



The Urbana Free Library, founded in 1874, is one of the oldest public libraries in the State of Illinois, and serves over 490,000 visitors annually.

City of Urbana, Illinois

Comprehensive Annual Financial Report



1833 - 2011

**For the Year Ended
June 30, 2011**

CITY OF URBANA, ILLINOIS
Comprehensive Annual Financial Report
Year Ended June 30, 2011

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City of Urbana
400 South Vine Street
Urbana, IL 61801

December 23, 2011

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, 2011.

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.

The City of Urbana financial statements have been audited by Bray, Drake, Liles & Richardson, LLP, licensed certified public accountants. The independent audit provides reasonable assurance that the statements are free of material misstatements. This audit involved examining selected records to support amounts and disclosures in the financial statements, assessing the accounting principles applied and significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, Bray, Drake, Liles & Richardson, LLP, concluded that there was a reasonable basis for rendering an unqualified opinion that the statements are fairly presented in accordance with generally accepted accounting standards. Their letter 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 City of Urbana

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 41,250 and 11.9 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.

Budgetary Planning

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 rate four years ago of 3.9% to the current rate of 8.3%. Both the University of Illinois and the health service industry receive significant revenues from the State of Illinois. Because the State of Illinois has experienced very negative impacts from the recession, these shared revenues have been severely reduced. This has caused the University of Illinois and the health service industry to reduce payrolls.

Over the last 12 months, there are signs that economic growth is beginning to rebound. The unemployment rate mentioned above has improved almost 2% in that time. Sales tax, which amounts to approximately 31% of general fund revenues increased 7%, although part of this increase was implementing new rates and expanding the tax base. The state income tax, which amounts to approximately 12% of general fund revenues experienced small increases.

Two revenue sources more directly under control of the city are the property tax and licenses, fees and service charges. The City of Urbana has been very aggressive in encouraging new housing and business development and in annexing properties into the City limits. This stability and aggressive development posture has allowed property values to average a 1% increase last year, even though this is considerably below previous years. Licenses, fees and service charges are 20% of general fund revenues and increased 2% in FY10-11 and are projected to increase 7% next year as building permit activity is anticipated to rebound.

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.

Fund balance unassigned and available for spending in the General Fund was \$4,714,930 (16% of budgeted expenditure levels). While this level has decreased in the last 2 years (25% in 2009), management believes this level is still adequate for financing any required future costs and provides the City a adequate amount of fund balance to meet the short-term financial concerns.

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 \$3 million.
- 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) Determine whether the City is desiring to include a referendum on the March 2012 election reference possible aggregation of a utility provider for electricity. Management of the City will have to design the goals of an aggregation system prior to implementation.
- b) Monitor the initial stages of construction of a broadband computer access system to service underserved areas of the City and the enrollment of initial customers. This system will be funded in large part by a federal and state grant that was awarded to the City of Champaign, University of Illinois, and the City of Urbana.

- c) Continue to monitor the local, state and national economy and the impact on Urbana tax revenues. An return to any significant recessionary economy or possible negative impacts of the State of Illinois efforts to balance it's budget may significantly impact the City's ability to finance current level of services in the future.
- d) Determine whether the City of Urbana will implement a new storm water utility fee to finance storm water related infrastructure improvements. The fee has been under discussion and study since spring of 2011. Currently questions concerning rates and incentives for residential and commercial storm water collection systems are being debated.
- e) Finish design, initiate property acquisition, initial construction and finalize financing for the bone yard beautification plan in the downtown.

For the future, three areas of emphasis will be:

- a) Continue to identify and implement improvements in efficiency and new technology that will allow continued service delivery at the 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.
- b) Continue to 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.
- c) Monitor the impact the emerald ash tree borer insect may have on the many trees of the city. Urbana is a charter recipient of the Tree City USA designation and has a considerable investment in it's tree stock. It is very likely that Urbana will have to institute various actions in an effort to mitigate this possible damage.

Awards and Acknowledgements.

The Government Finance Officer's Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to a government that publishes 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. The City of Urbana has received this reward in 22 of the last 23 years. 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

CITY OF URBANA

List of Principal Officials

June 30, 2011

Elected Officials

Mayor
Laurel Lunt Prussing

City Clerk
Phyllis D. Clark

Aldерwoman
Heather Stevenson

Aldерwoman
Diane Marlin

Alderman
Charles Smyth

Alderman
Eric Jakobsson

Alderman
Dennis Roberts

Alderman
Robert E. Lewis

Alderman
Brandon Bowersox

Administrative Officers

Police Chief
Patrick Connolly

Fire Chief
Michael Dilley

Public Works Director
William Gray

Community Development Director
Libby Tyler

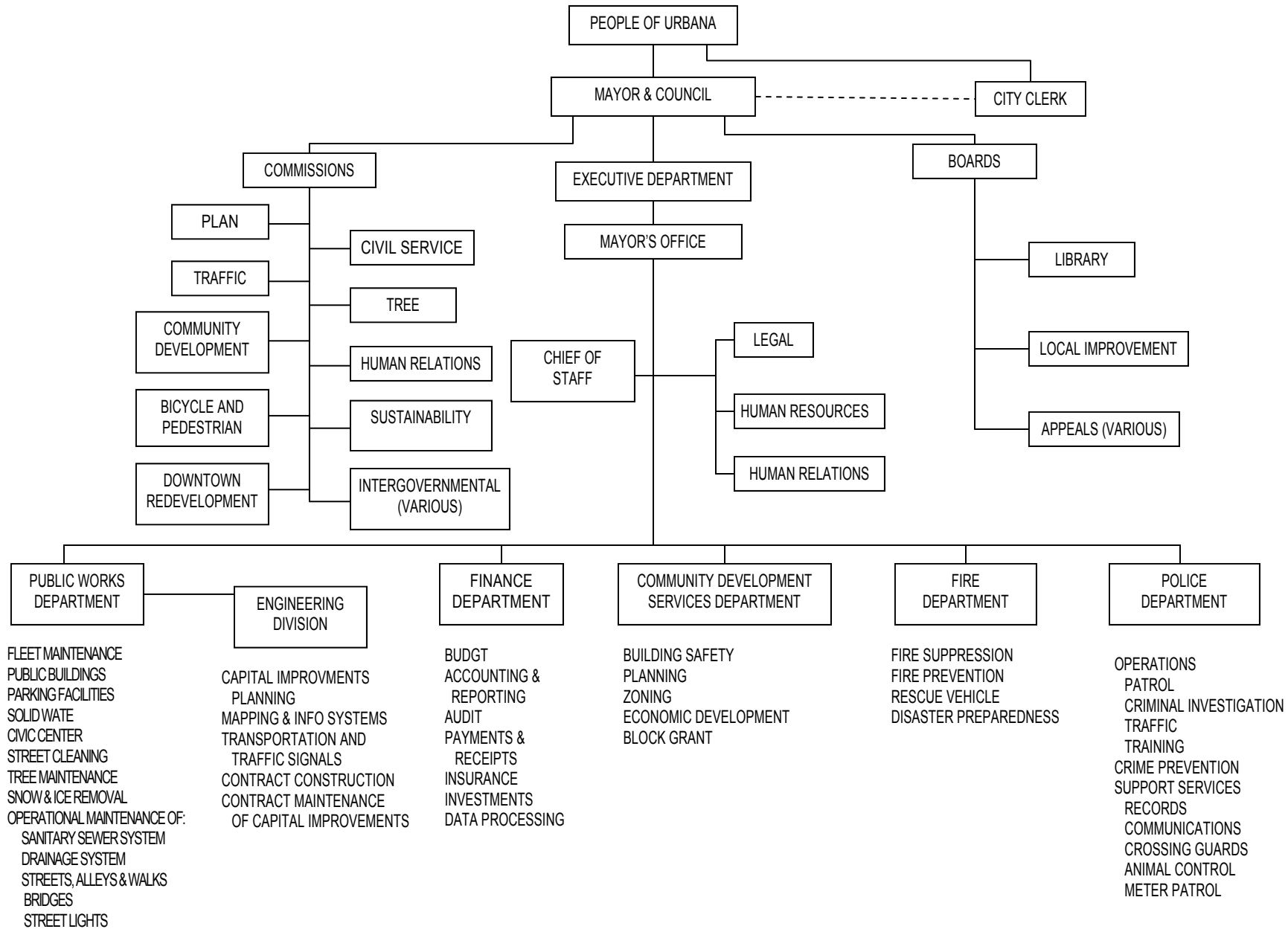
City Attorney
Curt Borman

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



BRAY, DRAKE, LILES & RICHARDSON LLP**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 (RETIRED)

December 23, 2011

**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, 2011, 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 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the Urbana Free Library Fund, and the Tax Increment Financing District 3 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 23, 2011, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 25 and the Schedule of Funding Progress for I.M.R.F. Pension Plan on page 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Urbana, Illinois' financial statements as a whole. 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 financial statements. The combining and individual nonmajor fund budgetary comparison financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on it.

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

Management's Discussion and Analysis

June 30, 2011

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, 2011. 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 1-6 of this report.

Financial Highlights:

- The assets of the City of Urbana exceeded liabilities at June 30, 2011, by \$125,811,479. This includes all of the City's infrastructure assets, net of depreciation.
- Of this amount \$87,075,352 is in capital assets (net of related debt). Restricted net assets of \$13,602,821 may be used for programs with external restrictions. The remaining amount of \$25,133,306 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- During the year, revenues of \$41,176,485 exceeded expenses of \$40,006,308, increasing the City's net assets by \$1,170,177. The increase in net assets consists of \$1,159,323 increase in net assets of governmental activities and \$10,854 increase in net assets of business-type activities.
- At June 30, 2011, the governmental funds reported combined fund balances of \$28,500,177, of which \$400,291 was non-spendable, \$13,602,821 was restricted due to constraints of external authorities, \$9,782,135 was committed for certain specific purposes by formal action of the City Council, and \$4,714,930 was available for spending at the City's discretion as unassigned fund balance.
- Governmental fund balances decreased \$1,101,547 during the year.
- The City's long-term debt decreased \$211,680 due to debt principal retirements of \$175,462, a net decrease in accumulated compensated employee absences of \$111,470, and a net increase in other postemployment benefits of \$75,252.

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.

Management's Discussion and Analysis

June 30, 2011

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 27-28 of this report.

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

Management's Discussion and Analysis

June 30, 2011

- 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 seventeen 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, the Urbana Free Library Fund, and the Tax Increment Financing District 3 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 29-36 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 37-40 of this report.

Management's Discussion and Analysis

June 30, 2011

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 41-42 of this report.

Notes to the Financial Statements:

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-76 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 77 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 78-103 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 (\$87,075,352) or 69% 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. An additional \$13,602,821 (11% of the net assets) are subject to external restrictions on their use. The remaining \$25,133,306 (20% of net assets) are unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. (Following is a comparative statement of net assets (amounts expressed in thousands):

Management's Discussion and Analysis

June 30, 2011

	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$53,885	\$53,081	\$3,207	\$3,359	\$57,092	\$56,440
Capital assets	<u>81,466</u>	<u>79,853</u>	<u>6,011</u>	<u>6,007</u>	<u>87,477</u>	<u>85,860</u>
Total assets	<u>135,351</u>	<u>132,934</u>	<u>9,218</u>	<u>9,366</u>	<u>144,569</u>	<u>142,300</u>
Long-term liabilities	2,382	2,447	159	548	2,541	2,995
Other liabilities	<u>15,816</u>	<u>14,493</u>	<u>401</u>	<u>171</u>	<u>16,217</u>	<u>14,664</u>
Total liabilities	<u>18,198</u>	<u>16,940</u>	<u>560</u>	<u>719</u>	<u>18,758</u>	<u>17,659</u>
Net assets						
Invested in capital assets	81,466	79,853	5,609	5,458	87,075	85,311
Restricted	13,603	14,164	--	--	13,603	14,164
Unrestricted	<u>22,085</u>	<u>21,977</u>	<u>3,049</u>	<u>3,189</u>	<u>25,134</u>	<u>25,166</u>
Total net assets	<u>\$117,154</u>	<u>\$115,994</u>	<u>\$8,658</u>	<u>\$8,647</u>	<u>\$125,812</u>	<u>\$124,641</u>

At the end of the fiscal year, the City of Urbana is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for governmental and business-type activities. For governmental activities, net assets invested in capital assets (net of related debt) increased \$1,613,077. Restricted net assets from governmental activities decreased \$561,650. Unrestricted net assets from governmental activities increased 107,896. There was an increase in net assets from business-type activities of \$10,854 and an increase of \$150,906 in the investment in capital assets from business-type activities (net of related debt); therefore, net assets from business-type activities other than capital assets decreased \$140,052.

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

	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 5,790	\$ 5,676	\$1,107	\$ 1,034	\$ 6,897	\$ 6,710
Operating Grants & Contributions	1,799	2,200	--	--	1,799	2,200
Capital Grants & Contributions	1,874	1,999	--	--	1,874	1,999
General Revenues:						
Property Tax	11,613	10,401	--	--	11,613	10,401
Utility Tax	3,865	3,694	--	--	3,865	3,694
Sales Tax	9,070	8,422	--	--	9,070	8,422

Management's Discussion and Analysis

June 30, 2011

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Intergovernmental, Not Restricted to						
Specific Programs	3,734	3,859	--	--	3,734	3,859
Investment Income	418	1,152	58	122	476	1,274
Other Taxes	1,802	1,660	--	--	1,802	1,660
Other	<u>47</u>	<u>143</u>	<u>--</u>	<u>--</u>	<u>47</u>	<u>143</u>
Total Revenues	<u>\$40,012</u>	<u>\$39,206</u>	<u>\$1,165</u>	<u>\$1,156</u>	<u>\$41,177</u>	<u>\$40,362</u>
Expenses:						
Public Safety	\$14,644	\$14,368	\$ --	\$ --	\$14,644	\$14,368
Highways & Streets	10,980	10,956	--	--	10,980	10,956
General Government	3,395	3,376	--	--	3,395	3,376
Urban Redevelopment And Housing	6,647	5,790	--	--	6,647	5,790
Library Services	3,582	3,693	--	--	3,582	3,693
Motor Vehicle Parking	<u>--</u>	<u>--</u>	<u>758</u>	<u>747</u>	<u>758</u>	<u>747</u>
Total Expenses	<u>\$39,248</u>	<u>\$38,183</u>	<u>\$ 758</u>	<u>\$ 747</u>	<u>\$40,006</u>	<u>\$38,930</u>
Increase in Net Assets						
Before Transfers	\$ 764	\$ 1,023	\$ 407	\$ 409	\$ 1,171	\$ 1,432
Transfers In (Out)	<u>396</u>	<u>350</u>	<u>(396)</u>	<u>(350)</u>	<u>--</u>	<u>--</u>
Increase in Net Assets	\$ 1,160	\$ 1,373	\$ 11	\$ 59	1,171	1,432
Net Assets, Beg. Year	<u>115,994</u>	<u>114,621</u>	<u>8,647</u>	<u>8,588</u>	<u>124,641</u>	<u>123,209</u>
Net Assets, End Year	<u>\$117,154</u>	<u>\$115,994</u>	<u>\$8,658</u>	<u>\$8,647</u>	<u>\$125,812</u>	<u>\$124,641</u>

Total revenues from governmental activities increased \$806,182 or 2.1%, an amount similar to last year. Reasons for significant revenue changes were:

- Operating grants decreased \$401,320 or 18% from last year. Last year the City received a non-recurring grant of \$400,000 for certain low income housing programs. This grant was not received in 2011.
- Property tax increased \$1,212,232 or 12% due to a non-recurring distribution of \$1,094,109 for Provena Hospital from 2002 that had previously been in dispute and held in escrow.
- Sales and other taxes both increased approximately 8% as the City implemented a new tax on motor fuel and on the sales of packaged alcohol and increased the rate on the hotel tax.

Management's Discussion and Analysis

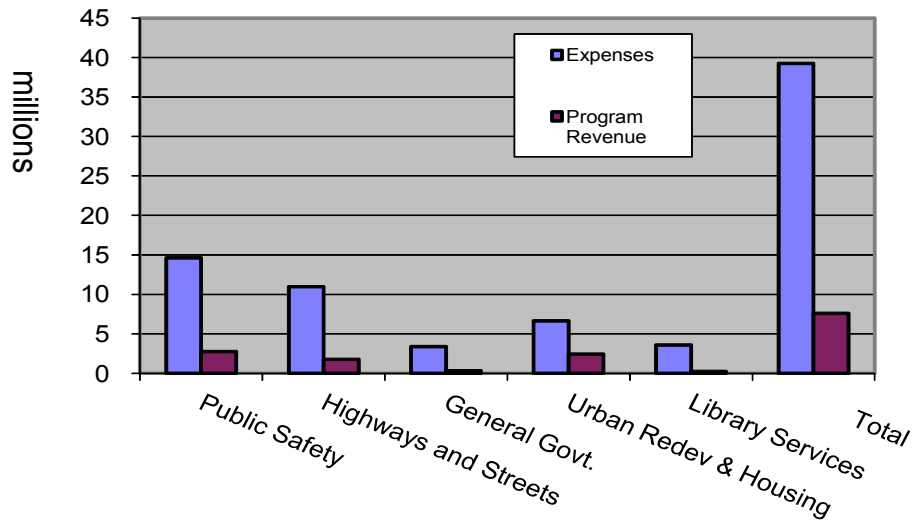
June 30, 2011

- Investment income decreased \$799,048 due to increases in the fair value of investments last year. In 2011, interest rates declined and less cash was available to invest, causing these securities to lose much of their gains recognized last year.
- Other revenues experienced both increases and decreases in the normal range of 3-5% due to the general economic activity.
- Expenses from governmental activities increased \$1,065,154 or 2.8%, an amount similar to last year. Significant expense changes were:
 - Urban redevelopment and housing increased \$857,303 (15%) over last year due to the distribution of the Provena property tax dispute, explained above in property tax revenue changes.
 - Library services decreased \$111,855 (3%) due to planned vacancies in personnel costs and because a number of senior library management personnel retired and were replaced by persons making less salary.
 - Other individual program increases experienced increases in the 0% to 2% range, due to minimal scheduled salary adjustments under bargaining agreements and increases in employee insurance and pension costs.
- Expense amounts in 2012 should increase in a similar percentage, approximately 2.5%. Revenues are expected to increase approximately 3%.
- Program revenues from charges for services and operating grants paid for 19% of expenses in 2011, very similar to last year's amount of 20%. The following chart compares program revenues of charges for services and operating grants with program expenses for governmental functions.

Management's Discussion and Analysis

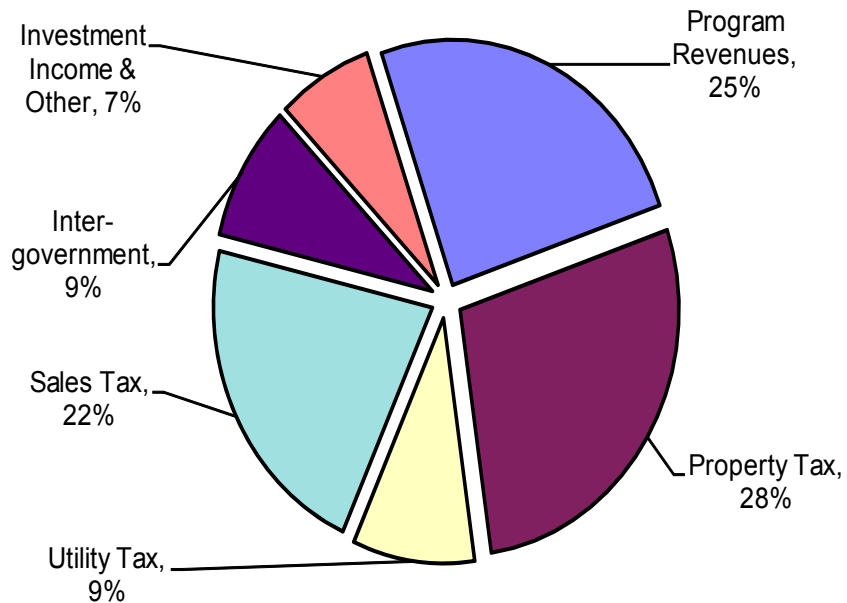
June 30, 2011

Expenses and Program Revenues – Governmental Activities



- Revenues for the City are generated from a number of different sources and for the most part are dependent on different financial factors. This relative mix of different sources, as illustrated in the chart below, provides long-term financial stability in revenues.

