

COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF URBANA, ILLINOIS
JUNE 30, 2015



**CITY OF URBANA
URBANA, ILLINOIS**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended
June 30, 2015

Officials Issuing Report
Elizabeth Hannan, Finance Director
Sophie Pham, City Accountant

CITY OF URBANA

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**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

December 23, 2015

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

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, 2015.

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 Finance Director. 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 Baker Tilly Virchow Krause, 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, Baker Tilly Virchow Krause, LLP, concluded that there was a reasonable basis for rendering an unmodified 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. 11.9 square miles are within the City boundaries. The University of Illinois is located in both Urbana and Urbana's twin city of Champaign. Urbana's population is estimated at 42,044 for 2013 and tends to be younger and more diverse than the population of the State as a whole. Residents are also highly educated, with more than 55% holding a bachelor's degree or higher. Nearly 60% of housing units are in multi-unit structures, which is much higher than for the State as a whole. All of these factors contribute to making Urbana a unique and vibrant community.

The City operates under the mayor/aldermanic 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 appointment of department and division heads.

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

Police:	Patrol, Traffic Control, and Criminal Investigation
Fire:	Fire Suppression, Fire Prevention, and Emergency Medical Assistance
Public Works:	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:	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.

Financial Planning

Finance staff develops a financial forecast annually, which is used for developing a strategy for the budget process. This informs decisions such as requiring departments to make budget reductions, or considering new or enhanced programs or services.

The annual budget serves as the foundation for the City's financial planning and control. All departments submit budget requests to the Finance Department, which are then reviewed by Finance staff and the Mayor. The Mayor makes final decisions on the proposed budget, which is then presented to the City Council for review. The City Council reviews the proposed budget in several open meetings and holds a public hearing and adopts the budget before the beginning of the new fiscal year. The budget is prepared by fund, department, activity, and expenditure classification (e.g., supplies, services). The level of expenditures cannot exceed budgeted amounts within certain basic expenditure categories within an individual department for the General Fund or for the fund in whole for non-general funds. All funds have balanced annual budgets, prepared on a cash basis, and approved by the City Council, except for pension trust funds. Pension trust funds are managed by appointed Trustees and budgetary control is maintained through an annual actuarial review.

The Finance Director is authorized to transfer amounts within basic expenditure categories of personnel, supplies, services, and capital with the approval of the Mayor. This budgetary control is maintained through weekly and monthly financial reports. Budget to actual comparisons are provided in this report for each individual governmental fund for which a budget has been adopted.

Local Economy

The information presented in the financial statements is, perhaps, best understood in the context of the specific environment in which the City of Urbana operates.

The presence of the University of Illinois has a significant, stabilizing influence on the local economy. In addition to bringing nearly 44,000 students to the Urbana-Champaign area, the University employs more than 10,000, including many residents of the City of Urbana.

The University of Illinois “Flash Index,” which is the most current measure of the State’s economic performance, is at 105.8 for October, 2015. An index over 100 indicates growth. In addition, the local unemployment rate dropped to 5.1% in October, the lowest level for the month of October since 2007. Both of these are positive indicators for the local economy.

State and local sales tax revenue make up about 36% of General Fund revenues. Local sales taxes increased by 11.4%, largely due to an increase the rate from 1.25% to 1.5%, which was effective January 1, 2014. State sales and use taxes increased by a modest 1.7%. Reliance on sales tax as a revenue source can be problematic during economic downturns.

The taxable assessed value increased by a modest 0.6% in 2014. This was the first increase since 2010. Despite decreases in assessments, the City has maintained a relatively stable tax rate for the past few years. Very modest growth is also expected for 2015, when assessments are finalized. Based on building permits for uncompleted construction, the City expects a more substantial increase in 2016.

Major Initiatives

Significant initiatives for the City in fiscal year 2015 were:

- a) Work continued on extending Olympian Drive across the north side of Urbana and Champaign to tie into the existing North Lincoln Avenue. This will increase ease of access to north Urbana and encourage industrial development in that area.
- b) Improvements to High Cross Road from south of Florida to US 150 were completed. These improvements will support additional development in this area.
- c) Existing concrete pavement is being replaced on Winsor Road from west of Race Street to east of Philo Road. Windsor Road is an important arterial street connecting the south sides of Urbana and Champaign.
- d) Improvements to the Boneyard Creek included creating a central park that will bring value to the community. This project includes streetscape improvements on Race and Broadway.
- e) In late 2014, the City of Urbana, along with the City of Champaign, the University of Illinois, and the Champaign-Urbana Mass Transit District were awarded a \$15.7 million federal grant to rebuild infrastructure in the core of the community. The

MCORE (Multimodal Corridor Enhancement) Project will have a transformative impact on the core of our community, including improvements on Green Street from Wright to Race in the City of Urbana.

- f) The City saw a significant increase in the value of building permits issued, which will translate to future increases in the City's assessed value.
- g) The City continued to use Tax Increment Financing District funds to incentivize redevelopment in several areas, including Downtown Urbana.
- h) Urbana was listed in the Popular Mechanics list of Best Startup Cities in America, and was also listed as having one of the top ten best main streets in Illinois by onlyinyourstate.com.
- i) Build out of the fiber network by iTV3 has begun in several Urbana residential neighborhoods, based on commitments from property owners to use this service. Access to high speed internet increases the desirability of properties in the City.
- j) The City continues to work to overturn the state law which grants hospitals property tax relief in exchange for "charity care". This law has adversely affected Urbana which has two regional hospitals. Urbana, with 3% of the region's population absorbed 83% of the tax loss. This not only raised the taxes for every property owner, but drove Urbana's tax rate 25% above that in the adjacent city of Champaign—clearly an unsustainable situation for Urbana.

Acknowledgements

I would like to commend the 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, all officials, officers and staff throughout 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,



Elizabeth A. Hannan
Finance Director

CITY OF URBANA

LIST OF PRINCIPAL OFFICIALS

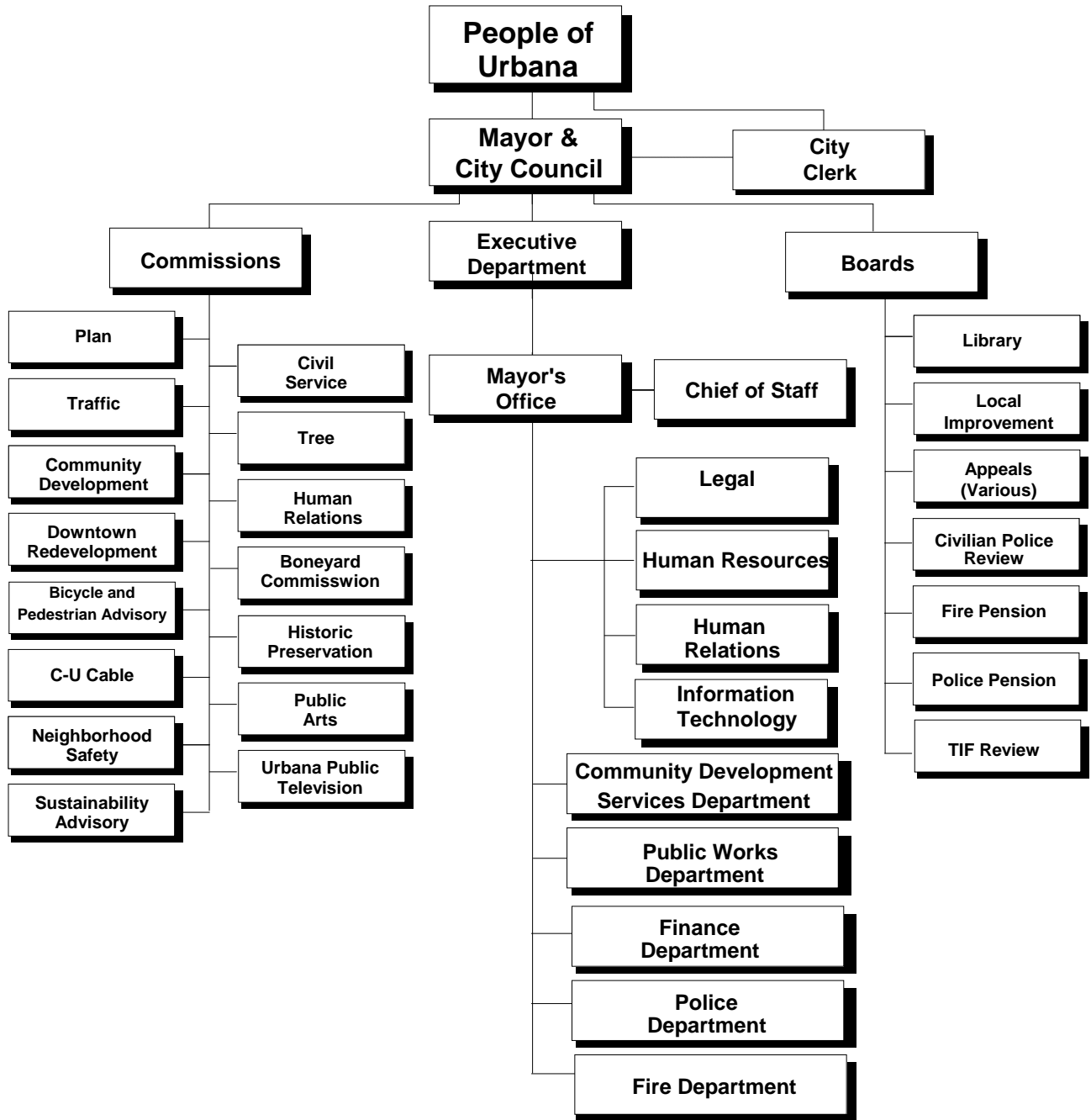
Elected Officials


Mayor	Laurel Lunt Prussing
Aldersperson, Ward 1	Charlie Smyth
Aldersperson, Ward 2	Eric Jakobsson
Aldersperson, Ward 3	Aaron Ammons
Aldersperson, Ward 4	Bill Brown
Aldersperson, Ward 5	Dennis Roberts
Aldersperson, Ward 6	Michael Madigan
Aldersperson, Ward 7	Diane Marlin
City Clerk	Phyllis Clark

Appointed Officials

Finance Director	Elizabeth Hannan
Police Chief	Patrick Connolly
Public Works Director	William Gray
Fire Chief	Brian Nightlinger
Community Development Director	Elizabeth Tyler

Organizational Chart





City of Urbana
Organization Chart
Structure And Major Service Functions

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Urbana, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Urbana, Illinois, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Urbana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement. The financial statements of the Urbana Free Library, the City Urbana Police Pension Fund, and the City of Urbana Firefighters' Pension Fund were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control over financial reporting relevant to the City of Urbana's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Urbana's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Mayor and Members of the City Council
City of Urbana

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Urbana, Illinois, as of June 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the City of Urbana adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pension - an Amendment of GASB Statement No. 27*, effective July 1, 2014. Net position as of June 30, 2014 has been restated as a result. Our opinions are not modified with respect to this matter.

