated employee absences was retired; \$2,172,357 in additional accumulated employee absences was accrued; \$51,209 of other postemployment benefits was retired; and \$122,877 in other post employment benefits 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.

Management's Discussion and Analysis

June 30, 2009

Economic Factor's and Next Year's Budget:

Assessed valuation increased 6.2% last year and has averaged 7% annual growth over the last 10 years. The City of Urbana has been very aggressive in encouraging new business development, encouraging new housing construction, and annexing properties into the city limits. These actions have been the primary reason for this growth along with inflationary growth in property values. We believe the future of the local real estate market remains strong, although growth in assessed value is estimated to be closer to a 2-3% increase in the next 2 – 3 years.

The economic depression in the U.S. and the State of Illinois has had a significant negative impact on sales and income taxes in the City of Urbana. To offset, this reduction in revenues, management is planning on reducing transfers from the general fund for certain capital improvements for next year. Management is also considering certain expenditure reductions for the following year.

The general fund budget for next year has increased 5.1%. This increase was slightly above the normal inflationary increase as the City added some personnel costs in public safety due to bargaining contracts. It is expected that costs will be lower than inflationary increases for future years.

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.

Statement of Net Assets
June 30, 2009

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and Cash Equivalents:			
Cash on Hand	\$ 3,147	\$ 350	\$ 3,497
Checking	50,444	-	50,444
Savings	3,881,680	154,434	4,036,114
Illinois Public Treasurer's Pool	504,051	-	504,051
Money Market Funds	149,068	-	149,068
Investments	22,592,691	3,585,489	26,178,180
Receivables (Net of Uncollectibles)	8,707,184	18,460	8,725,644
Internal Balances	41,362	(41,362)	-
Prepaid Items	359,475	-	359,475
Inventory of Supplies, at Cost	97,310	7,598	104,908
Investment in Joint Venture	38,938	-	38,938
Restricted Assets:			
Cash and Cash Equivalents:			
Checking	9,303	-	9,303
Savings	310,561	-	310,561
Illinois Public Treasurer's Pool	615	-	615
Money Market Funds	228,262	-	228,262
Investments	1,952,162	-	1,952,162
Receivables	58,891	-	58,891
Overfunded Net Pension Obligation	4,999,617	-	4,999,617
Capital Assets:			
Land	4,149,473	3,721,624	7,871,097
Other Capital Assets (Net of Accumulated Depreciation):			
Buildings and Improvements	15,173,848	1,775,322	16,949,170
Equipment	4,662,529	204,469	4,866,998
Infrastructure	53,115,027	-	53,115,027
Total Assets	\$ 121,085,638	\$ 9,426,384	\$ 130,512,022
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts Payable	\$ 3,155,481	\$ 27,092	\$ 3,182,573
Accrued Interest	-	11,542	11,542
Accrued Salaries and Taxes	618,978	3,879	622,857
Unearned Revenues	371,998	112,014	484,012
Non-Current Liabilities:			
Due Within One Year	930,072	135,836	1,065,908
Due After More Than One Year	1,387,658	548,203	1,935,861
Total Liabilities	6,464,187	838,566	7,302,753
Net Assets:			
Invested in Capital Assets, Net of Related Debt	77,100,877	5,017,376	82,118,253
Restricted for:			
Highways and Streets	2,176,970	-	2,176,970
Library Building Expansion	228,317	-	228,317
Library Materials	150,557	-	150,557
Unrestricted	34,964,730	3,570,442	38,535,172
Total Net Assets	114,621,451	8,587,818	123,209,269
Total Liabilities and Net Assets	\$ 121,085,638	\$ 9,426,384	\$ 130,512,022

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

CITY OF URBANA
Statement of Activities
Fiscal Year Ended June 30, 2009

Functions/Programs:	Expenses	Program Revenues			Governmental Activities	Business Type Activities	Total
		Charges for Services	Operating Grants	Capital Grants			
Governmental Activities:							
Public Safety	\$ 14,150,978	\$ 3,088,611	\$ 5,084	\$ 13,984	\$ (11,043,299)	\$ -	\$ (11,043,299)
Highways and Streets	10,590,726	1,955,376	-	-	(8,635,350)	-	(8,635,350)
General Government	3,263,925	377,902	-	-	(2,886,023)	-	(2,886,023)
Urban Redevelopment & Housing	5,560,569	869,714	1,671,881	238,085	(2,780,889)	-	(2,780,889)
Library Services	3,641,348	157,480	120,660	-	(3,363,208)	-	(3,363,208)
Total Governmental Activities	<u>37,207,546</u>	<u>6,449,083</u>	<u>1,797,625</u>	<u>252,069</u>	<u>(28,708,769)</u>	<u>-</u>	<u>(28,708,769)</u>
Business-Type Activities:							
Motor Vehicle Parking	714,450	1,100,619	-	-	-	386,169	386,169
Total Functions/Programs	<u>\$ 37,921,996</u>	<u>\$ 7,549,702</u>	<u>\$ 1,797,625</u>	<u>\$ 252,069</u>	<u>(28,708,769)</u>	<u>386,169</u>	<u>(28,322,600)</u>
General Revenues:							
					10,968,044	-	10,968,044
					3,831,789	-	3,831,789
					5,158,852	-	5,158,852
					877,869	-	877,869
					652,307	-	652,307
					5,422,194	-	5,422,194
					953,756	110,967	1,064,723
					84,852	-	84,852
					3,576,683	-	3,576,683
					201,217	(201,217)	-
					<u>31,727,563</u>	<u>(90,250)</u>	<u>31,637,313</u>
					3,018,794	295,919	3,314,713
					<u>111,602,657</u>	<u>8,291,899</u>	<u>119,894,556</u>
					<u>\$ 114,621,451</u>	<u>\$ 8,587,818</u>	<u>\$ 123,209,269</u>

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

Governmental Funds - Combined Balance Sheet

June 30, 2009

ASSETS	General	Vehicle and Equipment Replacement	Urbana Free Library	Tax Increment Financing District 2	Other Governmental Funds	Totals
Cash and Cash Equivalents:						
Cash on Hand	\$ 2,531	\$ -	\$ 516	\$ -	\$ 100	\$ 3,147
Checking	11,095	-	39,235	-	114	50,444
Savings	819,752	51,608	1,185,009	602,573	1,137,681	3,796,623
Illinois Public Treasurer's Pool	497,299	-	6,752	-	-	504,051
Money Market Funds	-	-	-	-	149,068	149,068
Investments	4,911,850	4,529,526	-	3,451,324	9,699,991	22,592,691
Receivables (Net of Uncollectibles)	4,761,438	-	1,482,545	602,281	1,860,920	8,707,184
Due from Other Funds	19,994	829	-	470	-	21,293
Prepaid Expenditures	323,706	-	-	-	35,769	359,475
Restricted Assets:						
Cash and Cash Equivalents:						
Checking	-	-	9,303	-	-	9,303
Savings	-	-	141,254	-	169,307	310,561
Illinois Public Treasurer's Pool	-	-	-	-	615	615
Money Market Funds	-	-	228,262	-	-	228,262
Investments	-	-	-	-	1,952,162	1,952,162
Receivables	-	-	55	-	58,836	58,891
Due from Other Funds	-	-	-	-	126,709	126,709
Total Assets	\$ 11,347,665	\$ 4,581,963	\$ 3,092,931	\$ 4,656,648	\$ 15,191,272	\$ 38,870,479
LIABILITIES AND FUND BALANCE						
Liabilities:						
Due to Other Funds	\$ -	\$ -	\$ 23,163	\$ -	\$ 177,047	\$ 200,210
Accounts Payable	2,622,905	8,969	36,264	15,450	439,089	3,122,677
Accrued Salaries and Taxes	505,712	-	103,484	1,046	2,209	612,451
Deferred Revenues	991,413	12,485	1,163,620	449,066	910,621	3,527,205
Total Liabilities	4,120,030	21,454	1,326,531	465,562	1,528,966	7,462,543
Fund Balance:						
Reserved for Prepaid Expenditures	323,706	-	-	-	35,769	359,475
Reserved for Loans Receivable	-	-	-	50,000	-	50,000
Unreserved, Reported In:						
General Fund	6,903,929	-	-	-	-	6,903,929
Special Revenue Funds	-	4,560,509	1,766,400	4,141,086	9,022,924	19,490,919
Capital Projects Funds	-	-	-	-	4,603,613	4,603,613
Total Fund Balance	7,227,635	4,560,509	1,766,400	4,191,086	13,662,306	31,407,936
Total Liabilities and Fund Balance	\$ 11,347,665	\$ 4,581,963	\$ 3,092,931	\$ 4,656,648	\$ 15,191,272	\$ 38,870,479

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

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

June 30, 2009

Total fund balances, governmental funds	\$ 31,407,936
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	77,100,877
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	8,102,908
An Internal service fund is used by management to charge the costs of certain activities such as central garage costs to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net assets	327,460
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(2,317,730)</u>
Net assets of governmental activities	<u>\$ 114,621,451</u>

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

Governmental Funds
 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
 Fiscal Year Ended June 30, 2009

	General	Vehicle and Equipment Replacement	Urbana Free Library	Tax Increment Financing District 2	Other Governmental Funds	Totals
Revenues:						
Property Tax	\$ 4,471,299	\$ -	\$ 2,712,824	\$ 1,086,753	\$ 2,289,531	\$ 10,560,407
Utility Tax	3,831,789	-	-	-	-	3,831,789
State Sales Tax	5,158,852	-	-	-	-	5,158,852
Sewer Benefit Tax	-	-	-	-	877,869	877,869
Hotel/Motel Tax	652,307	-	-	-	-	652,307
Intergovernmental	5,509,420	19,068	183,564	74,961	3,323,049	9,110,062
Net Investment Earnings	211,622	159,507	24,155	114,833	442,538	952,655
Licenses, Fines, and Service Charges	3,625,464	27,117	157,480	-	1,000,848	4,810,909
Other	-	39,808	39,457	-	5,587	84,852
Municipal Sales Tax	3,576,683	-	-	-	-	3,576,683
Total Revenues	27,037,436	245,500	3,117,480	1,276,547	7,939,422	39,616,385
Expenditures:						
Current:						
Public Safety	13,905,332	93,722	-	-	11,472	14,010,526
Highways and Streets	6,922,300	-	-	-	793,178	7,715,478
General Government	2,844,242	37,707	-	-	196,377	3,078,326
Urban Redevelopment and Housing	1,669,379	-	-	217,490	3,581,409	5,468,278
Library Services	-	-	3,379,475	-	-	3,379,475
Capital Outlay	7,025	1,382,067	89,728	133,704	4,866,404	6,478,928
Total Expenditures	25,348,278	1,513,496	3,469,203	351,194	9,448,840	40,131,011
Excess of Revenues Over (Under) Expenditures	1,689,158	(1,267,996)	(351,723)	925,353	(1,509,418)	(514,626)
Other Financing Sources (Uses):						
Transfers In	-	886,070	384,783	-	961,861	2,232,714
Transfers Out	(848,139)	-	-	(20,658)	(1,162,700)	(2,031,497)
Total Other Financing Sources (Uses)	(848,139)	886,070	384,783	(20,658)	(200,839)	201,217
Net Changes in Fund Balances	841,019	(381,926)	33,060	904,695	(1,710,257)	(313,409)
Fund Balance, Beginning of Year:	6,386,616	4,942,435	1,733,340	3,286,391	15,372,563	31,721,345
Fund Balance, End of Year	\$ 7,227,635	\$ 4,560,509	\$ 1,766,400	\$ 4,191,086	\$ 13,662,306	\$ 31,407,936

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

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

Fiscal Year Ended June 30, 2009

Net change in fund balance, total governmental funds \$ (313,409)

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. 2,951,004

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 407,637

Payments in excess of the annual required contribution to the Police and Fire Pensions are reported as an asset, Overfunded Net Pension Obligation in the government wide financial statements. 604,962

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. (650,824)

An Internal service fund is used by management to charge the costs of certain activities such as a central garage costs to individual funds. The net revenue (expense) of the internal service fund is reported with government activities 19,424

Change in net assets of governmental activities \$ 3,018,794

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

General Fund
Statement of Revenues and Expenditures
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Property Tax	\$ 4,079,348	\$ 4,079,348	\$ 4,471,299	\$ 391,951
Utility Tax	3,920,580	3,920,580	3,831,789	(88,791)
State Sales Tax	5,513,960	5,513,960	5,158,852	(355,108)
Hotel/Motel Tax	780,460	780,460	652,307	(128,153)
Intergovernmental	5,641,526	5,641,526	5,509,420	(132,106)
Net Investment Earnings:				
Interest	107,400	107,400	217,228	109,828
Net Increase (Decrease) in Fair Value of Investments	-	-	(5,606)	(5,606)
Subtotal, Net Investment Earnings	107,400	107,400	211,622	104,222
Licenses, Fines, and Service Charges	3,561,450	3,561,450	3,625,464	64,014
Municipal Sales Tax	3,778,490	3,778,490	3,576,683	(201,807)
Total Revenues	\$ 27,383,214	\$ 27,383,214	\$ 27,037,436	\$ (345,778)
Expenditures-Current:				
Public Safety:				
Police:				
Personnel Services	\$ 6,959,709	\$ 6,751,337	\$ 6,520,802	\$ 230,535
Materials & Supplies	52,280	52,280	40,421	11,859
Other Services & Charges	1,076,990	1,061,820	1,058,569	3,251
Total Police	8,088,979	7,865,437	7,619,792	245,645
Fire:				
Personnel Services	5,750,498	6,014,757	5,653,274	361,483
Materials & Supplies	70,070	71,670	66,451	5,219
Other Services & Charges	565,860	565,860	565,815	45
Total Fire	6,386,428	6,652,287	6,285,540	366,747
Total Public Safety	14,475,407	14,517,724	13,905,332	612,392
Highways and Streets:				
Personnel Services	4,442,026	4,451,406	4,285,898	165,508
Materials & Supplies	587,970	587,970	568,395	19,575
Other Services & Charges	2,267,550	2,267,550	2,068,007	199,543
Total Highways and Streets	7,297,546	7,306,926	6,922,300	384,626

(Continued)

General Fund
Statement of Revenues and Expenditures, Cont'd
Budget (GAAP Basis) and Actual

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government:				
Executive:				
Personnel Services	\$ 1,135,680	\$ 1,175,488	\$ 910,655	\$ 264,833
Materials & Supplies	24,790	24,790	22,996	1,794
Other Services & Charges	313,260	313,260	270,481	42,779
Total Executive	<u>1,473,730</u>	<u>1,513,538</u>	<u>1,204,132</u>	<u>309,406</u>
Finance:				
Personnel Services	1,290,527	1,293,014	1,180,802	112,212
Materials & Supplies	57,360	57,360	37,639	19,721
Other Services & Charges	244,260	244,260	185,276	58,984
Total Finance	<u>1,592,147</u>	<u>1,594,634</u>	<u>1,403,717</u>	<u>190,917</u>
City Clerk:				
Personnel Services	172,164	173,444	167,109	6,335
Materials & Supplies	2,800	2,800	2,297	503
Other Services & Charges	28,150	28,150	26,676	1,474
Total City Clerk	<u>203,114</u>	<u>204,394</u>	<u>196,082</u>	<u>8,312</u>
Legislative:				
Personnel Services	35,000	35,750	34,729	1,021
Materials & Supplies	750	750	749	1
Other Services & Charges	9,300	9,300	4,833	4,467
Total Legislative	<u>45,050</u>	<u>45,800</u>	<u>40,311</u>	<u>5,489</u>
Total General Government	<u>3,314,041</u>	<u>3,358,366</u>	<u>2,844,242</u>	<u>514,124</u>
Urban Redevelopment and Housing:				
Personnel Services	1,176,455	1,177,853	1,121,925	55,928
Materials & Supplies	20,070	18,570	11,576	6,994
Other Services & Charges	659,701	977,272	535,878	441,394
Total Urban Redevelopment and Housing	<u>1,856,226</u>	<u>2,173,695</u>	<u>1,669,379</u>	<u>504,316</u>
Total Current Expenditures	<u>26,943,220</u>	<u>27,356,711</u>	<u>25,341,253</u>	<u>2,015,458</u>
Capital Outlay	<u>153,635</u>	<u>153,635</u>	<u>7,025</u>	<u>146,610</u>
Total Expenditures	<u>\$ 27,096,855</u>	<u>\$ 27,510,346</u>	<u>\$ 25,348,278</u>	<u>\$ 2,162,068</u>

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

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 43,500	\$ 43,500	\$ 19,068	\$ (24,432)
Investment Earnings:				
Interest	94,300	94,300	161,327	67,027
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(1,820)	(1,820)
Total Net Investment Earnings	94,300	94,300	159,507	65,207
Licenses, Fines and Service Charges	60,295	60,295	27,117	(33,178)
Other	30,000	30,000	39,808	9,808
Total Revenues	228,095	228,095	245,500	17,405
Expenditures:				
Current:				
Public Safety:				
Materials and Supplies	59,198	59,198	25,415	33,783
Contractual Services	109,166	109,166	68,307	40,859
Total Public Safety	168,364	168,364	93,722	74,642
General Government:				
Contractual Services	37,712	37,712	37,707	5
Total Current Expenditures	206,076	206,076	131,429	74,647
Capital Outlay	2,360,594	2,756,177	1,382,067	1,374,110
Total Expenditures	2,566,670	2,962,253	1,513,496	1,448,757
Net Revenues Over (Under) Expenditures	(2,338,575)	(2,734,158)	(1,267,996)	1,466,162
Other Financing Sources (Uses):				
Transfers In	884,070	884,070	886,070	2,000
Net Change in Fund Balance	(1,454,505)	(1,850,088)	(381,926)	1,468,162
Fund Balance, Beginning of Year	4,942,435	4,942,435	4,942,435	-
Fund Balance, End of Year	\$ 3,487,930	\$ 3,092,347	\$ 4,560,509	\$ 1,468,162