Revenues by Sources – Governmental Activities

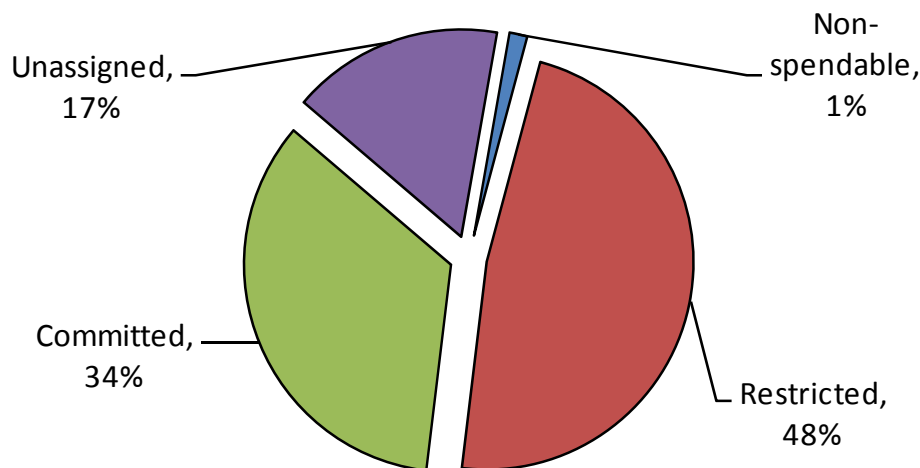


Management's Discussion and Analysis

June 30, 2011

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. Fund balance of governmental funds may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The City of Urbana's governmental funds reported combined ending fund balances of \$28,500,177, a decrease of \$1,101,547 from last year (4% of beginning fund balance). Non-spendable fund balance increased \$66,980 to an amount of \$400,291. Restricted fund balance decreased \$230,868 to an amount of \$13,602,821. Committed fund balance increased \$365,637 to an amount of \$9,782,135. Unassigned fund balance decreased \$1,303,296 to an amount of \$4,714,930. Following is a chart showing the types of fund balance at June 30, 2011.



The general fund is the primary operating fund of the City. During the year, revenues exceeded expenditures in the general fund by \$115,850. Planned transfers of \$1,347,383 to various other funds mainly for certain other operating expenses meant the fund balance decreased \$1,231,533 for the year to \$5,086,210 at June 30, 2011. Management believes this is an acceptable level of fund balance (18% of total expenditures and transfers; 23% last year). This decrease reflects management's decision to draw down accumulated fund balance in the general fund to pay for activity costs in lieu of the decline in revenues. In the near future, fund balance should remain at approximately the same level as of June 30, 2011.

Management's Discussion and Analysis

June 30, 2011

Other Major Governmental Funds:

Urbana Free Library Fund. Expenditures exceeded revenues by \$115,897. Planned transfers of \$335,144 from other funds, mainly to finance employee retirement costs, meant the fund balance increased \$219,247 for the year to \$2,079,508. Management believes this fund balance of 60% of expenditures is acceptable (last year was 52%).

Tax Increment Financing District 3 Fund. Revenues exceeded expenditures and planned transfers out by \$845,161 leaving a fund balance at the end of the year of \$2,437,600. This fund has accumulated fund balance in the past in order to finance future economic development projects, which are currently being implemented.

Other Non-Major Governmental Funds:

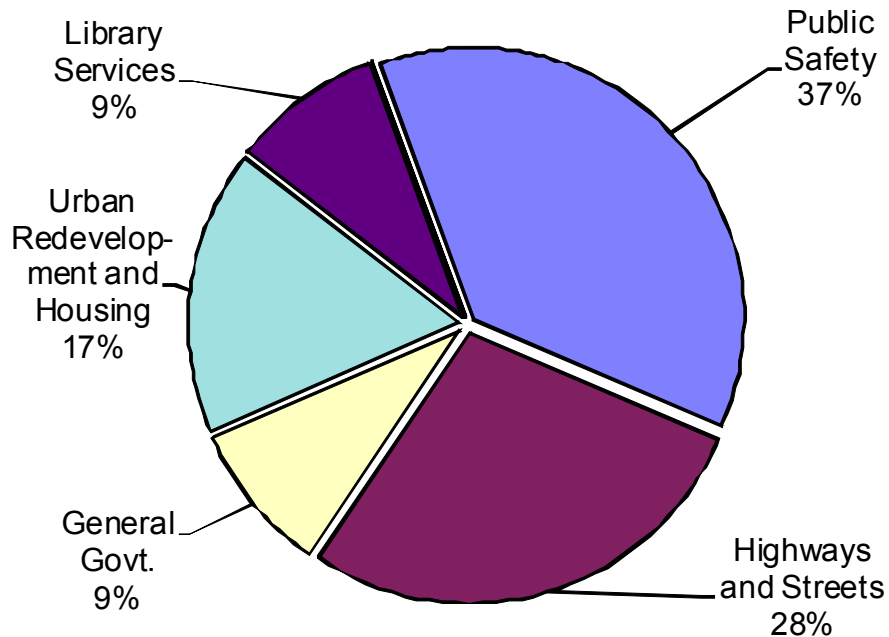
During the year, expenditures exceeded revenues in other non-major governmental funds by \$856,668. Net planned transfers in of \$1,612,568 from other funds mainly for certain operating expenses meant the fund balance increased \$755,900 for the year to a combined total of \$18,896,859 at June 30, 2011. Management believes this is an acceptable level of fund balance.

Management's Discussion and Analysis

June 30, 2011

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. Net assets of the Motor Vehicle Parking Fund at June 30, 2011 were \$8,657,731 which was an increase of \$10,854 over last year. Management believes this level of fund balance is acceptable. Management estimates that fund balance in the Motor Vehicle Parking Fund should remain fairly steady in the near future.

General Fund Budgetary Highlights.

Differences between the original budget and the final amended budget for the general fund were minor (total increase of \$65,200). This increase was due to a salary settlement due to bargaining after the original budget was approved. This amount was paid from accumulated fund balance.

Management's Discussion and Analysis

June 30, 2011

Total revenues were \$281,076 lower than the original and final budget (1% variance). Following is a detail breakdown of general fund revenues variance of actual amounts received to budget:

	<u>Amount</u>	<u>% Variance</u>
Property tax	\$ 169,934	+ 4.0%
Utility tax	115,309	+ 3.1%
State and local sales tax	(16,335)	- 0.2%
Hotel tax	37,499	+ 6.1%
Intergovernmental	(184,774)	- 3.3%
Interest	(127,538)	-49.4%
Licenses, fines and service charges	(275,171)	- 7.0%
Total	\$(281,076)	- 1.0%

All revenues were within normal budget variances except for hotel tax, interest, and licenses, fines and service charges. Hotel tax was 6.1% above budget due to the impact of a new hotel that opened earlier than expected. Interest was 49.4% below budget due to significantly lower interest rates and less cash invested. Licenses, fines and service charges were 7% below budget due to an unanticipated decrease in parking fine revenue in the campus area.

Total expenditures were \$1,993,256 lower than the original budget and \$2,058,456 lower than the final budget (7% variance). Following is a detail breakdown of general fund expenditures variance of actual amounts to final budget, by function.

	<u>Amount</u>	<u>% Variance</u>
Personnel services	\$1,051,455	4.9%
Materials and supplies	57,320	7.4%
Other services and charges	855,604	19.9%
Capital outlay	94,077	36.9%
Total	\$2,058,456	7.1%

Fifty-one percent of the total difference was in personnel services reported in the same proportion as personnel costs reported in the city's 5 programs. This variance in personnel services can be considered to be higher than normal and was due to the city intentionally not filling personnel vacancies during the year. The difference in other services and charges was due to the City incurring lower utility and certain service contractual amounts in Public Safety and Highways and Streets. Unspent amounts in other areas were in the range of 4-5%, which is considered normal.

Management's Discussion and Analysis

June 30, 2011

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, 2011, was \$87,075,352 (net of accumulated depreciation and related debt for business-type activities), an increase of \$1,763,983 over last year. This increase is approximately \$1.2 million smaller than last year's increase of \$3,193,116. The majority of this amount is due to less being invested in infrastructure assets. Infrastructure improvements can fluctuate 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 is completing a smaller 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 \$5,829,714 in total capital assets
- Addition of \$3,338,456 in infrastructure, of which \$962,032 was spent for the Goodwin/Park Avenues improvement, \$355,350 for engineering for the Boneyard Improvement, and \$484,660 for engineering for the Olympian Drive Improvement. All other individual infrastructure improvements cost less than \$250,000.
- Addition of \$727,940 in land for the acquisition of two properties on Elm and Vine Street related to the Boneyard Improvement.
- Addition of \$281,131 in parking lot and area improvements.
- Addition of \$1,372,992 in equipment, of which \$278,940 was spent to replace 12 police squad cars and \$232,254 was spent to replace 2 backhoe/endloaders for highways and streets. All other equipment additions cost less than \$90,000.
- Depreciation expense of \$4,188,590 was charged (\$2,586,945 was for infrastructure)
- Assets of \$952,321 were taken out of service during the year. All of these assets were fully depreciated.

Management's Discussion and Analysis

June 30, 2011

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

	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 5,506	\$ 4,779	\$3,722	\$ 3,722	\$ 9,228	\$ 8,501
Building and Improvements	14,627	14,862	2,094	2,054	16,721	16,916
Equipment	5,778	5,408	195	231	5,973	5,639
Infrastructure	<u>55,555</u>	<u>54,804</u>	<u>--</u>	<u>--</u>	<u>55,555</u>	<u>54,804</u>
Total Net Capital Assets	<u>\$81,466</u>	<u>\$79,853</u>	<u>\$6,011</u>	<u>\$ 6,007</u>	<u>\$87,477</u>	<u>\$85,860</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 \$300,000 at June 30, 2011. This entire amount is backed by the full faith and credit of the City of Urbana although reported as a business-type activity. Following is a comparative statement of outstanding debt (in thousands):

	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Special revenue bonds	\$ --	\$ --	\$ 300	\$ 435	\$ 300	\$435
Special revenue note	--	--	101	113	101	113
Accumulated employee Absences	1,964	2,075	--	--	1,964	2,075
Landfill post-closure Monitoring	201	229	--	--	201	229
Other postemployment Benefits	<u>218</u>	<u>143</u>	<u>--</u>	<u>--</u>	<u>218</u>	<u>143</u>
Total	\$2,383	\$2,477	\$ 401	\$ 548	\$2,784	\$2,995

During the year, \$146,812 of special revenue debt was retired; \$28,650 of landfill post-closure monitoring costs was amortized; \$1,604,607 of accumulated employee absences was retired; \$1,493,137 in additional accumulated employee absences was accrued; \$51,209 of other postemployment benefits was retired; and \$126,461 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, 2011

Economic Factor's and Next Year's Budget.

The presence of the University of Illinois and two regional health care facilities provides a strong level of economic stability for the City of Urbana. Revenues and expenditures in next year's general fund budget are expected to increase approximately 2.5 to 3.0% as the economy in the local area is slowly improving. Assessed valuation is expected to remain at the same approximate level as current. We believe the future of the local real estate market remains strong, although growth in assessed value is estimated to be closer to a 1-2% increase in the next 2 years.

The economic depression in the U.S. and the State of Illinois had a significant negative impact on sales and income taxes in the City of Urbana. As a result, management has taken actions to control spending, including not filling certain personnel vacancies, holding non-personnel costs at the same level as last year, deferring the purchase of certain major pieces of equipment, and reducing transfers from the general fund for certain capital improvements for the future. Management also implemented a number of new sales taxes and increased fees and charges.

Management considered all of the above factors when preparing the budget for next fiscal year. It is expected that revenue and costs will be similar as next year for the immediate future.

Request for Information.

This financial report is designed to provide a general overview of the City of Urbana's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Comptroller, 400 South Vine Street, Urbana, 61801.

CITY OF URBANA
Statement of Net Assets
June 30, 2011

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ASSETS	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and Cash Equivalents:			
Cash on Hand	\$ 3,197	\$ 349	\$ 3,546
Checking	39,510	-	39,510
Savings	10,983,607	418,811	11,402,418
Illinois Public Treasurer's Pool	505,015	-	505,015
Money Market Funds	898,785	-	898,785
Investments	25,819,817	2,774,613	28,594,430
Receivables (Net of Uncollectibles)	8,581,861	25,568	8,607,429
Internal Balances	16,116	(16,116)	-
Prepaid Items	400,281	825	401,106
Inventory of Supplies, at Cost	104,704	3,005	107,709
Investment in Joint Venture	45,704	-	45,704
Overfunded Net Pension Obligation	6,486,642	-	6,486,642
Capital Assets:			
Land	5,506,610	3,721,624	9,228,234
Buildings and Improvements	14,626,569	2,093,985	16,720,554
Equipment	5,777,631	195,103	5,972,734
Infrastructure	55,555,221	-	55,555,221
Total Assets	<u>\$ 135,351,270</u>	<u>\$ 9,217,767</u>	<u>\$ 144,569,037</u>
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts Payable	\$ 1,765,484	\$ 3,617	\$ 1,769,101
Claims Payable	500,670	-	500,670
Accrued Interest	-	7,770	7,770
Accrued Salaries and Taxes	772,297	4,470	776,767
Unearned Revenues	12,776,899	142,788	12,919,687
Non-Current Liabilities:			
Due Within One Year	943,352	157,875	1,101,227
Due After More Than One Year	1,438,820	243,516	1,682,336
Total Liabilities	<u>18,197,522</u>	<u>560,036</u>	<u>18,757,558</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	81,466,031	5,609,321	87,075,352
Restricted under State Laws	13,602,821	-	13,602,821
Unrestricted	22,084,896	3,048,410	25,133,306
Total Net Assets	<u>117,153,748</u>	<u>8,657,731</u>	<u>125,811,479</u>
Total Liabilities and Net Assets	<u>\$ 135,351,270</u>	<u>\$ 9,217,767</u>	<u>\$ 144,569,037</u>

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

CITY OF URBANA
Statement of Activities
Fiscal Year Ended June 30, 2011

Functions/Programs:	Expenses	Program Revenues			Governmental Activities	Business Type Activities	Total
		Charges for Services	Operating Grants	Capital Grants			
Governmental Activities:							
Public Safety	\$ 14,643,704	\$ 2,763,614	\$ 4,421	\$ 43,819	\$ (11,831,850)	\$ -	\$ (11,831,850)
Highways and Streets	10,980,525	1,748,070	39,253	1,810,666	(7,382,536)	-	(7,382,536)
General Government	3,394,924	336,723	-	19,567	(3,038,634)	-	(3,038,634)
Urban Redevelopment & Housing	6,647,278	775,613	1,668,013	-	(4,203,652)	-	(4,203,652)
Library Services	3,581,765	165,721	86,966	-	(3,329,078)	-	(3,329,078)
Total Governmental Activities	<u>39,248,196</u>	<u>5,789,741</u>	<u>1,798,653</u>	<u>1,874,052</u>	<u>(29,785,750)</u>	<u>-</u>	<u>(29,785,750)</u>
Business-Type Activities:							
Motor Vehicle Parking	758,112	1,106,972	-	-	-	348,860	348,860
Total Functions/Programs	<u>\$ 40,006,308</u>	<u>\$ 6,896,713</u>	<u>\$ 1,798,653</u>	<u>\$ 1,874,052</u>	<u>(29,785,750)</u>	<u>348,860</u>	<u>(29,436,890)</u>
General Revenues:							
Property Tax					11,613,371	-	11,613,371
Utility Tax					3,864,932	-	3,864,932
State and Local Sales Tax					9,069,976	-	9,069,976
Sewer Benefit Tax					1,150,000	-	1,150,000
Hotel/Motel Tax					651,499	-	651,499
Intergovernmental, Not Restricted to Specific Functions/Programs					3,733,995	-	3,733,995
Investment Income					417,620	57,955	475,575
Other					45,419	-	45,419
Increase in Investment in Joint Venture					2,300	-	2,300
Transfers					395,961	(395,961)	-
Total General Revenues and Transfers					<u>30,945,073</u>	<u>(338,006)</u>	<u>30,607,067</u>
Change in Net Assets					1,159,323	10,854	1,170,177
Net Assets, Beginning of Year:					<u>115,994,425</u>	<u>8,646,877</u>	<u>124,641,302</u>
Net Assets, End of Year					<u>\$ 117,153,748</u>	<u>\$ 8,657,731</u>	<u>\$ 125,811,479</u>

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

Governmental Funds - Combined Balance Sheet

June 30, 2011

ASSETS	General	Urbana Free Library	Tax Increment Financing District 3	Other Governmental Funds	Totals
Cash and Cash Equivalents:					
Cash on Hand	\$ 2,581	\$ 516	\$ -	\$ 100	\$ 3,197
Checking	11,067	28,265	-	178	39,510
Savings	1,126,418	1,722,456	1,731,530	6,356,157	10,936,561
Illinois Public Treasurer's Pool	496,365	8,222	-	428	505,015
Money Market Funds	-	108,853	570,490	219,442	898,785
Investments	3,626,900	121,918	10,008,840	12,062,159	25,819,817
Receivables (Net of Uncollectibles)	4,726,882	1,443,343	420,449	1,991,187	8,581,861
Due from Other Funds	-	-	-	660,646	660,646
Prepaid Expenditures	371,280	-	-	29,011	400,291
Total Assets	\$ 10,361,493	\$ 3,433,573	\$ 12,731,309	\$ 21,319,308	\$ 47,845,683
LIABILITIES AND FUND BALANCE					
Liabilities:					
Due to Other Funds	\$ 24,633	\$ 28,186	\$ 4,452	\$ 676,165	\$ 733,436
Accounts Payable	454,324	13,548	498,613	738,646	1,705,131
Claims Payable	500,670	-	-	-	500,670
Accrued Salaries and Taxes	635,115	120,626	1,192	4,552	761,485
Deferred Revenues	3,660,541	1,191,705	9,789,452	1,003,086	15,644,784
Total Liabilities	5,275,283	1,354,065	10,293,709	2,422,449	19,345,506
Fund Balance:					
Non-spendable-prepaid expenditures	371,280	-	-	29,011	400,291
Restricted for:					
Library services	-	2,079,508	-	-	2,079,508
T.I.F. economic development	-	-	2,437,600	5,536,587	7,974,187
Street improvements	-	-	-	3,549,126	3,549,126
Committed for:					
Other purposes	-	-	-	204,989	204,989
Vehicle & Equipment replacement	-	-	-	4,011,215	4,011,215
Other economic development	-	-	-	683,067	683,067
Worker compensation claims	-	-	-	2,819,482	2,819,482
Street and Sewer improvements	-	-	-	473,222	473,222
Other infrastructure improvements	-	-	-	1,590,160	1,590,160
Unassigned	4,714,930	-	-	-	4,714,930
Total Fund Balance	5,086,210	2,079,508	2,437,600	18,896,859	28,500,177
Total Liabilities and Fund Balance	\$ 10,361,493	\$ 3,433,573	\$ 12,731,309	\$ 21,319,308	\$ 47,845,683