As discussion in Note I the City of Urbana adopted the provisions of GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, effective July 1, 2014. Net position as of June 30, 2014 has been restated as a result. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Urbana's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Honorable Mayor and Members of the City Council
City of Urbana

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Urbana's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of the City of Urbana'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Urbana's internal control over financial reporting and compliance.

Brian Tilly *Vicki Kraus, LLP*

Oak Brook, Illinois
December 23, 2015

CITY OF URBANA

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended June 30, 2015 (Unaudited)

The discussion and analysis of City of Urbana's (the "City") financial performance provides an overall review of the City's financial activities for the year ended June 30, 2015. The management of the City encourages readers to consider the information presented herein in conjunction with the transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the City's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$109.1 million (net position). Of this amount \$4.3 million is unrestricted and may be used to meet the government's ongoing obligation to citizens and creditors.
- In total, net position increased by \$5.9 million. This represents a 6% increase from 2014 and occurred because revenues exceeded expenses by nearly \$6.0 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$32.7 million, an increase of \$2.1 million in comparison with the prior year. Approximately \$23.0 million is available for spending at the government's discretion (unrestricted fund balance).
- General revenues accounted for \$31.2 million in revenue or 70% of all governmental revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$13.5 million or 30% of total governmental revenues of \$44.6 million.
- The City had \$39.4 million in expenses related to government activities. However, only \$13.5 million of these expenses were offset by program specific charges and grants.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11.4 million, or 41% of the total General Fund expenditures.
- The City's total debt increased by \$1.7 million during the current year to \$8.7 million. This was due to new debt being issued for Windsor Road improvements.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements.

CITY OF URBANA

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended June 30, 2015 (Unaudited)

This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business, and are reported using the accrual basis of accounting and economic resources measurement focus.

The statement of net position presents information on all of the City's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position 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.

The government-wide financial statements can be divided into two types of activities: governmental and business type. Governmental activities present the functions of the City that are principally supported by taxes and intergovernmental revenues. Business type activities present the functions that are intended to recover all or a significant portion of their costs through user fees and charges. The City's governmental activities include functions like general government, public safety, highways and streets, and urban redevelopment and housing. The City's business type activities include motor vehicle parking.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds, enterprise funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources; as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements.

CITY OF URBANA

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended June 30, 2015 (Unaudited)

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

The City maintains 4 major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Vehicle and Equipment Replacement Fund, Capital Improvement and Replacement Fund, and the Motor Fuel Tax Fund. Data from the remaining 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 schedules elsewhere in this report. The City adopts an annual budget for each of the major funds listed above. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds

The City 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 utilizes enterprise funds to account for its motor vehicle parking system. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

The City of Urbana uses internal service funds to account for equipment services. Because these services predominantly benefit governmental rather than business type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Motor Vehicle Parking Fund, which is considered to be a major fund of the City. Conversely, the internal service fund is combined into a single, aggregated presentation in the proprietary fund financial statements.

Fiduciary funds

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

CITY OF URBANA

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended June 30, 2015 (Unaudited)

Notes to basic financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's contributions and funding progress of the Illinois Municipal Retirement Fund, Police Pension Fund and Firefighters' Pension Fund; as well as, budget to actual comparisons of the funds. Supplementary schedules include combining and individual fund schedules of all non-major funds and Fiduciary Funds.

CITY OF URBANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015
(Unaudited)

Government-Wide Financial Analysis

Table 1 Condensed Statements of Net Position (in millions of dollars)						
	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	2015	2014*	2015	2014*	2015	2014*
Assets						
Current and other assets	\$ 41.2	\$ 53.2	\$ 2.6	\$ 2.6	\$ 43.8	\$ 55.8
Capital assets	<u>98.0</u>	<u>91.8</u>	<u>5.8</u>	<u>6.0</u>	<u>103.8</u>	<u>97.8</u>
Total assets	139.2	145.0	8.4	8.6	147.6	153.6
Deferred outflows of resources						
Deferred outflows related to pension	<u>7.7</u>	<u>0.7</u>	<u>0.1</u>	<u>-</u>	<u>7.8</u>	<u>0.7</u>
Total deferred outflows of resources	7.7	0.7	0.1	-	7.8	0.7
Liabilities						
Long-term liabilities	37.8	28.8	0.1	0.1	37.9	28.9
Other liabilities	<u>4.8</u>	<u>19.0</u>	<u>0.2</u>	<u>0.2</u>	<u>5.0</u>	<u>19.2</u>
Total liabilities	<u>42.6</u>	<u>47.8</u>	<u>0.3</u>	<u>0.3</u>	<u>42.9</u>	<u>48.1</u>
Deferred inflows of resources						
Property taxes levied for future periods	2.9	3.0	-	-	2.9	3.0
Deferred inflows related to pension	<u>0.5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.5</u>	<u>-</u>
Total deferred inflows of resources	<u>3.4</u>	<u>3.0</u>	<u>-</u>	<u>-</u>	<u>3.4</u>	<u>3.0</u>
Net position						
Net investment in capital assets	90.7	86.2	5.8	6.0	96.5	92.2
Restricted	8.2	8.4	-	-	8.2	8.4
Unrestricted	<u>2.0</u>	<u>0.3</u>	<u>2.4</u>	<u>2.3</u>	<u>4.4</u>	<u>2.6</u>
Total net position	<u>\$ 100.9</u>	<u>\$ 94.9</u>	<u>\$ 8.2</u>	<u>\$ 8.3</u>	<u>\$ 109.1</u>	<u>\$ 103.2</u>

* Prior year information has been updated for the City's implementation of GASB Statement No. 68 in fiscal year 2015.

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

Net results of activities – which will impact (increase/decrease) current assets and unrestricted net position.

CITY OF URBANA

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended June 30, 2015 (Unaudited)

Borrowing for capital – which will increase current assets and long-term debt.

Spending borrowed proceeds on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) increase capital assets and long-term debt, which will not change the net investment in capital assets.

Spending of non-borrowed current assets on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) will reduce unrestricted net position and increase the net investment in capital assets.

Principal payment on debt – which will: (a) reduce current assets and reduce long-term debt; and, (b) reduce unrestricted net position and increase the net investment in capital assets.

Reduction of capital assets through depreciation – which will reduce capital assets and the net investment in capital assets.

Current Year Impacts

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, total net position increased by \$5.9 million from \$103.2 million (restated 2014 net position balance) to \$109.1 million. The City's total assets/deferred outflows of resources equal \$155.4 million. The City's total liabilities/deferred inflows of resources equal \$46.4 million.

The increase in net position is primarily driven by the fact that a liability of \$11.6 million was eliminated when those funds were paid to Champaign County for distribution to taxing districts.

A portion of the net position of the governmental activities is restricted for various purposes, including urban housing and development, public safety, and capital projects. The unrestricted combined balance, for both governmental and business type activities, of \$4.3 million may be used to meet the ongoing City obligations to their citizens and creditors. All net position categories show positive balances at year end.

CITY OF URBANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015
(Unaudited)

Table 2
Condensed Statements of Activities
(in millions of dollars)

	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>
	2015	2014*	2015	2014*	2015	2014*
Revenues						
<i>Program revenues</i>						
Charges for services	\$ 8.7	\$ 7.7	\$ 1.3	\$ 1.1	\$ 10.0	\$ 8.8
Operating grants and contributions	2.8	1.9	-	-	2.8	1.9
Capital grants and contributions	2.0	4.4	-	-	2.0	4.4
<i>General revenues</i>						
Property taxes	7.2	7.9	-	-	7.2	7.9
Other taxes	11.7	11.6	-	-	11.7	11.6
Intergovernmental	10.6	10.1	-	-	10.6	10.1
Other general revenues	<u>1.6</u>	<u>0.6</u>	<u>0.1</u>	<u>0.1</u>	<u>1.7</u>	<u>0.7</u>
Total revenues	<u>44.6</u>	<u>44.2</u>	<u>1.4</u>	<u>1.2</u>	<u>46.0</u>	<u>45.4</u>
Expenses						
General government	5.1	4.9	-	-	5.1	4.9
Public safety	17.5	16.0	-	-	17.5	16.0
Highways and streets	11.9	12.4	-	-	11.9	12.4
Urban redevelopment and housing	4.8	17.5	-	-	4.8	17.5
Interest and fiscal charges	0.1	0.1	-	-	0.1	0.1
Motor vehicle parking	<u>-</u>	<u>-</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>
Total expenses	<u>39.4</u>	<u>50.9</u>	<u>0.7</u>	<u>0.7</u>	<u>40.1</u>	<u>51.6</u>
Transfers	<u>0.8</u>	<u>0.8</u>	<u>(0.8)</u>	<u>(0.8)</u>	<u>-</u>	<u>-</u>
Change in net position	6.0	(5.9)	(0.1)	(0.3)	5.9	(6.2)
Net position, beginning of year (as restated)	<u>94.9</u>	<u>129.1</u>	<u>8.3</u>	<u>8.6</u>	<u>103.2</u>	<u>137.7</u>
Net position, end of year	<u>\$ 100.9</u>	<u>\$ 123.2</u>	<u>\$ 8.2</u>	<u>\$ 8.3</u>	<u>\$ 109.1</u>	<u>\$ 131.5</u>

* Prior year information has not been updated for the effects of restatement due to the implementation of GASB Statement No. 68 in 2015.