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, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Tax	\$ 2,815,472	\$ 2,815,472	\$ 2,712,824	\$ (102,648)
Intergovernmental	355,288	355,288	183,564	(171,724)
Net Investment Earnings - Interest	25,500	20,000	24,155	4,155
Licenses, Fines, and Service Charges	260,310	265,810	157,480	(108,330)
Other-Donations	-	-	39,457	39,457
Total Revenues	3,456,570	3,456,570	3,117,480	(339,090)
Expenditures:				
Current:				
Library Services:				
Personnel Services	2,487,512	2,501,511	2,422,779	78,732
Materials and Supplies	640,364	631,327	464,772	166,555
Contractual Services	467,812	500,995	491,924	9,071
Total Library Services	3,595,688	3,633,833	3,379,475	254,358
Capital Outlay	97,202	98,561	89,728	8,833
Total Expenditures	3,692,890	3,732,394	3,469,203	263,191
Net Revenues Over (Under) Expenditures	(236,320)	(275,824)	(351,723)	(75,899)
Other Financing Sources (Uses):				
Transfers In	310,960	310,960	384,783	73,823
Net Change in Fund Balance	74,640	35,136	33,060	(2,076)
Fund Balance, Beginning of Year	1,733,340	1,733,340	1,733,340	-
Fund Balance, End of Year	\$ 1,807,980	\$ 1,768,476	\$ 1,766,400	\$ (2,076)

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

CITY OF URBANA

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property Tax	\$ 1,017,200	\$ 1,017,200	\$ 1,086,753	\$ 69,553
Intergovernmental-State Grant	-	-	74,961	74,961
Investment Earnings:				
Interest	96,000	96,000	116,035	20,035
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(1,202)	(1,202)
Total Net Investment Earnings	96,000	96,000	114,833	18,833
Total Revenues	1,113,200	1,113,200	1,276,547	163,347
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	53,760	53,760	53,194	566
Contractual Services	963,737	963,737	164,296	799,441
Total Urban Redevelopment and Housing	1,017,497	1,017,497	217,490	800,007
Capital Outlay	1,456,263	1,541,263	133,704	1,407,559
Total Expenditures	2,473,760	2,558,760	351,194	2,207,566
Net Revenues Over (Under) Expenditures	(1,360,560)	(1,445,560)	925,353	2,370,913
Other Financing Sources (Uses):				
Transfers In (Out)	(23,000)	(23,000)	(20,658)	2,342
Net Change in Fund Balance	(1,383,560)	(1,468,560)	904,695	2,373,255
Fund Balance, Beginning of Year	3,286,391	3,286,391	3,286,391	-
Fund Balance, End of Year	\$ 1,902,831	\$ 1,817,831	\$ 4,191,086	\$ 2,373,255

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

CITY OF URBANA

Proprietary Funds
Statement of Net Assets
June 30, 2009

	Business-type Activities Motor Vehicle Parking Enterprise Fund		Governmental Activities Internal Service Fund
	Current Year	Last Year	
ASSETS			
Current Assets:			
Cash and Cash Equivalents:			
Cash on Hand	\$ 350	\$ 350	\$ -
Savings	154,434	591,845	85,057
Total Cash and Cash Equivalents	<u>154,784</u>	<u>592,195</u>	<u>85,057</u>
Investments (At Fair Value)	3,585,489	2,916,178	-
Receivables (Net of Uncollectibles):			
Accounts	18,460	13,347	-
Due from Other Funds	-	-	93,570
Inventory of Supplies	<u>7,598</u>	<u>-</u>	<u>97,310</u>
Total Current Assets	<u>3,766,331</u>	<u>3,521,720</u>	<u>275,937</u>
Capital Assets:			
Land	3,721,624	3,721,624	-
Buildings and Improvements	6,492,848	6,223,152	-
Equipment	420,710	540,890	211,036
Less Accumulated Depreciation	<u>(4,933,767)</u>	<u>(4,783,666)</u>	<u>(120,182)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>5,701,415</u>	<u>5,702,000</u>	<u>90,854</u>
Total Assets	<u>9,467,746</u>	<u>9,223,720</u>	<u>366,791</u>
LIABILITIES			
Current Liabilities:			
Due to Other Funds	41,362	5,740	-
Accounts Payable	27,092	24,679	32,804
Accrued Interest	11,542	13,082	-
Accrued Salaries and Taxes	3,879	2,701	6,527
Deferred Revenue	112,014	76,638	-
General Obligation Bonds-Current	<u>135,836</u>	<u>124,942</u>	<u>-</u>
Total Current Liabilities	331,725	247,782	39,331
Non-Current Liabilities:			
General Obligation Bonds	<u>548,203</u>	<u>684,039</u>	<u>-</u>
Total Liabilities	<u>879,928</u>	<u>931,821</u>	<u>39,331</u>
NET ASSETS			
Invested in Capital Assets (Net of Related Debt)	5,017,376	4,893,019	90,854
Unrestricted	<u>3,570,442</u>	<u>3,398,880</u>	<u>236,606</u>
Total Net Assets	<u>\$ 8,587,818</u>	<u>\$ 8,291,899</u>	<u>\$ 327,460</u>

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

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

Fiscal Year Ended June 30, 2009

	Business-type Activities Motor Vehicle Parking Enterprise Fund		Governmental Activities Internal Service Fund
	Current Yr.	Last Yr.	
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues:			
Parking Meters	\$ 827,293	\$ 829,939	\$ -
Parking Rentals	273,326	273,432	-
Charges for Services	-	-	898,036
	<u> </u>	<u> </u>	<u> </u>
Total Operating Revenues	1,100,619	1,103,371	898,036
	<u> </u>	<u> </u>	<u> </u>
Operating Expenses:			
Personnel Services	176,727	162,659	315,045
Supplies	35,188	37,362	15,178
Contractual Services	195,731	158,616	109,997
Equipment Parts	-	-	200,234
Fuel	-	-	225,171
Depreciation	273,562	271,479	14,088
	<u> </u>	<u> </u>	<u> </u>
Total Operating Expenses	681,208	630,116	879,713
	<u> </u>	<u> </u>	<u> </u>
Operating Income (Loss)	419,411	473,255	18,323
	<u> </u>	<u> </u>	<u> </u>
Non Operating Revenues (Expenses):			
Investment Income (Net of Invest. Expense)	110,967	161,255	1,101
Interest Expense	(33,242)	(37,553)	-
	<u> </u>	<u> </u>	<u> </u>
Total Non Operating Revenues (Expenses)	77,725	123,702	1,101
	<u> </u>	<u> </u>	<u> </u>
Income (Loss) Before Transfers	497,136	596,957	19,424
Transfers (Out)	(201,217)	244,856	-
	<u> </u>	<u> </u>	<u> </u>
Change in Net Assets	295,919	841,813	19,424
	<u> </u>	<u> </u>	<u> </u>
Net Assets, Beginning of Year	8,291,899	7,450,086	308,036
	<u> </u>	<u> </u>	<u> </u>
Net Assets, End of Year	<u>\$ 8,587,818</u>	<u>\$ 8,291,899</u>	<u>\$ 327,460</u>

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

Proprietary Funds
Statement of Cash Flows

Fiscal Year Ended June 30, 2009

	Business-Type Activities Motor Vehicle Parking Enterprise Fund		Governmental Activities Internal Service Fund
	Current Year	Last Year	
Cash Flows from Operating Activities:			
Receipts from Users	\$ 1,166,503	\$ 1,146,676	\$ 876,683
Payments to Employees	(175,549)	(162,290)	(312,808)
Payments to Suppliers	(236,104)	(177,531)	(554,258)
Net Cash Provided by (Used in) Operating Activities	<u>754,850</u>	<u>806,855</u>	<u>9,617</u>
Cash Flows from Non-Capital Financing Activities:			
Transfers (Out)	<u>(201,217)</u>	<u>244,856</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:			
Purchase of Buildings and Improvements	(269,696)	(4,640)	-
Purchase of Equipment	(3,280)	(20,499)	(5,795)
Payment of Interest on Debt	(34,782)	(38,939)	-
Payment of Debt Principal	(124,942)	(114,121)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(432,700)</u>	<u>(178,199)</u>	<u>(5,795)</u>
Cash Flows from Investing Activities:			
Purchase of Investments	(669,312)	(1,025,244)	-
Investment Income	110,968	161,255	1,101
Net Cash Provided by (Used in) Investing Activities	<u>(558,344)</u>	<u>(863,989)</u>	<u>1,101</u>
Increase (Decrease) in Cash and Cash Equivalents	(437,411)	9,523	4,923
Beginning Cash and Cash Equivalents	<u>592,195</u>	<u>582,672</u>	<u>80,134</u>
Ending Cash and Cash Equivalents	<u>\$ 154,784</u>	<u>\$ 592,195</u>	<u>\$ 85,057</u>

(Continued)

Proprietary Funds
Statement of Cash Flows, Continued

Fiscal Year Ended June 30, 2009

	Business-Type Activities Motor Vehicle Parking Enterprise Fund		Governmental Activities Internal Service Fund
	Current Year	Last Year	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ 419,411	\$ 473,255	\$ 18,323
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation Expense	273,562	271,479	14,089
Decrease (Increase) in Accounts Receivable	(5,114)	(10,252)	-
Decrease (Increase) in Due from Other Funds	-	22,172	(21,354)
(Increase) in Inventory of Supplies	(7,598)	-	(2,176)
Increase (Decrease) in Due to Other Funds	35,622	5,740	-
Increase (Decrease) in Accounts Payable	2,412	18,447	(1,502)
Increase (Decrease) in Accrued Salaries and Taxes	1,178	369	2,237
Increase (Decrease) in Deferred Revenues	35,377	25,645	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 754,850</u>	<u>\$ 806,855</u>	<u>\$ 9,617</u>

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

CITY OF URBANA

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

June 30, 2009

ASSETS

Cash and Cash Equivalents:	
Checking	\$ 1,989
Savings	1,505,011
Money Market Funds	696,779
Total Cash and Cash Equivalents	2,203,779
Investments (at Fair Value):	
U.S. Government Securities	21,975,405
Certificates of Deposit	2,691,000
Mutual Funds	17,753,441
Total Investments	42,419,846
Receivables (Net of Uncollectibles):	
Property Tax	1,395,658
Member Loans	28,230
Accrued Interest	171,336
Total Assets	46,218,849
LIABILITIES	
Accounts Payable	37,038
Accrued Salaries and Taxes	12,203
Total Liabilities	49,241
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 46,169,608

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

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

Fiscal Year Ended June 30, 2009

Additions:

Employer Contributions	\$ 2,856,170
Employee Contributions	644,971
Total Contributions	<u>3,501,141</u>
Investment Income:	
Interest and Dividends	1,549,956
Net Increase (Decrease) in Fair Value of Investments	<u>(5,484,895)</u>
Total Investment Income	<u>(3,934,939)</u>
Less Investment Expense	<u>(92,599)</u>
Net Investment Income	<u>(4,027,538)</u>
Total Additions	<u>(526,397)</u>

Deductions:

Benefits	2,934,224
Administrative Costs	<u>78,575</u>
Total Deductions	<u>3,012,799</u>
Change in Net Assets	(3,539,196)
Net Assets Beginning of Year	<u>49,708,804</u>
Net Assets, End of Year	<u><u>\$ 46,169,608</u></u>

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



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Notes to Financial Statements

June 30, 2009

Note 1 - Reporting Entity, Description of Funds 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, and 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, 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, 2009

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.

Notes to Financial Statements

June 30, 2009

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

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

All private-sector standards of accounting and financial reporting (including those issued after December 1, 1989) are generally followed in both the government-wide and enterprise 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 fund is charges to customers for services. Operating expenses for the enterprise fund and internal service fund includes 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. Funds Used by the City - 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, 2009

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.

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 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. Expenditure of these revenues is restricted to capital improvements and redevelopment within the district.

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 are financed similar to a private business enterprise; the intent is that the cost of the service is 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:

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.

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 Home – This fund accounts for revenues received from the Department of Housing and Urban Development under a recurring grant. These revenues are restricted to accomplishing objectives of the Home program.

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.

Notes to Financial Statements

June 30, 2009

Tax Increment Financing District 1 – This fund accounts for the incremental property taxes realized within the Tax Increment Financing District Number 1. 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

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.

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

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

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

4) Nonmajor 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.

Motor Fuel Tax – This fund accounts for revenues received from the Illinois Department of Transportation for local government's share of the state

CITY OF URBANA

Notes to Financial Statements

June 30, 2009

motor fuel tax. These revenues are restricted to certain street and road improvements.

- 5) 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. The only internal service fund used by the City is the Central Garage Fund, which is used to account for vehicle maintenance costs provided to other departments, on a cost-reimbursement basis.
- 6) 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 accounts, and investments with original maturity of three months or less from the date of acquisition to be cash and cash equivalents. At June 30, 2009, there were no certificates of deposit considered to be a cash equivalent. 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 is an investment pool managed by and regulatory oversight provided by the State of Illinois, Office of the Treasurer. While not SEC registered, the pool does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. The reported value of the pool is the same as the fair value of the pool shares. The City is

Notes to Financial Statements

June 30, 2009

authorized by state statute and locally approved investment policies to invest in the following:

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

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, forty percent of the

CITY OF URBANA

Notes to Financial Statements

June 30, 2009

property tax levy is deferred since this amount is normally not collected within a time period to be available (defined as within 60 days). No provision has been made for delinquent property taxes since in past years the amount has averaged less than one percent per year. As a home-rule unit of government, no property tax limitations are imposed.

3) Inventories and Prepaid Items

An amount of \$97,310 is carried in the Central Garage Internal Service Fund and an amount of \$7,598 in the Motor Vehicle Parking Enterprise Fund for inventory of supplies, 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) Restricted Net Assets:

Assets that are not available to finance general operations of the City are reported as restricted on the Statement of Net Assets. The restriction for highways and streets is imposed under State of Illinois laws concerning how motor fuel taxes may be spent. The restriction for library building expansion and library materials is imposed under covenants related to the donation of private funds for these purposes. The City's policy is to apply restricted resources first when an expense is incurred for purposes, for which both restricted and unrestricted net assets are available.

5) Capital Assets:

Capital assets that 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.

Notes to Financial Statements

June 30, 2009

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

6) Compensated Absences:

City employees are granted vacation pay and sick leave in various amounts. Sick leave and vacation benefits may be accumulated; however, upon death or retirement, employees are eligible to receive only a portion of accumulated time. Such amounts are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In prior years, the General Fund has been used to liquidate the accumulated absences for governmental funds. There were no accumulated amounts for the proprietary funds at June 30, 2009.

7) 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.

CITY OF URBANA

Notes to Financial Statements

June 30, 2009

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 net assets:

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

Forty Percent of the amount of property tax receivable is deferred in the governmental funds	\$3,064,353
The amount of the investment in the joint venture is not reported as an asset in the governmental funds	38,938
Overfunded net pension obligation is not reported as an asset in the governmental funds	<u>4,999,617</u>
Total	<u>\$8,102,908</u>

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

Accumulated employee absences	\$1,988,212
Future landfill monitoring	257,850
Unfunded post-employment benefits	<u>71,668</u>
Total	<u>\$2,317,730</u>

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

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

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

Notes to Financial Statements

June 30, 2009

Capital outlays	\$6,406,347
Depreciation	<u>(3,455,343)</u>
Total	<u>\$2,951,004</u>

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

In the governmental funds, the payment to the joint venture was reported as an expenditure under Highways and Streets. In the statement of activities this payment was increased by the decrease in the investment in the joint venture, which is shown as an asset.	\$ (6,356)
Amortization of long-term liability for future landfill Monitoring	28,650
Recognition of unfunded other post employment Benefits	(71,668)
Accumulated employee compensated absences	<u>(601,450)</u>
Total	<u>\$ (650,824)</u>

Note 3 – Stewardship, Compliance, and Accountability:

Budgetary Information – The Mayor and Budget Officer (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 Administrative Officer is authorized to transfer budget amounts within the categories of personnel services, materials and supplies and 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 \$1,480,887 for all funds. Significant budget changes that were approved were:

- a. to add \$725,000 to recognize the fair value of property that was donated to the City, reported as capital outlay in the Capital Improvement and Replacement Capital Projects Fund. The same amount was added as a revenue, reported as a donation in this fund.