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, 2011

Total fund balances, governmental funds	\$ 28,500,177
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.	81,418,160
Other long-term assets are not available to pay for current-period expenditures revenue in the funds.	9,400,231
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.	245,878
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(2,410,698)</u>
Net assets of governmental activities	<u><u>\$ 117,153,748</u></u>

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

Governmental Funds
 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
 Fiscal Year Ended June 30, 2011

	General	Urbana Free Library	Tax Increment Financing District 3	Other Governmental Funds	Totals
Revenues:					
Property Tax	\$ 4,463,444	\$ 2,925,081	\$ 1,919,598	\$ 2,460,038	\$ 11,768,161
Utility Tax	3,864,932	-	-	-	3,864,932
State and Local Sales Tax	8,793,165	-	-	276,811	9,069,976
Sewer Benefit Tax	-	-	-	1,150,000	1,150,000
Hotel/Motel Tax	651,499	-	-	-	651,499
Intergovernmental	5,356,706	177,703	-	3,653,248	9,187,657
Net Investment Earnings	139,662	9,059	2,000	266,899	417,620
Licenses, Fines, and Service Charges	3,627,881	165,721	-	215,182	4,008,784
Other	-	45,419	-	-	45,419
Total Revenues	26,897,289	3,322,983	1,921,598	8,022,178	40,164,048
Expenditures:					
Current:					
Public Safety	14,808,143	-	-	90,599	14,898,742
Highways and Streets	7,098,078	-	-	801,584	7,899,662
General Government	3,121,102	-	-	227,884	3,348,986
Urban Redevelopment and Housing	1,499,293	-	1,600,359	3,527,954	6,627,606
Library Services	-	3,427,529	-	-	3,427,529
Capital Outlay	254,823	11,351	962,032	4,230,825	5,459,031
Total Expenditures	26,781,439	3,438,880	2,562,391	8,878,846	41,661,556
Excess of Revenues Over (Under) Expenditures	115,850	(115,897)	(640,793)	(856,668)	(1,497,508)
Other Financing Sources (Uses):					
Transfers In	-	335,144	-	2,351,447	2,686,591
Transfers Out	(1,347,383)	-	(204,368)	(738,879)	(2,290,630)
Total Other Financing Sources (Uses)	(1,347,383)	335,144	(204,368)	1,612,568	395,961
Net Changes in Fund Balances	(1,231,533)	219,247	(845,161)	755,900	(1,101,547)
Fund Balance, Beginning of Year:	6,317,743	1,860,261	3,282,761	18,140,959	29,601,724
Fund Balance, End of Year	\$ 5,086,210	\$ 2,079,508	\$ 2,437,600	\$ 18,896,859	\$ 28,500,177

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

CITY OF URBANA
 Reconciliation of the Statement of
 Revenues, Expenditures, and Changes in
 Fund Balance of Governmental Funds to the Statement of Activities
 Fiscal Year Ended June 30, 2011

Net change in fund balance, total governmental funds	\$ (1,101,547)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,657,327
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.	(154,790)
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.	773,874
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.	38,642
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.	<u>(54,183)</u>
Change in net assets of governmental activities	<u>\$ 1,159,323</u>

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, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Tax	\$ 4,293,510	\$ 4,293,510	\$ 4,463,444	\$ 169,934
Utility Tax	3,749,623	3,749,623	3,864,932	115,309
State and Local Sales Tax	8,809,500	8,809,500	8,793,165	(16,335)
Hotel/Motel Tax	614,000	614,000	651,499	37,499
Intergovernmental	5,541,480	5,541,480	5,356,706	(184,774)
Net Investment Earnings:				
Interest	267,200	267,200	135,302	(131,898)
Net Increase (Decrease) in Fair Value of Investments	-	-	4,360	4,360
Subtotal, Net Investment Earnings	267,200	267,200	139,662	(127,538)
Licenses, Fines, and Service Charges	3,903,052	3,903,052	3,627,881	(275,171)
Total Revenues	<u>\$ 27,178,365</u>	<u>\$ 27,178,365</u>	<u>\$ 26,897,289</u>	<u>\$ (281,076)</u>
Expenditures-Current:				
Public Safety:				
Police:				
Personnel Services	\$ 7,273,690	\$ 7,335,049	\$ 7,011,567	\$ 323,482
Materials & Supplies	54,850	54,850	38,072	16,778
Other Services & Charges	1,071,020	1,071,020	934,528	136,492
Total Police	<u>8,399,560</u>	<u>8,460,919</u>	<u>7,984,167</u>	<u>476,752</u>
Fire:				
Personnel Services	6,408,250	6,408,250	6,249,758	158,492
Materials & Supplies	61,290	61,290	58,224	3,066
Other Services & Charges	598,300	588,000	515,994	72,006
Total Fire	<u>7,067,840</u>	<u>7,057,540</u>	<u>6,823,976</u>	<u>233,564</u>
Total Public Safety	<u>15,467,400</u>	<u>15,518,459</u>	<u>14,808,143</u>	<u>710,316</u>
Highways and Streets:				
Personnel Services	4,785,130	4,799,271	4,544,278	254,993
Materials & Supplies	626,975	626,975	619,774	7,201
Other Services & Charges	2,239,937	2,239,937	1,934,026	305,911
Total Highways and Streets	<u>7,652,042</u>	<u>7,666,183</u>	<u>7,098,078</u>	<u>568,105</u>

(Continued)

CITY OF URBANA

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

Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government:				
Executive:				
Personnel Services	\$ 1,136,134	\$ 1,136,134	\$ 1,052,940	\$ 83,194
Materials & Supplies	25,010	9,010	4,573	4,437
Other Services & Charges	315,510	331,880	330,821	1,059
Total Executive	<u>1,476,654</u>	<u>1,477,024</u>	<u>1,388,334</u>	<u>88,690</u>
Finance:				
Personnel Services	1,410,934	1,410,934	1,279,389	131,545
Materials & Supplies	52,580	52,580	36,626	15,954
Other Services & Charges	234,040	233,670	162,641	71,029
Total Finance	<u>1,697,554</u>	<u>1,697,184</u>	<u>1,478,656</u>	<u>218,528</u>
City Clerk:				
Personnel Services	190,140	190,140	179,931	10,209
Materials & Supplies	2,880	2,880	1,730	1,150
Other Services & Charges	28,710	28,710	22,609	6,101
Total City Clerk	<u>221,730</u>	<u>221,730</u>	<u>204,270</u>	<u>17,460</u>
Legislative:				
Personnel Services	44,880	44,880	42,852	2,028
Materials & Supplies	750	750	491	259
Other Services & Charges	6,500	6,500	6,499	1
Total Legislative	<u>52,130</u>	<u>52,130</u>	<u>49,842</u>	<u>2,288</u>
Total General Government	<u>3,448,068</u>	<u>3,448,068</u>	<u>3,121,102</u>	<u>326,966</u>
Urban Redevelopment and Housing:				
Personnel Services	1,180,840	1,180,840	1,093,328	87,512
Materials & Supplies	18,520	18,520	10,045	8,475
Other Services & Charges	658,925	658,925	395,920	263,005
Total Urban Redevelopment and Housing	<u>1,858,285</u>	<u>1,858,285</u>	<u>1,499,293</u>	<u>358,992</u>
Total Current Expenditures	28,425,795	28,490,995	26,526,616	1,964,379
Capital Outlay	348,900	348,900	254,823	94,077
Total Expenditures	<u>\$ 28,774,695</u>	<u>\$ 28,839,895</u>	<u>\$ 26,781,439</u>	<u>\$ 2,058,456</u>

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

CITY OF URBANA

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

Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Tax	\$ 2,935,200	\$ 2,935,200	\$ 2,925,081	\$ (10,119)
Intergovernmental	172,566	172,566	177,703	5,137
Net Investment Earnings - Interest	12,300	12,300	9,059	(3,241)
Licenses, Fines, and Service Charges	128,810	128,810	165,721	36,911
Other-Donations	-	-	45,419	45,419
	<u>3,248,876</u>	<u>3,248,876</u>	<u>3,322,983</u>	<u>74,107</u>
Total Revenues				
Expenditures:				
Current:				
Library Services:				
Personnel Services	2,645,458	2,640,422	2,425,043	215,379
Materials and Supplies	668,201	673,701	550,843	122,858
Contractual Services	521,252	509,252	451,643	57,609
	<u>3,834,911</u>	<u>3,823,375</u>	<u>3,427,529</u>	<u>395,846</u>
Total Library Services				
Capital Outlay	11,500	11,500	11,351	149
	<u>3,846,411</u>	<u>3,834,875</u>	<u>3,438,880</u>	<u>395,995</u>
Total Expenditures				
Net Revenues Over (Under) Expenditures	(597,535)	(585,999)	(115,897)	470,102
Other Financing Sources (Uses):				
Transfers In	391,040	391,040	335,144	(55,896)
	<u>(206,495)</u>	<u>(194,959)</u>	<u>219,247</u>	<u>414,206</u>
Net Change in Fund Balance				
Fund Balance, Beginning of Year	1,860,261	1,860,261	1,860,261	-
	<u>\$ 1,653,766</u>	<u>\$ 1,665,302</u>	<u>\$ 2,079,508</u>	<u>\$ 414,206</u>
Fund Balance, End of Year				

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

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, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Tax	\$ 1,112,800	\$ 2,429,909	\$ 1,919,598	\$ (510,311)
Investment Earnings:				
Interest	65,000	65,000	2,000	(63,000)
Total Revenues	1,177,800	2,494,909	1,921,598	(573,311)
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	60,930	60,930	57,094	3,836
Contractual Services	1,592,058	2,909,167	1,543,265	1,365,902
Total Urban Redevelopment and Housing	1,652,988	2,970,097	1,600,359	1,369,738
Capital Outlay	2,002,312	2,002,312	962,032	1,040,280
Total Expenditures	3,655,300	4,972,409	2,562,391	2,410,018
Excess of Revenues Over (Under) Expenditures	(2,477,500)	(2,477,500)	(640,793)	1,836,707
Other Financing Sources (Uses):				
Transfers In (Out)	(204,369)	(204,369)	(204,368)	1
Net Change in Fund Balance	(2,681,869)	(2,681,869)	(845,161)	1,836,708
Fund Balance, Beginning of Year:	3,282,761	3,282,761	3,282,761	-
Fund Balance, End of Year	\$ 600,892	\$ 600,892	\$ 2,437,600	\$ 1,836,708

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

CITY OF URBANA
 Proprietary Funds
 Statement of Net Assets
 June 30, 2011

	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	\$ 349	\$ 350	\$ -
Savings	418,811	265,015	47,046
Total Cash and Cash Equivalents	<u>419,160</u>	<u>265,365</u>	<u>47,046</u>
Investments (At Fair Value)	2,774,613	3,056,986	-
Receivables (Net of Uncollectibles):			
Accounts	25,568	24,470	-
Due from Other Funds	-	6,228	88,906
Inventory of Supplies	3,005	4,196	104,704
Prepaid Expense	825	1,650	-
Total Current Assets	<u>3,223,171</u>	<u>3,358,895</u>	<u>240,656</u>
Capital Assets:			
Land	3,721,624	3,721,624	-
Parking Improvements	7,296,631	7,015,500	-
Equipment	401,204	478,905	223,615
Less Accumulated Depreciation	<u>(5,408,747)</u>	<u>(5,209,411)</u>	<u>(147,228)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>6,010,712</u>	<u>6,006,618</u>	<u>76,387</u>
Total Assets	<u>9,233,883</u>	<u>9,365,513</u>	<u>317,043</u>
LIABILITIES			
Current Liabilities:			
Due to Other Funds	16,116	-	-
Accounts Payable	3,617	27,274	60,353
Accrued Interest	7,770	9,770	-
Accrued Salaries and Taxes	4,470	5,364	10,812
Deferred Revenue	142,788	128,025	-
General Obligation Bonds-Current	157,875	146,812	-
Total Current Liabilities	<u>332,636</u>	<u>317,245</u>	<u>71,165</u>
Non-Current Liabilities:			
General Obligation Bonds	243,516	401,391	-
Total Liabilities	<u>576,152</u>	<u>718,636</u>	<u>71,165</u>
NET ASSETS			
Invested in Capital Assets (Net of Related Debt)	5,609,321	5,458,415	76,387
Unrestricted	3,048,410	3,188,462	169,491
Total Net Assets	<u>\$ 8,657,731</u>	<u>\$ 8,646,877</u>	<u>\$ 245,878</u>

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

CITY OF URBANA

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

Fiscal Year Ended June 30, 2011

	Business-type Activities Motor Vehicle Parking Enterprise Fund		Governmental Activities Internal Service Fund
	Current Yr.	Last Yr.	
Operating Revenues:			
Parking Meters	\$ 831,732	\$ 765,684	\$ -
Parking Rentals	275,240	268,007	-
Charges for Services	-	-	893,437
Total Operating Revenues	<u>1,106,972</u>	<u>1,033,691</u>	<u>893,437</u>
Operating Expenses:			
Personnel Services	226,274	210,628	341,976
Supplies	36,090	36,627	14,409
Contractual Services	194,042	194,595	105,950
Equipment Parts	-	-	163,045
Fuel	-	-	306,507
Depreciation	278,219	276,792	15,733
Total Operating Expenses	<u>734,625</u>	<u>718,642</u>	<u>947,620</u>
Operating Income (Loss)	<u>372,347</u>	<u>315,049</u>	<u>(54,183)</u>
Non Operating Revenues (Expenses):			
Investment Income (Net of Invest. Expense)	57,955	122,315	-
Interest Expense	(23,487)	(28,665)	-
Total Non Operating Revenues (Expenses)	<u>34,468</u>	<u>93,650</u>	<u>-</u>
Income (Loss) Before Transfers	406,815	408,699	(54,183)
Transfers (Out)	(395,961)	(349,640)	-
Change in Net Assets	10,854	59,059	(54,183)
Net Assets, Beginning of Year	<u>8,646,877</u>	<u>8,587,818</u>	<u>300,061</u>
Net Assets, End of Year	<u>\$ 8,657,731</u>	<u>\$ 8,646,877</u>	<u>\$ 245,878</u>

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

Proprietary Funds
Statement of Cash Flows
Fiscal Year Ended June 30, 2011

	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	\$ 1,142,981	\$ 996,103	\$ 874,205
Payments to Employees	(227,168)	(209,143)	(338,756)
Payments to Suppliers	(251,774)	(229,288)	(573,961)
Net Cash Provided by (Used in) Operating Activities	<u>664,039</u>	<u>557,672</u>	<u>(38,512)</u>
Cash Flows from Non-Capital Financing Activities:			
Transfers (Out)	<u>(395,961)</u>	<u>(349,640)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:			
Purchase of Parking Improvements	(281,131)	(522,661)	-
Purchase of Equipment	(1,181)	(59,335)	-
Payment of Interest on Debt	(25,487)	(30,437)	-
Payment of Debt Principal	(146,812)	(135,836)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(454,611)</u>	<u>(748,269)</u>	<u>-</u>
Cash Flows from Investing Activities:			
(Purchase) Sale of Investments	282,373	528,503	-
Investment Income	57,955	122,315	-
Net Cash Provided by (Used in) Investing Activities	<u>340,328</u>	<u>650,818</u>	<u>-</u>
Increase (Decrease) in Cash and Cash Equivalents	153,795	110,581	(38,512)
Beginning Cash and Cash Equivalents	<u>265,365</u>	<u>154,784</u>	<u>85,558</u>
Ending Cash and Cash Equivalents	<u>\$ 419,160</u>	<u>\$ 265,365</u>	<u>\$ 47,046</u>

(Continued)

CITY OF URBANA

Proprietary Funds
Statement of Cash Flows, Continued

Fiscal Year Ended June 30, 2011

	Business-Type Activities Motor Vehicle Parking Enterprise Fund		Governmental Activities Internal Service Fund
	<u>Current Year</u>	<u>Last Year</u>	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	\$ 372,347	\$ 315,048	\$ (54,123)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation Expense	278,219	276,792	15,733
Decrease (Increase) in Accounts Receivable	(1,098)	(6,009)	-
Decrease (Increase) in Due from Other Funds	6,228	(6,228)	(19,231)
Decrease (Increase) in Prepaid Expense	825	(1,650)	-
(Increase) in Inventory of Supplies	1,191	3,402	(12,871)
Increase (Decrease) in Due to Other Funds	16,116	(41,362)	-
Increase (Decrease) in Accounts Payable	(23,658)	183	28,761
Increase (Decrease) in Accrued Salaries and Taxes	(894)	1,485	3,219
Increase (Decrease) in Deferred Revenues	14,763	16,011	-
	<u>14,763</u>	<u>16,011</u>	<u>-</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 664,039</u>	<u>\$ 557,672</u>	<u>\$ (38,512)</u>

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

Fiduciary Funds
Employee's Pension Trust Funds
Statement of Fiduciary Net Assets
June 30, 2011

ASSETS

Cash and Cash Equivalents:	
Checking	\$ 7,584
Savings	255,747
Money Market Funds	1,450,995
Total Cash and Cash Equivalents	1,714,326
Investments (at Fair Value):	
U.S. Government Securities	23,332,904
Certificates of Deposit	3,917,189
Domestic Common Stocks	2,000,467
Mutual Funds	26,304,688
Total Investments	55,555,248
Receivables (Net of Uncollectibles):	
Property Tax	1,596,334
Member Loans	15,605
Accrued Interest	157,407
Total Assets	59,038,920

LIABILITIES

Accounts Payable	12,294
Accrued Salaries and Taxes	16,352
Total Liabilities	28,646

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 59,010,274
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The accompanying notes are an integral part of these financial statements.

CITY OF URBANA
 Fiduciary Funds
 Employee's Pension Trust Funds
 Statement of Changes in Fiduciary Net Assets
 Fiscal Year Ended June 30, 2011

Additions:

Employer Contributions	\$ 3,465,616
Employee Contributions	664,782
Total Contributions	<u>4,130,398</u>
Investment Income:	
Interest and Dividends	1,458,155
Net Increase (Decrease) in Fair Value of Investments	5,784,900
Total Investment Income	<u>7,243,055</u>
Less Investment Expense	(121,854)
Net Investment Income	<u>7,121,201</u>
Total Additions	<u>11,251,599</u>

Deductions:

Benefits	3,348,035
Administrative Costs	39,917
Total Deductions	<u>3,387,952</u>
Change in Net Assets	7,863,647
Net Assets Beginning of Year	<u>51,146,627</u>
Net Assets, End of Year	<u>\$ 59,010,274</u>

The accompanying notes are an integral part of these financial statements

Notes to Financial Statements

June 30, 2011

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

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

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

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

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

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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 accounts and reports all financial resources not accounted for and reported in another fund. The General Fund is considered to be the operating fund of the City.

Special Revenue Funds – account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for

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specified purposes other than debt service or capital projects. The City of Urbana reports two major special revenue funds:

Urbana Free Library – This fund accounts for property taxes levied and other revenues restricted under state laws for payment of the operations of the Urbana Free Library

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 under state laws to Tax Increment Financing related economic redevelopment costs 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) Non-major Special Revenue Funds - The City of Urbana reports eleven non-major special revenue governmental funds. These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. 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.

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

Community Development Special – This fund accounts for intergovernmental housing grants received. These revenues are used to pay 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.

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

Tax Increment Financing District 1 – This fund accounts for the incremental property taxes realized within the Tax Increment Financing District Number 1. Expenditure of these revenues is restricted to tax increment financing economic redevelopment and related capital improvements within the district.

Tax Increment Financing District 2 – This fund accounts for the incremental property taxes and state sales tax realized within the Tax Increment Financing District Number 2. Expenditure of these revenues is restricted to tax increment financing economic redevelopment and related capital improvements 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 tax increment financing economic redevelopment and related capital improvements 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.