CITY OF URBANA

MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended June 30, 2015 (Unaudited)

Normal Impacts

There are eight basic (normal) impacts that will affect the comparability of the revenues and expenses on the Statement of Activities summary presentation.

Revenues

Economic condition – which can reflect a declining, stable or growing economic environment, and has substantial impact on state sales, replacement and hotel/motel tax revenue; as well as, public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/decrease in City approved rates – while certain tax rates are set by statute, the City has significant authority to impose and periodically increase/decrease rates (water, home rule sales tax, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring grants are less predictable and often distorting in their impact on year to year comparisons.

Market impacts on investment income – the City's investments may be affected by market conditions causing investment income to increase/decrease.

Expenses

Introduction of new programs – within the functional expense categories (general government, public safety, public works, and community development), individual programs may be added or deleted to meet changing community needs.

Change in authorized personnel – changes in service demand may cause the City to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the largest operating cost of the City.

Salary increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuel, and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

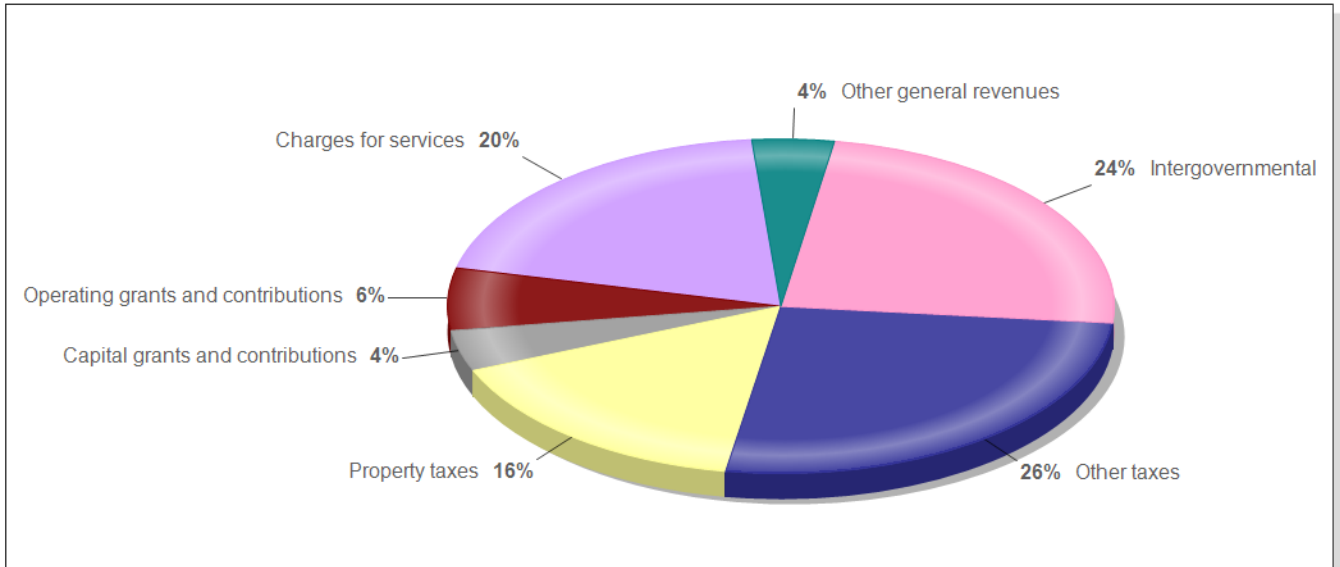
Governmental activities experienced an increase in revenue of \$0.5 million to \$44.6 million. Expenses decreased by \$11.5 million to \$39.4 million, which did not exceed revenue and resulted in an increase of \$6.0 million in the City's governmental activities net position.

CITY OF URBANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015
(Unaudited)

Governmental Activities

Governmental Revenues by Source



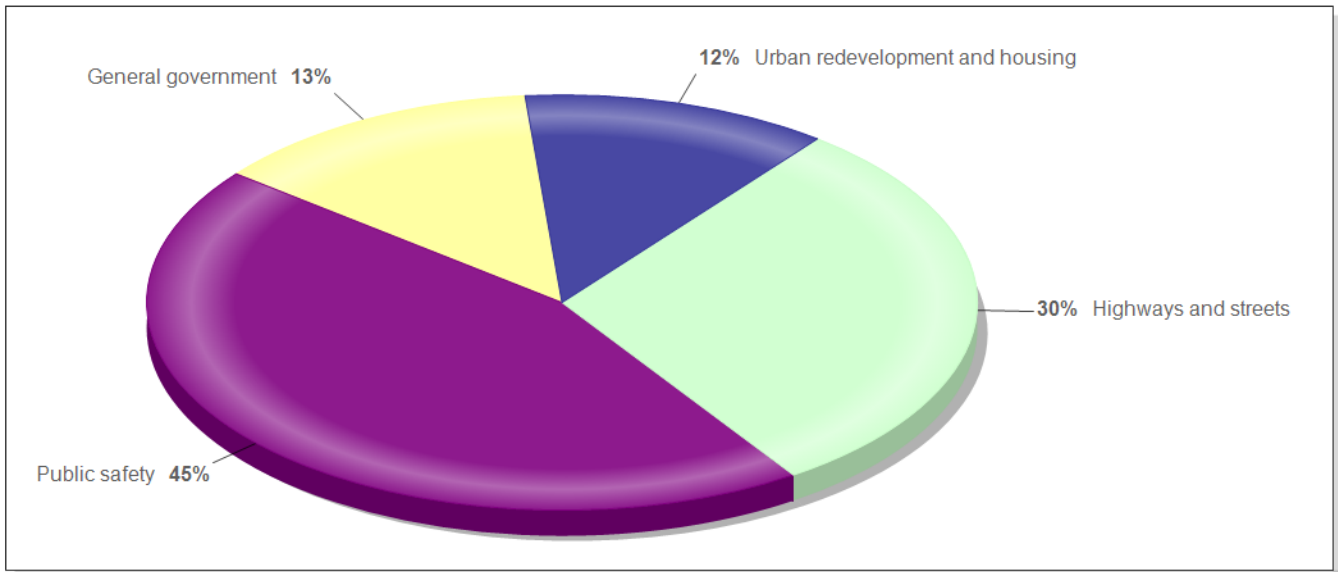
Revenues

The City experienced an increase in revenue in governmental activities for this fiscal year. This increase in revenues amounted to \$0.5 million, resulting in total revenues of \$44.6. This increase in revenues was directly related to a large one-time repayment of a development incentive.

CITY OF URBANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015
(Unaudited)

Governmental Expenses by Function



Expenses

The City's overall expenses in governmental activities for the current fiscal year decreased by \$11.5 million over the previous year. A significant portion of this decrease is related to recording an expense of \$11.9 million in fiscal year 2014 related to the closure of TIF 3 and payment of the remaining amount to Champaign County for distribution to other taxing districts. This caused fiscal year 2014 expenditures to be unusually high. Capital outlays also decreased by \$2.5 million. General Fund expenditures decreased by approximately \$797,000. This is largely due to decreased contributions to the City's Police and Fire Pension Funds.

Financial Analysis of the City's Funds

The fund balance in governmental funds increased from \$30.6 million to \$32.7 million, an increase of \$2.1 million or 6.9%. Most of this increase is in the General Operating Fund, where revenues exceeded expenditures by \$2.2 million.

General Fund Budgetary Highlights

General Fund revenues of \$30.2 million exceeded budget by \$1.0 million. This was largely driven by utility and income tax revenues. Expenditures were about \$1.4 million below budget, largely because expenditures in public safety and public works were significantly below the final budget.

CITY OF URBANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015
(Unaudited)

Capital Assets and Debt Administration

Capital assets

By the end of 2015, the City had compiled a total investment of \$160.7 million (\$103.9 million net of accumulated depreciation) in a broad range of capital assets including land, buildings, infrastructure, equipment, and vehicles. Total depreciation expense for the year was \$4.8 million. More detailed information about capital assets can be found in Note III of the basic financial statements.