CITY OF URBANA

Notes to Financial Statements

June 30, 2009

- b. to add \$380,000 for the purchase of a fire truck. The additional amount will be paid from accumulated fund balance in the Vehicle and Equipment Replacement Special Revenue Fund.
- c. to add \$91,104 for lead abatement services to low-income households, reported in the Community Development Special Revenue Fund. This cost is paid for by a grant from the State of Illinois.
- d. To add \$85,000 for a program to provide a loan subsidy for certain historically designated home improvements. The additional amount will be paid from accumulated fund balance in the Economic Development Special Revenue Fund.
- e. To add \$45,000 for the costs of certain street improvements. The additional amount will be paid from accumulated fund balance in the Tax Increment Financing District Two Special Revenue Fund.

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 Funds. Budgetary control of the Pension Trust Funds is maintained through an annual actuarial review. 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 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 June 30, 2009, the City of Urbana had the following investments:

	<u>Fair Value</u>	<u>Weighted Avg. Maturity (Yr.)</u>
Fixed Income or Interest Bearing:		
U.S. Government and Primary Obligation Agencies\$	19,081,410	
U.S. Government Implied Obligation Agencies	<u>21,228,177</u>	
Subtotal, U.S. Government and It's Agencies	40,309,587	4.3
Certificates of Deposit	<u>12,235,857</u>	3.6
Subtotal Fixed Income or Interest Bearing	52,545,444	
Stock Equity Mutual Funds	17,753,441	n/a
Illinois Metropolitan Investment Trust Fund	<u>251,303</u>	n/a
Total Investments	<u>\$70,550,188</u>	

Notes to Financial Statements

June 30, 2009

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the City's investment policies, exposure to declines in fair values are minimized by the following methods:

- (1) For all funds except fiduciary funds, the portfolio is structured such that securities mature to meet cash requirements, thereby avoiding the need to sell securities prior to maturity. Investments in the Illinois Metropolitan Investment Trust Fund are priced to the market on a daily basis with shares redeemable within five days.
- (2) For investments in the Firemen's Pension Fiduciary Fund, the investment policy establishes a goal that the fixed income portion be structured such that maturity dates are staggered so as to avoid an undue concentration of assets in a given time period. The Fire Pension fund investment policy has the following goals concerning maturity dates: 20% of the portfolio should have a maturity date of 0-5 years, 20% 6-10 years, 20% 11-15 years, 20% 16-20 years, and 20% 21-25 years. The fund is weighted more heavily in the 0-5 year maturity cycle (actual 65%) than the goal, correctly weighted in the 6-10 year maturity cycle (actual 20%), underweighted in the 11-15 year cycle (actual 11%), underweighted in the 16-20 year cycle (actual 4%) and underweighted in the 21-25 year cycle (actual 0%). This variance in weight is because interest rates on longer term maturities has been considerably lower than normal. The fund will continue to analyze each investment purchase and attempt to purchase investments with maturities above 15 years, if the interest rate on these investments makes this a prudent investment. Interest rate risk is also minimized by diversifying the portfolio so that the impact of a potential drop in interest rates on a particular type of security will be minimized. The fund investment policy states a desired minimum and maximum level for each category of investment. At June 30, 2009, the fund's investment types are all within the stated minimum and maximum levels.
- (3) For investments in the Police Pension Fiduciary Fund, interest rate risk for the fixed income portion of the portfolio is minimized by selecting an active duration manager. This manager is charged with managing interest rate risk given current economic conditions and the current position in the interest rate cycle. The average weighted maturity of the portfolio varies depending on the decisions of the manager at various times. The Board of the Fund and the fund's investment advisor review any changes in average weighted maturity. At June 30, 2009, the portfolio had an average weighted maturity of 5.2 years. Interest rate risk is also minimized by diversifying the portfolio so that the impact of a potential drop in interest rates on a particular type of security will be minimized. The portfolio is diversified across different segments of the bond market. Specifically, the fixed income portfolio contains U.S. Treasury securities, Agency bonds, and Government guaranteed mortgage securities. The fund investment policy states a minimum and maximum level for each category of investment. At June 30, 2009, the fund's investments types are all within the stated minimum and maximum levels.

CITY OF URBANA

Notes to Financial Statements

June 30, 2009

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The City investment policy helps limit the City's exposure to credit risk by only allowing investments in obligations of the U. S. Treasury and its agencies, non-negotiable certificates of deposit, obligations of the State of Illinois and its political subdivisions, savings accounts, money market mutual funds regulated by the S.E.C. whose portfolios consist only of dollar-denominated securities, bankers acceptances, and local government investment pools (the Illinois Public Treasurer's Investment Pool and the Illinois Metropolitan Investment Trust Fund). The Policemen and Firemen's Pension Funds are also authorized by policy to invest in general and separate accounts of approved life insurance companies (up to a maximum of 10% of the fund's net assets), mutual funds (up to a maximum of 45% of the fund's net present assets or 35% if 10% is invested in general and separate accounts of approved life insurance companies) and money market mutual funds which are backed by U.S. government securities and agencies.

Investments in U.S. Government securities and securities of certain U.S. Government Agencies (Primary Obligation Agencies) are not considered to be of any credit risk since they carry the full obligation and guarantee of the U.S. Government. The City has also invested in certain U.S. Government Sponsored Enterprises (G.S.E.) (Implied Obligation Agencies) securities that are not secured by an explicit guarantee of the U.S. Government. One-hundred percent of these G.S.E. investments carry a AAA rating from Moody's and Standard and Poors. The City considers the credit risk of all U.S. Government securities to be similar and does not distinguish these securities for purposes of policy goals, minimum and maximum investment levels.

The City believes that its investments in the Illinois Metropolitan Investment Trust Fund (\$251,303) carries no real credit risk in that while not guaranteed, amounts are fully collateralized by U.S. Government backed securities and the fund has been rated Aaa by Standard and Poors. The City believes that its investment in the Illinois Public Treasurer's Pool (\$504,666) carries no real credit risk in that while not guaranteed, amounts are fully collateralized by high quality instruments such as U.S. Treasury obligations and the pool has been rated AAAM by Standard and Poors. At June 30, 2009, the City had \$1,074,109 invested in money market accounts (\$250,825 in a money market account rated AAA by Standard and Poors). The remaining balance of money market accounts (\$823,284) is in non-rated money market accounts. The City believes that the credit risk for these non-rated money market accounts is not significant in that the amounts typically invested are small and their duration is acceptable.

Concentration of Credit Risk: At June 30, 2009, more than 5 percent of the investments of the City's primary government, the Police Pension Fund, and the Fire Pension Fund were in securities of the following issuers (except for investments in U.S. Government and its credit-guaranteed obligations):

Notes to Financial Statements

June 30, 2009

	Primary <u>Govt.</u>	Police <u>Pension</u>	Fire <u>Pension</u>	City <u>Total</u>
Federal Financing Corp.	6%	-	12%	7%
Federal Home Loan Mortgage Corp	15%	10%	6%	11%
Federal National Mortgage Association	15%	8%	9%	11%

At June 30, 2009, more than 5% of net assets of the City's primary government, the Police Pension Fund and the Fire Pension Fund were in the securities of the following issuers (except for investments in U.S. Government and its credit-guaranteed obligations):

	Primary <u>Govt.</u>	Police <u>Pension</u>	Fire <u>Pension</u>	City <u>Total</u>
Federal Financing Corp.	-	-	11%	-
Federal Home Loan Mortgage Corp	-	9%	5%	-
Federal National Mortgage Association	-	7%	9%	-

These securities carry an implied U.S. Government guarantee. The City considers the credit risk of these investments to be similar to investments in U.S. Government Agency securities that are explicitly guaranteed by the U.S. Government. Thus the City does not believe a possible concentration of credit risk for its fixed interest securities due to these investments is significant enough to address in the investment policies.

Custodial Credit Risk for Deposits: is the risk that in the event of a bank failure, the City's deposits may not be returned. Deposits in federally insured banks and savings and loans are insured in an amount equal to \$250,000 until December 31, 2013, when it will return to \$100,000. Investments for the Firemen's and Policemen's Pension Funds are insured in an amount equal to \$250,000 for the fund plus an amount for each member's beneficial interest in the deposits, limited to an amount equal to \$250,000 divided by the largest beneficial interest percentage of a member. It is the policy of the City that deposits above insured limits will generally be secured by the institution pledging securities with a third party institution in fair value amounts at least to cover uninsured amounts. At June 30, 2009, the amount of \$3,812,500 was not insured or covered by collateral. This uninisured and uncollateralized amount is invested in certificates of deposit at Busey Bank in Urbana. After a review of the financial condition of Busey Bank, management of the City believes the credit risk for this amount is acceptable.

Custodial Credit Risk for Investments: is the risk that in the event of the failure of the counterparty, the fund may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no custodial credit risk in that all of its investments are insure, registered, or held by the City's agent in the City's name.

CITY OF URBANA

Notes to Financial Statements

June 30, 2009

B. Investment in Joint Venture

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

Summary financial information for the joint venture at June 30, 2009, and for the year then ended, is as follows:

Total Assets	\$108,849
Total Liabilities	<u>6,918</u>
Total Fund Equity	<u>\$101,931</u>
Total Revenues	\$ 47,154
Total Expenses	<u>63,794</u>
Net Loss	<u>\$ (16,640)</u>

C. Capital Assets:

A summary of changes in capital assets follows:

	Balance <u>06/30/08</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/09</u>
Governmental Activities:				
Land (not being depreciated)	<u>\$ 3,551,037</u>	<u>\$ 598,436</u>	<u>\$ --</u>	<u>\$ 4,149,473</u>
Capital assets being depreciated:				
Buildings and Improvements	18,505,979	607,919	--	19,113,898
Accum. Depn.	<u>(3,612,194)</u>	<u>(327,856)</u>	<u>\$ --</u>	<u>(3,940,050)</u>
Buildings and Improvements Net	<u>14,893,785</u>	<u>280,063</u>	<u>\$ --</u>	<u>15,173,848</u>

Notes to Financial Statements

June 30, 2009

	<u>Balance</u> <u>06/30/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/09</u>
Equipment	10,137,019	1,402,439	(1,116,890)	10,422,568
Accum. Depn.	<u>(6,098,157)</u>	<u>(778,772)</u>	<u>1,116,890</u>	<u>(5,760,039)</u>
Equipment Net	<u>4,038,862</u>	<u>623,667</u>	<u>--</u>	<u>4,662,529</u>
Infrastructure	74,070,036	3,888,377	(11,026)	77,947,387
Accum. Depn.	<u>(22,494,671)</u>	<u>(2,348,715)</u>	<u>11,026</u>	<u>(24,832,360)</u>
Infrastructure Net	<u>51,575,365</u>	<u>1,539,662</u>	<u>--</u>	<u>53,115,027</u>
Total, Governmental Activities, Net Capital Assets	<u>\$74,059,049</u>	<u>\$3,041,828</u>	<u>\$ --</u>	<u>\$77,100,877</u>
Business-type Activities:				
Land (not being depreciated)	<u>\$ 3,721,624</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,721,624</u>
Capital assets being Depreciated:				
Buildings and Improvements	6,223,152	269,696	<u>--</u>	6,492,848
Accum. Depn.	<u>(4,470,862)</u>	<u>(246,664)</u>	<u>--</u>	<u>(4,717,526)</u>
Buildings and Improvements Net	<u>1,752,290</u>	<u>23,032</u>	<u>--</u>	<u>1,775,322</u>
Equipment	540,890	3,280	(123,460)	420,710
Accum. Depn.	<u>(312,804)</u>	<u>(26,897)</u>	<u>123,460</u>	<u>(216,241)</u>
Equipment Net	<u>228,086</u>	<u>(23,617)</u>	<u>--</u>	<u>204,469</u>
Total, Business-type Activities, Net Capital Assets	<u>\$5,702,000</u>	<u>\$ (585)</u>	<u>\$ --</u>	<u>\$5,701,415</u>

Depreciation expense was charged to functions/programs as follows:

Public Safety	\$ 452,483
Highways and Streets	2,736,658
General Government	68,934
Urban Redevelopment and Housing	25,124
Library	<u>172,144</u>
Total Depreciation Expense, Governmental Activities	<u>\$3,455,343</u>

CITY OF URBANA

Notes to Financial Statements

June 30, 2009

D. Long-Term Debt:

1) General Obligation Bonds – The City of Urbana issues general obligation bonds (direct obligations that carry the full faith and credit of the City) to provide funds for the acquisition and construction of major capital assets and to refund general obligation bonds. As of June 30, 2009, the City had no outstanding general obligation debt. During the year, no amounts were paid on debt service.

2) Employee compensated absences in the amount of \$1,988,212 were accrued at June 30, 2009. During the year, \$1,570,907 was retired and \$2,172,357 was added.

3) 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 the following 24 years (\$28,650 per year). At June 30, 2009, \$257,850 remains outstanding to be paid over the next 9 years. These costs should 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.

4) The City has no lease agreements, which qualify as a capital lease. The City has various other lease obligations for facilities and equipment. These may be canceled by either party and are considered operating leases.

5) Other Post Employment Benefits – The City of Urbana provides limited health insurance benefits to retired employees (employees are allowed to remain on the city's health insurance plan but must pay 100% of the cost). In 2009, the City of Urbana implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. This statement requires the City to accrue the implied actuarial amount owed less any amounts contributed. At June 30, 2009, this amount was \$71,668. During the year, \$51,209 was contributed and \$122,877 was added.

6) Revenue Bonds – The City of Urbana also issues bonds where income from the acquired or constructed assets is used to pay debt service. At June 30, 2009, the City had the following outstanding revenue obligation debt:

- a. A revenue bond issue dated April 1, 2005 (2005 Parking Bonds) provides for serial retirement of principal and interest over the next 4 years as listed below. Debt service on this issue is being provided by transfers from the Tax Increment Financing District 1 and Tax Increment Financing District 2 Special Revenue

Notes to Financial Statements

June 30, 2009

Funds to the Motor Vehicle Parking Enterprise Fund. The \$965,000 proceeds of this bond issue was used to pay off the 1994 Bonds on June 1, 2005.

	Interest		
<u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>
2010	3.18	\$125,000	\$19,274
2011	3.36	135,000	15,299
2012	3.51	145,000	10,763
2013	3.66	155,000	5,671
		<u>\$ 560,000</u>	<u>\$ 51,007</u>

During the year, \$115,000 principal was paid and \$21,574 interest was expensed.

b. A revenue note dated December 15, 2001 (Tepper Note) that is considered a revenue obligation provides for retirement of principal and interest over the next 8 years as listed below. Debt service on this issue is being paid by the Motor Vehicle Parking Fund.

	Interest		
<u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>
2010	9.0	\$10,836	\$11,164
2011	9.0	11,812	10,188
2012	9.0	12,875	9,125
2013	9.0	14,034	7,966
2014	9.0	15,297	6,703
2015	9.0	16,673	5,327
2016	9.0	18,174	3,826
2017	9.0	24,338	2,191
		<u>\$ 124,039</u>	<u>\$ 56,490</u>

During the year, \$9,942 of principal was paid and \$11,668 interest was expensed.

E. The annual requirements to amortize all long-term revenue obligations (business-type activities), as of June 30, 2009, including interest of \$107,497 are as follows:

<u>Year Ended</u>	<u>Amount</u>
2010	\$166,274
2011	172,299
2012	177,763
2013	182,673
2014	22,000
2015	22,000
2016	22,000
2017	26,529
	<u>\$791,538</u>

CITY OF URBANA

Notes to Financial Statements

June 30, 2009

F. Changes in Long-Term Debt - The following is a summary of debt transactions of the City for the year ended June 30, 2009:

	<u>Payable 6/30/08</u>	<u>Retired</u>	<u>Additions</u>	<u>Amounts Payable 6/30/09</u>	<u>Due Within One Year</u>
Governmental Activities:					
Accumulated Compensated Absences	<u>\$1,386,762</u>	<u>\$1,570,907</u>	<u>\$2,172,357</u>	<u>\$1,988,212</u>	<u>\$901,422</u>
Landfill Post-closure Monitoring	<u>\$ 286,500</u>	<u>\$ 28,650</u>	<u>\$ --</u>	<u>\$ 257,850</u>	<u>\$ 28,650</u>
Other Post Employment Benefits	<u>\$ 0</u>	<u>\$ 51,209</u>	<u>\$ 122,877</u>	<u>\$ 71,668</u>	<u>\$ 0</u>
Business-type Activities:					
Revenue Bonds & Notes:					
2005 Parking Bonds	\$ 675,000	\$ 115,000	\$ --	\$ 560,000	\$ 125,000
2002 Tepper Note	<u>133,981</u>	<u>9,942</u>	<u>--</u>	<u>124,039</u>	<u>10,836</u>
Total	<u>\$ 808,981</u>	<u>\$ 124,942</u>	<u>\$ --</u>	<u>\$ 684,039</u>	<u>\$ 135,836</u>

G. Pension and Retirement Fund Commitments:

1. Illinois Municipal Retirement Fund (IMRF):

Plan Description. 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 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 public financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. Employees that participate in I.M.R.F. are required to contribute 4.5 percent of their annual covered salary, as required by State Statute. The City of Urbana is required to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2008 was 9.73% and for 2009 is 9.64% of payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level.

Notes to Financial Statements

June 30, 2009

Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2008, the City of Urbana's annual pension cost of \$842,987 was equal to the city of Urbana's required and actual contributions.