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) Capital Project Funds – are used to account and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The City of Urbana reports three non-major capital project funds:

Capital Improvement and Replacement – This fund accounts for various major capital improvements. Revenues for these projects are acquired through transfers from the general fund. This fund also accounts for a local motor fuel tax imposed by the City of Urbana. These revenues are committed for street and road improvements.

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

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

- 5) 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 a no-major internal service fund, 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, 2011, 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

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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 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
- e. Municipal bonds that are rated at least AA in quality and are issued by a government agency in Illinois

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 of U.S. domestic corporations

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.

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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 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 \$104,704 is carried in the Central Garage Internal Service Fund and an amount of \$3,005 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) Equity Classifications:

In the government-wide statements, equity is classified as net assets and displayed in 3 components. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted:

- a. Invested in capital assets (net of related debt) – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other debt that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – consists of net assets with constraints placed on their use either by external groups, by laws of other higher authority governments, or by constitutional provisions.
- c. Unrestricted net assets – consists of all other net assets that do not meet the definition of restricted or invested in capital assets (net of related debt).

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In the governmental fund statements, fund equity is classified as fund balance and displayed in 5 components in accordance with Government Accounting Standards Board Statement Number 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The five components of fund balance are:

- a. Nonspendable – consists of fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints require them to be maintained intact. The City at June 30, 2011 reported the amount of \$400,291 as unspendable fund balance due to this amount being reported as prepaid expenditures.
- b. Restricted – consists of fund balances with constraints placed on their use either by external groups, by laws of higher authority governments or by constitutional provisions or enabling legislation. The City at June 30, 2011 reported the total amount of \$13,602,821 as restricted in the following components:
 - \$2,079,508 for library services in the Urbana Free Library Special Revenue Fund. This amount was levied for the purpose of library services in property taxes and under state law cannot be used for any other purpose.
 - \$7,974,187 for tax increment financing district economic development efforts in the Tax Increment Financing District 3, Tax Increment Financing District 1, Tax Increment Financing District 2 and Tax Increment Financing District 4 Special Revenue Fund, under state Tax Increment Finance laws.
 - \$3,549,126 for street improvements in the Motor Fuel Tax Capital Projects Fund, under state laws and procedures.
- c. Committed – consists of fund balance amounts that are constrained for specific purposes that are internally imposed by formal action of the highest level of decision making authority, the City Council. These amounts are committed thru a resolution approved by the City Council prior to year end (actual amounts are determined after year end). Any changes to the constraints imposed require amendment by the same type of City Council resolution. At June 30, 2011, the City reported a total of \$9,782,135 as committed fund balance in the following components:
 - \$204,989 for other purposes made up of \$3,848 for social service agency support in the Social Service Agency Special Revenue Fund and \$201,141 for low-income housing improvement programs in the Community Development Special Special Revenue Fund.

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- \$4,011,215 for future vehicle and equipment replacement in the Vehicle and Equipment Replacement Special Revenue Fund.
 - \$683,067 for non T.I.F. economic development programs in the Economic Development Special Revenue Fund.
 - \$2,819,482 for future worker compensation claims under the City's self-insured insurance program in the Insurance Financing Special Revenue Fund.
 - \$473,222 for future street and sewer infrastructure improvements and \$1,590,160 for other infrastructure improvements in the Capital Project Funds.
- d. Assigned – consists of fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned by financial management or official action of the City Council and also includes all amounts in governmental funds, other than the general fund, , that are not restricted or committed. Assignments may take place after the end of the reporting period. At June 30, 2011, the City did not report any amounts as assigned.
- e. Unassigned – consists of residual positive fund balance within the general fund which has not been classified within the other above categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes. At June 30, 2011, the City reported the amount of \$4,714,930 as unassigned in the General Fund.

The City's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first unless there are legal documents or contracts that prohibit this (ex. grant agreements). Additionally, if different levels of unrestricted funds are available for spending, the City considers committed funds to be expended first followed by assigned and then unassigned funds.

The City does not maintain any rainy day funds (amounts set aside for use in emergency situations or when a budgetary imbalance arises. The City also does not utilize encumbrance accounting. Appropriations not spent at year-end lapse and may be acted upon as a supplemental appropriation, if required. The City Council has adopted a minimum unassigned fund balance of \$3 million.

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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.

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, 2011.

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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.

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	\$2,867,885
The amount of the investment in the joint venture is not reported as an asset in the govt. funds	45,704
Overfunded net pension obligation is not reported as an asset in the governmental funds	<u>6,486,642</u>
Total	<u>\$9,400,231</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	\$1,992,060
Future landfill monitoring	200,550
Unfunded post-employment benefits	<u>218,088</u>
Total	<u>\$2,410,698</u>

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

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

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

Capital outlays	\$5,551,974
Depreciation	<u>(3,894,647)</u>
Total	<u>\$1,657,327</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 decreased by the increase in the investment in the joint venture, which is shown as an asset.	\$ 2,300
Amortization of long-term liability for future landfill monitoring	28,650
Recognition of unfunded other post employment Benefits	(75,252)
Accumulated employee compensated absences	<u>82,944</u>
Total	<u>\$ 38,642</u>

Note 3 – Stewardship, Compliance, and Accountability:

Budgetary Information – The Mayor and Budget Officer (City Comptroller 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 Budget 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.

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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 \$2,249,902 for all funds, with additional revenues of \$838,402 also being added and \$1,411,500 being paid from accumulated fund balance. Significant budget changes that were approved were:

- a. to add \$120,000 for engineering and design costs of a major street construction project reported as capital outlay in the Motor Fuel Tax Capital Projects Fund. An amount of \$90,000 in grant was added as a revenue, from a state grant, reported as intergovernmental revenues in this fund.
- b. to add \$190,000 for the purchase of new signage for the city's parking system. The additional amount will be paid from accumulated fund balance in the Motor Vehicle Parking System Enterprise Fund.
- c. to add \$50,000 under a redevelopment agreement with the Historic Lincoln Hotel, reported in the Tax Increment Financing District 2 Special Revenue Fund. This cost will be paid from accumulated fund balance.
- d. To add \$310,000 for certain private development building demolition costs, reported in the Tax Increment Financing District 3 Special Revenue Fund. These costs will be paid from accumulated fund balance.
- e. To add \$1,317,109 for the distribution of past real estate taxes which were under dispute. This amount was declared as surplus in the Tax Increment Financing District 3 Special Revenue Fund and distributed to the various overlapping governments. The identical amount was added as a revenue and reported as property tax.
- f. To add \$75,500 in the General Fund, Public Safety-Police and Highways and Streets, for salary adjustments from a union settlement. This amount will be paid from accumulated fund balance.

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.

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Note 4 – Detailed Notes on All Funds:

A. Deposits and Investments –

At June 30, 2011, 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	\$21,135,848	
U.S. Government Implied Obligation Agencies	<u>17,787,047</u>	
Subtotal, U.S. Government and It's Agencies	38,922,895	5.6
Municipal Bonds	2,105,812	21.3
Certificates of Deposit	<u>14,555,749</u>	1.1
Subtotal Fixed Income or Interest Bearing	55,584,456	5.0
Stock Equity Mutual Funds	26,304,688	n/a
Corporate Common Stocks	2,000,467	
Illinois Metropolitan Investment Trust Fund	<u>260,067</u>	n/a
Total Investments	<u>\$84,149,678</u>	

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 is 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 70%) than the goal, correctly weighted in the 6-10 year maturity cycle (actual 19%), underweighted in the 11-15 year cycle (actual 11%), underweighted in the 16-20 year cycle (actual 0%) and underweighted in the 21-25 year cycle (actual 0%). This variance is because interest rates on longer term maturities have 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

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category of investment. At June 30, 2011, 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, 2011, the portfolio had an average weighted maturity of 5.5 years, up from the 4.3 last year. 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, 2011, the fund's investments types are all within the stated minimum and maximum levels.

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 and domestic corporate common stock (up to a maximum of 55% of the fund's net present assets or 45% 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 AA+ rating from Standard and Poors and a AAA rating from Moodys. 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.

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The City believes that its investments in the Illinois Metropolitan Investment Trust Fund (\$260,067) 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 (\$505,015) 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, 2011, the City had \$2,349,780 invested in money market accounts (\$140,804 in money market accounts rated AAA by Standard and Poors). The remaining balance of money in market accounts (\$2,208,976) 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. The amount at June 30, 2011 was larger than normal as a \$700,000 investment was called early at June 30 and there was not sufficient time to reinvest.

Concentration of Credit Risk: At June 30, 2011, 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):

	Primary <u>Govt.</u>	Police <u>Pension</u>	Fire <u>Pension</u>	City <u>Total</u>
Fed. Financing Corp.	5%	-	8%	-
Fed. Home Loan Mortgage Corp	11%	5%	6%	8%
Fed. Home Loan Bank	9%	-	-	-

At June 30, 2011, 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.	-	-	7%	-
Federal Home Loan Mortgage Corp	-	5%	5%	-

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. 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.

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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, 2011, the amount of \$4,839,232 was not insured or covered by collateral. This uninsured 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 insured, registered, or held by the City's agent in the City's name.

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, 2011, and for the year then ended, is as follows:

Total Assets	\$141,033
Total Liabilities	<u>21,388</u>
Total Fund Equity	<u>\$119,645</u>
Total Revenues	\$ 44,026
Total Expenses	<u>38,005</u>
Net Gain	<u>\$ 6,021</u>

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C. Capital Assets:

A summary of changes in capital assets follows:

Governmental Activities:	<u>Balance</u> <u>06/30/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/11</u>
Land (not being depreciated)	\$ 4,778,670	\$ 727,940	\$ --	\$ 5,506,610
Capital assets being depreciated:				
Buildings and Improvements	19,143,974	108,014	--	19,251,988
Accum. Depn.	<u>(4,281,986)</u>	<u>(343,433)</u>	<u>\$ --</u>	<u>(4,625,419)</u>
Buildings and Improvements Net	<u>14,861,988</u>	<u>(235,419)</u>	<u>\$ --</u>	<u>14,626,569</u>
Equipment	10,957,561	1,372,992	(863,035)	11,467,518
Accum. Depn.	<u>(5,548,975)</u>	<u>(979,992)</u>	<u>839,080</u>	<u>(5,689,887)</u>
Equipment Net	<u>5,408,586</u>	<u>393,000</u>	<u>(23,955)</u>	<u>5,777,631</u>
Infrastructure	82,118,273	3,338,456	(10,404)	85,446,325
Accum. Depn.	<u>(27,314,563)</u>	<u>(2,586,945)</u>	<u>10,404</u>	<u>(29,891,104)</u>
Infrastructure Net	<u>54,803,710</u>	<u>751,511</u>	<u>--</u>	<u>55,555,221</u>
Total, Governmental Activities, Net Capital Assets	<u>\$79,852,954</u>	<u>\$1,637,032</u>	<u>\$(23,955)</u>	<u>\$81,466,031</u>
Business-type Activities:				
Land (not being depreciated)	\$ 3,721,624	\$ --	\$ --	\$ 3,721,624
Capital assets being Depreciated:				
Buildings and Improvements	7,015,500	281,131	--	7,296,631
Accum. Depn.	<u>(4,961,909)</u>	<u>(240,737)</u>	<u>--</u>	<u>(5,202,646)</u>
Buildings and Improvements Net	<u>2,053,591</u>	<u>40,394</u>	<u>--</u>	<u>2,093,985</u>
Equipment	478,905	1,181	(78,882)	401,204
Accum. Depn.	<u>(247,501)</u>	<u>(37,482)</u>	<u>78,882</u>	<u>(206,101)</u>
Equipment Net	<u>231,404</u>	<u>(36,301)</u>	<u>--</u>	<u>195,103</u>
Total, Business-type Activities, Net Capital Assets	<u>\$6,006,619</u>	<u>\$ 4,093</u>	<u>\$ --</u>	<u>\$6,010,712</u>

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Notes to Financial Statements

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Depreciation expense was charged to functions/programs as follows:

Public Safety	\$ 546,331
Highways and Streets	3,077,821
General Government	78,077
Urban Redevelopment and Housing	30,093
Library	<u>178,048</u>
Total Depreciation Expense, Governmental Activities	<u>\$3,910,370</u>

D. Long-Term Debt:

1) General Obligation Bonds – The City of Urbana issues general obligation bonds (direct obligations that carry the full faith and credit of the City) to provide funds for the acquisition and construction of major capital assets and to refund general obligation bonds. As of June 30, 2011, 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 \$1,963,534 were accrued at June 30, 2011. During the year, \$1,604,607 was retired and \$1,493,137 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, 2011, \$200,550 remains outstanding to be paid over the next 7 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,

Notes to Financial Statements

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2011, this amount was \$218,088. During the year, \$51,209 was contributed and \$126,461 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, 2011, 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 2 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 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>
2012	3.51	145,000	10,762
2013	3.66	<u>155,000</u>	<u>5,673</u>
		<u>\$ 300,000</u>	<u>\$ 16,435</u>

During the year, \$135,000 principal was paid and \$13,787 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 6 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>
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	<u>24,338</u>	<u>2,191</u>
		<u>\$ 101,391</u>	<u>\$ 35,134</u>

During the year, \$11,812 of principal was paid and \$9,700 interest was expensed.

E. The annual requirements to amortize all long-term revenue obligations (business-type activities), as of June 30, 2011, including interest of \$51,573 are as follows:

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<u>Year Ended</u>	<u>Amount</u>
2012	177,762
2013	182,673
2014	22,000
2015	22,000
2016	22,000
2017	<u>26,529</u>
	<u>\$452,964</u>

F. Changes in Long-Term Debt - The following is a summary of debt transactions of the City for the year ended June 30, 2011:

	<u>Payable 6/30/10</u>	<u>Retired</u>	<u>Additions</u>	<u>Amounts Payable 6/30/11</u>	<u>Due Within One Year</u>
Governmental Activities:					
Accumulated Compensated Absences	<u>\$2,075,004</u>	<u>\$1,604,607</u>	<u>\$1,493,137</u>	<u>\$1,963,534</u>	<u>\$914,702</u>
Landfill Post-closure Monitoring	<u>\$ 229,200</u>	<u>\$ 28,650</u>	<u>\$ -----</u>	<u>\$ 200,550</u>	<u>\$ 28,650</u>
Other Post Employment Benefits	<u>\$ 142,836</u>	<u>\$ 51,209</u>	<u>\$ 126,461</u>	<u>\$ 218,088</u>	<u>\$ -----</u>
Business-type Activities:					
Revenue Bonds & Notes:					
2005 Parking Bonds	\$ 435,000	\$ 135,000	\$ --	\$ 300,000	\$ 145,000
2002 Tepper Note	<u>113,203</u>	<u>11,812</u>	<u>-----</u>	<u>101,391</u>	<u>12,875</u>
Total	<u>\$ 548,203</u>	<u>\$ 146,812</u>	<u>\$ -----</u>	<u>\$ 401,391</u>	<u>\$ 157,875</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

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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 2010 was 10.6% and for 2011 is 12.0% of payroll. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. 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 2010, the City of Urbana's annual pension cost of \$985,827 was equal to the City of Urbana's required and actual contributions.

Trend Information for the Regular Plan

<u>Actuarial Date</u>	<u>Annual Pension Cost (APC)</u>	<u>% APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$1,116,031	100%	\$0
12/31/09	\$891,601	100%	\$0
12/31/08	\$842,987	100%	\$0

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions at December 31, 2008, 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 10% 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 2009 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 an open 30 year basis (overfunded liability amortized on open basis).

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the regular plan was 70.1% funded. The actuarial accrued liability for benefits was \$27,590,759 and the actuarial value of assets was \$19,341,476, resulting in an underfunded actuarial accrued liability (UAAL) of \$8,249,283. The covered payroll (annual payroll of active employees covered by the plan) was \$9,300,257 and the ratio of the UAAL to the covered payroll was 89%. A schedule of funding progress is presented in the Required Supplemental Information Section, following the notes, presents multi-year trend information about

CITY OF URBANA

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whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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	\$ 1,361,577
Interest on Net Pension Obligation	(294,988)
Adjustment to Annual Required Contribution	<u>214,383</u>
Annual Pension Cost	1,280,972
Contributions Made	<u>1,783,576</u>
Increase (Decrease) in Net Pension Obligation	(502,604)
Net Pension Obligation, Beginning of Year	<u>(4,113,626)</u>
Net Pension Obligation, End of Year	<u><u>\$(4,616,230)</u></u>

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The annual required contribution for the current year was determined as part of the June 30, 2010, 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 30 year closed period. The remaining amortization period was 23 years. The negative net pension obligation of \$4,616,230 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:

Fiscal Yr. Ended	Annual Pension Cost (A.P.C.)	Percent A.P.C. Contributed	Net Pension Obligation
June 30, 2009	\$1,171,037	143.5%	(\$3,656,694)
June 30, 2010	\$1,147,543	139.8%	(\$4,113,626)
June 30, 2011	\$1,280,972	139.2%	(\$4,616,230)
Actuarial Value Date	6/30/08	6/30/09	6/30/10
Actuarial Value of Plan Assets	\$21,577,066	\$22,465,851	\$23,552,779
Actuarial Accrued Liability (Entry Age Normal Cost)	\$31,979,564	\$35,361,320	\$38,163,939
Unfunded (Overfunded) Actuarial Accrued Liability	\$10,402,498	\$12,895,469	\$14,611,160
Funded Ratio	67.5%	63.5%	61.7%
Covered Payroll	\$3,392,030	\$3,516,159	\$3,485,147
Unfunded (Overfunded) Actuarial Accrued Liability As % Covered Payroll	306.7%	366.7%	419.2%

3. Firemen's Pension Fund:

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

The financial statements of the Firemen's Pension Fund are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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Notes to Financial Statements

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All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Securities without an established market are reported at estimated fair value.

Although this is a single-employer plan, the defined benefits and employee and employer contributions levels are governed by Illinois State Statutes and may be amended only by the Illinois General Assembly. This fund is accounted for and reported as a fiduciary pension trust fund. The Firemen's Pension Fund issues a 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	\$1,133,720
Interest on Net Pension Obligation	(117,462)
Adjustment to Annual Required Contribution	<u>84,102</u>
Annual Pension Cost	1,100,360
Contributions Made	<u>1,372,080</u>
Increase (decrease) in Net Pension Obligation	(271,720)
Net Pension Obligation, Beginning of Year	<u>(1,598,692)</u>
Net Pension Obligation, End of Year	<u><u>\$(1,870,412)</u></u>

The annual required contribution for the current year was determined as part of the June 30, 2010, 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 40 year closed period. The remaining amortization period was 24 years. The negative net pension obligation of \$1,870,862 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.

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Three-Year Trend Information:

Fiscal Yr. Ended	Annual Pension Cost (A.P.C.)	Percent A.P.C. Contributed	Net Pension Obligation
June 30, 2009	\$750,280	128.1%	\$ (1,342,923)
June 30, 2010	\$995,476	125.7%	\$(1,598,692)
June 30, 2011	\$1,100,360	124.7%	\$(1,870,412)

Actuarial Value Date	6/30/08	6/30/09	6/30/10
Actuarial Value of Plan Assets	\$27,274,554	\$27,875,775	\$28,653,226
Actuarial Accrued Liability (Entry Age Normal Cost)	\$33,489,938	\$35,217,262	\$36,690,005
Unfunded (Overfunded)			
Actuarial Accrued Liability	\$6,215,384	\$7,341,487	\$8,036,779
Funded Ratio	81.4%	79.2%	78.1%
Covered Payroll	\$3,012,087	\$3,249,911	\$3,319,469
Unfunded (Overfunded)			
Actuarial Accrued Liability			
As % Covered Payroll	206.3%	225.9%	242.1%

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, 2011 is not readily ascertainable.