Table 3						
Capital Assets (net of depreciation)						
(in millions of dollars)						
	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>2015</u>	<u>2014</u>
	2015	2014	2015	2014	2015	2014
Land	\$ 7.1	\$ 6.8	\$ 3.8	\$ 3.8	\$ 10.9	\$ 10.6
Construction in progress	14.0	9.5	0.1	-	14.1	9.5
Buildings and improvements	5.5	5.7	1.8	2.1	7.3	7.8
Infrastructure	67.1	64.8	-	-	67.1	64.8
Equipment	4.4	5.0	0.1	0.1	4.5	5.1
Total	\$ 98.0	\$ 91.8	\$ 5.8	\$ 6.0	\$ 103.9	\$ 97.8

Debt Administration

The debt administration discussion covers two types of debt reported by the City's financial statements. The City's governmental activities include the general obligation bond issuance for the Boneyard improvement project as well as the general obligation bond issuance for the Windsor Road improvement project. Overall, the City's governmental activities report a total debt of \$8.7 million. The City began the fiscal year with a balance of \$7.0 million in debt, reduced debt by \$1.1 million, and issued \$2.8 million in debt, leaving a June 30, 2015 debt balance of \$8.7 million. The City's business type activities include a revenue note related to the motor vehicle parking system. More detailed information about debt administration can be found in Note III of the basic financial statements.

CITY OF URBANA

MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended June 30, 2015
(Unaudited)

Table 4
Long-Term Debt
(in millions of dollars)

	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 8.7	\$ 7.0	\$ -	\$ -	\$ 8.7	\$ 7.0
Revenue note	-	-	0.1	0.1	0.1	0.1
Total	\$ 8.7	\$ 7.0	\$ 0.1	\$ 0.1	\$ 8.8	\$ 7.1

Factors Bearing on the City's Future

The City continues to work to overturn the state law which grants hospitals property tax relief in exchange for "charity care," and is awaiting a decision from the Appellate Court. This law has had a significant adverse impact on the City of Urbana, which is home to two regional hospitals. The largest, Carle, serves a region of 1.2 million people in 25 counties in Illinois and Indiana. Urbana, with a population of 41,250 accounts for 3% of the region's population. However, 83% of Carle's property is located in Urbana, which means that 3% of the population is shouldering 83% of the tax loss. Before the exemption, Carle accounted for 11% of the City's assessed value. The result is a shift in the overall tax burden to other taxpayers, which has driven the tax rate 25% above the adjacent City of Champaign, putting Urbana at a competitive disadvantage. This situation is not sustainable for the City.

The City is also facing significant reductions in the state shared income tax, if the State Legislature approves the Governor's budget proposal. The Governor has proposed to reduce local government income tax revenues by 50%, which would be a loss of about \$2 million in General Fund revenues. This would require significant budget reductions at a time when the City is already struggling to deal with the decline in assessed value resulting from the hospital property tax exemption.

The State may also reduce funding for the University of Illinois, which is a significant driver for the local economy. Depending on the magnitude of reductions, that could have wide ranging impacts on the local economy, affecting sales taxes and other City revenues.

Requests for Information

This financial report is designed to provide the City's citizens, taxpayers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report, need additional financial information, or would like a copy of the financial statements for the Urbana Free Library, contact the Finance Office:

Elizabeth Hannan, Finance Director
City of Urbana
400 S. Vine Street
Urbana, Illinois 61801

CITY OF URBANA

STATEMENT OF NET POSITION As of June 30, 2015

	Governmental Activities	Business-Type Activities	Totals	Component Unit - Urbana Free Library
ASSETS				
Cash and investments	\$ 29,172,727	\$ 2,513,887	\$ 31,686,614	\$ 1,523,527
Receivables (net)				
Property taxes	3,388,345	-	3,388,345	1,370,242
Other taxes	1,076,006	-	1,076,006	-
Accrued interest	65,284	-	65,284	145
Accounts	1,242,490	74,355	1,316,845	-
Due from other governments	5,554,235	-	5,554,235	17,969
Grants	360,665	-	360,665	-
Internal balances	(6,371)	6,371	-	-
Due from primary government	-	-	-	6,590
Prepaid items	181,957	-	181,957	8,580
Inventory	112,496	-	112,496	-
Restricted assets				
Cash and investments	-	-	-	217,863
Investment in joint venture	52,833	-	52,833	-
Capital Assets				
Land	7,062,603	3,765,739	10,828,342	480,732
Construction in progress	13,965,105	114,102	14,079,207	-
Other capital assets, net of depreciation	77,020,375	1,963,550	78,983,925	8,810,516
Total Assets	<u>139,248,750</u>	<u>8,438,004</u>	<u>147,686,754</u>	<u>12,436,164</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>7,694,813</u>	<u>48,172</u>	<u>7,742,985</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>7,694,813</u>	<u>48,172</u>	<u>7,742,985</u>	<u>-</u>
LIABILITIES				
Accounts payable	2,433,899	15,237	2,449,136	48,257
Claims payable	567,741	-	567,741	-
Accrued interest	44,008	2,384	46,392	-
Accrued salaries and taxes	942,550	7,490	950,040	63,293
Due to other governmental units	157,044	-	157,044	-
Due to component unit	6,590	-	6,590	-
Unearned revenue	647,467	173,897	821,364	12,250
Noncurrent Liabilities				
Due within one year	2,528,978	18,174	2,547,152	231,700
Due in more than one year	35,320,767	110,720	35,431,487	95,311
Total Liabilities	<u>42,649,044</u>	<u>327,902</u>	<u>42,976,946</u>	<u>450,811</u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for future periods	2,875,978	-	2,875,978	1,167,564
Deferred inflows related to pensions	<u>502,243</u>	<u>-</u>	<u>502,243</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>3,378,221</u>	<u>-</u>	<u>3,378,221</u>	<u>1,167,564</u>
NET POSITION				
Net investment in capital assets	90,694,520	5,800,878	96,495,398	9,291,248
Restricted for				
Public safety	47,467	-	47,467	-
Urban redevelopment and housing	5,252,337	-	5,252,337	-
Capital projects	2,050,452	-	2,050,452	-
Highways and streets	886,151	-	886,151	-
Trust	-	-	-	217,863
Unrestricted	<u>1,985,371</u>	<u>2,357,396</u>	<u>4,342,767</u>	<u>1,308,678</u>
TOTAL NET POSITION	<u>\$ 100,916,298</u>	<u>\$ 8,158,274</u>	<u>\$ 109,074,572</u>	<u>\$ 10,817,789</u>

See accompanying notes to financial statements.

CITY OF URBANA

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2015

<u>Functions/Programs</u>	Program Revenues			
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government				
Governmental Activities				
General government	\$ 5,093,190	\$ 200,044	\$ -	\$ -
Public safety	17,483,138	3,795,660	5,139	139,569
Highways and streets	11,891,888	3,414,266	1,280,429	1,870,595
Urban redevelopment & housing	4,824,970	1,307,609	1,532,488	-
Interest and fiscal charges	<u>135,524</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>39,428,710</u>	<u>8,717,579</u>	<u>2,818,056</u>	<u>2,010,164</u>
Business-type Activities				
Motor Vehicle Parking	<u>674,847</u>	<u>1,309,884</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>674,847</u>	<u>1,309,884</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 40,103,557</u>	<u>\$ 10,027,463</u>	<u>\$ 2,818,056</u>	<u>\$ 2,010,164</u>
Component Unit				
Urbana Free Library	<u>\$ 3,622,402</u>	<u>\$ 218,897</u>	<u>\$ 69,698</u>	<u>\$ -</u>
General Revenues				
Taxes				
Property taxes				
Local sales taxes				
Hotel/motel taxes				
Sewer benefit taxes				
Utility taxes				
Intergovernmental				
State sales taxes				
Corporate personal property replacement taxes				
State income taxes				
Other intergovernmental				
Investment income				
Miscellaneous				
Total General Revenues				
Transfers				
Total General Revenues and Transfers				
Change in net position				
NET POSITION - Beginning of Year (as restated)				
NET POSITION - END OF YEAR				

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	Urbana Free Library
\$ (4,893,146)	\$ -	\$ (4,893,146)	\$ -
(13,542,770)	-	(13,542,770)	-
(5,326,598)	-	(5,326,598)	-
(1,984,873)	-	(1,984,873)	-
<u>(135,524)</u>	<u>-</u>	<u>(135,524)</u>	<u>-</u>
<u>(25,882,911)</u>	<u>-</u>	<u>(25,882,911)</u>	<u>-</u>
-	<u>635,037</u>	<u>635,037</u>	-
-	<u>635,037</u>	<u>635,037</u>	-
<u>(25,882,911)</u>	<u>635,037</u>	<u>(25,247,874)</u>	-
-	-	-	(3,333,807)
7,179,327	-	7,179,327	2,910,798
5,583,094	-	5,583,094	-
930,252	-	930,252	-
1,272,823	-	1,272,823	-
3,938,219	-	3,938,219	-
5,910,407	-	5,910,407	-
296,941	-	296,941	97,134
4,279,535	-	4,279,535	-
146,906	-	146,906	51,563
458,197	50,235	508,432	2,410
<u>1,156,530</u>	<u>2,800</u>	<u>1,159,330</u>	<u>17,263</u>
<u>31,152,231</u>	<u>53,035</u>	<u>31,205,266</u>	<u>3,079,168</u>
<u>777,430</u>	<u>(777,430)</u>	<u>-</u>	<u>-</u>
<u>31,929,661</u>	<u>(724,395)</u>	<u>31,205,266</u>	<u>3,079,168</u>
6,046,750	(89,358)	5,957,392	(254,639)
<u>94,869,548</u>	<u>8,247,632</u>	<u>103,117,180</u>	<u>11,072,428</u>
<u>\$ 100,916,298</u>	<u>\$ 8,158,274</u>	<u>\$ 109,074,572</u>	<u>\$ 10,817,789</u>

See accompanying notes to financial statements.