Trend Information

<u>Actuarial Date</u>	<u>Annual Pension Cost (APC)</u>	<u>% APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/08	\$842,987	100%	\$0
12/31/07	\$835,439	100%	\$0
12/31/06	\$766,964	100%	\$0

The required contribution was determined as part of the December 31, 2006 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2006 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) post retirement benefit increases of 3% per year. The actuarial value of the employer regular plan assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The assumptions used for the 2008 actuarial valuation were based on the 2002-2004 experience study. The regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The remaining amortization period at December 31, 2006 was 24 years.

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the regular plan was 78.53% funded. The actuarial accrued liability for benefits was \$26,712,943 and the actuarial value of assets was \$20,977,955, resulting in an underfunded actuarial accrued liability (UAAL) of \$5,734,988. The covered payroll (annual payroll of active employees covered by the plan) was \$8,663,797 and the ratio of the UAAL to the covered payroll was 66%. A schedule of funding progress is presented in the Required Supplemental Information Section, following the notes, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF URBANA

Notes to Financial Statements

June 30, 2009

2. Police Pension Fund:

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

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	\$ 1,243,507
Interest on Net Pension Obligation	(227,342)
Adjustment to Annual Required Contribution	<u>154,872</u>
Annual Pension Cost	1,171,037
Contributions Made	<u>1,680,480</u>
Increase (Decrease) in Net Pension Obligation	(509,443)
Net Pension Obligation, Beginning of Year	<u>(3,247,740)</u>
Net Pension Obligation, End of Year	<u><u>\$(3,757,183)</u></u>

Notes to Financial Statements

June 30, 2009

The annual required contribution for the current year was determined as part of the June 30, 2008, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7% investment rate of return including inflation at 3% [net of administrative expenses], (b) projected salary increases of 5.25% per year including inflation at 3%, and (c) post retirement benefit increases of 3% per year. The unfunded actuarial liability is being amortized as a level percentage of projected payroll over a 29 year closed period. The negative net pension obligation of \$3,757,183 represents the amounts contributed by the City of Urbana above the annual required contribution. This overfunding represents an asset entitled "Overfunded Net Pension Obligation" and is taken into account in calculating the annual pension cost in the government-wide financial statements. This overfunding is not considered a financial asset and therefore not reported in the governmental funds.

Three-Year Trend Information:

Actuarial Valuation Date	Annual Pension Cost (A.P.C.)	Percent A.P.C. Contributed	Net Pension Obligation
June 30, 2006	\$ 988,169	142.1%	(\$2,810,162)
June 30, 2007	\$1,076,610	140.6%	(\$3,247,740)
June 30, 2008	\$1,171,037	143.5%	(\$3,757,183)

Actuarial Value Date	6/30/06	6/30/07	6/30/08
Actuarial Value of Plan Assets	\$17,770,352	\$19,393,353	\$21,577,066
Actuarial Accrued Liability (Entry Age Normal Cost) Unfunded (Overfunded)	\$28,563,558	\$30,495,402	\$31,979,564
Actuarial Accrued Liability	\$10,793,206	\$11,102,049	\$10,402,498
Funded Ratio	62.2%	63.6%	67.5%
Covered Payroll Unfunded (Overfunded)	\$2,954,205	\$3,245,524	\$3,392,030
Actuarial Accrued Liability As % Covered Payroll	365.4%	342.1%	306.7%

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

CITY OF URBANA

Notes to Financial Statements

June 30, 2009

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 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 were required to contribute 9.455% of their salary to the Firemen's Pension Fund during the year. 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	\$777,163
Interest on Net Pension Obligation	(82,413)
Adjustment to Annual Required Contribution	<u>55,530</u>
Annual Pension Cost	750,280
Contributions Made	<u>961,372</u>
Increase (decrease) in Net Pension Obligation	(211,092)
Net Pension Obligation, Beginning of Year	<u>(1,098,846)</u>
Net Pension Obligation, End of Year	<u><u>\$(1,309,938)</u></u>

The annual required contribution for the current year was determined as part of the June 30, 2008, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7% investment rate of return including inflation at 3% [net of administrative expenses], (b) projected salary increases of 5.25% per year including inflation at 3%, and (c) post retirement benefit increases of 3% per year. The unfunded actuarial liability is being amortized as a level percentage of projected payroll over a 37 year closed period. The negative net pension obligation of \$1,309,938 represents the amounts contributed by the City of Urbana above the annual required contribution. This overfunding represents an asset entitled "Overfunded Net Pension Obligation" and is taken into account in calculating the annual pension cost in the government-wide financial statements. This overfunding is not considered a financial asset and therefore not reported in the governmental funds.

Notes to Financial Statements

June 30, 2009

Three-Year Trend Information:

Actuarial Valuation Date	Annual Pension Cost (A.P.C.)	Percent A.P.C. Contributed	Net Pension Obligation
June 30, 2006	\$782,983	131.8%	\$ (890,863)
June 30, 2007	\$772,771	126.9%	\$(1,098,846)
June 30, 2008	\$750,280	128.1%	\$(1,309,938)

Actuarial Value Date	6/30/06	6/30/07	6/30/08
Actuarial Value of Plan Assets	\$23,641,009	\$25,593,372	\$27,274,554
Actuarial Accrued Liability (Entry Age Normal Cost)	\$28,901,672	\$29,931,803	\$33,489,938
Unfunded (Overfunded) Actuarial Accrued Liability	\$5,260,663	\$4,338,431	\$6,215,384
Funded Ratio	81.8%	85.5%	81.4%
Covered Payroll	\$2,652,704	\$2,780,694	\$3,012,087
Unfunded (Overfunded) Actuarial Accrued Liability As % Covered Payroll	198.3%	156.0%	206.3%

H. 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.

I. 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 were 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. The outstanding amount of these bonds at June 30, 2009 is not readily ascertainable.

J. Receivables:

At June 30, 2009 the City of Urbana has accrued the following receivables in both the government-wide and governmental fund financial statements (amounts received after the end of the year):

CITY OF URBANA
Notes to Financial Statements
June 30, 2009

	General	Tax Increment Financing District 2	Urbana Free Library	Other Government	Government Total
Unrestricted:					
Property Tax	\$ 968,962	\$ 552,281	\$ 1,420,057	\$ 1,196,284	\$ 4,137,584
Accounts	248,548	-	-	-	248,548
Accrued Interest	-	-	-	164,032	164,032
Notes (due beyond 1 year)	-	50,000	-	-	50,000
Due from Other Govt.:					
State:					
Income Tax	550,829	-	-	-	550,829
Sales Tax	1,816,960	-	-	-	1,816,960
Corp. Personal					
Repl. Tax	62,153	-	15,431	-	77,584
Telecomm. Tax	284,669	-	-	-	284,669
Grants	26,728	-	47,057	148,373	222,158
Service Charges	393,917	-	-	-	393,917
Federal, Grants	-	-	-	97,193	97,193
Other, Service Charges	96,174	-	-	66,564	162,738
Other Taxes:					
Utility Tax	192,088	-	-	-	192,088
Hotel/Motel Tax	54,493	-	-	-	54,493
Local Sales Tax	26,639	-	-	-	26,639
San. Sewer Tax	-	-	-	188,474	188,474
Recycling Tax	39,278	-	-	-	39,278
Total	\$ 4,761,438	\$ 602,281	\$ 1,482,545	\$ 1,860,920	\$ 8,707,184
Restricted:					
Accrued Interest	\$ -	\$ -	\$ 55	\$ -	\$ 55
Due from Other Govt.					
State Motor Fuel Tax	-	-	-	58,836	58,836
Total				\$ 58,836	\$ 58,891

Notes to Financial Statements

June 30, 2009

K. Interfund Receivables and Payables:

A schedule of due to and from other funds follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 19,994	\$ --
Vehicle & Equipment Replacement	829	--
Urbana Free Library	--	23,163
Tax Increment Financing District 2	470	--
Other Govt. Funds, Non-Restricted	--	177,047
Other Govt. Funds, Restricted	126,709	--
Internal Service Funds:		
Central Garage	<u>93,570</u>	<u>--</u>
Total, Governmental Activities	\$241,572	\$200,210
Business-type Activities:		
Motor Vehicle Parking	<u>--</u>	<u>41,362</u>
Total	<u>\$241,572</u>	<u>\$241,572</u>

These internal fund balances were generated by adjustments made upon year-end closeout and all amounts were paid shortly after year-end.

A schedule of interfund transfers follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ --	\$ 848,139
Veh. & Eq. Replacement	886,070	--
Urbana Free Library	384,783	--
Tax Increment Financing District 2	--	20,658
Other Govt. Funds	<u>961,861</u>	<u>1,162,700</u>
Total, Govt. Activities	\$2,232,714	\$2,031,497
Business-type Activities:		
Motor Vehicle Parking	<u>--</u>	<u>201,217</u>
Total	<u>\$2,232,714</u>	<u>\$2,232,714</u>

The primary purpose of these transfers was of a non-recurring nature. Monies have been accumulated and then transferred to another fund for this stated expenditure through the budget process. During the year, the following significant transfers were made:

- \$726,453 from the General Fund to the Capital Improvement and Replacement Capital Projects Fund to provide for future capital improvements.
- \$886,070 from the General Fund to the Vehicle and Equipment Replacement Special Revenue Fund for future equipment purchases.

CITY OF URBANA

Notes to Financial Statements

June 30, 2009

- \$503,970 from the Sanitary Sewer Capital Projects Fund to the General Fund as reimbursement for certain sanitary sewer operational costs.
- \$470,540 from the Motor Vehicle Parking Enterprise Fund to the General Fund as reimbursement for certain services provided.
- \$205,620 from the General Fund to the Social Service Agencies Special Revenue Fund for annual funding of social service agency grants.
- \$293,607 from the General Fund to the Urbana Free Library Special Revenue Fund as reimbursement for I.M.R.F. costs.
- \$132,890 from the Tax Stabilization Special Revenue Fund to the Motor Vehicle Parking Enterprise Fund for future capital improvements.

L. 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:

1. 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 required by law, fund balance is restricted by being held in trust for employee benefits.
2. Other Fund Reserves – There are other reserves of fund balance for prepaid expenditures and loans receivable, as explained in previous footnotes, according to generally accepted accounting principles.

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. No settlements have exceeded insurance coverage in each of the past three years.

The City is also exposed to risk of loss from job-related injuries to employees. To cover this risk, the City, in 1994, established a limited risk management and retention program. Charges for premiums and claims are paid from the General Fund. 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 \$450,000 per individual claim. Estimated losses have been determined based upon workers compensation claims made through June 30, 2009. Amounts for claims incurred but not reported are considered to be immaterial at June 30, 2009. There have been no significant reductions in coverage from the prior year and all settlements

Notes to Financial Statements

June 30, 2009

have been below coverage. Changes in claims liabilities during the past two years are as follows:

	<u>2009</u>	<u>2008</u>
Unpaid Claims, Beginning of Year	\$ 209,865	\$ 220,521
Incurred Claims	403,686	69,939
Claim Payments	<u>(192,554)</u>	<u>(80,595)</u>
Unpaid Claims, End of Year	<u>\$ 420,997</u>	<u>\$ 209,865</u>

B. Deferred Compensation Plan:

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

C. Related Party Transactions:

The City of Urbana has entered into various agreements with other local governments. Because of the City's close relationship with these governments, these 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 \$328,882 in 2009, 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 \$1,575,668 in 2009, 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 in. The City Attorney believes that the potential settlements from these claims, in excess of insurance coverage, would not materially affect the financial statements.

CITY OF URBANA

Notes to Financial Statements

June 30, 2009

2. In August 2004, the City agreed to a request from the Illinois Environmental Protection Agency to construct certain future land improvements to a small waterway which is located near the old City landfill. This landfill has not been active since 1987. It is possible that future erosion of the waterway banks could allow landfill material to enter the waterway, unless the improvements are made. At this time, management believes that any future costs will be in the nature of normal maintenance and insignificant in amounts .

3. The City has entered into agreements with various businesses as part of economic development and annexation arrangements. These agreements require the City to make certain annual payments over a period of time, which are based on certain levels of economic activity of the business in the future, such as value of property or level of retail sales. At this time, since management cannot estimate the amount of the future payments that may be required, no amounts have been reported in the financial statements. Future potential amounts that may be required under the agreements total a maximum of \$7,928,028 to be paid in varying annual payments over the next 14 years.

E. Construction Commitments:

At June 30, 2009, there are the following uncompleted construction contracts:

<u>Project Title</u>	<u>Fund</u>	<u>Remaining Committed Construction</u>
Pavement Patching	Capital Improvement	\$263,118
Philo Road Impr.	Capital Improvement	87,277
N. Shore Dr. Impr.	Capital Improvement & Sanitary Sewer Const.	276,299
Annual St. Maintenance	Motor Fuel Tax	435,000
Windsor Road Impr.	Motor Fuel Tax	600,000
Green St. Impr.	Motor Fuel Tax	850,000
Vine St. Lift Station	T.I.F. Two	221,200
Church/Lincoln Signal	T.I.F. Three	148,439
Goodwin Ave. Impr.	Motor Fuel Tax & Motor Vehicle Parking	642,600
		<u>\$3,523,933</u>

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

F. Single Audit:

The Federal Single Audit Act Amendment of 1996 requires an annual audit of certain major federal grant programs. The annual audit reports for the year ended June 30, 2009, have been issued separately. These reports contain information concerning

Notes to Financial Statements

June 30, 2009

whether grant activity is presented fairly in the 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 (OPEB):

The City of Urbana provides limited health care coverage for eligible retired employees (employees are eligible after working for at least 10 continuous years) by allowing these retired employees to remain on the City's health insurance plan. These employees are required to pay 100% of the current premium cost. The benefit levels are the same as provided active employees. Employee contributions and benefit levels are governed by the City through its personnel manual and employee bargaining contracts. Membership in the plan consisted of the following as of June 30, 2009:

Retirees and beneficiaries receiving benefits	20
Terminated plan members entitled to but not yet receiving benefits	0
Active vested plan members	155
Active non-vested plan members	<u>110</u>
Total	285
Number of participating employers	1

Schedule of Funding Progress (information before 6/30/09 is not available):

Actuarial Valuation Date	06/30/07	06/30/08	06/30/09
Actuarial Value Assets	n/a	n/a	0
Actuarial Accrued Liability (AAL) – Entry Age	n/a	n/a	1,767,772
Unfunded AAL (UAAL)	n/a	n/a	1,767,772
Funded Ratio	n/a	n/a	0%
Covered Payroll (actives)	n/a	n/a	14,499,682
UAAL as a % of Covered Payroll	n/a	n/a	12.2%

Annual OPEB Cost and Net OPEB Obligation as of June 30, 2009:

Annual Required Contribution	\$122,877
Interest on net OPEB Obligation	0
Adjustment to Annual Required Contribution	<u>0</u>
Annual OPEB Cost	122,877
Contributions Made	<u>51,209</u>
Increase in Net OPEB Obligation	71,668
Net OPEB Obligation, Beg. Year	<u>0</u>
Net OPEB Obligation, End Year	\$71,558

CITY OF URBANA

Notes to Financial Statements

June 30, 2009

Three-Year Trend Information:

Fiscal Year End	06/30/07	06/30/08	06/30/09
Annual OPEB Cost	n/a	n/a	\$122,877
% of Annual OPEB Cost Contributed	n/a	n/a	41.7%
Net OPEB Obligation	n/a	n/a	\$ 71,668

Annual Required Contribution for 2009:

Service Cost	\$ 58,319
Amortization	58,707
Interest	<u>5,851</u>
Annual Required Contribution	\$122,877

In the June 30, 2009 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included 5% investment rate of return (net of administrative expenses), an initial health care cost trend rate of 8% and an ultimate health care cost trend rate of 6%. Both rates include a 3% inflation assumption. The implicit provided benefit assumes 20% of 50% of eligible employees payable to age 65. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009 was 30 years.