J. Receivables:

At June 30, 2011 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, 2011

	General	Urbana Free Library	Tax Increment Financing District 3	Other Government	Government Total
Property Tax	\$ 447,363	\$ 1,431,975	\$ 420,449	\$ 1,239,699	\$ 3,539,486
Accounts	160,344	-	-	563	160,907
Accrued Interest	145,105	254	-	-	145,359
Notes (due within 1 year)	-	-	-	50,000	50,000
Due from Other Govt.:					
State:					
Income Tax	1,409,358	-	-	-	1,409,358
Sales Tax	1,866,423	-	-	-	1,866,423
Corp. Personal Repl. Tax	96,194	11,114	-	-	107,308
Telecomm. Tax	257,428	-	-	-	257,428
Grants	-	-	-	75,046	75,046
Service Charges	-	-	-	4,051	4,051
State Motor Fuel Tax	-	-	-	76,825	76,825
Federal, Grants	-	-	-	96,780	96,780
Other, Service Charges	-	-	-	99,432	99,432
Other Taxes:					
Utility Tax	222,363	-	-	-	222,363
Hotel/Motel Tax	57,828	-	-	-	57,828
Local Sales Tax	28,125	-	-	30,714	58,839
San. Sewer Tax	-	-	-	318,077	318,077
Recycling Tax	36,351	-	-	-	36,351
Total	\$ 4,726,882	\$ 1,443,343	\$ 420,449	\$ 1,991,187	\$ 8,581,861

K. Interfund Receivables and Payables:

A schedule of due to and from other funds follows:

	Due From	Due To
General Fund	\$ --	\$ 24,633
Urbana Free Library	--	28,186
Tax Increment Financing District 3	--	4,452
Other Govt. Funds	660,646	676,165
Internal Service Funds:		
Central Garage	88,906	--
Total, Governmental Activities	\$749,552	\$733,436
Business-type Activities:		
Motor Vehicle Parking	--	16,116
Total	\$749,552	\$749,552

Notes to Financial Statements

June 30, 2011

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	\$ --	\$ 1,347,383
Urbana Free Library	335,144	--
Tax Increment Financing District 3	--	204,368
Other Govt. Funds	<u>1,612,568</u>	<u>--</u>
Total, Govt. Activities	\$1,947,712	\$1,551,751
Business-type Activities:		
Motor Vehicle Parking	<u>--</u>	<u>395,961</u>
Total	<u>\$1,947,712</u>	<u>\$1,947,712</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:

- \$596,130 from the General Fund to the Vehicle and Equipment Replacement Special Revenue Fund for future equipment purchases.
- \$579,320 from the Sanitary Sewer Capital Projects Fund to the General Fund as reimbursement for certain sanitary sewer operational costs.
- \$545,580 from the Motor Vehicle Parking Enterprise Fund to the General Fund as reimbursement for certain services provided.
- \$204,400 from the General Fund to the Social Service Agencies Special Revenue Fund for annual funding of social service agency grants.
- \$335,144 from the General Fund to the Urbana Free Library Special Revenue Fund as reimbursement for I.M.R.F. costs.
- \$1,312,129 from the General Fund to the Capital Improvement and Replacement Capital Projects Fund for future capital improvements.
- \$572,144 from the General Fund to the Economic Development Special Revenue Fund for certain future costs
- \$261,577 from the Tax Increment Financing District 2 Special Revenue Fund to the Tax Increment Financing District 1 Fund for certain development agreements
- \$204,369 from the Tax Increment Financing District 3 Special Revenue Fund to the General Fund as a distribution of surplus fund.

CITY OF URBANA

Notes to Financial Statements

June 30, 2011

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, 2011. Amounts for claims incurred but not reported are considered to be immaterial at June 30, 2011. There have been no significant reductions in coverage from the prior year and all settlements have been below coverage. Changes in claims liabilities during the past two years are as follows:

Notes to Financial Statements

June 30, 2011

	<u>2011</u>	<u>2010</u>
Unpaid Claims, Beginning of Year	\$ 629,437	\$ 420,997
Incurred Claims	541,428	392,144
Claim Payments	<u>(670,195)</u>	<u>(183,704)</u>
Unpaid Claims, End of Year	<u>\$ 500,670</u>	<u>\$ 629,437</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 \$327,304 in 2011, 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 \$1,661,236 in 2011, 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

CITY OF URBANA

Notes to Financial Statements

June 30, 2011

claims, in excess of insurance coverage, would not materially affect the financial statements.

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 \$6,586,069 to be paid in varying annual payments over the next 11 years.

E. Construction Commitments:

At June 30, 2011, there are the following uncompleted construction contracts:

<u>Project Title</u>	<u>Fund</u>	<u>Remaining Committed Construction</u>
Windsor Road Impr.	Motor Fuel Tax	\$635,000
Boneyard Design	T.I.F. Two	510,326
Street Resurfacing	Motor Fuel Tax	<u>604,412</u>
		<u>\$1,749,738</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, 2011, have been issued separately. These reports contain information concerning whether grant activity is presented fairly in the financial statements, whether internal

Notes to Financial Statements

June 30, 2011

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. This is a single-employer plan with employee contributions and benefit levels governed by the City through its personnel manual and employee bargaining contracts. Membership in the plan consisted of the following as of June 30, 2011:

Retirees and beneficiaries receiving benefits	22
Terminated plan members entitled to but not yet receiving benefits	0
Active vested plan members	164
Active non-vested plan members	<u>99</u>
Total	285
Number of participating employers	1

Schedule of Funding Progress:

Actuarial Valuation Date	06/30/09	06/30/10	06/30/11
Actuarial Value Assets	0	0	0
Actuarial Accrued Liability			
(AAL) – Entry Age	1,767,772	1,767,772	2,226,311
Unfunded AAL (UAAL) /a	1,767,772	1,767,772	2,226,311
Funded Ratio	0%	0%	0%
Covered Payroll (actives)	15,821,571	16,652,019	16,346,997
UAAL as a % of Covered Payroll	11.2%	10.6%	13.6%

Annual OPEB Cost and Net OPEB Obligation as of June 30, 2011:

Annual Required Contribution	\$124,072
Interest on net OPEB Obligation	7,167
Adjustment to Annual Required Contribution	<u>(4,778)</u>
Annual OPEB Cost	126,461
Contributions Made	<u>(51,209)</u>
Increase in Net OPEB Obligation	75,252
Net OPEB Obligation, Beg. Year	<u>142,836</u>
Net OPEB Obligation, End Year	\$218,088

CITY OF URBANA

Notes to Financial Statements

June 30, 2011

Three-Year Trend Information:

Fiscal Year End	06/30/09	06/30/10	06/30/11
Annual OPEB Cost	\$122,877	\$121,606	\$126,461
% of Annual OPEB Cost Contributed	41.7%	41.5%	40.5%
Net OPEB Obligation	\$ 71,668	\$142,836	\$218,088

Annual Required Contribution for 2011:

Service Cost	\$ 60,368
Amortization	58,926
Interest	<u>7,167</u>
Annual Required Contribution	\$126,461

In the June 30, 2010 actuarial valuation (latest 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 40% of 50% of eligible employees payable to age 65. The percentage of active employees assumed to elect benefit is 30%. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis over 30 years. Since this is a plan that is not funded and there are no assets, the City does not publish a separate audited financial report. The latest actuarial report may be obtained by writing to the City of Urbana, 400 S. Vine Street, Urbana, Illinois 61801.

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
12/31/10	\$ 19,341,476	\$ 27,590,759	\$ 8,249,283	70.10%	\$ 9,300,257	88.70%
12/31/09	\$ 21,488,352	\$ 28,443,258	\$ 6,954,906	75.55%	\$ 9,248,972	75.20%
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, 2011

ASSETS	Special Revenue	Capital Projects	Totals
Cash and Cash Equivalents:			
Cash on Hand	\$ 100	\$ -	\$ 100
Checking	178	-	178
Savings	2,394,370	3,961,787	6,356,157
Illinois Treasurer's Pool	-	428	428
Money Market Funds	219,442	-	219,442
Investments	10,313,231	1,748,928	12,062,159
Receivables (Net of Uncollectibles)	1,481,428	509,759	1,991,187
Due from Other Funds	635,479	25,167	660,646
Prepaid Expenditures	29,011	-	29,011
Total Assets	<u>\$ 15,073,239</u>	<u>\$ 6,246,069</u>	<u>\$ 21,319,308</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Due to Other Funds	\$ 393,102	\$ 283,063	\$ 676,165
Accounts Payable	390,950	347,696	738,646
Accrued Salaries and Taxes	4,552	-	4,552
Deferred Revenues	1,000,284	2,802	1,003,086
Total Liabilities	<u>1,788,888</u>	<u>633,561</u>	<u>2,422,449</u>
Fund Balance:			
Non-spendable, prepaid expenditures	29,011	-	29,011
Restricted for T.I.F. economic development	5,536,587	-	5,536,587
Restricted for street improvements	-	3,549,126	3,549,126
Committed for:			
Other purposes	204,989		204,989
Vehicle & equipment replacement	4,011,215		4,011,215
Other economic development	683,067		683,067
Worker compensation claims	2,819,482		2,819,482
Street and sewer improvements	-	473,222	473,222
Other infrastructure improvements	-	1,590,160	1,590,160
Total Fund Balance	<u>13,284,351</u>	<u>5,612,508</u>	<u>18,896,859</u>
Total Liabilities and Fund Balance	<u>\$ 15,073,239</u>	<u>\$ 6,246,069</u>	<u>\$ 21,319,308</u>

CITY OF URBANA
 Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 Fiscal Year Ended June 30, 2011

	Special Revenue	Capital Projects	Totals
Revenues:			
Property Tax	\$ 2,460,038	\$ -	\$ 2,460,038
Local Sales Tax -Motor Fuel	-	276,811	276,811
Sewer Benefit Tax	-	1,150,000	1,150,000
Intergovernmental	1,721,350	1,931,898	3,653,248
Investment Income:			
Interest	184,964	73,118	258,082
Net Appreciation (Depreciation) in Fair Value of Investments	7,513	1,304	8,817
Total Net Investment Earnings	192,477	74,422	266,899
Licenses, Fines, and Services Charges	203,744	11,438	215,182
Total Revenues	<u>4,577,609</u>	<u>3,444,569</u>	<u>8,022,178</u>
Expenditures:			
Current:			
Public Safety	90,599	-	90,599
Highways & Streets	572,145	229,439	801,584
General Government	227,884	-	227,884
Urban Redevelopment and Housing	3,527,954	-	3,527,954
Capital Outlay	2,505,766	1,725,059	4,230,825
Total Expenditures	<u>6,924,348</u>	<u>1,954,498</u>	<u>8,878,846</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,346,739)</u>	<u>1,490,071</u>	<u>(856,668)</u>
Other Financing Sources (Uses):			
Transfers In	1,649,262	702,185	2,351,447
Transfers (Out)	(738,879)	-	(738,879)
Total Other Financing Sources (Uses)	<u>910,383</u>	<u>702,185</u>	<u>1,612,568</u>
Net Changes in Fund Balances	(1,436,356)	2,192,256	755,900
Fund Balance, Beginning of Year	<u>14,720,707</u>	<u>3,420,252</u>	<u>18,140,959</u>
Fund Balance, End of Year	<u>\$ 13,284,351</u>	<u>\$ 5,612,508</u>	<u>\$ 18,896,859</u>

CITY OF URBANA
 Non-Major Special Revenue Funds - Combining Balance Sheet
 June 30, 2011

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ASSETS	Social Service Agencies	Vehicle and Equipment Replacement	Community Development			Tax Increment Financing District 1
			Special	Home	Block Grant	
Cash and Cash Equivalents:						
Cash on Hand	\$ -	\$ -	\$ -	\$ -	\$ 50	\$ -
Checking	-	-	34	99	45	-
Savings	5,383	578,066	177,761	-	-	153,517
Money Market Funds	-	-	-	-	-	-
Investments	-	3,546,575	70,000	-	-	722,998
Receivables (Net of Uncollectibles)	-	-	1,600	57,464	37,716	297,851
Due from Other Funds	-	-	688	-	-	207,095
Prepaid Expenditures	-	-	-	-	-	-
Total Assets	<u>\$ 5,383</u>	<u>\$ 4,124,641</u>	<u>\$ 250,083</u>	<u>\$ 57,563</u>	<u>\$ 37,811</u>	<u>\$ 1,381,461</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Due to Other Funds	\$ -	\$ 8,498	\$ -	\$ 57,563	\$ 37,811	\$ -
Accounts Payable	1,535	100,592	41,442	-	-	73,953
Accrued Salaries and Taxes	-	-	-	-	-	1,330
Deferred Revenues	-	4,336	7,500	-	-	242,603
Total Liabilities	<u>1,535</u>	<u>113,426</u>	<u>48,942</u>	<u>57,563</u>	<u>37,811</u>	<u>317,886</u>
Fund Balance:						
Non-spendable, prepaid expenditures	-	-	-	-	-	-
Restricted for:						
T.I.F. Economic Development	-	-	-	-	-	1,063,575
Committed for:						
Other Purposes	3,848	-	201,141	-	-	-
Vehicle & Equipment Replacement	-	4,011,215	-	-	-	-
Economic development	-	-	-	-	-	-
Worker Compensation Claims	-	-	-	-	-	-
Total Fund Balance	<u>3,848</u>	<u>4,011,215</u>	<u>201,141</u>	<u>-</u>	<u>-</u>	<u>1,063,575</u>
Total Liabilities and Fund Balance	<u>\$ 5,383</u>	<u>\$ 4,124,641</u>	<u>\$ 250,083</u>	<u>\$ 57,563</u>	<u>\$ 37,811</u>	<u>\$ 1,381,461</u>

(Continued)

CITY OF URBANA
 Non-Major Special Revenue Funds - Combining Balance Sheet
 June 30, 2011

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ASSETS	Tax Increment Financing District 2	Tax Increment Financing District 4	Building Financing	Economic Development	Insurance Financing	Total
Cash and Cash Equivalents:						
Cash on Hand	\$ -	\$ -	\$ -	\$ 50	\$ -	\$ 100
Checking	-	-	-	-	-	178
Savings	460,044	712,088	20,098	287,413	-	2,394,370
Money Market Funds	-	-	-	219,442	-	219,442
Investments	3,031,062	463,517	-	-	2,479,079	10,313,231
Receivables (Net of Uncollectibles)	611,087	380,761	-	94,949	-	1,481,428
Due from Other Funds	-	-	-	87,293	340,403	635,479
Prepaid Expenditures	-	-	-	29,011	-	29,011
Total Assets	<u>\$ 4,102,193</u>	<u>\$ 1,556,366</u>	<u>\$ 20,098</u>	<u>\$ 718,158</u>	<u>\$ 2,819,482</u>	<u>\$ 15,073,239</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Due to Other Funds	\$ 267,565	\$ 1,567	\$ 20,098	\$ -	\$ -	\$ 393,102
Accounts Payable	58,325	110,197	-	4,906	-	390,950
Accrued Salaries and Taxes	2,048	-	-	1,174	-	4,552
Deferred Revenues	464,668	281,177	-	-	-	1,000,284
Total Liabilities	<u>792,606</u>	<u>392,941</u>	<u>20,098</u>	<u>6,080</u>	<u>-</u>	<u>1,788,888</u>
Fund Balance:						
Non-spendable, prepaid expenditures	-	-	-	29,011	-	29,011
Restricted for:						
T.I.F. Economic Development	3,309,587	1,163,425	-	-	-	5,536,587
Committed for:						
Other Purposes	-	-	-	-	-	204,989
Vehicle & Equipment Replacement	-	-	-	-	-	4,011,215
Other Economic development	-	-	-	683,067	-	683,067
Worker Compensation Claims	-	-	-	-	2,819,482	2,819,482
Total Fund Balance	<u>3,309,587</u>	<u>1,163,425</u>	<u>-</u>	<u>712,078</u>	<u>2,819,482</u>	<u>13,284,351</u>
Total Liabilities and						
Fund Balance	<u>\$ 4,102,193</u>	<u>\$ 1,556,366</u>	<u>\$ 20,098</u>	<u>\$ 718,158</u>	<u>\$ 2,819,482</u>	<u>\$ 15,073,239</u>

CITY OF URBANA

Non-Major Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 Fiscal Year Ended June 30, 2011

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	Social Service Agencies	Vehicle and Equipment Replacement	Community Development			Tax Increment Financing District 1
			Special	Home	Block Grant	
Revenues:						
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 608,922
Intergovernmental	-	48,240	233,103	1,011,145	419,669	-
Investment Income:						
Interest	-	75,000	719	-	-	15,164
Net Appreciation (Depreciation) in Fair Value of Investments	-	2,645	-	-	-	2,261
Total Net Investment Earnings	-	77,645	719	-	-	17,425
Licenses, Fines and Services Charges	-	67,097	10,000	19,125	35,414	-
Total Revenues	-	192,982	243,822	1,030,270	455,083	626,347
Expenditures:						
Current:						
Public Safety	-	90,599	-	-	-	-
Highways and Streets	-	-	-	-	-	-
General Government	217,464	1,420	-	-	-	-
Urban Redevelopment and Housing	-	-	367,347	1,046,165	433,446	654,244
Capital Outlay	-	1,089,184	-	-	5,097	-
Total Expenditures	217,464	1,181,203	367,347	1,046,165	438,543	654,244
Excess of Revenues Over (Under) Expenditures	(217,464)	(988,221)	(123,525)	(15,895)	16,540	(27,897)
Other Financing Sources (Uses):						
Transfers In	204,400	611,046	159,237	15,895	-	-
Transfers (Out)	-	-	-	-	(16,540)	(16,301)
Total Other Financing Sources (Uses)	204,400	611,046	159,237	15,895	(16,540)	(16,301)
Net Change in Fund Balances	(13,064)	(377,175)	35,712	-	-	(44,198)
Fund Balance, Beginning of Year	16,912	4,388,390	165,429	-	-	1,107,773
Fund Balance, End of Year	\$ 3,848	\$ 4,011,215	\$ 201,141	\$ -	\$ -	\$ 1,063,575

(Continued)

CITY OF URBANA
 Non-Major Special Revenue Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 Fiscal Year Ended June 30, 2011

(Page 2 of 2)

	Tax Increment Financing District 2	Tax Increment Financing District 4	Building Financing	Economic Development	Insurance Financing	Total
Revenues:						
Property Tax	\$ 1,156,837	\$ 694,279	\$ -	\$ -	\$ -	\$ 2,460,038
Intergovernmental	-	-	-	9,193	-	1,721,350
Investment Income:						
Interest	66,112	17,546	-	10,423	-	184,964
Net Appreciation (Depreciation) in Fair Value of Investments	2,261	346	-	-	-	7,513
Total Net Investment Earnings	68,373	17,892	-	10,423	-	192,477
Licenses, Fines and Service Charges	-	-	-	72,108	-	203,744
Total Revenues	<u>1,225,210</u>	<u>712,171</u>	<u>-</u>	<u>91,724</u>	<u>-</u>	<u>4,577,609</u>
Expenditures:						
Current:						
Public Safety	-	-	-	-	-	90,599
Highways and Streets	-	-	-	572,145	-	572,145
General Government	-	-	-	9,000	-	227,884
Urban Redevelopment and Housing	439,157	411,151	-	176,444	-	3,527,954
Capital Outlay	1,346,819	19,212	20,072	25,382	-	2,505,766
Total Expenditures	<u>1,785,976</u>	<u>430,363</u>	<u>20,072</u>	<u>782,971</u>	<u>-</u>	<u>6,924,348</u>
Excess of Revenues Over (Under) Expenditures	<u>(560,766)</u>	<u>281,808</u>	<u>(20,072)</u>	<u>(691,247)</u>	<u>-</u>	<u>(2,346,739)</u>
Other Financing Sources (Uses):						
Transfers In	-	109,500	-	549,184	-	1,649,262
Transfers (Out)	(411,922)	-	-	-	(294,116)	(738,879)
Total Other Financing Sources (Uses)	<u>(411,922)</u>	<u>109,500</u>	<u>-</u>	<u>549,184</u>	<u>(294,116)</u>	<u>910,383</u>
Net Change in Fund Balances	(972,688)	391,308	(20,072)	(142,063)	(294,116)	(1,436,356)
Fund Balance, Beginning of Year	<u>4,282,275</u>	<u>772,117</u>	<u>20,072</u>	<u>854,141</u>	<u>3,113,598</u>	<u>14,720,707</u>
Fund Balance, End of Year	<u>\$ 3,309,587</u>	<u>\$ 1,163,425</u>	<u>\$ -</u>	<u>\$ 712,078</u>	<u>\$ 2,819,482</u>	<u>\$ 13,284,351</u>