CITY OF URBANA

BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2015

	General	Vehicle and Equipment Replacement	Capital Improvement and Replacement	Motor Fuel Tax
ASSETS				
Cash and investments	\$ 7,199,509	\$ 5,302,508	\$ 3,896,055	\$ 2,694,909
Receivables				
Property taxes	1,937,505	-	-	-
Other taxes	470,522	-	60,182	-
Accounts	73,207	-	782,197	-
Accrued interest	65,284	-	-	-
Due from other governments	4,983,874	-	448,288	106,754
Grants	-	-	-	-
Due from other funds	651,109	-	15,515	-
Prepaid items	181,957	-	-	-
TOTAL ASSETS	\$ 15,562,967	\$ 5,302,508	\$ 5,202,237	\$ 2,801,663

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 9,969,770	\$ 29,062,751
1,450,840	3,388,345
545,302	1,076,006
387,086	1,242,490
-	65,284
15,319	5,554,235
360,665	360,665
129,410	796,034
-	181,957
\$ 12,858,392	\$ 41,727,767

See accompanying notes to financial statements.

CITY OF URBANA

BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2015

	<u>General</u>	<u>Vehicle and Equipment Replacement</u>	<u>Capital Improvement and Replacement</u>	<u>Motor Fuel Tax</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 375,646	\$ 17,501	\$ 627,670	\$ 900,390
Claims payable	567,741	-	-	-
Accrued salaries and taxes	897,011	-	-	-
Due to other governments	-	-	-	-
Due to component units	6,590	-	-	-
Due to other funds	2,078	-	82,709	-
Unearned revenues	<u>384,403</u>	<u>(49)</u>	<u>193,161</u>	<u>-</u>
Total Liabilities	<u>2,233,469</u>	<u>17,452</u>	<u>903,540</u>	<u>900,390</u>
Deferred Inflows of Resources				
Property taxes levied for future periods	1,650,751	-	-	-
Unavailable revenues for grants	-	-	-	-
Unavailable for intergovernmental	<u>134,827</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>1,785,578</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable for prepaid items	181,957	-	-	-
Restricted for urban housing and development	-	-	-	-
Restricted for capital projects	-	-	1,465,616	1,901,273
Restricted for public safety	-	-	-	-
Restricted for highways and streets	-	-	-	-
Committed for capital projects	-	-	-	-
Assigned for public safety	-	5,285,056	-	-
Assigned for urban housing and development	-	-	-	-
Assigned for social services	-	-	-	-
Assigned for workers' compensation	-	-	-	-
Assigned for public television	-	-	-	-
Assigned for capital projects	-	-	2,833,081	-
Unassigned	<u>11,361,963</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficit)	<u>11,543,920</u>	<u>5,285,056</u>	<u>4,298,697</u>	<u>1,901,273</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 15,562,967</u>	<u>\$ 5,302,508</u>	<u>\$ 5,202,237</u>	<u>\$ 2,801,663</u>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 453,060	\$ 2,374,267
-	567,741
33,939	930,950
157,044	157,044
-	6,590
711,247	796,034
<u>69,952</u>	<u>647,467</u>
<u>1,425,242</u>	<u>5,480,093</u>
1,225,227	2,875,978
488,248	488,248
-	134,827
<u>1,713,475</u>	<u>3,499,053</u>
-	181,957
5,252,337	5,252,337
-	3,366,889
47,467	47,467
886,151	886,151
669,242	669,242
28,648	5,313,704
450,875	450,875
35,456	35,456
2,760,145	2,760,145
30,176	30,176
2,435	2,835,516
<u>(443,257)</u>	<u>10,918,706</u>
<u>9,719,675</u>	<u>32,748,621</u>
<u>\$ 12,858,392</u>	<u>\$ 41,727,767</u>

See accompanying notes to financial statements.

CITY OF URBANA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of June 30, 2015

Total Fund Balances - Governmental Funds	\$ 32,748,621
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note III C.	97,955,610
Deferred outflows of resources related to pensions do not related to current financial resources and are not included in the Governmental Funds Balance Sheet.	7,581,554
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	623,075
An asset is reported in the statement of net position for the equity interest in the Champaign-Urbana Waste Disposal System joint venture.	52,833
Internal service funds are reported in the statement of net position as governmental activities.	147,507
A liability is reported in the statement of net position for the net obligation relating to post employment benefits.	(547,550)
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.	(502,243)
Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.	
Bonds payable	(8,670,000)
Compensated absences	(1,395,328)
Accrued interest	(44,008)
Landfill post-closure monitoring	(85,950)
Net pension liabilities	<u>(26,947,823)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 100,916,298</u>

CITY OF URBANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended June 30, 2015

	General	Vehicle and Equipment Replacement	Capital Improvement and Replacement	Motor Fuel Tax
REVENUES				
Property taxes	\$ 4,117,843	\$ -	\$ -	\$ -
Other taxes	9,736,282	-	-	-
Intergovernmental	13,062,885	139,569	2,556,441	1,309,866
Licenses, fines, and service charges	3,242,213	139,325	1,389,070	-
Investment income	13,124	90,266	36,951	53,437
Miscellaneous	509	-	15,304	-
Total Revenues	<u>30,172,856</u>	<u>369,160</u>	<u>3,997,766</u>	<u>1,363,303</u>
EXPENDITURES				
Current				
General government	4,345,479	-	-	-
Public safety	15,801,256	446,109	-	-
Highways and streets	6,211,461	-	429,270	-
Urban redevelopment and housing	1,602,799	-	-	-
Capital Outlay	-	831,251	5,407,061	1,757,720
Debt Service				
Principal	-	-	285,000	-
Interest and fiscal charges	-	-	41,573	-
Total Expenditures	<u>27,960,995</u>	<u>1,277,360</u>	<u>6,162,904</u>	<u>1,757,720</u>
Excess (deficiency) of revenues over expenditures	<u>2,211,861</u>	<u>(908,200)</u>	<u>(2,165,138)</u>	<u>(394,417)</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	-	2,800,000	-
Transfers in	2,428,307	1,028,118	858,400	-
Transfers out	(2,207,212)	-	(669,179)	-
Total Other Financing Sources (Uses)	<u>221,095</u>	<u>1,028,118</u>	<u>2,989,221</u>	<u>-</u>
Net Change in Fund Balances	2,432,956	119,918	824,083	(394,417)
FUND BALANCES - Beginning of Year	<u>9,110,964</u>	<u>5,165,138</u>	<u>3,474,614</u>	<u>2,295,690</u>
FUND BALANCES - END OF YEAR	<u>\$ 11,543,920</u>	<u>\$ 5,285,056</u>	<u>\$ 4,298,697</u>	<u>\$ 1,901,273</u>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 3,061,484	\$ 7,179,327
1,272,823	11,009,105
1,421,598	18,490,359
1,442,118	6,212,726
264,335	458,113
<u>1,140,717</u>	<u>1,156,530</u>
<u>8,603,075</u>	<u>44,506,160</u>
319,964	4,665,443
97,700	16,345,065
1,185,607	7,826,338
3,366,972	4,969,771
2,902,041	10,898,073
830,000	1,115,000
<u>99,886</u>	<u>141,459</u>
<u>8,802,170</u>	<u>45,961,149</u>
<u>(199,095)</u>	<u>(1,454,989)</u>
-	2,800,000
642,124	4,956,949
<u>(1,303,128)</u>	<u>(4,179,519)</u>
<u>(661,004)</u>	<u>3,577,430</u>
(860,099)	2,122,441
<u>10,579,774</u>	<u>30,626,180</u>
<u>\$ 9,719,675</u>	<u>\$ 32,748,621</u>

See accompanying notes to financial statements.

CITY OF URBANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2015

Net change in fund balances - total governmental funds \$ 2,122,441

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

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	10,898,073
Some items reported as capital outlay were not capitalized	(57,769)
Depreciation is reported in the government-wide financial statements	(4,572,309)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Grants receivable	56,959
Intergovernmental	134,827

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued	(2,800,000)
Principal repaid	1,115,000

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(8,061)
Accrued interest on debt	5,935
Other post employment benefits obligation	(117,769)
Net pension liability	(7,203,469)
Landfill post-closure monitoring	28,650
Deferred outflows of resources due to pensions	6,942,414
Deferred inflows of resources due to pensions	(502,243)

The proportionate share of the change in net position related to joint ventures reported in the statement of activities neither provides nor uses current financial resources and is not reported in the fund financial statements.

21,746

Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities.

(17,675)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 6,046,750

CITY OF URBANA

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 As of June 30, 2015

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Motor Vehicle Parking	Service Fund
ASSETS		
Current Assets		
Cash	\$ 43,746	\$ 109,976
Investments	2,470,141	-
Accounts receivable	74,355	-
Inventories	-	112,496
Total Current Assets	2,588,242	222,472
Noncurrent Assets		
Capital Assets		
Land	3,765,739	-
Construction in progress	114,102	-
Parking improvements	7,666,949	-
Equipment	413,394	265,446
Less: Accumulated depreciation	(6,116,793)	(172,973)
Total Noncurrent Assets	5,843,391	92,473
Total Assets	8,431,633	314,945
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	48,172	113,259
Total Deferred Outflows of Resources	48,172	113,259

See accompanying notes to financial statements.