4. 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

Unaudited

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
12/31/08	\$ 20,977,955	\$ 26,712,943	\$ 5,734,988	78.53%	\$ 8,663,797	66.19%
12/31/07	\$ 22,665,455	\$ 24,430,816	\$ 1,765,361	92.77%	\$ 8,387,946	21.05%
12/31/06	\$ 21,879,184	\$ 23,724,455	\$ 1,845,271	92.22%	\$ 7,946,398	23.22%

CITY OF URBANA

Non-Major Governmental Funds - Combining Balance Sheet
June 30, 2009

ASSETS	Special Revenue	Capital Projects	Totals
Cash and Cash Equivalents:			
Cash on Hand	\$ 100	\$ -	\$ 100
Checking	114	-	114
Savings	896,499	241,182	1,137,681
Money Market Funds	149,068	-	149,068
Investments	7,921,547	1,778,444	9,699,991
Receivables (Net of Uncollectibles)	1,521,515	339,405	1,860,920
Due from Other Funds	-	-	-
Prepaid Expenditures	35,769	-	35,769
Restricted Assets:			
Cash and Cash Equivalents:			
Savings	-	169,307	169,307
Illinois Treasurer's Pool	-	615	615
Investments	-	1,952,162	1,952,162
Receivables	-	58,836	58,836
Due from Other Funds	-	126,709	126,709
Total Assets	<u>\$ 10,524,612</u>	<u>\$ 4,666,660</u>	<u>\$ 15,191,272</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Due to Other Funds	\$ 177,047	\$ -	\$ 177,047
Accounts Payable	376,042	63,047	439,089
Accrued Salaries and Taxes	2,209	-	2,209
Deferred Revenues	910,621	-	910,621
Total Liabilities	<u>1,465,919</u>	<u>63,047</u>	<u>1,528,966</u>
Fund Balance:			
Reserved For:			
Prepaid Expenditures	35,769	-	35,769
Loans Receivable	-	-	-
Unreserved, Designated For:			
Future Capital Outlay	-	4,603,613	4,603,613
Social Service Agencies	14,882	-	14,882
Building Replacement	20,072	-	20,072
Urban Housing and Development	5,338,528	-	5,338,528
Worker Compensation Claims	3,329,408	-	3,329,408
Unreserved and Undesignated	320,034	-	320,034
Total Fund Balance	<u>9,058,693</u>	<u>4,603,613</u>	<u>13,662,306</u>
Total Liabilities and Fund Balance	<u>\$ 10,524,612</u>	<u>\$ 4,666,660</u>	<u>\$ 15,191,272</u>

CITY OF URBANA

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

Fiscal Year Ended June 30, 2009

	Special Revenue	Capital Projects	Totals
Revenues:			
Property Tax	\$ 2,289,531	\$ -	\$ 2,289,531
Sewer Benefit Tax	-	877,869	877,869
Intergovernmental	1,850,661	1,472,388	3,323,049
Investment Income:			
Interest	306,561	140,266	446,827
Net Appreciation (Depreciation) in Fair Value of Investments	(3,013)	(1,276)	(4,289)
 Total Net Investment Earnings	 303,548	 138,990	 442,538
Licenses, Fines, and Services Charges	240,395	760,453	1,000,848
Other	-	5,587	5,587
 Total Revenues	 <u>4,684,135</u>	 <u>3,255,287</u>	 <u>7,939,422</u>
Expenditures:			
Current:			
Public Safety	11,472	-	11,472
Highways & Streets	591,026	202,152	793,178
General Government	196,377	-	196,377
Urban Redevelopment and Housing	3,581,409	-	3,581,409
Capital Outlay	1,158,869	3,707,535	4,866,404
 Total Expenditures	 <u>5,539,153</u>	 <u>3,909,687</u>	 <u>9,448,840</u>
 Excess of Revenues Over (Under) Expenditures	 <u>(855,018)</u>	 <u>(654,400)</u>	 <u>(1,509,418)</u>
Other Financing Sources (Uses):			
Transfers In	297,950	663,911	961,861
Transfers (Out)	(658,730)	(503,970)	(1,162,700)
 Total Other Financing Sources (Uses)	 <u>(360,780)</u>	 <u>159,941</u>	 <u>(200,839)</u>
 Net Changes in Fund Balances	 <u>(1,215,798)</u>	 <u>(494,459)</u>	 <u>(1,710,257)</u>
 Fund Balance, Beginning of Year	 <u>10,274,491</u>	 <u>5,098,072</u>	 <u>15,372,563</u>
 Fund Balance, End of Year	 <u>\$ 9,058,693</u>	 <u>\$ 4,603,613</u>	 <u>\$ 13,662,306</u>

CITY OF URBANA

Non-Major Special Revenue Funds - Combining Balance Sheet
June 30, 2009

(Page 1 of 2)

ASSETS	Social Service Agencies	Community Development			Tax Increment Financing District 1	Tax Increment Financing District 3
		Special	Home	Block Grant		
Cash and Cash Equivalents:						
Cash on Hand	\$ -	\$ -	\$ -	\$ 50	\$ -	\$ -
Checking	-	76	30	8	-	-
Savings	26,919	10,859	-	-	255,983	18,458
Illinois Public Treasurer's Pool	-	-	-	-	-	-
Money Market Funds	-	-	-	-	-	-
Investments	-	325,992	-	-	857,995	2,907,599
Receivables (Net of Uncollectibles)	-	12,116	37,276	57,104	303,381	573,779
Due from Other Funds	-	-	-	-	-	-
Prepaid Expenditures	-	-	-	-	7,125	-
Total Assets	\$ 26,919	\$ 349,043	\$ 37,306	\$ 57,162	\$ 1,424,484	\$ 3,499,836
LIABILITIES AND FUND BALANCE						
Liabilities:						
Due to Other Funds	\$ -	\$ 11,751	\$ 37,306	\$ 57,162	\$ 852	\$ -
Accounts Payable	12,037	1,993	-	-	18,527	204,773
Accrued Salaries and Taxes	-	-	-	-	740	1,102
Deferred Revenues	-	-	-	-	237,917	436,279
Total Liabilities	12,037	13,744	37,306	57,162	258,036	642,154
Fund Balance:						
Reserved for:						
Prepaid Expenditures	-	-	-	-	7,125	-
Loans Receivable	-	-	-	-	-	-
Unreserved, Designated For:						
Social Service Agencies	14,882	-	-	-	-	-
Building Replacement	-	-	-	-	-	-
Urban Housing and Development	-	335,299	-	-	1,159,323	2,857,682
Worker Compensation Claims	-	-	-	-	-	-
Unreserved and Undesignated	-	-	-	-	-	-
Total Fund Balance	14,882	335,299	-	-	1,166,448	2,857,682
Total Liabilities and Fund Balance	\$ 26,919	\$ 349,043	\$ 37,306	\$ 57,162	\$ 1,424,484	\$ 3,499,836

(Continued)

CITY OF URBANA

Non-Major Special Revenue Funds - Combining Balance Sheet

June 30, 2009

(Page 2 of 2)

	Tax Increment Financing District 4	Building Financing	Economic Development	Tax Stabilization	Insurance Financing	Total
ASSETS						
Cash and Cash Equivalents:						
Cash on Hand	\$ -	\$ -	\$ 50	\$ -	\$ -	\$ 100
Checking	-	-	-	-	-	114
Savings	191,214	10	368,213	24,843	-	896,499
Illinois Public Treasurer's Pool	-	-	-	-	-	-
Money Market Funds	-	-	149,068	-	-	149,068
Investments	256,898	20,200	87,876	135,579	3,329,408	7,921,547
Receivables (Net of Uncollectibles)	319,124	-	54,703	164,032	-	1,521,515
Due from Other Funds	-	-	-	-	-	-
Prepaid Expenditures	1,500	-	27,144	-	-	35,769
Total Assets	\$ 768,736	\$ 20,210	\$ 687,054	\$ 324,454	\$ 3,329,408	\$ 10,524,612
LIABILITIES AND FUND BALANCE						
Liabilities:						
Due to Other Funds	\$ -	\$ 138	\$ 67,718	\$ 2,120	\$ -	\$ 177,047
Accounts Payable	136,337	-	75	2,300	-	376,042
Accrued Salaries and Taxes	-	-	367	-	-	2,209
Deferred Revenues	236,425	-	-	-	-	910,621
Total Liabilities	372,762	138	68,160	4,420	-	1,465,919
Fund Balance:						
Reserved for:						
Prepaid Expenditures	1,500	-	27,144	-	-	35,769
Loans Receivable	-	-	-	-	-	-
Unreserved, Designated For:						
Social Service Agencies	-	-	-	-	-	14,882
Building Replacement	-	20,072	-	-	-	20,072
Urban Housing and Development	394,474	-	591,750	-	-	5,338,528
Worker Compensation Claims	-	-	-	-	3,329,408	3,329,408
Unreserved and Undesignated	-	-	-	320,034	-	320,034
Total Fund Balance	395,974	20,072	618,894	320,034	3,329,408	9,058,693
Total Liabilities and						
Fund Balance	\$ 768,736	\$ 20,210	\$ 687,054	\$ 324,454	\$ 3,329,408	\$ 10,524,612

CITY OF URBANA

Non-Major Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 Fiscal Year Ended June 30, 2009

(Page 1 of 2)

	Social Service Agencies	Community Development			Tax Increment Financing District 1	Tax Increment Financing District 3
		Special	Home	Block Grant		
Revenues:						
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ 592,965	\$ 1,121,315
Intergovernmental	-	194,593	1,007,018	622,450	-	-
Investment Income:						
Interest	-	4,630	-	-	33,386	91,543
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	-	-	(328)	(969)
Total Net Investment Earnings	-	4,630	-	-	33,058	90,574
Licenses, Fines and Services Charges	-	3,177	3,000	44,120	-	-
Total Revenues	-	202,400	1,010,018	666,570	626,023	1,211,889
Expenditures:						
Current:						
Public Safety	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	-
General Government	191,377	-	-	-	-	-
Urban Redevelopment and Housing	-	251,956	1,063,380	413,195	417,776	464,750
Capital Outlay	-	-	-	238,085	23,454	883,645
Total Expenditures	191,377	251,956	1,063,380	651,280	441,230	1,348,395
Excess of Revenues Over (Under) Expenditures	(191,377)	(49,556)	(53,362)	15,290	184,793	(136,506)
Other Financing Sources (Uses):						
Transfers In	205,620	38,968	53,362	-	-	-
Transfers (Out)	-	-	-	(15,290)	(191,102)	-
Total Other Financing Sources (Uses)	205,620	38,968	53,362	(15,290)	(191,102)	-
Net Change in Fund Balances	14,243	(10,588)	-	-	(6,309)	(136,506)
Fund Balance, Beginning of Year	639	345,887	-	-	1,172,757	2,994,188
Fund Balance, End of Year	\$ 14,882	\$ 335,299	\$ -	\$ -	\$ 1,166,448	\$ 2,857,682

(Continued)

CITY OF URBANA
 Non-Major Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 Fiscal Year Ended June 30, 2009

(Page 2 of 2)

	Tax Increment Financing District 4	Building Financing	Economic Development	Tax Stabilization	Insurance Financing	Total
Revenues:						
Property Tax	\$ 575,251	\$ -	\$ -	\$ -	\$ -	\$ 2,289,531
Intergovernmental	-	-	24,134	2,466	-	1,850,661
Investment Income:						
Interest	16,458	-	18,529	20,998	121,017	306,561
Net Appreciation (Depreciation) in Fair Value of Investments	(88)	-	(215)	(141)	(1,272)	(3,013)
Total Net Investment Earnings	16,370	-	18,314	20,857	119,745	303,548
Licenses, Fines and Service Charges	-	-	56,585	133,513	-	240,395
Total Revenues	591,621	-	99,033	156,836	119,745	4,684,135
Expenditures:						
Current:						
Public Safety	-	-	-	11,472	-	11,472
Highways and Streets	-	-	-	591,026	-	591,026
General Government	-	-	-	5,000	-	196,377
Urban Redevelopment and Housing	505,651	-	453,184	11,517	-	3,581,409
Capital Outlay	13,685	-	-	-	-	1,158,869
Total Expenditures	519,336	-	453,184	619,015	-	5,539,153
Excess of Revenues Over (Under) Expenditures	72,285	-	(354,151)	(462,179)	119,745	(855,018)
Other Financing Sources (Uses):						
Transfers In	-	-	-	-	-	297,950
Transfers (Out)	-	-	(8,380)	(132,898)	(311,060)	(658,730)
Total Other Financing Sources (Uses)	-	-	(8,380)	(132,898)	(311,060)	(360,780)
Net Change in Fund Balances	72,285	-	(362,531)	(595,077)	(191,315)	(1,215,798)
Fund Balance, Beginning of Year	323,689	20,072	981,425	915,111	3,520,723	10,274,491
Fund Balance, End of Year	\$ 395,974	\$ 20,072	\$ 618,894	\$ 320,034	\$ 3,329,408	\$ 9,058,693

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures-Current:				
General Government:				
Contractual Services	\$ 207,620	\$ 207,620	\$ 191,377	\$ 16,243
Other Financing Sources:				
Transfers In	205,620	205,620	205,620	-
Net Change in Fund Balance	(2,000)	(2,000)	14,243	16,243
Fund Balance, Beginning of Year	639	639	639	-
Fund Balance, End of Year	<u>\$ (1,361)</u>	<u>\$ (1,361)</u>	<u>\$ 14,882</u>	<u>\$ 16,243</u>

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
State Grants	\$ -	\$ 91,104	\$ 9,303	\$ (81,801)
Federal Grants	205,649	205,649	185,290	(20,359)
Total Intergovernmental	205,649	296,753	194,593	(102,160)
Net Investment Earnings - Interest	14,200	14,200	4,630	(9,570)
Licenses, Fines and Service Charges	61,900	61,900	3,177	(58,723)
Total Revenues	281,749	372,853	202,400	(170,453)
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	47,144	47,144	48,510	(1,366)
Supplies	1,500	1,500	228	1,272
Contractual Services	648,539	739,643	203,218	536,425
Total Expenditures	697,183	788,287	251,956	536,331
Net Revenues Over (Under) Expenditures	(415,434)	(415,434)	(49,556)	365,878
Other Financing Sources (Uses):				
Transfers In (Out)	129,670	129,670	38,968	(90,702)
Net Change in Fund Balance	(285,764)	(285,764)	(10,588)	275,176
Fund Balance, Beginning of Year	345,887	345,887	345,887	-
Fund Balance, End of Year	\$ 60,123	\$ 60,123	\$ 335,299	\$ 275,176

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental-				
Federal Entitlement	\$ 1,042,947	\$ 1,042,947	\$ 1,007,018	\$ (35,929)
Licenses, Fines, and Service Charges	15,000	15,000	3,000	(12,000)
Total Revenues	<u>1,057,947</u>	<u>1,057,947</u>	<u>1,010,018</u>	<u>(47,929)</u>
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	169,580	169,580	166,966	2,614
Supplies	2,460	2,460	2,022	438
Contractual Services	2,850,286	2,850,286	894,392	1,955,894
Total Expenditures	<u>3,022,326</u>	<u>3,022,326</u>	<u>1,063,380</u>	<u>1,958,946</u>
Net Revenues Over (Under) Expenditures	(1,964,379)	(1,964,379)	(53,362)	1,911,017
Other Financing Sources (Uses):				
Transfers In (Out)	46,366	46,366	53,362	6,996
Net Change in Fund Balance	(1,918,013)	(1,918,013)	-	1,918,013
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ (1,918,013)</u>	<u>\$ (1,918,013)</u>	<u>\$ -</u>	<u>\$ 1,918,013</u>

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental-				
Federal Entitlement	\$ 595,172	\$ 595,172	\$ 622,450	\$ 27,278
Licenses, Fines, and Service Charges	5,000	5,000	44,120	39,120
Total Revenues	<u>600,172</u>	<u>600,172</u>	<u>666,570</u>	<u>66,398</u>
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	145,709	145,709	144,275	1,434
Materials and Supplies	1,250	1,250	775	475
Contractual Services	606,570	606,570	268,145	338,425
Total Urban Redevelopment and Housing	<u>753,529</u>	<u>753,529</u>	<u>413,195</u>	<u>340,334</u>
Capital Outlay	<u>302,374</u>	<u>302,374</u>	<u>238,085</u>	<u>64,289</u>
Total Expenditures	<u>1,055,903</u>	<u>1,055,903</u>	<u>651,280</u>	<u>404,623</u>
Net Revenues Over (Under) Expenditures	(455,731)	(455,731)	15,290	471,021
Other Financing Sources (Uses):				
Transfers In (Out)	<u>(15,290)</u>	<u>(15,290)</u>	<u>(15,290)</u>	<u>-</u>
Net Change in Fund Balance	(471,021)	(471,021)	-	471,021
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (471,021)</u>	<u>\$ (471,021)</u>	<u>\$ -</u>	<u>\$ 471,021</u>

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Tax	\$ 635,000	\$ 635,000	\$ 592,965	\$ (42,035)
Investment Earnings:				
Interest	30,000	30,000	33,386	3,386
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(328)	(328)
Total Net Investment Earnings	30,000	30,000	33,058	3,058
Total Revenues	665,000	665,000	626,023	(38,977)
Expenditures:				
Current-Urban Redevelopment and Housing:				
Contractual Services	520,904	520,904	417,776	103,128
Capital Outlay	230,564	230,564	23,454	207,110
Total Expenditures	751,468	751,468	441,230	310,238
Net Revenues Over (Under) Expenditures	(86,468)	(86,468)	184,793	271,261
Other Financing Uses:				
Transfers (Out)	(235,137)	(235,137)	(191,102)	44,035
Net Change in Fund Balance	(321,605)	(321,605)	(6,309)	315,296
Fund Balance, Beginning of Year	1,172,757	1,172,757	1,172,757	-
Fund Balance, End of Year	\$ 851,152	\$ 851,152	\$ 1,166,448	\$ 315,296

CITY OF URBANA

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Tax	\$1,045,200	\$1,045,200	\$ 1,121,315	\$ 76,115
Investment Earnings:				
Interest	65,000	65,000	91,543	26,543
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(969)	(969)
Total Net Investment Earnings	65,000	65,000	90,574	25,574
Total Revenues	1,110,200	1,110,200	1,211,889	101,689
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	53,299	53,299	53,289	10
Contractual Services	1,247,511	1,247,511	411,461	836,050
Total Urban Redevelopment and Housing	1,300,810	1,300,810	464,750	836,060
Capital Outlay	1,276,132	1,276,132	883,645	392,487
Total Expenditures	2,576,942	2,576,942	1,348,395	1,228,547
Net Change in Fund Balance	(1,466,742)	(1,466,742)	(136,506)	1,330,236
Fund Balance, Beginning of Year:	2,994,188	2,994,188	2,994,188	-
Fund Balance, End of Year	\$1,527,446	\$1,527,446	\$ 2,857,682	\$1,330,236