CITY OF URBANA

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, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures-Current:				
General Government:				
Contractual Services	\$ 219,290	\$ 219,290	\$ 217,464	\$ 1,826
Other Financing Sources:				
Transfers In	204,400	204,400	204,400	-
Net Change in Fund Balance	(14,890)	(14,890)	(13,064)	1,826
Fund Balance, Beginning of Year	16,912	16,912	16,912	-
Fund Balance, End of Year	\$ 2,022	\$ 2,022	\$ 3,848	\$ 1,826

CITY OF URBANA
 Vehicle and Equipment Replacement Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual
 Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 74,000	\$ 74,000	\$ 48,240	\$ (25,760)
Investment Earnings:				
Interest	92,000	92,000	75,000	(17,000)
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	2,645	2,645
Total Net Investment Earnings	92,000	92,000	77,645	(14,355)
Licenses, Fines and Service Charges	81,294	81,294	67,097	(14,197)
Total Revenues	247,294	247,294	192,982	(54,312)
Expenditures:				
Current:				
Public Safety:				
Police:				
Materials and Supplies	57,412	57,412	16,599	40,813
Contractual Services	84,994	84,994	53,872	31,122
Total Current-Police	142,406	142,406	70,471	71,935
Fire:				
Materials and Supplies	11,390	11,390	9,328	2,062
Contractual Services	24,350	34,650	10,800	23,850
Total Current-Police	35,740	46,040	20,128	25,912
Total Current-Public Safety	178,146	188,446	90,599	97,847
General Government:				
Contractual Services	1,420	1,420	1,420	-
Total Current Expenditures	179,566	189,866	92,019	97,847
Capital Outlay	2,445,695	2,445,695	1,089,184	1,356,511
Total Expenditures	2,625,261	2,635,561	1,181,203	1,454,358
Net Revenues Over (Under) Expenditures	(2,377,967)	(2,388,267)	(988,221)	1,400,046
Other Financing Sources (Uses):				
Transfers In	619,160	619,160	611,046	(8,114)
Net Change in Fund Balance	(1,758,807)	(1,769,107)	(377,175)	1,391,932
Fund Balance, Beginning of Year	4,388,390	4,388,390	4,388,390	-
Fund Balance, End of Year	\$ 2,629,583	\$ 2,619,283	\$ 4,011,215	\$ 1,391,932

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

Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
State Grants	\$ 81,394	\$ 83,144	\$ 36,224	\$ (46,920)
Federal Grants	196,879	196,879	196,879	0
Total Intergovernmental	278,273	280,023	233,103	(46,920)
Investment Earnings:				
Interest	-	-	719	719
Licenses, Fines and Service Charges	55,100	55,100	10,000	(45,100)
Total Revenues	333,373	335,123	243,822	(91,301)
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	69,928	69,928	30,485	39,443
Supplies	745	745	11	734
Contractual Services	734,077	735,827	336,851	398,976
Total Expenditures	804,750	806,500	367,347	439,153
Net Revenues Over (Under) Expenditures	(471,377)	(471,377)	(123,525)	347,852
Other Financing Sources (Uses):				
Transfers In (Out)	162,109	162,109	159,237	(2,872)
Net Change in Fund Balance	(309,268)	(309,268)	35,712	344,980
Fund Balance, Beginning of Year	165,429	165,429	165,429	-
Fund Balance, End of Year	\$ (143,839)	\$ (143,839)	\$ 201,141	\$ 344,980

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, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental- Federal Entitlement	\$ 1,145,755	\$ 1,145,755	\$ 1,011,145	\$ (134,610)
Licenses, Fines, and Service Charges	1,000	1,000	19,125	18,125
Total Revenues	<u>1,146,755</u>	<u>1,146,755</u>	<u>1,030,270</u>	<u>(116,485)</u>
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	180,860	180,860	150,769	30,091
Supplies	2,610	2,610	1,634	976
Contractual Services	2,771,108	2,771,108	893,762	1,877,346
Total Expenditures	<u>2,954,578</u>	<u>2,954,578</u>	<u>1,046,165</u>	<u>1,908,413</u>
Net Revenues Over (Under) Expenditures	(1,807,823)	(1,807,823)	(15,895)	1,791,928
Other Financing Sources (Uses):				
Transfers In (Out)	25,060	25,060	15,895	(9,165)
Net Change in Fund Balance	(1,782,763)	(1,782,763)	-	1,782,763
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ (1,782,763)</u>	<u>\$ (1,782,763)</u>	<u>\$ -</u>	<u>\$ 1,782,763</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, 2010

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental-				
Federal Entitlement	\$ 878,593	\$ 878,593	\$ 419,669	\$ (458,924)
Licenses, Fines, and Service Charges	23,001	23,001	35,414	12,413
Total Revenues	<u>901,594</u>	<u>901,594</u>	<u>455,083</u>	<u>(446,511)</u>
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	179,780	191,156	179,994	11,162
Materials and Supplies	1,900	1,200	761	439
Contractual Services	<u>587,066</u>	<u>505,269</u>	<u>252,691</u>	<u>252,578</u>
Total Urban Redevelopment and Housing	768,746	697,625	433,446	264,179
Capital Outlay	<u>116,398</u>	<u>187,519</u>	<u>5,097</u>	<u>182,422</u>
Total Expenditures	<u>885,144</u>	<u>885,144</u>	<u>438,543</u>	<u>446,601</u>
Net Revenues Over (Under) Expenditures	16,450	16,450	16,540	90
Other Financing Sources (Uses):				
Transfers In (Out)	<u>(16,540)</u>	<u>(16,540)</u>	<u>(16,540)</u>	<u>-</u>
Net Change in Fund Balance	(90)	(90)	-	90
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (90)</u>	<u>\$ (90)</u>	<u>\$ -</u>	<u>\$ 90</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, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Tax	\$ 595,000	\$ 595,000	\$ 608,922	\$ 13,922
Investment Earnings:				
Interest	24,000	24,000	15,164	(8,836)
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	2,261	2,261
Total Net Investment Earnings	24,000	24,000	17,425	(6,575)
Total Revenues	619,000	619,000	626,347	7,347
Expenditures:				
Current-Urban Redevelopment and Housing:				
Personnel Services	26,160	26,160	26,160	-
Contractual Services	1,091,244	1,141,823	628,084	513,739
Total Current-Urban Redevelopment and Housing	1,117,404	1,167,983	654,244	513,739
Capital Outlay	767,062	765,302	-	765,302
Total Expenditures	1,884,466	1,933,285	654,244	1,279,041
Net Revenues Over (Under) Expenditures	(1,265,466)	(1,314,285)	(27,897)	1,286,388
Other Financing Uses:				
Transfers In (Out)	270,846	319,665	(16,301)	(335,966)
Net Change in Fund Balance	(994,620)	(994,620)	(44,198)	950,422
Fund Balance, Beginning of Year	1,107,773	1,107,773	1,107,773	-
Fund Balance, End of Year	\$ 113,153	\$ 113,153	\$ 1,063,575	\$ 950,422

CITY OF URBANA

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

Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Tax	\$ 1,135,000	\$ 1,135,000	\$ 1,156,837	\$ 21,837
Investment Earnings:				
Interest	75,000	75,000	66,112	(8,888)
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	2,261	2,261
Total Net Investment Earnings	<u>75,000</u>	<u>75,000</u>	<u>68,373</u>	<u>(6,627)</u>
 Total Revenues	 <u>1,210,000</u>	 <u>1,210,000</u>	 <u>1,225,210</u>	 <u>15,210</u>
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Personnel Services	57,500	60,070	60,066	4
Contractual Services	917,809	1,225,239	379,091	846,148
Total Urban Redevelopment and Housing	<u>975,309</u>	<u>1,285,309</u>	<u>439,157</u>	<u>846,152</u>
Capital Outlay	2,824,922	2,824,922	1,346,819	1,478,103
Total Expenditures	<u>3,800,231</u>	<u>4,110,231</u>	<u>1,785,976</u>	<u>2,324,255</u>
Net Revenues Over (Under) Expenditures	(2,590,231)	(2,900,231)	(560,766)	2,339,465
Other Financing Sources (Uses):				
Transfers In (Out)	<u>(891,739)</u>	<u>(941,739)</u>	<u>(411,922)</u>	<u>529,817</u>
Net Change in Fund Balance	(3,481,970)	(3,841,970)	(972,688)	2,869,282
Fund Balance, Beginning of Year	<u>4,282,275</u>	<u>4,282,275</u>	<u>4,282,275</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 800,305</u>	<u>\$ 440,305</u>	<u>\$ 3,309,587</u>	<u>\$ 2,869,282</u>

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, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Tax	\$ 602,880	\$ 602,880	\$ 694,279	\$ 91,399
Investment Income:				
Interest	4,000	4,000	17,546	13,546
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	346	346
Net Investment Earnings	4,000	4,000	17,892	13,892
 Total Revenues	 606,880	 606,880	 712,171	 105,291
Expenditures:				
Current:				
Urban Redevelopment and Housing:				
Contractual Services	729,773	839,273	411,151	428,122
Capital Outlay	344,649	344,649	19,212	325,437
 Total Expenditures	 1,074,422	 1,183,922	 430,363	 753,559
 Net Revenues Over (Under) Expenditures	 (467,542)	 (577,042)	 281,808	 858,850
Other Financing Sources (Uses):				
Transfers In (Out)	-	109,500	109,500	-
 Net Change in Fund Balance	 (467,542)	 (467,542)	 391,308	 858,850
 Fund Balance, Beginning of Year	 772,117	 772,117	 772,117	 -
 Fund Balance, End of Year	 \$ 304,575	 \$ 304,575	 \$ 1,163,425	 \$ 858,850

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, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Expenditures-Capital Outlay	\$ 20,072	\$ 20,072	\$ 20,072	\$ -
Fund Balance, Beginning of Year	<u>20,072</u>	<u>20,072</u>	<u>20,072</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 5,908	\$ 9,193	\$ 3,285
Investment Income:				
Interest	12,000	12,000	10,423	(1,577)
Licenses, Fines and Service Charges	77,000	77,000	72,108	(4,892)
Total Revenues	<u>89,000</u>	<u>94,908</u>	<u>91,724</u>	<u>(3,184)</u>
Expenditures:				
Current:				
Highways and Streets:				
Contractual Services	572,144	572,144	572,144	-
General Government:				
Contractual Services	136,292	134,182	9,001	125,181
Urban Redevelopment and Housing:				
Personnel Services	7,900	8,680	8,680	-
Contractual Services	529,093	536,331	167,764	368,567
Total Current-Urbana Redevelopment and Housing	<u>536,993</u>	<u>545,011</u>	<u>176,444</u>	<u>368,567</u>
Capital Outlay	<u>52,500</u>	<u>52,500</u>	<u>25,382</u>	<u>27,118</u>
Total Expenditures	<u>1,297,929</u>	<u>1,303,837</u>	<u>782,971</u>	<u>520,866</u>
Net Revenues Over (Under) Expenditures	(1,208,929)	(1,208,929)	(691,247)	517,682
Other Financing Sources (Uses):				
Transfers In (Out)	<u>(72,960)</u>	<u>(72,960)</u>	<u>549,184</u>	<u>622,144</u>
Net Change in Fund Balance	(1,281,889)	(1,281,889)	(142,063)	1,139,826
Fund Balance, Beginning of Year	<u>854,141</u>	<u>854,141</u>	<u>854,141</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (427,748)</u>	<u>\$ (427,748)</u>	<u>\$ 712,078</u>	<u>\$ 1,139,826</u>

CITY OF URBANA

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

Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses):				
Transfers In (Out)	(2,756,944)	(2,756,944)	(294,116)	2,462,828
Net Change in Fund Balance	(2,756,944)	(2,756,944)	(294,116)	2,462,828
Fund Balance, Beginning of Year	3,113,598	3,113,598	3,113,598	-
Fund Balance, End of Year	\$ 356,654	\$ 356,654	\$ 2,819,482	\$ 2,462,828

Non-Major Capital Projects Funds
Combining Balance Sheet
June 30, 2011

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	\$ 2,126,218	\$ 255	\$ 1,835,314	\$ 3,961,787
Illinois Treasurer's Pool	-	-	428	428
Investments	-	-	1,748,928	1,748,928
Receivables (Net of Uncollectibles):				
Accounts	563	-	-	563
Due from Other Governments	83,580	-	76,825	160,405
Other Taxes	30,714	318,077	-	348,791
Due from Other Funds	-	-	25,167	25,167
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,241,075</u>	<u>\$ 318,332</u>	<u>\$ 3,686,662</u>	<u>\$ 6,246,069</u>
 LIABILITIES AND FUND BALANCE				
Liabilities:				
Due to Other Funds	\$ 198,231	\$ 84,832	\$ -	\$ 283,063
Accounts Payable	169,835	40,325	137,536	347,696
Deferred Revenues	2,802	-	-	2,802
Total Liabilities	<u>370,868</u>	<u>\$ 125,157</u>	<u>\$ 137,536</u>	<u>\$ 633,561</u>
Fund Balance:				
Restricted for Street Improvements	-	-	3,549,126	3,549,126
Committed for Street and Sewer Improvements	280,047	193,175	-	473,222
Committed for Other Infrastructure improvements	1,590,160	-	-	1,590,160
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u>1,870,207</u>	<u>193,175</u>	<u>3,549,126</u>	<u>5,612,508</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 2,241,075</u>	<u>\$ 318,332</u>	<u>\$ 3,686,662</u>	<u>\$ 6,246,069</u>

Non-Major Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Fiscal Year Ended June 30, 2011

	Capital Improvement and Replacement	Sanitary Sewer Construction	Motor Fuel Tax	Total
Revenues:				
Local Sales Tax - Motor Fuel	\$ 276,811	\$ -	\$ -	\$ 276,811
Sewer Benefit Tax	-	1,150,000	-	1,150,000
Intergovernmental	715,253	-	1,216,645	1,931,898
Investment Earnings:				
Interest	20,765	-	52,353	73,118
Net Appreciation (Depreciation) in Fair Value Investments	-	-	1,304	1,304
Total Net Investment Earnings	20,765	-	53,657	74,422
Licenses, Fines, and Service Charges	2,880	2,161	-	5,041
Other	6,397	-	-	6,397
Total Revenues	1,022,106	1,152,161	1,270,302	3,444,569
Expenditures:				
Current - Highways and Streets	156,449	72,990	-	229,439
Capital Outlay:				
Street and Light Improvements	932,096	-	175,253	1,107,349
Land Acquisition	20,000	-	76,400	96,400
Signal Improvements	9,041	-	-	9,041
Sewer Construction	133,437	319,177	-	452,614
Public Safety	22,354	-	-	22,354
General Buildings	34,084	-	-	34,084
Equipment	-	3,217	-	3,217
Total Capital Outlay	1,151,012	322,394	251,653	1,725,059
Total Expenditures	1,307,461	395,384	251,653	1,954,498
Net of Revenues Over (Under) Expenditures	(285,355)	756,777	1,018,649	1,490,071
Other Financing Sources (Uses):				
Transfers In (Out)	1,281,505	(579,320)	-	702,185
Net Change in Fund Balances	996,150	177,457	1,018,649	2,192,256
Fund Balance, Beginning of Year	874,057	15,718	2,530,477	3,420,252
Fund Balance, End of Year	\$ 1,870,207	\$ 193,175	\$ 3,549,126	\$ 5,612,508

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, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local Sales Tax - Motor Fuel	\$ -	\$ -	\$ 276,811	\$ 276,811
Intergovernmental	5,272,535	5,272,535	715,253	(4,557,282)
Investment Earnings:				
Interest	40,000	40,000	20,765	(19,235)
Licenses, Fines, and Service Charges	17,000	17,000	2,880	(14,120)
Other	5,000	5,000	6,397	1,397
 Total Revenues	 <u>5,334,535</u>	 <u>5,334,535</u>	 <u>1,022,106</u>	 <u>(4,312,429)</u>
Expenditures:				
Current - Highways and Streets	501,665	501,665	156,449	345,216
Capital Outlay:				
Street and Light Improvements	6,365,849	6,385,984	932,096	5,453,888
Land Acquisition	20,000	20,000	20,000	-
Signal Improvements	9,041	9,041	9,041	-
Sewer Construction	206,898	206,898	133,437	73,461
Public Safety	33,319	33,319	22,354	10,965
General Buildings	34,084	34,084	34,084	-
 Total Capital Outlay	 <u>6,669,191</u>	 <u>6,689,326</u>	 <u>1,151,012</u>	 <u>5,538,314</u>
 Total Expenditures	 <u>7,170,856</u>	 <u>7,190,991</u>	 <u>1,307,461</u>	 <u>5,883,530</u>
 Net of Revenues Over (Under) Expenditures	 <u>(1,836,321)</u>	 <u>(1,856,456)</u>	 <u>(285,355)</u>	 <u>1,571,101</u>
Other Financing Sources (Uses):				
Transfers In	921,540	941,675	1,281,505	339,830
 Net Change in Fund Balance	 (914,781)	 (914,781)	 996,150	 1,910,931
 Fund Balance, Beginning of Year	 <u>874,057</u>	 <u>874,057</u>	 <u>874,057</u>	 <u>-</u>
 Fund Balance, End of Year	 <u>\$ (40,724)</u>	 <u>\$ (40,724)</u>	 <u>\$ 1,870,207</u>	 <u>\$ 1,910,931</u>