CITY OF URBANA

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 As of June 30, 2015

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Motor Vehicle Parking	Fund
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 15,237	\$ 59,632
Accrued interest	2,384	-
Accrued salaries and taxes	7,490	11,600
Unearned revenues	173,897	-
Revenue note payable - current portion	18,174	-
Total Current Liabilities	217,182	71,232
Noncurrent Liabilities		
Revenue note payable - non-current portion	24,339	-
Net pension liability	86,381	203,094
Total Noncurrent Liabilities	110,720	203,094
Total Liabilities	327,902	274,326
NET POSITION		
Net investment in capital assets	5,800,878	92,473
Unrestricted	2,351,025	61,405
TOTAL NET POSITION	\$ 8,151,903	\$ 153,878
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.	6,371	(6,371)
Net Position Business-type Activities	\$ 8,158,274	
Net internal service funds reported in the statement of net position as governmental activities		\$ 147,507

CITY OF URBANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND

For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Motor Vehicle Parking	Service Fund
OPERATING REVENUES		
Parking meters	\$ 1,007,438	\$ -
Parking rentals	302,446	-
Charges for services	-	903,224
Miscellaneous revenues	2,800	-
Total Operating Revenues	1,312,684	903,224
OPERATING EXPENSES		
Personnel	181,631	381,452
Supplies	67,740	13,018
Contractual services	193,052	116,605
Equipment parts	-	165,973
Fuel	-	230,885
Depreciation	226,317	14,518
Total Operating Expenses	668,740	922,451
Operating Income	643,944	(19,227)
NONOPERATING REVENUES (EXPENSES)		
Investment income	50,235	84
Interest expense	(4,639)	-
Total Nonoperating Revenues (Expenses)	45,596	84
Income Before Transfers	689,540	(19,143)
TRANSFERS		
Transfers out	(777,430)	-
Total Transfers	(777,430)	-
Change in Net Position	(87,890)	(19,143)
NET POSITION - Beginning of Year (as restated)	8,239,793	173,021
NET POSITION- END OF YEAR	\$ 8,151,903	\$ 153,878
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	(1,468)	
Change in Net Position of Business-type Activities	\$ (89,358)	

See accompanying notes to financial statements.

CITY OF URBANA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2015

	Motor Vehicle Parking	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	\$ 1,261,486	\$ 903,224
Paid to suppliers for goods and services	(248,891)	(522,567)
Paid to employees for services	<u>(177,334)</u>	<u>(377,382)</u>
Net Cash Flows From Operating Activities	<u>835,261</u>	<u>3,275</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments sold and matured	18,700	-
Investment income	<u>50,235</u>	<u>84</u>
Net Cash Flows From Investing Activities	<u>68,935</u>	<u>84</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers	(777,430)	-
Change in interfund balances	<u>(65,497)</u>	<u>(27,362)</u>
Net Cash Flows From Noncapital Financing Activities	<u>(842,927)</u>	<u>(27,362)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal repayments on note	(16,673)	-
Interest repayments on note	(4,697)	-
Acquisition and construction of capital assets	<u>(57,433)</u>	<u>-</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(78,803)</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	(17,534)	(24,003)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>61,280</u>	<u>133,979</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 43,746</u>	<u>\$ 109,976</u>

See accompanying notes to financial statements.

CITY OF URBANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2015

	<u>Motor Vehicle Parking</u>	<u>Governmental Activities - Internal Service Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 643,944	\$ (19,227)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities		
Depreciation	226,317	14,518
Changes in assets, deferred outflows of resources, and liabilities		
Accounts receivable	(32,954)	-
Inventory	5,481	(9,148)
Deferred outflows related to pensions	(39,452)	(92,757)
Accounts payable	6,420	13,062
Accrued salaries	697	(4,395)
Unearned revenue	(18,244)	-
Net pension liability	<u>43,052</u>	<u>101,222</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 835,261</u>	<u>\$ 3,275</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
None		

See accompanying notes to financial statements.

CITY OF URBANA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
As of June 30, 2015

	<u>Pension Trusts</u>
ASSETS	
Cash	\$ 1,593,522
Investments	
Certificates of deposit	2,844,221
Money market funds	146,669
U.S. Government and agency securities	19,370,728
Mutual funds	42,078,803
Domestic common stocks	5,897,917
Corporate bonds	3,968,183
Municipal bonds	720,962
Receivables	
Accrued interest	<u>104,728</u>
Total Assets	<u>76,725,733</u>
LIABILITIES	
Accounts payable	<u>12,582</u>
Total Liabilities	<u>12,582</u>
NET POSITION	
Restricted for pensions	<u>\$ 76,713,151</u>

CITY OF URBANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended June 30, 2015

	<u>Pension Trusts</u>
ADDITIONS	
Contributions	
Employer contributions	\$ 3,086,391
Employee contributions	<u>790,964</u>
Total Contributions	<u>3,877,355</u>
Investment income	
Investment income	2,319,797
Net appreciation in fair value of investments	473,812
Investment expense	<u>(206,994)</u>
Total Investment Income	<u>2,586,615</u>
Total Additions	<u>6,463,970</u>
DEDUCTIONS	
Benefits	4,107,777
Transfers and refunds of service credits	173,909
Administrative costs	<u>70,329</u>
Total Deductions	<u>4,352,015</u>
 Change in Net Position	 2,111,955
 NET POSITION - Beginning of Year	 <u>74,601,196</u>
 NET POSITION - END OF YEAR	 <u><u>\$ 76,713,151</u></u>

See accompanying notes to financial statements.

CITY OF URBANA

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CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Urbana, Illinois (the City) was incorporated in 1855. The City is a home-rule municipality, under the 1970 Illinois Constitution, located in Champaign County, Illinois. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, public improvements, planning and zoning, urban housing and redevelopment, and general administrative services. In addition, the City provides public parking services as an enterprise activity and participates in a joint venture association that oversees landfill post-closure operations.

The accounting policies of the City of Urbana, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Pension Trust Funds

The Police Pension Employees Retirement System (PPERS) is established for the City's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The City and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund and the data for the component unit is included in the government's fiduciary fund financial statements. Complete financial statements for the PPERS may be obtained from the City's finance department.

The Firefighters' Pension Employees Retirement System (FPERS) is established for the City's firefighters. FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members are appointed by the City's Mayor, one pension beneficiary is elected by the membership, and two fire employees are elected by the membership. The City and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's firefighters because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund and the data for the component unit is included in the government's fiduciary fund financial statements. Complete financial statements for the FPERS may be obtained from the City's finance department.

Discretely Presented Component Unit

Urbana Free Library

The government-wide financial statements include the Urbana Free Library (Library) as a component unit. The Library is a legally separate organization. The board of the Library is appointed by the Mayor and confirmed by the City Council. The economic resources received and held by the Library are entirely for the direct benefit of the residents of the City of Urbana. See Note III.I. As a component unit, the Library's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended June 30, 2015. Separately issued financial statements of the Urbana Free Library may be obtained from the Library's office.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2012, the GASB issued statement *No. 68 - Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This standard was implemented effective July 1, 2014.

In November 2013, the GASB issued statement *No. 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This standard was implemented effective July 1, 2014.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges 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 included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditures/expenses.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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.

The City reports the following major governmental funds:

- General Fund - accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Vehicle Equipment and Replacement Special Revenue Fund - accounts for the fees, grants, and transfers used to pay for the replacement of public safety vehicles and equipment.
- Capital Improvement and Replacement Capital Projects Fund - used to account for the payments of capital improvements that do not have a designated revenue sources, or for improvements for which the designated funding source is not adequate.
- Motor Fuel Tax Capital Projects Fund - accounts for the receipts of state-shared motor fuel tax revenue, which is used to pay for eligible transportation improvements.

The City reports the following major enterprise fund:

- Motor Vehicle Parking Enterprise Fund - accounts for operations of the City's parking lots and garages.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The City reports the following nonmajor governmental funds:

Special Revenue Funds - used to 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).

Social Services	Special Community Development
HOME Community Development	Community Development Block Grant
Tax Increment Financing District 1	Tax Increment Financing District 2
Tax Increment Financing District 4	Post TIF 3 Escrow
Economic Development	Insurance Financing
Recycling	Public Television
Police Records	Emergency Solutions

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Broadband Construction	Sanitary Sewer Construction
Boneyard Improvement	

In addition, the City reports the following fund types:

Internal Service Fund - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Equipment Services

Pension Trust Funds - used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans.

Firefighters' Pension
Police Pension

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. However for intergovernmental taxes, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period due to the historic lag in payments from the State. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Motor Vehicle Parking System are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Illinois Statutes authorize the City to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net assets in excess of \$10,000,000 and an appointed investment advisor may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements. The police pension fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The firefighters' pension fund allows funds to be invested in any type of security authorized by the Illinois Pension Code.

The City has adopted an investment policy. That policy follows the state statute for allowable investments.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Interest Rate Risk

The City's and Pensions' investment policies seek to minimize exposure to declines in fair values as follows:

City - The portfolio is structured such that securities mature to meet cash requirements, thereby avoiding the need to sell securities prior to maturity.

Firefighters' Pension Fund and Police Pension Fund - The investment policies establish 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 policy also requires diversification of the portfolio so that the impact of a potential drop in interest rates in a particular type of security will be minimized, setting desired minimum and maximum levels for each category of investment.

Credit Risk

The City investment policy only allows investments to be 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 SEC whose portfolios consist only of dollar-denominated securities, bankers acceptances, and local government investment pools (such as Illinois Funds and the Illinois Metropolitan Investment Trust Fund). The Police and Firefighters' Pension Funds are also authorized to invest in general and separate accounts of approved life insurance companies (up to a maximum of 10% of the fund's net position), corporate bonds, mutual funds, domestic corporate common stock (up to a maximum of 55% of the fund's net position or 45% if the fund is invested in 10% of general and separate accounts of approved life insurance companies), and money market mutual funds which are backed by U.S. government securities and agencies.

Concentration of Credit Risk

The City's and Pensions' investment policies require diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer, or maturity. The City operates its investments as an internal investment pool where each fund reports its pro rata share of the investments made by the City.