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Tax	\$ 483,740	\$ 483,740	\$ 575,251	\$ 91,511
Investment Income:				
Interest	1,000	1,000	16,458	15,458
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(88)	(88)
Net Investment Earnings	1,000	1,000	16,370	15,370
Total Revenues	484,740	484,740	591,621	106,881
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Contractual Services	686,245	686,245	505,651	180,594
Capital Outlay	100,000	100,000	13,685	86,315
Total Expenditures	786,245	786,245	519,336	266,909
Net Change in Fund Balance	(301,505)	(301,505)	72,285	373,790
Fund Balance, Beginning of Year	323,689	323,689	323,689	-
Fund Balance, End of Year	\$ 22,184	\$ 22,184	\$ 395,974	\$ 373,790

CITY OF URBANA

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures	20,072	20,072	-	20,072
Net Change in Fund Balance	(20,072)	(20,072)	-	20,072
Fund Balance, Beginning of Year	20,072	20,072	20,072	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,072</u>	<u>\$ 20,072</u>

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 66,600	\$ 66,600	\$ 24,134	\$ (42,466)
Investment Income:				
Interest	28,000	28,000	18,529	(9,471)
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(215)	(215)
Total Net Investment Earnings	28,000	28,000	18,314	(9,686)
Licenses, Fines and Service Charges	63,000	63,000	56,585	(6,415)
Total Revenues	157,600	157,600	99,033	(58,567)
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	10,000	10,000	6,912	3,088
Contractual Services	1,033,259	1,118,259	446,272	671,987
Total Expenditures	1,043,259	1,128,259	453,184	675,075
Net Revenues Over (Under) Expenditures	(885,659)	(970,659)	(354,151)	616,508
Other Financing Sources (Uses):				
Transfers In (Out)	(308,380)	(308,380)	(8,380)	300,000
Net Change in Fund Balance	(1,194,039)	(1,279,039)	(362,531)	916,508
Fund Balance, Beginning of Year	981,425	981,425	981,425	-
Fund Balance, End of Year	\$ (212,614)	\$ (297,614)	\$ 618,894	\$ 916,508

CITY OF URBANA

Tax Stabilization Fund

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 2,466	\$ 2,466
Investment Income:				
Interest	50,000	50,000	20,998	(29,002)
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(141)	(141)
Net Investment Earnings	50,000	50,000	20,857	(29,143)
Licenses, Fines and Service Charges	-	-	133,513	133,513
Total Revenues	50,000	50,000	156,836	106,836
Expenditures:				
Current:				
Public Safety:				
Contractual Services	15,000	15,000	11,472	3,528
Highways and Streets:				
Contractual Services	652,744	652,744	591,026	61,718
General Government:				
Contractual Services	142,000	101,292	5,000	96,292
Urban Redevelopment and Housing::				
Contractual Services	-	39,200	11,517	27,683
Capital Outlay	100,000	100,000	-	100,000
Total Expenditures	909,744	908,236	619,015	289,221
Net Revenues Over (Under) Expenditures	(859,744)	(858,236)	(462,179)	396,057
Other Financing Sources (Uses):				
Transfers In	459,954	419,246	-	(419,246)
Transfers (Out)	-	-	(132,898)	(132,898)
Total Other Financing Sources (Uses)	459,954	419,246	(132,898)	(552,144)
Net Change in Fund Balance	(399,790)	(438,990)	(595,077)	(156,087)
Fund Balance, Beginning of Year	915,111	915,111	915,111	-
Fund Balance, End of Year	\$ 515,321	\$ 476,121	\$ 320,034	\$ (156,087)

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment Earnings - Interest	\$ 140,000	\$ 140,000	\$ 121,017	\$ (18,983)
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(1,272)	(1,272)
Total Net Investment Earnings	140,000	140,000	119,745	(20,255)
Other Financing Sources (Uses):				
Transfers In (Out)	-	-	(311,060)	(311,060)
Net Change in Fund Balance	140,000	140,000	(191,315)	(331,315)
Fund Balance, Beginning of Year	3,520,723	3,520,723	3,520,723	-
Fund Balance, End of Year	<u>\$ 3,660,723</u>	<u>\$ 3,660,723</u>	<u>\$ 3,329,408</u>	<u>\$ (331,315)</u>

Non-Major Capital Projects Funds
Combining Balance Sheet
June 30, 2009

ASSETS	<u>Capital Improvement and Replacement</u>	<u>Sanitary Sewer Construction</u>	<u>Motor Fuel Tax</u>	<u>Total</u>
Cash and Cash Equivalents:				
Savings	\$ 130,840	\$ 110,342	\$ -	\$ 241,182
Investments	1,778,444	-	-	1,778,444
Receivables (Net of Uncollectibles):				
Due from Other Governments	150,931	-	-	150,931
Other Taxes	-	188,474	-	188,474
Restricted Assets:				
Cash and Cash Equivalents:				
Savings	-	-	169,307	169,307
Illinois Treasurer's Pool	-	-	615	615
Investments	-	-	1,952,162	1,952,162
Receivables	-	-	58,836	58,836
Due from Other Funds	126,569	140	-	126,709
	<u>126,569</u>	<u>140</u>	<u>-</u>	<u>126,709</u>
Total Assets	<u>\$ 2,186,784</u>	<u>\$ 298,956</u>	<u>\$ 2,180,920</u>	<u>\$ 4,666,660</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts Payable	\$ 44,722	\$ 14,375	\$ 3,950	\$ 63,047
Fund Balance:				
Unreserved, Designated for Future Capital Outlay:				
General Construction	2,142,062	-	2,176,970	4,319,032
Sewer Construction	-	284,581	-	284,581
	<u>2,142,062</u>	<u>284,581</u>	<u>2,176,970</u>	<u>4,603,613</u>
Total Fund Balance	<u>2,142,062</u>	<u>284,581</u>	<u>2,176,970</u>	<u>4,603,613</u>
Total Liabilities and Fund Balance	<u>\$ 2,186,784</u>	<u>\$ 298,956</u>	<u>\$ 2,180,920</u>	<u>\$ 4,666,660</u>

CITY OF URBANA

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

Fiscal Year Ended June 30, 2009

	Capital Improvement and Replacement	Sanitary Sewer Construction	Motor Fuel Tax	Total
Revenues:				
Sewer Benefit Tax	\$ -	\$ 877,869	\$ -	\$ 877,869
Intergovernmental	254,343	-	1,218,045	1,472,388
Investment Earnings:				
Interest	73,693	4,665	61,908	140,266
Net Appreciation (Depreciation) in Fair Value Investments	(656)	(46)	(574)	(1,276)
Total Net Investment Earnings	73,037	4,619	61,334	138,990
Licenses, Fines, and Service Charges				
Other	752,223	8,230	-	760,453
	5,587	-	-	5,587
Total Revenues	1,085,190	890,718	1,279,379	3,255,287
Expenditures:				
Current - Highways and Streets	156,332	45,820	-	202,152
Capital Outlay:				
Street and Light Improvements	1,165,279	-	1,114,741	2,280,020
Sewer Construction	148,297	424,667	-	572,964
Public Safety	101,448	-	-	101,448
General Buildings	753,103	-	-	753,103
Total Capital Outlay	2,168,127	424,667	1,114,741	3,707,535
Total Expenditures	2,324,459	470,487	1,114,741	3,909,687
Net of Revenues Over (Under) Expenditures	(1,239,269)	420,231	164,638	(654,400)
Other Financing Sources (Uses):				
Transfers In	663,911	-	-	663,911
Transfers (Out)	-	(503,970)	-	(503,970)
Total Other Financing Sources (Uses)	663,911	(503,970)	-	159,941
Net Change in Fund Balances	(575,358)	(83,739)	164,638	(494,459)
Fund Balance, Beginning of Year	2,717,420	368,320	2,012,332	5,098,072
Fund Balance, End of Year	<u>\$ 2,142,062</u>	<u>\$ 284,581</u>	<u>\$ 2,176,970</u>	<u>\$ 4,603,613</u>

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 457,060	\$ 487,060	\$ 254,343	\$ (232,717)
Investment Earnings:				
Interest	135,458	135,458	73,693	(61,765)
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(656)	(656)
Total Net Investment Earnings	135,458	135,458	73,037	(62,421)
Licenses, Fines, and Service Charges	513,800	1,258,800	752,223	(506,577)
Other	5,000	5,000	5,587	587
 Total Revenues	 1,111,318	 1,886,318	 1,085,190	 (801,128)
Expenditures:				
Current - Highways and Streets	512,548	508,315	156,332	351,983
Capital Outlay:				
Street and Light Improvements	4,507,926	4,537,926	1,165,279	3,372,647
Sewer Construction	154,865	184,865	148,297	36,568
Public Safety	143,098	143,098	101,448	41,650
General Buildings	24,000	753,233	753,103	130
 Total Capital Outlay	 4,829,889	 5,619,122	 2,168,127	 3,450,995
 Total Expenditures	 5,342,437	 6,127,437	 2,324,459	 3,802,978
 Net of Revenues Over (Under) Expenditures	 (4,231,119)	 (4,241,119)	 (1,239,269)	 3,001,850
Other Financing Sources (Uses):				
Transfers In	666,440	666,440	663,911	(2,529)
 Net Change in Fund Balance	 (3,564,679)	 (3,574,679)	 (575,358)	 2,999,321
 Fund Balance, Beginning of Year	 2,717,420	 2,717,420	 2,717,420	 -
 Fund Balance, End of Year	 \$ (847,259)	 \$ (857,259)	 \$ 2,142,062	 \$ 2,999,321

CITY OF URBANA

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sewer Benefit Tax	\$ 955,000	\$ 955,000	\$ 877,869	\$ (77,131)
Investment Earnings:				
Interest	26,000	26,000	4,665	(21,335)
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(46)	(46)
Total Net Investment Earnings	<u>26,000</u>	<u>26,000</u>	<u>4,619</u>	<u>(21,381)</u>
Licenses, Fines and Service Charges	<u>25,000</u>	<u>25,000</u>	<u>8,230</u>	<u>(16,770)</u>
Total Revenues	<u>1,006,000</u>	<u>1,006,000</u>	<u>890,718</u>	<u>(115,282)</u>
Expenditures:				
Current - Highways and Streets	92,641	92,641	45,820	46,821
Capital Outlay - Sewer Construction	<u>822,051</u>	<u>822,051</u>	<u>424,667</u>	<u>397,384</u>
Total Expenditures	<u>914,692</u>	<u>914,692</u>	<u>470,487</u>	<u>444,205</u>
Net of Revenues Over (Under) Expenditures	91,308	91,308	420,231	328,923
Other Financing Sources (Uses):				
Transfers (Out)	<u>(503,970)</u>	<u>(503,970)</u>	<u>(503,970)</u>	<u>-</u>
Net Change in Fund Balance	(412,662)	(412,662)	(83,739)	328,923
Fund Balance, Beginning of Year	<u>368,320</u>	<u>368,320</u>	<u>368,320</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (44,342)</u>	<u>\$ (44,342)</u>	<u>\$ 284,581</u>	<u>\$ 328,923</u>

CITY OF URBANA

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental-				
State Allotment	\$ 1,040,000	\$ 1,040,000	\$ 1,028,321	\$ (11,679)
State Reimbursements	717,000	717,000	189,724	(527,276)
Other Reimbursements	400,000	400,000	-	(400,000)
Total, Intergovernmental	<u>2,157,000</u>	<u>2,157,000</u>	<u>1,218,045</u>	<u>(938,955)</u>
Licenses, Fines and Service Charge	<u>26,000</u>	<u>26,000</u>	<u>-</u>	<u>(26,000)</u>
Investment Earnings:				
Interest	101,864	101,864	61,908	(39,956)
Net Appreciation (Depreciation) in Fair Value Investments	<u>-</u>	<u>-</u>	<u>(574)</u>	<u>(574)</u>
Total Net Investment Earnings	<u>101,864</u>	<u>101,864</u>	<u>61,334</u>	<u>(40,530)</u>
Total Revenues	<u>2,284,864</u>	<u>2,284,864</u>	<u>1,279,379</u>	<u>(1,005,485)</u>
Expenditures-Capital Outlay:				
Street Improvements	4,329,971	4,329,971	1,114,741	3,215,230
Signal Improvements	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total Expenditures	<u>4,337,971</u>	<u>4,337,971</u>	<u>1,114,741</u>	<u>3,223,230</u>
Net Change in Fund Balance	(2,053,107)	(2,053,107)	164,638	2,217,745
Fund Balance, Beginning of Year	<u>2,012,332</u>	<u>2,012,332</u>	<u>2,012,332</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (40,775)</u>	<u>\$ (40,775)</u>	<u>\$ 2,176,970</u>	<u>\$ 2,217,745</u>

CITY OF URBANA

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Parking Meters	\$ 727,240	\$ 727,240	\$ 827,293	\$ 100,053
Parking Rentals	285,080	285,080	273,326	(11,754)
Total Operating Revenues	1,012,320	1,012,320	1,100,619	88,299
Operating Expenses:				
Personnel Services	185,260	185,260	176,727	8,533
Supplies	44,340	44,340	35,188	9,152
Contractual Services	254,901	254,901	195,731	59,170
Depreciation	312,105	312,105	273,562	38,543
Total Operating Expenses	796,606	796,606	681,208	115,398
Operating Income	215,714	215,714	419,411	203,697
Non-Operating Revenues (Expenses):				
Investment Income (Net of Investment Expense):				
Interest	90,000	90,000	112,168	22,168
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	(1,201)	(1,201)
Total Net Investment Earnings	90,000	90,000	110,967	20,967
Interest Expense	(161,000)	(161,000)	(33,242)	127,758
Total Non-Operating Revenues (Expenses)	(71,000)	(71,000)	77,725	148,725
Income (Loss) Before Transfers	144,714	144,714	497,136	352,422
Transfers (Out)	(335,540)	(335,540)	(201,217)	134,323
Change in Net Assets	(190,826)	(190,826)	295,919	486,745
Net Assets, Beginning of Year	8,291,899	8,291,899	8,291,899	-
Net Assets, End of Year	\$ 8,101,073	\$ 8,101,073	\$ 8,587,818	\$ 486,745

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

Fiscal Year Ended June 30, 2009

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Charges for Services	\$ 1,061,580	\$ 1,061,580	\$ 898,036	\$ (163,544)
Operating Expenses:				
Personnel Services	336,320	336,320	315,045	21,275
Supplies	18,270	18,270	15,178	3,092
Contractual Services	142,510	142,510	109,997	32,513
Equipment Parts	205,000	205,000	200,234	4,766
Fuel	300,000	300,000	225,171	74,829
Depreciation	27,400	27,400	14,088	13,312
Total Operating Expenses	1,029,500	1,029,500	879,713	149,787
Operating Income (Loss)	32,080	32,080	18,323	(13,757)
Non Operating Revenues (Expenses):				
Investment Income (Net of Investment Expense)	-	-	1,101	1,101
Change in Net Assets	32,080	32,080	19,424	(12,656)
Net Assets, Beginning of Year	308,036	308,036	308,036	-
Net Assets, End of Year	\$ 340,116	\$ 340,116	\$ 327,460	\$ (12,656)

CITY OF URBANA

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

June 30, 2009

ASSETS	Firemen's Pension Trust Fund	Policemen's Pension Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Cash and Cash Equivalents:			
Checking	\$ 185	\$ 1,804	\$ 1,989
Savings	742,609	762,402	1,505,011
Money Market Funds	25,698	671,081	696,779
Total Cash and Cash Equivalents	<u>768,492</u>	<u>1,435,287</u>	<u>2,203,779</u>
Investments, at Fair Value:			
U.S. Government Securities	11,692,714	10,282,691	21,975,405
Certificates of Deposit	2,691,000	-	2,691,000
Mutual Funds	9,592,897	8,160,544	17,753,441
Total Investments	<u>23,976,611</u>	<u>18,443,235</u>	<u>42,419,846</u>
Receivables (Net of Uncollectibles)			
Property Tax	595,397	800,261	1,395,658
Member Loans	-	28,230	28,230
Accrued Interest	49,713	121,623	171,336
Total Receivables (Net of Uncollectibles)	<u>645,110</u>	<u>950,114</u>	<u>1,595,224</u>
 Total Assets	 <u>25,390,213</u>	 <u>20,828,636</u>	 <u>46,218,849</u>
 LIABILITIES			
Accounts Payable	3,097	33,941	37,038
Accrued Salaries and Taxes	-	12,203	12,203
 Total Liabilities	 <u>3,097</u>	 <u>46,144</u>	 <u>49,241</u>
 NET ASSETS			
Held in Trust for Pension Benefits	<u>\$ 25,387,116</u>	<u>\$ 20,782,492</u>	<u>\$ 46,169,608</u>