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, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sewer Benefit Tax	\$ 964,160	\$ 964,160	\$ 1,150,000	\$ 185,840
Investment Earnings:				
Interest	4,000	4,000	-	(4,000)
Licenses, Fines and Service Charges	13,000	13,000	2,161	(10,839)
Total Revenues	<u>981,160</u>	<u>981,160</u>	<u>1,152,161</u>	<u>171,001</u>
Expenditures:				
Current - Highways and Streets	124,169	124,169	72,990	51,179
Capital Outlay:				
Sewer Construction	346,651	342,851	319,177	23,674
Equipment	-	3,800	3,217	583
Total Capital Outlay	<u>346,651</u>	<u>346,651</u>	<u>322,394</u>	<u>24,257</u>
Total Expenditures	<u>470,820</u>	<u>470,820</u>	<u>395,384</u>	<u>75,436</u>
Net of Revenues Over (Under) Expenditures	510,340	510,340	756,777	246,437
Other Financing Sources (Uses):				
Transfers (Out)	<u>(579,320)</u>	<u>(579,320)</u>	<u>(579,320)</u>	-
Net Change in Fund Balance	(68,980)	(68,980)	177,457	246,437
Fund Balance, Beginning of Year	<u>15,718</u>	<u>15,718</u>	<u>15,718</u>	-
Fund Balance, End of Year	<u>\$ (53,262)</u>	<u>\$ (53,262)</u>	<u>\$ 193,175</u>	<u>\$ 246,437</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, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental-				
State Allotment	\$ 1,028,320	\$ 1,028,320	\$ 1,040,549	\$ 12,229
Federal Reimbursements	1,314,000	618,000	-	(618,000)
State Reimbursements	-	-	176,096	176,096
Other Reimbursements	880,000	910,000	-	(910,000)
Total, Intergovernmental	<u>3,222,320</u>	<u>2,556,320</u>	<u>1,216,645</u>	<u>(1,339,675)</u>
Investment Earnings:				
Interest	50,000	50,000	52,353	2,353
Net Appreciation (Depreciation) in Fair Value Investments	-	-	1,304	1,304
Total Net Investment Earnings	<u>50,000</u>	<u>50,000</u>	<u>53,657</u>	<u>3,657</u>
Total Revenues	<u>3,272,320</u>	<u>2,606,320</u>	<u>1,270,302</u>	<u>(1,336,018)</u>
Expenditures-Capital Outlay:				
Street Improvements	4,817,317	4,937,317	175,253	4,762,064
Signal Improvements	200,000	200,000	-	200,000
Land Acquisition	900,000	900,000	76,400	823,600
Total Expenditures	<u>5,917,317</u>	<u>6,037,317</u>	<u>251,653</u>	<u>5,785,664</u>
Net Change in Fund Balance	(2,644,997)	(3,430,997)	1,018,649	4,449,646
Fund Balance, Beginning of Year	<u>2,530,477</u>	<u>2,530,477</u>	<u>2,530,477</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (114,520)</u>	<u>\$ (900,520)</u>	<u>\$ 3,549,126</u>	<u>\$ 4,449,646</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, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Parking Meters	\$ 755,490	\$ 755,490	\$ 831,732	\$ 76,242
Parking Rentals	271,140	271,140	275,240	4,100
Total Operating Revenues	1,026,630	1,026,630	1,106,972	80,342
Operating Expenses:				
Personnel Services	199,220	226,280	226,274	6
Supplies	44,340	44,340	36,090	8,250
Contractual Services	315,817	288,757	194,042	94,715
Depreciation	290,000	290,000	278,219	11,781
Total Operating Expenses	849,377	849,377	734,625	114,752
Operating Income	177,253	177,253	372,347	195,094
Non-Operating Revenues (Expenses):				
Investment Income (Net of Investment Expense):				
Interest	90,000	90,000	55,886	(34,114)
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	2,069	2,069
Total Net Investment Earnings	90,000	90,000	57,955	(32,045)
Interest Expense	(174,000)	(174,000)	(23,487)	150,513
Total Non-Operating Revenues (Expenses)	(84,000)	(84,000)	34,468	118,468
Income (Loss) Before Transfers	93,253	93,253	406,815	313,562
Transfers (Out)	(397,580)	(397,580)	(395,962)	1,618
Change in Net Assets	(304,327)	(304,327)	10,853	315,180
Net Assets, Beginning of Year	8,646,877	8,646,877	8,646,877	-
Net Assets, End of Year	\$ 8,342,550	\$ 8,342,550	\$ 8,657,730	\$ 315,180

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, 2011

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Charges for Services	\$ 1,054,570	\$ 1,054,570	\$ 893,437	\$ (161,133)
Operating Expenses:				
Personnel Services	373,580	373,580	341,976	31,604
Supplies	18,270	18,270	14,409	3,861
Contractual Services	147,060	147,060	105,950	41,110
Equipment Parts	210,000	210,000	163,045	46,955
Fuel	330,000	330,000	306,507	23,493
Depreciation	27,400	27,400	15,733	11,667
Total Operating Expenses	1,106,310	1,106,310	947,620	158,690
Operating Income (Loss)	(51,740)	(51,740)	(54,183)	(2,443)
Net Assets, Beginning of Year	300,061	300,061	300,061	-
Net Assets, End of Year	\$ 248,321	\$ 248,321	\$ 245,878	\$ (2,443)

CITY OF URBANA

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

June 30, 2011

ASSETS	Firemen's Pension Trust Fund	Policemen's Pension Trust Fund	Total
Cash and Cash Equivalents:			
Checking	\$ 5,185	\$ 2,399	\$ 7,584
Savings	96,633	159,114	255,747
Money Market Funds	739,893	711,102	1,450,995
Total Cash and Cash Equivalents	<u>841,711</u>	<u>872,615</u>	<u>1,714,326</u>
Investments, at Fair Value:			
U.S. Government Securities	12,153,566	11,179,338	23,332,904
Certificates of Deposit	2,917,189	1,000,000	3,917,189
Domestic Common Stocks	-	2,000,467	2,000,467
Mutual Funds	15,779,044	10,525,644	26,304,688
Total Investments	<u>30,849,799</u>	<u>24,705,449</u>	<u>55,555,248</u>
Receivables (Net of Uncollectibles)			
Property Tax	674,929	921,405	1,596,334
Member Loans	1,830	13,775	15,605
Accrued Interest	36,462	120,945	157,407
Total Receivables (Net of Uncollectibles)	<u>713,221</u>	<u>1,056,125</u>	<u>1,769,346</u>
Total Assets	<u>32,404,731</u>	<u>26,634,189</u>	<u>59,038,920</u>
 LIABILITIES			
Accounts Payable	1,166	11,128	12,294
Accrued Salaries and Taxes	-	16,352	16,352
Total Liabilities	<u>1,166</u>	<u>27,480</u>	<u>28,646</u>
 NET ASSETS			
Held in Trust for Pension Benefits	<u>\$ 32,403,565</u>	<u>\$ 26,606,709</u>	<u>\$ 59,010,274</u>

CITY OF URBANA

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

Fiscal Year Ended June 30, 2011

	Firemen's Pension	Policemen's Pension	Total
Additions:			
Employer Contributions	\$ 1,483,810	\$ 1,981,806	\$ 3,465,616
Employee Contributions	323,908	340,874	664,782
Total Contributions	<u>1,807,718</u>	<u>2,322,680</u>	<u>4,130,398</u>
Investment Income:			
Interest and Dividends	873,273	584,882	1,458,155
Net Increase (Decrease) in Fair Value of Investments	<u>3,392,428</u>	<u>2,392,472</u>	<u>5,784,900</u>
Total Investment Income	4,265,701	2,977,354	7,243,055
Less Investment Expense	<u>(7,283)</u>	<u>(114,571)</u>	<u>(121,854)</u>
Net Investment Income	<u>4,258,418</u>	<u>2,862,783</u>	<u>7,121,201</u>
Total Additions	<u>6,066,136</u>	<u>5,185,463</u>	<u>11,251,599</u>
Deductions:			
Benefits	1,607,912	1,740,123	3,348,035
Administrative Costs	<u>18,439</u>	<u>21,478</u>	<u>39,917</u>
Total Deductions	<u>1,626,351</u>	<u>1,761,601</u>	<u>3,387,952</u>
Change in Net Assets	4,439,785	3,423,862	7,863,647
Net Assets, Beginning of Year	<u>27,963,780</u>	<u>23,182,847</u>	<u>51,146,627</u>
Net Assets, End of Year	<u><u>\$ 32,403,565</u></u>	<u><u>\$ 26,606,709</u></u>	<u><u>\$ 59,010,274</u></u>

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	105
<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	111
<p>These schedules contain information to help the reader assess the City's most significant local revenue sources.</p>	
Debt Capacity	113
<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	118
<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	121
<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 (restated)
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Govt. Activities:										
Invested in Capital Assets, (net of related debt)	\$49,138	\$55,985	\$62,292	\$64,917	\$67,218	\$69,988	\$74,059	\$77,101	\$79,853	\$81,466
Restricted	8,204	9,221	9,515	9,610	11,872	11,098	11,907	12,905	14,164	13,603
Unrestricted	<u>23,243</u>	<u>21,845</u>	<u>22,556</u>	<u>22,705</u>	<u>22,842</u>	<u>24,519</u>	<u>25,637</u>	<u>24,615</u>	<u>21,977</u>	<u>22,085</u>
Total Govt. Activities, Net Assets	<u>\$80,585</u>	<u>\$87,051</u>	<u>\$94,363</u>	<u>\$97,232</u>	<u>\$101,932</u>	<u>\$105,605</u>	<u>\$111,603</u>	<u>\$114,621</u>	<u>\$115,994</u>	<u>\$117,154</u>
Business-type Activities:										
Invested in Capital Assets, (net of related debt)	\$4,139	\$4,624	\$4,940	\$5,160	\$5,055	\$5,025	\$4,893	\$5,017	\$5,458	\$ 5,609
Unrestricted	<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>	<u>3,189</u>	<u>3,049</u>
Total Business-type Activities, Net Assets	<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>	<u>\$8,647</u>	<u>\$8,658</u>
Primary Government:										
Invested in Capital Assets, (net of related debt)	\$53,277	\$60,609	\$67,232	\$70,077	\$72,273	\$75,013	\$78,952	\$82,118	\$85,311	\$87,075
Restricted	8,204	9,221	9,515	9,610	11,872	11,098	11,907	12,905	14,164	13,603
Unrestricted	<u>25,084</u>	<u>23,630</u>	<u>24,425</u>	<u>24,871</u>	<u>25,180</u>	<u>26,944</u>	<u>29,036</u>	<u>28,186</u>	<u>25,166</u>	<u>25,134</u>
Total Primary Government Net Assets	<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>	<u>\$124,641</u>	<u>\$125,812</u>

CITY OF URBANA
 Changes in Net Assets
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

(Page 1 of 2)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses:										
Govt. Activities:										
Public Safety	\$9,840	\$10,120	\$10,387	\$10,838	\$11,563	\$11,982	\$12,536	\$14,151	\$14,368	\$14,644
Highways & Streets	6,955	7,354	7,554	9,773	9,049	9,411	9,728	10,591	10,956	10,980
General Govt.	2,091	2,234	2,338	2,475	2,783	3,109	3,019	3,264	3,376	3,395
Urban Redevelopment and Housing	3,250	3,413	3,841	4,390	4,842	5,903	5,480	5,561	5,790	6,647
Interest on Long-term Debt	26	4	-	-	-	-	-	-	-	-
Library Services	2,404	2,326	2,461	2,666	2,801	3,103	3,298	3,641	3,693	3,582
Total Govt. Activities, Expenses	<u>24,566</u>	<u>25,451</u>	<u>26,581</u>	<u>30,142</u>	<u>31,038</u>	<u>33,508</u>	<u>34,061</u>	<u>37,208</u>	<u>38,183</u>	<u>39,248</u>
Business-type Activities:										
Motor Vehicle Parking	580	628	606	631	592	655	668	715	747	758
Total Primary Govt. Expenses	<u>\$25,146</u>	<u>\$26,079</u>	<u>\$27,187</u>	<u>\$30,773</u>	<u>\$31,630</u>	<u>\$34,163</u>	<u>\$34,729</u>	<u>\$37,923</u>	<u>\$38,930</u>	<u>\$40,006</u>
Program Revenues:										
Charges for Services:										
Public Safety	2,348	2,215	2,416	2,229	2,653	2,315	3,847	3,089	2,717	2,763
Highways and Streets	1,467	1,424	1,614	1,543	1,704	1,559	2,292	1,955	1,742	1,748
Other Activities	690	1,076	1,218	1,443	1,891	1,292	1,938	1,405	1,217	1,278
Operating Grants	2,284	1,364	2,012	2,345	2,800	1,837	1,720	1,797	2,200	1,799
Capital Grants	5	471	449	8	372	22	46	252	1,998	1,874
Total Govt. Activities Program Revenues	<u>6,794</u>	<u>6,550</u>	<u>7,709</u>	<u>7,568</u>	<u>9,420</u>	<u>7,025</u>	<u>9,843</u>	<u>8,498</u>	<u>9,874</u>	<u>9,462</u>
Business-type Activities: Charges for Services	<u>962</u>	<u>1,104</u>	<u>1,038</u>	<u>1,121</u>	<u>1,105</u>	<u>1,076</u>	<u>1,104</u>	<u>1,101</u>	<u>1,034</u>	<u>1,107</u>
Total Primary Govt. Program Revenues	<u>7,756</u>	<u>7,654</u>	<u>8,747</u>	<u>8,689</u>	<u>10,525</u>	<u>8,101</u>	<u>10,947</u>	<u>9,599</u>	<u>10,908</u>	<u>10,569</u>
Net (Expense) Revenue:										
Govt. Activities	(17,772)	(18,901)	(18,872)	(22,574)	(21,618)	(26,483)	(24,218)	(28,710)	(28,309)	(29,786)
Business-type Activities	382	476	432	490	513	421	436	386	287	349
Total Primary Govt. Net (Expense) Revenue	<u>\$ (17,390)</u>	<u>\$ (18,425)</u>	<u>\$ (18,440)</u>	<u>\$ (22,084)</u>	<u>\$ (21,105)</u>	<u>\$ (26,062)</u>	<u>\$ (23,782)</u>	<u>\$ (28,324)</u>	<u>\$ (28,022)</u>	<u>\$ (29,437)</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>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Revenues and Other										
Changes in Net Assets:										
Governmental Activities:										
Property Tax	6,259	6,816	7,191	7,809	8,320	9,081	9,430	10,968	10,401	11,614
Utility Tax	3,392	3,859	3,861	3,922	4,120	3,832	3,757	3,832	3,694	3,865
State & Local Sales Tax	5,608	5,498	5,685	6,038	6,604	8,094	8,836	8,736	8,422	9,070
Other Taxes	1,322	1,414	1,428	1,411	1,500	1,551	1,551	1,530	1,660	1,801
Intergovernmental	5,824	5,901	5,558	5,104	4,544	5,300	5,311	5,422	3,859	3,734
Investment Income	933	1,305	162	959	618	1,712	1,487	954	1,152	418
Other	715	504	481	157	122	87	88	86	144	47
Transfers	(169)	70	39	43	490	500	(245)	201	350	396
Total Govt. Activities	<u>23,884</u>	<u>25,367</u>	<u>24,405</u>	<u>25,443</u>	<u>26,318</u>	<u>30,157</u>	<u>30,215</u>	<u>31,729</u>	<u>29,682</u>	<u>30,945</u>
Business-type Activities										
Investment Income	44	23	7	70	44	136	161	111	122	58
Transfers	169	(70)	(39)	(43)	(490)	(500)	245	(201)	(350)	(396)
Total Business-type Activities	<u>213</u>	<u>(47)</u>	<u>(32)</u>	<u>27</u>	<u>(446)</u>	<u>(364)</u>	<u>406</u>	<u>(90)</u>	<u>(228)</u>	<u>(338)</u>
Total Primary Government	<u>24,097</u>	<u>25,320</u>	<u>24,373</u>	<u>25,470</u>	<u>25,872</u>	<u>29,793</u>	<u>30,621</u>	<u>31,639</u>	<u>29,454</u>	<u>30,607</u>
Change in Net Assets:										
Governmental Activities:	6,112	6,466	5,537	2,869	4,700	3,674	5,997	3,019	1,373	1,159
Business-type Activities	595	429	400	517	67	57	842	296	59	11
Total Primary Government	<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>\$ 3,315</u>	<u>\$ 1,432</u>	<u>\$ 1,170</u>

CITY OF URBANA
Fund Balances of Governmental Funds (restated)
Last Ten Fiscal Years

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund:										
Non-spendable, prepaids	\$286	\$264	\$290	\$283	\$282	\$287	\$352	\$324	\$300	\$371
Unassigned	<u>3,977</u>	<u>4,068</u>	<u>3,995</u>	<u>4,478</u>	<u>5,102</u>	<u>5,850</u>	<u>6,035</u>	<u>6,904</u>	<u>6,018</u>	<u>4,715</u>
Total, General Fund	<u>4,263</u>	<u>4,332</u>	<u>4,285</u>	<u>4,761</u>	<u>5,384</u>	<u>6,137</u>	<u>6,387</u>	<u>7,228</u>	<u>6,318</u>	<u>5,086</u>
All Other Govt. Funds:										
Non-spendable, prepaids	<u>-</u>	<u>-</u>	<u>186</u>	<u>66</u>	<u>359</u>	<u>79</u>	<u>84</u>	<u>36</u>	<u>34</u>	<u>29</u>
Restricted for:										
Library Services	432	758	1,618	1,382	1,474	1,581	1,733	1,766	1,860	2,080
T.I.F. Economic Development	-	2,929	4,584	4,793	6,393	6,620	7,726	8,603	9,443	7,974
Street Improvements	-	3,168	2,838	3,086	3,338	2,532	2,012	2,177	2,530	3,549
Total, Restricted	<u>432</u>	<u>6,855</u>	<u>9,040</u>	<u>9,261</u>	<u>11,205</u>	<u>10,733</u>	<u>11,471</u>	<u>12,546</u>	<u>13,833</u>	<u>13,603</u>
Committed for:										
Other Purposes	330	235	141	127	388	411	346	670	484	205
Vehicle & Eq. Replacement	2,650	3,104	3,585	4,332	4,528	4,868	4,942	4,561	4,388	4,011
Other Economic Development	6,233	4,911	4,234	2,653	2,406	2,030	1,884	591	521	683
Worker Compensation Claims	2,820	3,037	3,039	3,141	2,965	3,214	3,521	3,329	3,114	2,820
Street & Sewer Improvements	-	-	-	-	-	-	-	-	-	473
Other Infrastructure Impr.	<u>13,527</u>	<u>7,234</u>	<u>4,998</u>	<u>4,178</u>	<u>3,098</u>	<u>3,048</u>	<u>3,086</u>	<u>2,447</u>	<u>910</u>	<u>1,590</u>
Total, Committed	<u>25,560</u>	<u>18,521</u>	<u>15,997</u>	<u>14,431</u>	<u>13,385</u>	<u>13,571</u>	<u>13,779</u>	<u>11,598</u>	<u>9,417</u>	<u>9,782</u>
Total, All Other Govt. Funds	<u>25,992</u>	<u>25,376</u>	<u>25,223</u>	<u>23,758</u>	<u>24,949</u>	<u>24,383</u>	<u>25,334</u>	<u>24,180</u>	<u>23,284</u>	<u>23,414</u>
Total, All Govt. Funds	<u>\$30,255</u>	<u>\$29,708</u>	<u>\$29,508</u>	<u>\$28,519</u>	<u>\$30,333</u>	<u>\$30,520</u>	<u>\$31,721</u>	<u>\$31,408</u>	<u>\$29,602</u>	<u>\$28,500</u>

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues:										
Property Tax	\$6,305	\$6,674	\$7,557	\$7,695	\$8,187	\$8,830	\$9,258	\$10,560	\$10,533	\$11,768
Utility Tax	3,392	3,859	3,861	3,922	4,120	3,832	3,757	3,832	3,694	3,865
State & Local Sales Tax	5,608	5,498	5,685	6,038	6,603	8,094	8,836	8,736	8,422	9,070
Sewer Benefit and Hotel/Motel Tax	1,322	1,414	1,428	1,411	1,500	1,551	1,550	1,529	1,660	1,801
Intergovernmental	9,292	8,951	9,411	8,781	9,140	8,602	8,598	9,110	9,973	9,188
Investment Income	933	1,297	155	959	618	1,712	1,479	953	1,152	418
Licenses, Fines and Service Charges	3,360	3,499	3,858	3,891	4,824	3,723	6,556	4,811	3,761	4,009
Other	674	488	485	153	127	82	93	85	139	45
Total Revenues	30,886	31,680	32,440	32,850	35,119	36,426	40,127	39,616	39,334	40,164
Expenditures:										
Public Safety	9,528	9,918	10,552	11,141	11,938	12,489	13,113	14,011	14,552	14,899
Highways & Streets	4,659	5,052	5,236	5,676	6,126	6,494	6,729	7,716	8,104	7,900
General Govt.	2,016	2,195	2,261	2,400	2,685	3,078	2,942	3,078	3,273	3,349
Urban Redevelopment and Housing	3,237	3,402	3,822	4,383	4,806	5,886	5,463	5,468	5,755	6,628
Interest on Long-term Debt	256	482	-	-	-	-	-	-	-	-
Library Services	2,359	2,274	2,383	2,533	2,696	2,980	3,118	3,379	3,507	3,427
Capital Outlay	6,358	8,975	8,964	6,931	5,294	5,813	7,315	6,479	6,299	5,459
Total Expenditures	28,413	32,298	33,218	33,064	33,545	36,740	38,680	40,131	41,490	41,662
Excess of Revenues Over (Under) Expenditures	2,473	(618)	(778)	(214)	1,574	(314)	1,447	(515)	(2,156)	(1,498)
Other Financing Sources (Uses), Transfers In (Out)	(242)	71	(78)	(120)	241	500	(245)	201	350	396
Net Changes in Fund Balance	\$2,231	(\$547)	(\$856)	(\$334)	\$1,815	\$186	\$1,202	(\$314)	(\$1,806)	(\$1,102)
Debt Service as a % of Non-capital Expenditures	1.2%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