Custodial Credit Risk - Deposits

The City's and Pensions' investment policies limit the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution equal to at least 100% of the value of the deposit.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Custodial Credit Risk - Investments

The City's and Pensions' investment policies require all securities to be insured, registered, or held by the City's or Pensions' agent in the City's or Pensions' name.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investments could be sold.

Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

See Note III. A. for further information.

2. Receivables

Property taxes for levy year 2014 attaches as an enforceable lien on January 1, 2014, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The 2015 tax levy, which attached as an enforceable lien on the property as of January 1, 2015, has not been recorded as a receivable as of June 30, 2015, as the tax has not yet been levied by the City and will not be levied until December 2015, and therefore, the levy is not measurable at June 30, 2015.

Tax bills for levy year 2014 are prepared by the Champaign County Clerk and issued on or about May 1, 2015 and August 1, 2015, and are payable in two installments, on or about June 1, 2015 and September 1, 2015 or within 30 days of the tax bills being issued.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

The county collects such taxes and remits them periodically. The 2014 property tax levy is recognized as a receivable and deferred inflows of resources in fiscal 2015. As the taxes become available to finance current expenditures, they are recognized as revenues. At June 30, 2015, the property taxes receivable and deferred inflows of resources consisted of the estimated amount collectible from the 2014 levy.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

3. Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on FIFO, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of 2 years. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	75 Years
Building Improvements	20-30 Years
Vehicles	7-10 Years
Office Equipment	10 Years
Other Equipment	5 Years
Infrastructure	15-50 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

7. 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 and proprietary 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, 2015.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2015, are determined on the basis of current salary rates and include salary related payments.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of bonds payable, accrued compensated absences, net other post-employment benefit obligation, landfill post-closure monitoring liabilities and net pension liabilities.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debt is reported as an other financing source and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

9. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

10. Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications (cont.)

Fund Statements

Governmental fund equity is classified as fund balance and displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The City has adopted a financial policy authorizing the Finance Director to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance are available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and, lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

The City has a formal minimum fund balance policy. That policy is to maintain a minimum unassigned fund balance in the General Fund of \$3 million. The balance at year end was \$11,361,963.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER BUDGET

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Emergency Solutions	\$ 34,160	\$ 79,099	\$ 44,939

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded budget. The detail of those items can be found in the City's year-end budget to actual report.

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of June 30, 2015, the following individual funds held a deficit balance:

Fund	Amount
HOME Community Development	\$ (273,066)
Community Development Block Grant	(132,290)
Emergency Solutions	(37,901)

Fund deficits are anticipated to be funded with future grant revenue, general tax revenues, or transfers from other funds.

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments. The deposits and investments of the pension trust funds are held separately from those of other funds.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The City's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Deposits	\$ 5,864,837	\$ 6,004,602	Custodial credit risk - deposits
Non-negotiable certificates of deposit	12,897,214	12,897,214	Custodial credit risk - deposits
Money market mutual funds - bond funds	146,669	146,669	Credit risk, interest rate risk
Money market mutual funds - other	1,050,466	1,050,466	N/A
Mutual funds - other than bonds	42,078,803	42,078,803	N/A
Illinois Funds	20,958	20,958	Credit risk
IMET (Convenience Fund)	1,015,796	1,015,796	Credit risk
U.S. Treasury obligations	13,324,293	13,324,293	Interest rate risk, custodial credit risk - investments
U.S. Agency obligations (implicitly guaranteed)	19,614,136	19,614,136	Credit risk, interest rate risk, concentration of credit risk, custodial credit risk - investments
U.S. Agency obligations (explicitly guaranteed)	1,698,198	1,698,198	Interest rate risk, custodial credit risk - investments
Municipal bonds	720,962	720,962	Credit risk, interest rate risk, concentration of credit risk, custodial credit risk - investments
Corporate bonds	3,968,183	3,968,183	Credit risk, interest rate risk, concentration of credit risk, custodial credit risk - investments
Corporate stock	5,897,917	5,897,917	Concentration of credit risk, custodial credit risk - investments
Cash on hand	<u>9,187</u>	<u>-</u>	N/A
Total Deposits and Investments	<u>\$108,307,619</u>	<u>\$108,438,197</u>	

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Reconciliation to financial statements

Per statement of net position

Unrestricted cash and investments \$ 31,686,614

Per statement of net position - fiduciary funds

Cash 1,593,522

Certificates of deposit 2,844,221

Money market funds 146,669

U.S. Government and agency securities 19,370,728

Mutual funds 42,078,803

Domestic common stocks 5,897,917

Corporate bonds 3,968,183

Municipal bonds 720,962

Total Deposits and Investments \$108,307,619

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

The City does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk (cont.)

As of June 30, 2015, the City's investments were rated as follows:

Investment Type	Moody's Investors Services
Illinois Funds	Aaa
IMET (Convenience Fund)	Not Rated
U.S. Agency obligations (implicitly guaranteed)	Aaa

As of June 30, 2015, the Police Pension Fund's investments were rated as follows:

Investment Type	Moody's Investors Services
U.S. Agency obligations (implicitly guaranteed)	Aaa
Municipal bonds	Aa3-Aaa
Corporate bonds	Baa3-Aaa

As of June 30, 2015, the Firefighters' Pension Fund's investments were rated as follows:

Investment Type	Moody's Investors Services
U.S. Agency obligations (implicitly guaranteed)	Aaa
Municipal bonds	A2
Corporate bonds	Baa3 - A1
Money market mutual funds	Aaa-mf

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Concentration of Credit Risk (cont.)

At June 30, 2015, the City's investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Home Loan Bank	U.S. Agency obligation (implicitly guaranteed)	22.95%

As of June 30, 2015, the Police Pension Fund and Firefighters' Pension Fund had no investments subject to concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of June 30, 2015, the City's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)			
		Less than 1	1 - 5	6 - 10	Greater than 10
IMET (Convenience Fund)	\$ 1,015,796	\$ 1,015,796	\$ -	\$ -	\$ -
U.S. Treasury obligations	2,845,282	-	2,845,282	-	-
U.S. Agency obligations	<u>12,420,616</u>	<u>585,318</u>	<u>4,016,437</u>	<u>4,252,312</u>	<u>3,566,549</u>
Totals	<u>\$ 16,281,694</u>	<u>\$ 1,601,114</u>	<u>\$ 6,861,719</u>	<u>\$ 4,252,312</u>	<u>\$ 3,566,549</u>

Police Pension Fund

Investment Type	Fair Value	Maturity (In Years)			
		Less than 1	1 - 5	6 - 10	Greater than 10
U.S. Treasury obligations	\$ 6,270,988	\$ 1,133,018	\$ 3,082,263	\$ 1,511,111	\$ 544,596
U.S. Agency obligations	1,724,164	1,434,910	214,230	75,024	-
Municipal bonds	401,114	45,102	143,013	65,099	147,900
Corporate bonds	<u>3,019,447</u>	<u>92,100</u>	<u>1,073,756</u>	<u>1,375,259</u>	<u>478,332</u>
Totals	<u>\$ 11,415,713</u>	<u>\$ 2,705,130</u>	<u>\$ 4,513,262</u>	<u>\$ 3,026,493</u>	<u>\$ 1,170,828</u>

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

Firefighters' Pension Fund

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (In Years)</u>			
		<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater than 10</u>
U.S. Treasury obligations	\$ 4,208,023	\$ 1,348,065	\$ 836,768	\$ 1,710,935	\$ 312,255
U.S. Agency obligations	7,167,553	738,267	2,724,694	1,288,714	2,415,878
Municipal bonds	319,848	-	-	319,848	-
Corporate bonds	948,736	100,275	684,457	164,004	-
Money market mutual funds	<u>146,669</u>	<u>146,669</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 12,790,829</u>	<u>\$ 2,333,276</u>	<u>\$ 4,245,919</u>	<u>\$ 3,483,501</u>	<u>\$ 2,728,133</u>

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 2,875,978	\$ -
License fees	449,084	-
Grants	5,222	488,248
Stormwater fees	193,161	-
Intergovernmental	-	134,827
 Total Unearned/Unavailable Revenue for Governmental Funds	 \$ 3,523,445	 \$ 623,075
 Unearned revenue included in liabilities	 \$ 647,467	
Unearned revenue included in deferred inflows	2,875,978	
 Total Unearned Revenue for Governmental Funds	 \$ 3,523,445	

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 6,821,517	\$ 241,086	\$ -	\$ 7,062,603
Construction in progress	<u>9,508,188</u>	<u>6,598,213</u>	<u>2,141,296</u>	<u>13,965,105</u>
Total Capital Assets Not Being Depreciated	<u>16,329,705</u>	<u>6,839,299</u>	<u>2,141,296</u>	<u>21,027,708</u>
Capital assets being depreciated				
Building and improvements	9,437,479	-	38,993	9,398,486
Infrastructure	102,146,126	5,605,171	1,794,605	105,956,692
Equipment	<u>12,121,806</u>	<u>537,130</u>	<u>262,860</u>	<u>12,396,076</u>
Total Capital Assets Being Depreciated	<u>123,705,411</u>	<u>6,142,301</u>	<u>2,096,458</u>	<u>127,751,254</u>
Total Capital Assets	<u>140,035,116</u>	<u>12,981,600</u>	<u>4,237,754</u>	<u>148,778,962</u>
Less: Accumulated depreciation for				
Building and improvements	\$ (3,766,208)	\$ (209,826)	\$ 38,993	\$ (3,937,041)
Infrastructure	(37,357,203)	(3,266,045)	1,794,605	(38,828,643)
Equipment	<u>(7,117,099)</u>	<u>(1,110,956)</u>	<u>262,860</u>	<u>(7,965,195)</u>
Total Accumulated Depreciation	<u>(48,240,510)</u>	<u>(4,586,827)</u>	<u>2,096,458</u>	<u>(50,730,879)</u>
Net Capital Assets Being Depreciated	<u>75,464,901</u>	<u>1,555,474</u>	<u>-</u>	<u>77,020,375</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 91,794,606</u>	<u>\$ 8,394,773</u>	<u>\$ 2,141,296</u>	<u>\$ 98,048,083</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
Public safety	\$ 518,240
Highways and streets	3,882,679
General government	160,232
Urban redevelopment and housing	<u>25,676</u>
Total Governmental Activities Depreciation Expense	<u>\$ 4,586,827</u>