CITY OF URBANA

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

Fiscal Year Ended June 30, 2009

	Firemen's Pension	Policemen's Pension	Total
Additions:			
Employer Contributions	\$ 1,251,695	\$ 1,604,475	\$ 2,856,170
Employee Contributions to Purchase Prior Service Time	-	4,163	4,163
Employee Contributions	301,354	339,454	640,808
Total Contributions	<u>1,553,049</u>	<u>1,948,092</u>	<u>3,501,141</u>
Investment Income:			
Interest and Dividends	868,639	681,317	1,549,956
Net Increase (Decrease) in Fair Value of Investments	<u>(3,249,575)</u>	<u>(2,235,320)</u>	<u>(5,484,895)</u>
Total Investment Income	<u>(2,380,936)</u>	<u>(1,554,003)</u>	<u>(3,934,939)</u>
Less Investment Expense	<u>(4,888)</u>	<u>(87,711)</u>	<u>(92,599)</u>
Net Investment Income	<u>(2,385,824)</u>	<u>(1,641,714)</u>	<u>(4,027,538)</u>
Total Additions	<u>(832,775)</u>	<u>306,378</u>	<u>(526,397)</u>
Deductions:			
Benefits	1,565,544	1,368,680	2,934,224
Refunds to Resigning Members	-	45,595	45,595
Administrative Costs	15,951	17,029	32,980
Total Deductions	<u>1,581,495</u>	<u>1,431,304</u>	<u>3,012,799</u>
Change in Net Assets	<u>(2,414,270)</u>	<u>(1,124,926)</u>	<u>(3,539,196)</u>
Net Assets, Beginning of Year	<u>27,801,386</u>	<u>21,907,418</u>	<u>49,708,804</u>
Net Assets, End of Year	<u>\$ 25,387,116</u>	<u>\$ 20,782,492</u>	<u>\$ 46,169,608</u>



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STATISTICAL SECTION

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	Page
Financial Trends	101
<p>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>	
Revenue Capacity	107
<p>These schedules contain information to help the reader assess the City's most significant local revenue sources.</p>	
Debt Capacity	111
<p>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the government's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	116
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</p>	
Operating Information	119
<p>These schedules contain service and infrastructure information to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities performed.</p>	



CITY OF URBANA

Net Assets by Component
Last Ten Fiscal Years

(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities:										
Invested in capital assets, net of related debt		\$45,808	\$49,138	\$55,985	\$62,292	\$64,917	\$67,218	\$69,988	\$74,059	\$77,101
Restricted		3,552	4,192	5,270	3,430	3,376	3,661	2,848	2,386	2,555
Unrestricted		<u>25,113</u>	<u>27,255</u>	<u>25,975</u>	<u>28,640</u>	<u>28,939</u>	<u>31,053</u>	<u>32,769</u>	<u>35,158</u>	<u>34,965</u>
Total governmental activities, net assets		<u>74,473</u>	<u>\$80,585</u>	<u>\$87,051</u>	<u>\$94,363</u>	<u>\$94,363</u>	<u>\$101,932</u>	<u>\$105,505</u>	<u>\$111,603</u>	<u>\$114,621</u>
Business-type activities:										
Invested in capital assets, net of related debt		\$3,615	\$4,139	\$4,624	\$4,940	\$5,160	\$5,055	\$5,025	\$4,893	\$5,017
Unrestricted		<u>1,770</u>	<u>1,841</u>	<u>1,785</u>	<u>1,869</u>	<u>2,166</u>	<u>2,338</u>	<u>2,425</u>	<u>3,399</u>	<u>3,571</u>
Total business-type Activities, net assets		<u>\$5,385</u>	<u>\$5,980</u>	<u>\$6,409</u>	<u>\$6,809</u>	<u>\$7,326</u>	<u>\$7,393</u>	<u>\$7,450</u>	<u>\$8,292</u>	<u>\$8,588</u>
Primary government:										
Invested in capital assets, net of related debt		\$49,424	\$53,277	\$60,609	\$67,232	\$70,077	\$72,272	\$75,013	\$78,952	\$82,118
Restricted		3,552	4,192	5,270	3,430	3,376	3,661	2,848	2,386	2,555
Unrestricted		<u>26,882</u>	<u>29,096</u>	<u>27,580</u>	<u>30,510</u>	<u>31,105</u>	<u>33,392</u>	<u>35,194</u>	<u>38,557</u>	<u>38,536</u>
Total primary Government, net assets		<u>\$79,858</u>	<u>\$86,565</u>	<u>\$93,460</u>	<u>\$101,172</u>	<u>\$104,558</u>	<u>\$109,325</u>	<u>\$113,055</u>	<u>\$119,895</u>	<u>\$123,209</u>

(Information before 2001 is not available)

CITY OF URBANA

Changes in Net Assets
Last Ten Fiscal Years

(accrual basis of accounting)
(amounts expressed in thousands)

(Page 1 of 2)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses:										
Governmental activities:										
Public Safety	\$9,345	\$9,840	\$10,120	\$10,387	\$10,838	\$11,563	\$11,982	\$12,536	\$14,151	
Highways and Streets	7,910	6,955	7,354	7,554	9,773	9,049	9,411	9,728	10,591	
General Government	1,999	2,091	2,234	2,338	2,475	2,783	3,109	3,019	3,264	
Urban Redevelopment and Housing	3,579	3,250	3,413	3,841	4,390	4,842	5,903	5,480	5,561	
Interest on Long-term Debt	39	26	4	--	--	--	--	--	--	
Library Services	<u>2,360</u>	<u>2,404</u>	<u>2,326</u>	<u>2,461</u>	<u>2,666</u>	<u>2,801</u>	<u>3,103</u>	<u>3,298</u>	<u>3,641</u>	
Total governmental activities, expenses	25,232	24,565	25,451	26,581	30,143	31,038	33,508	34,061	37,208	
Business-type activities:										
Motor Vehicle Parking	<u>583</u>	<u>580</u>	<u>628</u>	<u>606</u>	<u>631</u>	<u>592</u>	<u>655</u>	<u>668</u>	<u>715</u>	
Total Primary Government Expenses	<u>\$25,815</u>	<u>\$25,145</u>	<u>\$26,079</u>	<u>\$27,186</u>	<u>\$30,774</u>	<u>\$31,630</u>	<u>\$34,163</u>	<u>\$34,729</u>	<u>\$37,922</u>	
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Public Safety	\$2,578	\$2,348	\$2,215	\$2,416	\$2,229	\$2,653	\$2,315	\$3,847	3,089	
Highways and Streets	995	1,467	1,424	1,614	1,543	1,704	1,559	2,292	1,955	
Other Activities	811	690	1,076	1,218	1,443	1,891	1,292	1,938	1,405	
Operating Grants	2,281	2,284	1,364	2,012	2,345	2,800	1,837	1,720	1,797	
Capital Grants	<u>1,019</u>	<u>6</u>	<u>471</u>	<u>450</u>	<u>9</u>	<u>372</u>	<u>22</u>	<u>46</u>	<u>252</u>	
Total Governmental Activities Program Revenues	7,684	6,795	6,550	7,710	7,568	9,420	7,025	9,843	8,498	
Business-type Activities:										
Charges for Services:										
Motor Vehicle Parking	<u>890</u>	<u>962</u>	<u>1,104</u>	<u>1,038</u>	<u>1,121</u>	<u>1,105</u>	<u>1,076</u>	<u>1,103</u>	<u>1,101</u>	
Total Primary Government Program Revenues	<u>\$8,574</u>	<u>\$7,757</u>	<u>\$7,653</u>	<u>\$8,748</u>	<u>\$8,689</u>	<u>\$10,525</u>	<u>\$8,101</u>	<u>\$10,946</u>	<u>\$9,599</u>	

CITY OF URBANA

Changes in Net Assets
Last Ten Fiscal Years

(accrual basis of accounting)
(amounts expressed in thousands)

(Page 2 of 2)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Net (Expense) Revenue:										
Governmental Activities	\$(17,549)	\$(17,769)	\$(18,901)	\$(18,870)	\$(18,870)	\$(22,575)	\$(21,618)	\$(26,483)	\$(24,218)	\$(28,709)
Business-type Activities	<u>307</u>	<u>382</u>	<u>476</u>	<u>432</u>	<u>490</u>	<u>513</u>	<u>513</u>	<u>421</u>	<u>436</u>	<u>386</u>
Total Primary Government Net (Expense) Revenue	<u>\$(17,242)</u>	<u>\$(17,388)</u>	<u>\$(18,425)</u>	<u>\$(18,438)</u>	<u>\$(22,084)</u>	<u>\$(21,105)</u>	<u>\$(26,062)</u>	<u>\$(26,062)</u>	<u>\$(23,782)</u>	<u>\$(28,323)</u>
General Revenues and Other Changes in Net Assets:										
Governmental Activities:										
Property Tax	\$6,194	\$6,259	\$6,816	\$7,191	\$7,809	\$8,320	\$9,081	\$9,430	\$9,430	\$10,968
Utility Tax	3,675	3,392	3,859	3,861	3,922	4,120	3,832	3,757	3,757	3,832
State Sales Tax	3,451	3,545	3,383	3,511	3,684	4,085	5,034	5,244	5,244	5,159
Other Taxes	3,384	3,385	3,529	3,602	3,765	4,019	4,611	5,143	5,143	5,107
Intergovernmental	4,615	5,824	5,901	5,558	5,104	4,544	5,300	5,311	5,311	5,422
Investment Income	1,632	933	1,305	162	959	618	1,712	1,487	1,487	954
Other	593	713	506	481	157	122	87	88	88	85
Transfers	<u>(133)</u>	<u>(169)</u>	<u>70</u>	<u>39</u>	<u>43</u>	<u>490</u>	<u>500</u>	<u>(245)</u>	<u>(245)</u>	<u>201</u>
Total Governmental Activities	<u>23,411</u>	<u>23,881</u>	<u>25,368</u>	<u>24,407</u>	<u>25,444</u>	<u>26,318</u>	<u>30,157</u>	<u>30,215</u>	<u>30,215</u>	<u>31,728</u>
Business-type Activities										
Investment Income	93	44	23	7	70	44	136	161	161	111
Transfers	<u>133</u>	<u>169</u>	<u>(70)</u>	<u>(39)</u>	<u>(43)</u>	<u>(490)</u>	<u>(500)</u>	<u>245</u>	<u>245</u>	<u>(201)</u>
Total Business-type Activities	<u>226</u>	<u>213</u>	<u>(47)</u>	<u>(32)</u>	<u>27</u>	<u>(446)</u>	<u>(364)</u>	<u>406</u>	<u>406</u>	<u>(90)</u>
Total Primary Government	<u>\$23,637</u>	<u>\$24,049</u>	<u>\$25,321</u>	<u>\$24,375</u>	<u>\$25,470</u>	<u>\$25,872</u>	<u>\$29,793</u>	<u>\$30,622</u>	<u>\$30,622</u>	<u>\$31,638</u>
Change in Net Assets:										
Governmental Activities	\$5,862	\$6,112	\$6,466	\$5,537	\$2,867	\$4,700	\$3,674	\$5,997	\$5,997	\$3,019
Business-type Activities	<u>533</u>	<u>594</u>	<u>429</u>	<u>400</u>	<u>517</u>	<u>67</u>	<u>57</u>	<u>842</u>	<u>842</u>	<u>296</u>
Total Primary Government	<u>\$6,395</u>	<u>\$6,707</u>	<u>\$6,895</u>	<u>\$5,937</u>	<u>\$3,386</u>	<u>\$4,767</u>	<u>\$3,731</u>	<u>\$6,839</u>	<u>\$6,839</u>	<u>\$3,315</u>

(Information before 2001 is not available)

CITY OF URBANA

Fund Balances of Governmental Funds
Last Ten Fiscal Years(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund:										
Reserved	\$ 233	\$ 226	\$ 286	\$ 264	\$ 290	\$ 284	\$ 282	\$ 287	\$352	\$324
Unreserved	<u>5,108</u>	<u>5,546</u>	<u>3,977</u>	<u>4,068</u>	<u>3,995</u>	<u>4,478</u>	<u>5,102</u>	<u>5,849</u>	<u>6,035</u>	<u>6,904</u>
Total, General Fund	<u>\$ 5,341</u>	<u>\$ 5,771</u>	<u>\$ 4,263</u>	<u>\$ 4,332</u>	<u>\$ 4,285</u>	<u>\$ 4,761</u>	<u>\$ 4,761</u>	<u>\$ 6,137</u>	<u>\$ 6,387</u>	<u>\$ 7,228</u>
All Other Governmental Funds:										
Reserved, Reported in Special Revenue Funds	\$ --	\$ --	\$ --	\$ -	\$ 186	\$ 351	\$ 384	\$ 79	\$ 84	\$ 85
Unreserved, Reported in:										
Special Revenue Funds	16,209	19,695	23,365	22,773	21,856	19,371	21,233	18,724	13,477	19,491
Capital Project Funds	<u>1,939</u>	<u>2,559</u>	<u>2,627</u>	<u>2,604</u>	<u>3,181</u>	<u>4,036</u>	<u>3,332</u>	<u>5,580</u>	<u>5,098</u>	<u>4,604</u>
Total All Other Governmental Funds	<u>\$18,148</u>	<u>\$22,254</u>	<u>\$24,469</u>	<u>\$25,377</u>	<u>\$25,223</u>	<u>\$23,758</u>	<u>\$24,949</u>	<u>\$24,383</u>	<u>\$18,659</u>	<u>\$24,180</u>

CITY OF URBANA

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
(amounts expressed in thousands)

Page 1 of 2

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues:										
Property Tax	\$ 5,881	\$ 6,081	\$ 6,305	\$6,674	\$7,557	\$7,695	\$8,187	\$8,830	\$9,258	\$10,560
Utility Tax	3,296	3,675	3,392	3,859	3,861	3,922	4,120	3,832	3,757	3,832
State Sales Tax	3,487	3,451	3,545	3,383	3,511	3,684	4,084	5,034	5,244	5,159
Other Taxes	3,105	3,384	3,385	3,529	3,602	3,765	4,019	4,611	5,142	5,106
Intergovernmental	7,984	9,014	9,292	8,951	9,411	8,781	9,140	8,602	8,598	9,110
Investment Income	1,069	1,632	933	1,297	155	959	618	1,712	1,479	953
Licenses, Fines and Service Charges	3,011	3,379	3,360	3,499	3,858	3,891	4,824	3,723	6,556	4,811
Other	<u>7</u>	<u>495</u>	<u>673</u>	<u>489</u>	<u>485</u>	<u>154</u>	<u>127</u>	<u>82</u>	<u>93</u>	<u>85</u>
Total Revenues	<u>27,840</u>	<u>31,110</u>	<u>30,885</u>	<u>31,680</u>	<u>32,439</u>	<u>32,851</u>	<u>35,119</u>	<u>36,426</u>	<u>40,127</u>	<u>39,616</u>
Expenditures:										
Public Safety	8,539	9,049	9,528	9,918	10,552	11,141	11,938	12,489	13,113	14,011
Highways and Streets	4,419	4,487	4,659	5,052	5,236	5,676	6,126	6,494	6,729	7,716
General Government	1,845	1,928	2,016	2,195	2,261	2,400	2,685	3,078	2,942	3,078
Urban Redevelopment and Housing	3,383	3,566	3,237	3,402	3,822	4,383	4,806	5,886	5,463	5,468
Library Services	2,097	2,258	2,359	2,274	2,383	2,533	2,696	2,980	3,118	3,379
Debt Service	260	257	256	482	--	--	--	--	--	--
Capital Projects	<u>4,661</u>	<u>4,897</u>	<u>6,358</u>	<u>8,974</u>	<u>8,964</u>	<u>6,931</u>	<u>5,294</u>	<u>5,813</u>	<u>7,315</u>	<u>6,479</u>
Total Expenditures	<u>25,203</u>	<u>26,442</u>	<u>28,412</u>	<u>32,298</u>	<u>33,217</u>	<u>33,065</u>	<u>33,545</u>	<u>36,740</u>	<u>38,680</u>	<u>40,131</u>

CITY OF URBANA

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Real Property		Total Taxable Assessed Value	Total Direct Tax Rate	Actual Value	Assessed Value as % of Actual Value
	Residential Property	Commercial Property				
2009	\$339,924,357	\$240,170,456	\$580,094,813	\$0.012942	\$1,740,284,439	33%
2008	\$325,902,257	\$216,421,955	\$542,324,212	\$0.012942	\$1,626,972,636	33%
2007	\$298,445,597	\$207,230,391	\$505,675,988	\$0.012942	\$1,517,027,964	33%
2006	\$272,438,176	\$196,612,417	\$469,050,593	\$0.013120	\$1,407,151,779	33%
2005	\$251,591,356	\$176,215,955	\$427,807,311	\$0.013120	\$1,283,421,933	33%
2004	\$228,417,723	\$154,153,753	\$382,571,476	\$0.013120	\$1,147,714,428	33%
2003	\$209,667,923	\$143,906,739	\$353,574,662	\$0.013178	\$1,060,723,986	33%
2002	\$196,154,448	\$139,556,948	\$335,711,396	\$0.013314	\$1,007,134,188	33%
2001	\$189,411,143	\$134,978,711	\$324,389,854	\$0.013725	\$973,169,562	33%
2000	\$179,669,714	\$129,683,993	\$309,353,707	\$0.013905	\$928,061,121	33%