CITY OF URBANA
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as % of Actual Value
2011	\$ 350,754,767	\$ 245,020,899	\$ 595,775,666	\$ 0.01294	\$ 1,787,326,998	33%
2010	\$ 345,226,107	\$ 246,662,888	\$ 591,888,995	\$ 0.01294	\$ 1,775,666,985	33%
2009	\$ 339,924,357	\$ 240,170,456	\$ 580,094,813	\$ 0.01294	\$ 1,740,284,439	33%
2008	\$ 325,902,257	\$ 216,421,955	\$ 542,324,212	\$ 0.01294	\$ 1,626,972,636	33%
2007	\$ 298,445,597	\$ 207,230,391	\$ 505,675,988	\$ 0.01294	\$ 1,517,027,964	33%
2006	\$ 272,438,176	\$ 196,612,417	\$ 469,050,593	\$ 0.01312	\$ 1,407,151,779	33%
2005	\$ 251,591,356	\$ 176,215,955	\$ 427,807,311	\$ 0.01312	\$ 1,283,421,933	33%
2004	\$ 228,417,723	\$ 154,153,753	\$ 382,571,476	\$ 0.01312	\$ 1,147,714,428	33%
2003	\$ 209,667,923	\$ 143,906,739	\$ 353,574,662	\$ 0.01318	\$ 1,060,723,986	33%
2002	\$ 196,154,448	\$ 139,556,948	\$ 335,711,396	\$ 0.01331	\$ 1,007,134,188	33%

CITY OF URBANA
Property Tax Rates, Direct and Overlapping Governments
Last Ten Fiscal Years
Tax Rates per \$100 Assessed Valuation

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
City of Urbana:										
Library	0.4927	0.4998	0.4853	0.4752	0.4822	0.4787	0.4950	0.5262	0.5474	0.5433
General	0.2339	0.2735	0.3312	0.3472	0.3357	0.3326	0.3269	0.2941	0.2954	0.3429
Police Pension	0.3266	0.2964	0.2704	0.3034	0.2921	0.2913	0.2851	0.2909	0.2933	0.3040
Fire Pension	0.2410	0.2245	0.2073	0.1684	0.1842	0.2094	0.2050	0.2008	0.1817	0.1412
Subtotal, City	1.2942	1.2942	1.2942	1.2942	1.2942	1.3120	1.3120	1.3120	1.3178	1.3314
School District	4.4083	4.3178	4.3507	4.2880	4.3377	4.3178	4.4758	4.5961	4.6701	4.7448
Champaign County	0.7688	0.7487	0.7426	0.7389	0.7616	0.7801	0.7981	0.7048	0.7117	0.6200
Park District	0.8586	0.8354	0.6962	0.6961	0.7066	0.7218	0.7463	0.7534	0.7767	0.7939
Parkland College	0.5064	0.5082	0.5115	0.4688	0.4720	0.4776	0.4847	0.4838	0.4652	0.4556
Mass Transit	0.2725	0.2619	0.2575	0.2544	0.2592	0.2623	0.2677	0.2695	0.2728	0.2772
Cunningham Town	0.1942	0.1885	0.1875	0.1917	0.1919	0.1932	0.1988	0.2017	0.2048	0.2051
Public Health	0.1075	0.1071	0.1052	0.1049	0.1060	0.1087	0.1126	0.1135	0.1152	0.1172
Forest Preserve	0.0817	0.0790	0.0783	0.0779	0.0800	0.0818	0.0839	0.0840	0.0850	0.0859
Total	8.4922	8.3408	8.2237	8.1149	8.2092	8.2553	8.4799	8.5188	8.6193	8.6311

Source: Champaign County Clerk

CITY OF URBANA
Principle Property Taxpayers
June 30, 2011

	2011			2002		
	Equalized Assessed Value	Rank	Percent of Total Assessed Valuation	Equalized Assessed Value	Rank	Percent of Total Assessed Valuation
Carle Foundation (Health Care)	\$60,751,520	1	10.2%	\$14,777,770	1	4.4%
Provena Covenant (Health Care)	14,056,040	2	2.4%	-	-	-
Campus Property Management (Residential Housing)	10,415,560	3	1.7%	7,719,660	2	2.3%
Town and Country Apartments (Residential Housing)	8,600,750	4	1.4%	5,631,560	4	1.7%
Lincoln Melrose Association (Residential Housing)	5,331,830	5	0.9%	5,707,580	3	1.7%
Walmart (Retail Sales)	5,159,630	6	0.9%	-	-	-
Urbana Capstone Associates (Residential Housing)				3,953,960	8	1.2%
Flex-N-Gate (Manufacturing)	5,069,990	7	0.9%	3,990,320	7	1.2%
Clark Lindsey Village (Residential Retirement)	4,722,490	8	0.8%	3,598,820	10	1.1%
J.M. Jones (Food Service)	4,426,960	9	0.7%	4,764,900	5	1.4%
The Pointe at U/I (Residential Housing)	4,032,930	10	0.7%	-	-	-
C.U. Partners, Holiday Inn (Hotel)	-	-	-	3,998,300	6	1.2%
First Busey Corp. (Banking)	-	-	-	3,820,730	9	1.1%
Total	\$122,567,700		20.6%	\$57,963,600		17.3%

Source: Champaign County Clerk

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended	Tax Levy for Fiscal Year	Collected in Fiscal Year		Collected in Subsequent Years	Total Collections to Date	
		Amount	% Levy		Amount	% Levy
2011	\$7,710,529	\$3,949,073	51.2%	\$0	\$3,949,073	51.2%
2010	\$7,660,227	\$3,869,925	50.5%	\$3,768,393	\$7,638,318	99.7%
2009	\$7,507,666	\$3,786,555	50.4%	\$3,721,111	\$7,507,666	100.0%
2008	\$7,018,760	\$3,509,185	50.0%	\$3,498,762	\$7,007,947	99.8%
2007	\$6,544,459	\$3,347,995	51.2%	\$3,170,172	\$6,518,167	99.6%
2006	\$6,153,944	\$3,197,666	52.0%	\$2,939,507	\$6,137,173	99.7%
2005	\$5,612,832	\$2,904,711	51.8%	\$2,692,410	\$5,597,121	99.7%
2004	\$5,019,338	\$2,538,384	50.6%	\$2,470,618	\$5,009,002	99.8%
2003	\$4,659,407	\$2,453,220	52.7%	\$2,112,980	\$4,566,200	98.0%
2002	\$4,469,662	\$2,221,005	49.7%	\$2,219,486	\$4,440,491	99.3%

Source: Champaign County Clerk

Note: Does not include special service areas or tax increment.

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

Fiscal Year	Governmental Activities		Business-Type Activities Parking Bonds	Total Primary Government	% of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases				
2011	\$ -	\$ -	\$ 401,391	\$ 401,391	0.03%	\$ 9.73
2010	\$ -	\$ -	\$ 548,203	\$ 548,203	0.04%	\$ 13.63
2009	\$ -	\$ -	\$ 684,039	\$ 684,039	0.05%	\$ 17.46
2008	\$ -	\$ -	\$ 808,981	\$ 808,981	0.07%	\$ 21.22
2007	\$ -	\$ -	\$ 923,102	\$ 923,102	0.08%	\$ 24.89
2006	\$ -	\$ -	\$ 1,026,470	\$ 1,026,470	0.10%	\$ 28.05
2005	\$ -	\$ -	\$ 1,122,669	\$ 1,122,669	0.10%	\$ 30.71
2004	\$ -	\$ -	\$ 1,414,712	\$ 1,414,712	0.14%	\$ 38.74
2003	\$ -	\$ -	\$ 1,686,295	\$ 1,686,295	0.17%	\$ 46.23
2002	\$ 470,095	\$ -	\$ 2,217,240	\$ 2,687,335	0.28%	\$ 73.76

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Personal income and population can be found on the the Schedule of Demographic and Economic Statistics on page 119.

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

Fiscal Year	General Obligation Bonds	Less Amount in Debt Service Funds	Net General Bonded Debt	% of Est. Actual Taxable Property Value	Per Capita
2011	\$ -	\$ -	\$ -	0.0%	\$ -
2010	\$ -	\$ -	\$ -	0.0%	\$ -
2009	\$ -	\$ -	\$ -	0.0%	\$ -
2008	\$ -	\$ -	\$ -	0.0%	\$ -
2007	\$ -	\$ -	\$ -	0.0%	\$ -
2006	\$ -	\$ -	\$ -	0.0%	\$ -
2005	\$ -	\$ -	\$ -	0.0%	\$ -
2004	\$ -	\$ -	\$ -	0.0%	\$ -
2003	\$ -	\$ -	\$ -	0.0%	\$ -
2002	\$ 470,095	\$ -	\$ 470,095	0.05%	\$ 12.90

Note: 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 can be found in the Schedule of Demographic and Economic Statistics on page 119. Information on taxable value can be found in the Schedule on page 110.

CITY OF URBANA

Direct and Overlapping Governmental Activities Debt

June 30, 2011

Governmental Unit	Principal Debt City of Urbana	% Applicable to City of Urbana	(1) Amount Applicable to City of Urbana
Debt Repaid with Property Tax:			
School District	\$ 44,023,000	84%	\$ 37,181,238
Champaign County	12,816,581	17%	2,143,988
Forest Preserve	204,000	16%	33,652
Parkland College	67,440,000	12%	8,374,080
C-U Health District	2,934,873	28%	834,321
C-U Mass Transit District	-	25%	-
Urbana Park District	<u>1,155,000</u>	98%	<u>1,128,849</u>
Subtotal, Overlapping Debt			49,696,130
City of Urbana Direct Debt			<u>0</u>
Total Direct and Overlapping Debt			<u><u>\$ 49,696,130</u></u>

Source: Assessed value provided by Champaign County Clerk. Outstanding debt provided by each government unit.

Note: Overlapping governments are those that coincide, at least in part, with the boundaries of the City of Urbana. This schedule estimates the portion of 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 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 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
 Revenue Supported Bond Coverage
 Last Ten Fiscal Years

Fiscal Year	(1) Revenue	(2) Expense	Available for Debt Service	Debt Service			(3) Coverage
				Principal	Interest	Total	
2011	\$ 1,164,927	\$ 852,367	\$ 312,560	\$ 146,812	\$ 25,487	\$ 172,299	1.81
2010	\$ 1,156,006	\$ 791,490	\$ 364,516	\$ 135,836	\$ 28,665	\$ 164,501	2.22
2009	\$ 1,211,586	\$ 608,863	\$ 602,723	\$ 124,942	\$ 34,782	\$ 159,724	3.77
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	2.23
2004	\$ 1,045,646	\$ 304,358	\$ 741,288	\$ 271,583	\$ 95,895	\$ 367,478	2.02
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

Note: 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 the Parking Revenue Bonds issued in 1997, the Downtown Parking Revenue Bonds issued in 1981 and refunded early by the 1985 Parking Bonds, which in turn were refunded by the 1994 Parking Bonds, which in turn were refunded by the 2005 Parking Bonds.

CITY OF URBANA
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(1) Population	(2) Personal Income	Per Capita Income	(1) Median Age	(3) Education Level in Years of Formal Schooling	(4) School Enrollment	(5) Unemployment Rate
2011	\$ 41,250	\$ 1,418,918	\$ 34,398	24.8	14.1	4,242	8.6%
2010	\$ 40,210	\$ 1,363,923	\$ 33,920	24.6	14.1	4,206	10.4%
2009	\$ 39,170	\$ 1,345,411	\$ 34,348	24.6	14.1	4,155	8.7%
2008	\$ 38,130	\$ 1,225,117	\$ 32,130	24.6	13.5	4,141	5.6%
2007	\$ 37,090	\$ 1,130,837	\$ 30,489	24.6	13.5	4,088	3.9%
2006	\$ 36,590	\$ 1,078,088	\$ 29,464	24.6	13.5	4,303	4.1%
2005	\$ 36,555	\$ 1,079,067	\$ 29,519	24.6	13.1	4,369	4.8%
2004	\$ 36,515	\$ 991,163	\$ 27,144	24.6	13.1	4,414	5.4%
2003	\$ 36,475	\$ 976,144	\$ 26,762	24.6	13.1	4,574	3.6%
2002	\$ 36,435	\$ 974,126	\$ 26,736	24.6	13.1	4,583	3.1%

Sources: (1) Estimate by city staff from U.S. Bureau of Census information. Median age and education levels are based on information from the last quarter of the previous calendar year.

(2) Bureau of Economic Analysis. U.S. commerce Dept., for Champaign-Urbana M.S.A. Amount is for total for the year, expressed in thousands.

(3) Estimate by city staff from American Community Survey. American Community Survey of educational levels is conducted once every three years. Level for year 2009-2011 is based on the three year survey 2008-2010

(4) Urbana School District #116. Number is from start of school year.

(5) Illinois Bureau of Employment Security , expressed as a percentage. Rate is for last quarter of fiscal year.

CITY OF URBANA

Principle Employers

Current Year and Five Years Ago

Employer	Description	2011			2006		
		Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% of Total Employment
University of Illinois	Education	10,820	1	11.2%	13,571	1	11.9%
Carle Group	Health Care	6,000	2	6.2%	5,669	2	5.0%
Champaign Schools	Education	1,351	3	1.4%	1,378	3	1.2%
Kraft Foods	Manufacturing	1,350	4	1.4%	1,340	4	1.2%
Provena Hospital	Health Care	938	6	1.0%	1,200	5	1.1%
Parkland College	Education	930	5	1.0%	882	6	0.8%
Urbana Schools	Education	900	7	0.9%	730	8	0.6%
Champaign County	Government	853	9	0.9%	800	7	0.7%
Plastipak	Manufacturing	810	8	0.8%	-	-	-
Christie Clinic	Health Care	750	10	0.8%	-	-	-
Solo Cup	Manufacturing	-	-	-	700	9	0.6%
Super Value	Food Distribution	-	-	-	625	10	0.5%
Total		24,702		25.5%	26,895		23.6%

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

Note: These employment figures (including total employment) are based on figures 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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety:										
Police Safety:										
Sworn	51.0	51.0	51.0	51.0	54.0	55.0	55.0	55.0	55.0	55.0
Civilian	20.0	21.0	21.0	21.0	21.0	21.0	22.0	22.0	22.0	22.0
Fire Safety:										
Sworn	57.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0	56.0
Civilian	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Highways and Streets:										
Administration	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0
Maintenance	32.5	32.5	32.5	32.5	31.5	31.5	32.5	32.5	32.5	29.5
Engineering	10.5	10.5	10.5	10.5	12.5	12.5	12.5	12.5	13.5	13.5
Fleet	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Arbor	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Facilities	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Environmental	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
General Government										
Administration	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	3.5
Legal	3.0	3.0	3.0	3.0	3.0	4.0	5.0	5.0	5.0	4.0
Human Resources	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Human Relations	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Finance	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Information Tech.	10.0	11.0	11.0	11.0	11.0	11.0	11.0	12.0	12.0	10.0
City Clerk	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Urban Redevelopment and Housing:										
Planning	6.5	6.5	6.5	6.5	6.5	6.5	7.5	8.5	8.5	6.5
Economic Dev.	3.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Building Safety	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Housing	4.2	4.2	4.2	4.2	4.2	5.2	5.2	5.2	5.2	5.2
Library Services	43.0	44.0	44.0	44.0	45.0	47.0	47.0	48.0	48.0	47.0
Total	304.0	309.0	309.0	309.0	315.0	320.0	324.0	327.0	328.0	317.0

Source: City Finance Department

Note: The reduction of 11 employees in 2011 was in response to the economic decline. It is anticipated that as revenues improve in the future, these positions will be restored to 2010 levels.

CITY OF URBANA

Operating Indicators, by Function

Last Ten Fiscal Years

(Page 1 of 2)

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety:										
Police Safety:										
Arrests	5,793	5,986	6,750	6,730	7,509	7,281	7,227	7,442	7,251	6,348
Service Calls	22,205	21,470	22,737	22,916	19,681	20,479	21,480	21,967	20,964	20,226
Reports Written	7,761	7,505	8,014	8,209	7,649	7,740	6,277	7,163	7,119	6,945
Parking Tickets Issued	87,475	67,212	58,354	53,640	55,451	46,186	42,772	35,143	33,601	24,436
Fire Safety:										
Fire Calls	159	148	179	173	192	179	128	182	176	174
Other Calls	3,666	3,741	3,794	3,817	3,872	4,050	3,937	4,402	4,269	4,441
Inspections	1,224	1,014	1,206	1,061	1,277	1,327	1,240	881	1,054	1,095
Highways and Streets:										
Street Resurfacing (Sq. Yard Asphalt and Concrete)	(information before 2007 not available)					74,000	41,000	37,550	48,182	62,010
Recycled Tons of Waste Collected (in thousands)::										
Non-landscape	5.6	5.8	5.8	5.8	6.0	6.0	6.2	7.8	7.3	8.6
Landscape	8.7	11.8	10.3	11.0	12.4	13.5	14.5	19.0	20.3	16.9

CITY OF URBANA
 Operating Indicators, by Function
 Last Ten Fiscal Years

(Page 2 of 2)

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government:										
Licenses/Permits Processed	1,526	2,919	2,528	2,641	2,645	2,781	2,662	2,435	2,419	2,289
Parking Rentals and Permits	1,009	2,401	1,925	1,944	2,025	1,947	1,917	1,827	1,837	1,815
Urban Redevelopment and Housing:										
Permits Issued	1,744	2,326	2,457	2,439	2,121	1,982	1,852	1,642	1,627	24
Zoning/Planning Cases	89	75	93	79	99	86	59	76	54	51
Library Services:										
Items Circulated (in thousands)	797	753	661	777	836	878	904	878	858	876
Reference Questions (in thousands)	134	130	95	105	125	118	119	119	123	119
Attendance at Library Programs (thousands)	30	25	24	25	30	29	30	32	30	34

Source: Various city departments.

CITY OF URBANA
Capital Asset Statistics, By Function
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety:										
Police Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	23	23	24	25	25	25	25	25	25	25
Fire Safety:										
Fire Stations	4	4	4	4	4	4	4	4	4	4
Response Units	8	8	8	8	8	8	8	8	8	8
Highways and Streets:										
Area City (sq. mi.)	10.5	11.4	11.5	11.5	11.6	11.6	11.6	11.7	11.9	11.9
Miles Streets	124.5	126.7	127.8	128.3	130.4	141.2	141.6	144.6	145.5	145.5
Miles Sewers	184.2	185.0	199.7	201.8	221.2	222.1	225.7	235.6	237.3	241.0
Street Lights	3,738	3,767	3,767	3,469	3,469	3,744	3,782	3,701	3,703	3,701
City Trees	11,840	11,980	12,120	12,260	12,400	12,550	12,580	12,610	12,640	12,670
Library Services:										
Library Building (sq. feet)	25,000	25,000	27,000	52,000	52,000	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.