Source: Champaign County Clerk

Notes: State law prescribes an assessment ration of 33% of actual value

CITY OF URBANA

Property Tax Rates - Direct and Overlapping Government

Last Ten Fiscal Years

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
City of Urbana:										
Library	.4853	.4752	.4822	.4787	.4950	.5262	.5474	.5433	.5235	.5251
General	.3312	.3472	.3357	.3326	.3269	.2941	.2954	.3429	.4302	.4387
Police Pension	.2704	.3034	.2921	.2913	.2851	.2909	.2933	.3040	.2860	.2953
Fire Pension	.2073	.1684	.1842	.2094	.2050	.2008	.1817	.1412	.1328	.1314
Subtotal, City	1.2942	1.2942	1.2942	1.3120	1.3120	1.3120	1.3178	1.3314	1.3725	1.3905
School District	4.3507	4.2880	4.3377	4.3178	4.4758	4.5961	4.6701	4.7448	4.7245	4.7839
Champaign County	.7426	.7389	.7616	.7801	.7981	.7048	.7117	.6200	.6201	.6425
Park District	.6962	.6961	.7066	.7218	.7463	.7534	.7767	.7939	.7960	.8122
Parkland College	.5115	.4688	.4720	.4776	.4847	.4838	.4652	.4556	.4469	.4659
Mass Transit	.2575	.2544	.2592	.2623	.2677	.2695	.2728	.2772	.2764	.2813
Cunningham Town	.1875	.1917	.1919	.1932	.1988	.2017	.2048	.2051	.1547	.2265
Public Health	.1052	.1049	.1060	.1087	.1126	.1135	.1152	.1172	.1170	.1206
Forest Preserve	.0783	.0779	.0800	.0818	.0839	.0840	.0850	.0859	.0855	.0885
Total	8.2237	8.1149	8.2092	8.2553	8.4799	8.5188	8.6193	8.6311	8.5936	8.8119

Source: Champaign County Clerk

Notes: Tax Rates per \$100 Assessed Valuation

CITY OF URBANA
Principal Property Taxpayers
June 30, 2009

Name of Company	2009			2000		
	Equalized Assessed Value	Rank	Percent of Total Assessed Valuation	Equalized Assessed Value	Rank	Percent of Total Assessed Valuation
Carle Foundation (Health Care)	\$55,998,280	1	9.7%	\$15,865,650	1	5.1%
Provena Covenant (Health Care)	14,858,200	2	2.6%	0	-	-
Campus Property Management (Residential Housing)	12,018,170	3	2.1%	0	-	-
Town and Country Apartments (Residential Housing)	8,490,360	4	1.5%	5,293,200	3	1.7%
Lincoln Blvd. (Melrose) Association (Residential Housing)	6,764,540	5	1.2%	5,364,670	2	1.7%
Urbana Associates (Capstone) (Residential Housing)	5,363,320	6	0.9%	2,260,060	10	0.7%
Walmart (Retail Sales)	5,093,420	7	0.9%	0	-	-
Flex-N-Gate (Manufacturing)	5,003,040	8	0.9%	3,443,060	7	1.1%
Clark Lindsey Village (Residential Retirement)	4,661,880	9	0.8%	3,382,610	8	1.1%
J. M. Jones Company (Food Service)	4,370,140	10	0.8%	4,494,850	4	1.5%
C-U Partners, Holiday Inn (Hotel)				4,072,980	5	1.3%
First Busey Corporation (Banking)	-	-	-	3,536,470	6	1.1%
Schnucks (Retail Sales)	-	-	-	<u>2,670,090</u>	9	0.9%
Totals	<u>\$122,631,350</u>		<u>21.1%</u>	<u>\$50,383,640</u>		<u>14.6%</u>

Source: Cunningham Township Assessor

CITY OF URBANA
Property Tax Levies and Collection
Last Ten Fiscal Years

<u>Fiscal Year Ended</u>	<u>Tax Levy for Fiscal Year</u>	<u>Collected in Fiscal Year Amount</u>	<u>% Levy</u>	<u>Collected in Subsequent Years</u>	<u>Total Collections to Date Amount</u>	<u>% Levy</u>
2009	\$7,507,666	\$3,786,555	50%	\$ -	\$3,786,555	50%
2008	\$7,018,760	\$3,509,185	50%	\$3,489,243	\$6,998,428	100%
2007	\$6,544,459	\$3,347,995	51%	\$3,170,172	\$6,518,167	100%
2006	\$6,153,944	\$3,197,666	52%	\$2,939,507	\$6,137,173	100%
2005	\$5,612,832	\$2,904,711	52%	\$2,692,410	\$5,597,121	100%
2004	\$5,019,338	\$2,538,384	51%	\$2,470,618	\$5,009,002	100%
2003	\$4,659,407	\$2,453,220	53%	\$2,112,980	\$4,566,200	98%
2002	\$4,469,662	\$2,221,005	50%	\$2,219,486	\$4,440,491	99%
2001	\$4,452,251	\$2,117,901	48%	\$2,291,249	\$4,409,150	99%
2000	\$4,301,563	\$2,075,891	48%	\$2,225,488	\$4,301,379	100%
1999	\$4,136,200	\$2,033,694	49%	\$2,098,225	\$4,131,919	100%

Source: Champaign County Clerk

Note: Does not include Special Service Area or Tax Increment.

CITY OF URBANA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	<u>Governmental Activities</u>		Business-Type Activities <u>Parking Bonds</u>	Total <u>Primary Govt</u>	% of Personal <u>Income</u>	Per <u>Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>				
2009	\$ 0	\$ 0	\$ 684,039	\$ 684,039	0.05%	\$17.08
2008	\$ 0	\$ 0	\$ 808,981	\$ 808,981	0.07%	\$26.85
2007	\$ 0	\$ 0	\$ 923,102	\$ 923,102	0.08%	\$32.05
2006	\$ 0	\$ 0	\$1,026,470	\$1,026,470	0.09%	\$28.05
2005	\$ 0	\$ 0	\$1,122,669	\$1,122,669	0.11%	\$30.71
2004	\$ 0	\$ 0	\$1,414,712	\$1,414,712	0.14%	\$38.74
2003	\$ 0	\$ 0	\$1,686,295	\$1,686,295	0.17%	\$46.23
2002	\$ 470,095	\$ 0	\$2,217,240	\$2,687,335	0.29%	\$73.76
2001	\$ 692,400	\$ 0	\$2,482,600	\$3,175,000	0.35%	\$87.24
2000	\$ 904,175	\$ 0	\$2,900,825	\$3,805,000	0.43%	\$104.69

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the Schedule of Demographic and Economic Statistics on page 116 for personal income and Population income.

CITY OF URBANA
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less Amount Available in Debt Service Funds</u>	<u>Net General Bonded Debt</u>	<u>% of Estimated Actual Taxable Property Value</u>	<u>Per Capita</u>
2009	\$ --	\$ --	\$ --	0%	\$0.00
2008	--	--	--	0%	0.00
2007	--	--	--	0%	0.00
2006	--	--	--	0%	0.00
2005	--	--	--	0%	0.00
2004	--	--	--	0%	0.00
2003	--	--	--	0%	0.00
2002	470,095	--	470,095	.05%	12.90
2001	692,400	--	692,400	.07%	19.02
2000	904,175	--	904,175	.10%	24.84

Notes: Revenue and special assessment debt not included. Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements. Population data can be found in the Schedule of Demographic and Economic Statistics on page 116. Information on taxable value can be found in the Schedule on page 107.

CITY OF URBANA

Direct and Overlapping Governmental Activities Debt

June 30, 2009

<u>Governmental Unit</u>	<u>Principal Debt City of Urbana</u>	<u>Percentage Applicable to City of Urbana</u>	<u>(1) Amount Applicable to City of Urbana</u>
Debt Repaid With Property Tax:			
School District #116	\$27,071,658	84%	\$22,790,619
Champaign County	55,262,315	17%	9,198,115
Forest Preserve	97,500	16%	16,003
Parkland Comm. College	34,723,962	13%	4,342,519
Urbana Park District	<u>1,157,000</u>	99%	<u>1,141,484</u>
Subtotal, Overlapping Debt			37,488,741
City of Urbana Direct Debt			<u>0</u>
Total Direct and Overlapping Debt			<u>\$37,488,741</u>

Source: Assessed value provided by Champaign County Clerk. Debt outstanding information provided by each individual government unit.

Notes: Overlapping governments are those that coincide, at least in part, with the boundaries of the City of Urbana. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of the City of Urbana. This estimate produces a schedule that recognizes that, when considering the City of Urbana's ability to issue and repay long-term debt, the entire debt burden borne by the taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) Computed by dividing Urbana's assessed value by the assessed value of the overlapping government and multiplying this rate by the overlapping government's 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

Computation of 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.

CITY OF URBANA

Schedule of Revenue Supported Bond Coverage

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Revenue (1)</u>	<u>Expense (2)</u>	<u>Available for Debt Service</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coverage (3)</u>
2009	\$1,211,586	\$608,863	\$602,723	\$124,942	\$34,782	\$159,724	3.85
2008	1,509,482	358,637	1,150,845	114,121	38,939	153,060	7.52
2007	1,211,998	848,705	363,293	103,368	41,826	145,194	2.50
2006	1,148,598	774,277	374,321	96,199	43,625	139,824	2.68
2005	1,190,671	339,681	850,990	292,043	90,020	382,063	2.22
2004	1,045,646	304,358	741,288	271,583	95,895	367,478	2.01
2003	1,126,492	346,731	779,761	530,945	116,657	647,602	1.20
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

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. (1) Revenues include operating revenues, Interest income, and operating transfers in.(2) Total expenses exclusive of interest and depreciation, including transfers out; (3) net revenues available for Debt Service divided by Debt Service Payments. The only outstanding revenue bonds during this time were Parking Revenue Bonds issued in 1977, Downtown Parking Revenue Bonds, issued in 1981, which were refunded early by the 1985 Parking Bonds, which in turn were refunded by the 1994 Parking Bonds, which were refunded by the 2005 Parking Bonds.

CITY OF URBANA
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>(1) Population</u>	<u>(2) Personal Income expressed in thousands</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>
2009	40,050	\$1,255,727	\$31,354	24.6	13.1	4,155	8.7%
2008	40,050	1,180,033	29,464	24.6	13.1	4,141	5.6%
2007	37,090	1,056,175	28,476	24.6	13.1	4,088	3.9%
2006	36,590	1,080,100	29,519	24.6	13.1	4,303	4.1%
2005	36,555	1,065,359	27,144	24.6	13.1	4,369	4.8%
2004	36,515	977,214	26,762	24.6	13.1	4,414	5.4%
2003	36,475	975,196	26,736	24.6	13.1	4,574	3.6%
2002	36,435	922,935	25,331	24.6	13.1	4,583	3.1%
2001	36,395	918,355	25,233	24.6	13.1	4,663	2.5%
2000	36,344	893,699	24,590	25.5	13.0	4,724	2.5%

Data Sources: (1) Estimate by City Staff from U.S. Bureau of Census information
 (2) Bureau of Economic Analysis, U.S. Commerce Dept.
 (3) Superintendent of Urbana School District 116
 (4) Illinois Bureau of Employment Security, expressed as a percentage

Note: Personal income is a total for the year. Median age and education level are based on information gathered from the last quarter of the calendar year. School enrollment is from the start of the school year. Unemployment rate information is for the last quarter of the fiscal year.

CITY OF URBANA

Principal Employers

Current Year and Three Years Ago

<u>Employer</u>	<u>Description</u>	<u>2009</u>			<u>2006</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>% of Total Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>% of Total Employment</u>
University of Illinois	Education	10,500	1.	6.7%	13,571	1.	11.9%
Carle Clinic	Health Care	2,919	2.	1.9 %	2,919	2.	2.5%
Carle Hospital	Health Care	2,750	3.	1.8%	2,750	3.	2.3%
Champaign Schools	Education	1,370	4.	0.9%	1,378	4.	1.2%
Kraft Foods	Manufacturing	1,325	5.	0.9%	1,340	5.	1.1%
Provena Hospital	Health Care	1,200	6.	0.8%	1,200	6.	1.0%
Parkland College	Education	1,200	7.	0.8%	-	-	-
Walmart	Retail Sales	1,050	8.	0.7%	-	-	-
Champaign County	Government	887	9.	0.6%	800	7.	0.7%
Plastipak	Manufacturing	800	10.	0.5%	-	-	-
Urbana Schools	Education	-	-	-	730	8.	0.7%
Solo Cup	Manufacturing	-	-	-	700	9.	0.6%
Super Value	Food Distributor	-	-	-	625	10.	0.5%
Total		24,741		15.8%	26,003		22.2%

Source: Compiled from information provided by the Illinois Dept. of Commerce and Economic Opportunity and the Champaign County Economic Development Corporation.

Notes: Total employment % is calculated based on total employment for Champaign County, as total employment for the City of Urbana is not ascertainable. Information before 2006 is not shown as this information is not available.

CITY OF URBANA

Number of City Employees by Function (Full-time Equivalents)

Last Ten Fiscal Years

Function:	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Public Safety:										
Police Safety	70	70	71	72	72	72	75	76	77	77
Fire Safety	59	59	59	59	59	59	59	59	59	59
Highways and Streets:										
Maintenance	65	65	66	67	67	67	67	67	68	68
Engineering	10	10	10	10	10	10	12	12	12	12
General Government	33	33	33	34	34	34	34	35	36	37
Urban Redevelopment And Housing	22	22	22	23	23	23	23	24	24	25
Library Services	<u>43</u>	<u>43</u>	<u>43</u>	<u>44</u>	<u>44</u>	<u>44</u>	<u>45</u>	<u>47</u>	<u>47</u>	<u>48</u>
Total	302	302	304	309	309	309	315	320	323	326

Source: City Finance Department.

CITY OF URBANA

Operating Indicators, by Function

(Page 1 of 2)

Last Ten Fiscal Years

Function:	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Public Safety:										
Police Safety:										
Arrests	4,835	5,592	5,793	5,986	6,750	6,730	7,509	7,281	7,227	7,442
Service Calls	20,617	20,506	22,205	21,470	22,737	22,916	19,681	20,479	21,480	21,967
Reports Written	7,001	7,747	7,761	7,505	8,014	8,209	7,649	7,740	6,277	7,163
Parking Tickets Issued	93,574	97,376	87,475	67,212	58,354	53,640	55,451	46,186	42,772	35,143
Fire Safety:										
Fire Calls	141	173	159	148	179	173	192	179	128	82
Other Calls	3,657	3,726	3,666	3,741	3,794	3,817	3,872	4,050	3,937	4,484
Inspections	1,233	1,248	1,224	1,014	1,206	1,061	1,277	1,327	1,240	881
Highways and Streets:										
St. Resurfacing (Sq. Yd. Asphalt And Concrete)	(information before 2007 is not available)							74,000	41,000	37,550
Recycled Tons Waste Collected:										
Household	5.5	5.6	5.7	5.8	5.8	5.8	6.0	6.0	6.2	8.8
Landscape	9.1	8.7	12.0	11.8	10.3	11.0	12.4	13.5	14.5	19.0

CITY OF URBANA
Operating Indicators, by Function

(Page 2 of 2)

Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government:										
Licenses/Permits Processed	1,263	1,138	1,526	2,919	2,528	2,641	2,645	2,781	2,662	2,435
Urban Redevelopment And Housing:										
Permits Issued	1,634	1,448	1,744	2,326	2,457	2,439	2,121	1,982	1,852	1,642
Zoning/Planning Cases Admin.	(information not available before 2001)	78	89	75	63	79	99	86	59	76
Library Services:										
Items Circulated (in thousands)	765	756	797	753	661	777	836	878	904	878
Reference Questions Answered (in thousands)	126	130	134	130	95	105	125	118	119	119
Persons Attending Library Programs (in thousands)	28	27	30	25	24	25	30	29	30	32

Source: Various city departments.

CITY OF URBANA

Capital Asset Statistics, by Function

Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Public Safety:										
Police Safety:										
Number Stations	1	1	1	1	1	1	1	1	1	1
Number Patrol Units	22	23	23	23	24	25	25	25	25	25
Fire Safety:										
Number Stations	4	4	4	4	4	4	4	4	4	4
Response Vehicles	8	8	8	8	8	8	8	8	8	8
Highways and Streets:										
Area City Sq. Miles	10.2	10.2	10.5	11.4	11.5	11.5	11.6	11.6	11.6	11.7
Miles Streets	122.8	122.8	124.5	126.7	127.8	128.3	130.4	141.2	141.6	144.6
Miles Sewers	183.6	183.6	184.2	185.0	199.7	201.8	221.2	222.1	225.7	235.6
Street Lights	3,738	3,738	3,738	3,767	3,767	3,469	3,469	3,744	3,782	3,701
City Trees	11,560	11,700	11,840	11,980	12,120	12,260	12,400	12,550	12,580	12,610
Library Services:										
Sq. Feet Library Building	25,000	25,000	25,000	25,000	27,000	52,000	52,000	52,000	52,000	52,000

Source: Various city departments.

Note: No capital asset indicators are available for the general government function.