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 3,765,739	\$ -	\$ -	\$ 3,765,739
Construction in progress	-	114,102	-	114,102
Total Capital Assets Not Being depreciated	3,765,739	114,102	-	3,879,841
Capital assets being depreciated				
Buildings and improvements	7,752,672	-	85,723	7,666,949
Equipment	398,319	26,714	11,639	413,394
Total Capital Assets Being Depreciated	8,150,991	26,714	97,362	8,080,343
Total Capital Assets	11,916,730	140,816	97,362	11,960,184
Less: Accumulated depreciation for				
Buildings and improvements	(5,633,486)	(200,226)	2,340	(5,831,372)
Equipment	(270,969)	(26,091)	11,639	(285,421)
Total Accumulated Depreciation	(5,904,455)	(226,317)	13,979	(6,116,793)
Net Capital Assets Being Depreciated	\$ 2,246,536	\$ (199,603)	\$ 83,383	\$ 1,963,550
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 6,012,275	\$ (85,501)	\$ 83,383	\$ 5,843,391

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 651,109
Capital Improvement and Replacement	Nonmajor Governmental	15,515
Nonmajor Governmental	General Fund	2,078
Nonmajor Governmental	Capital Improvement and Replacement	82,709
Nonmajor Governmental	Nonmajor Governmental	<u>44,623</u>
Total - Fund Financial Statements		796,034
Less: Interfund receivables created with internal service fund eliminations		(6,371)
Less: Government-wide eliminations		<u>(796,034)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ (6,371)</u></u>

All amounts are due within one year.

The principal purpose of these interfunds is to temporarily support expenditures reported in multiple funds with resources from one fund. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES (cont.)

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount
General	Capital Improvement and Replacement	\$ 539,434
General	Nonmajor Governmental	1,111,443
General	Motor Vehicle Parking	777,430
Vehicle Equipment and Replacement	General	959,818
Vehicle Equipment and Replacement	Capital Improvement and Replacement	68,300
Capital Improvement and Replacement	General	858,400
Nonmajor Governmental	General	388,994
Nonmajor Governmental	Capital Improvement and Replacement	61,445
Nonmajor Governmental	Nonmajor Governmental	<u>191,685</u>
Total - Fund Financial Statements		4,956,949
Less: Government-wide eliminations		<u>(4,179,519)</u>
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 777,430</u></u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 6,985,000	\$ 2,800,000	\$ 1,115,000	\$ 8,670,000	\$ 1,105,000
Sub-totals	6,985,000	2,800,000	1,115,000	8,670,000	1,105,000
Other Liabilities					
Compensated absences	1,387,267	1,767,528	1,759,467	1,395,328	1,395,328
Landfill post-closure monitoring	114,600	-	28,650	85,950	28,650
Other postemployment benefits	429,781	215,678	97,909	547,550	-
Net pension liability	19,846,226	7,304,691	-	27,150,917	-
Total Other Liabilities	21,777,874	9,287,897	1,886,026	29,179,745	1,423,978
Total Governmental Activities Long-Term Liabilities	\$ 28,762,874	\$ 12,087,897	\$ 3,001,026	\$ 37,849,745	\$ 2,528,978
Business-type Activities					
Bonds and Notes Payable					
Alternative revenue note	\$ 59,186	\$ -	\$ 16,673	\$ 42,513	\$ 18,174
Sub-totals	59,186	-	16,673	42,513	18,174
Other Liabilities					
Net pension liability	43,329	43,052	-	86,381	-
Total Other Liabilities	43,329	43,052	-	86,381	-
Total Business-type Activities Long-Term Liabilities	\$ 102,515	\$ 43,052	\$ 16,673	\$ 128,894	\$ 18,174

Compensated absences, other postemployment benefits, landfill post-closure monitoring, and portions of the net pension liability, related to the Police and Firefighters' pensions, are paid out of the General Fund. The portion of net pension liability related to IMRF will be paid out of the applicable fund in which the City pays for the employees' salaries.

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance June 30, 2015</u>
Series 2012 General Obligation Bonds	December 20, 2012	January 1, 2022	1.43%	\$ 7,800,000	\$ 6,155,000
Series 2015 General Obligation Bonds	July 1, 2014	January 1, 2024	1.92%	2,800,000	<u>2,515,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 8,670,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 1,105,000	\$ 129,019
2017	1,125,000	115,549
2018	1,135,000	101,163
2019	1,155,000	85,958
2020	1,165,000	69,662
2021-2024	<u>2,985,000</u>	<u>108,052</u>
Totals	<u>\$ 8,670,000</u>	<u>\$ 609,403</u>

Alternative Revenue Debt

Business-type Activities

<u>Motor Vehicle Parking Enterprise Fund</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance June 30, 2015</u>
Tepper Note	December 15, 2001	January 15, 2017	9.00%	\$ 177,335	\$ <u>42,513</u>
Total Business-type Activities - Alternative Revenue Debt					<u>\$ 42,513</u>

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Alternative Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Alternative Revenue Debt	
	Principal	Interest
2016	\$ 18,174	\$ 3,826
2017	24,339	2,191
Totals	\$ 42,513	\$ 6,017

F. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The City completed final closure of the landfill in 1987. The \$85,950 reported as landfill postclosure care liability at June 30, 2015, represents the total amount needed by the City for post closure care costs according to state and federal regulations. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

G. NET POSITION

Net position reported on the government wide statement of net position at June 30, 2015, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 7,062,603
Construction in progress	13,965,105
Other capital assets, net of accumulated depreciation	77,020,375
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)	(7,353,563)
Total Net Investment in Capital Assets	\$ 90,694,520

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	\$ 3,765,739
Construction in progress	114,102
Other capital assets, net of accumulated depreciation	1,963,550
Less: Long-term debt outstanding	<u>(42,513)</u>
Total Net Investment in Capital Assets	<u><u>\$ 5,800,878</u></u>

H. RESTATEMENT OF NET POSITION

Net position has been restated due to the implementation of GASB No. 68 and GASB Statement No. 71. The restatement is necessary to record the prior year net pension liability as well as deferred outflows of resources related to employer contributions after the measurement date.

	Governmental Activities	Business-Type Activities
Net position as of June 30, 2014 (as reported)	\$ 123,205,681	\$ 8,282,241
Adjustment to record the net pension liability as of June 30, 2014	(19,846,226)	(43,329)
Adjustment to record deferred outflows of resources related to pensions as of June 30, 2014	659,642	8,720
Adjustment to remove prior year net pension asset	<u>(9,149,549)</u>	<u>-</u>
Net position as of June 30, 2014 (as restated)	<u><u>\$ 94,869,548</u></u>	<u><u>\$ 8,247,632</u></u>
	Motor Vehicle Parking Fund	Internal Service Fund
Net position as of June 30, 2014 (as reported)	\$ 8,274,402	\$ 254,391
Adjustment to record the net pension liability as of June 30, 2014	(43,329)	(101,872)
Adjustment to record deferred outflows of resources related to pensions as of June 30, 2014	<u>8,720</u>	<u>20,502</u>
Net position as of June 30, 2014 (as restated)	<u><u>\$ 8,239,793</u></u>	<u><u>\$ 173,021</u></u>

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT

URBANA FREE LIBRARY

This report contains the Urbana Free Library (Library), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The Library follows the full accrual basis of accounting and the flow of financial resources measurement focus.

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Deposits - Library	\$ 1,607,090	\$ 1,649,750	Custodial credit risk - deposits
Deposits - Foundation	107,635	107,635	Custodial credit risk - deposits
Illinois Funds	26,149	26,149	Credit risk
Petty cash	516	-	N/A
 Total Deposits and Investments	 \$ 1,741,390	 \$ 1,783,534	

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Library's deposits may not be returned to the Library.

The Library does not have any deposits exposed to custodial credit risk.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT (cont.)

URBANA FREE LIBRARY (cont.)

b. Deposits and Investments (cont.)

Custodial Credit Risk (cont.)

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Library does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of June 30, 2015, the Library's investments were rated as follows:

Investment Type	Standard & Poors
Illinois Funds	AAAm

c. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 480,732	\$ -	\$ -	\$ 480,732	N/A
Buildings and improvements	10,534,015	17,968	-	10,551,983	75
Equipment	652,105	11,514	-	663,619	5 - 25
Less: Accumulated depreciation	(2,191,203)	(213,883)	-	(2,405,086)	
Totals	\$ 9,475,649	\$ (184,401)	\$ -	\$ 9,291,248	

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNIT (cont.)

URBANA FREE LIBRARY (cont.)

d. Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Mortgage payable	\$ 75,000	\$ -	\$ -	\$ 75,000	\$ -
Compensated absences	170,110	171,250	109,660	231,700	231,700
Other postemployment benefits obligation	<u>16,911</u>	<u>6,227</u>	<u>2,827</u>	<u>20,311</u>	<u>-</u>
Totals	<u>\$ 262,021</u>	<u>\$ 177,477</u>	<u>\$ 112,487</u>	<u>\$ 327,011</u>	<u>\$ 231,700</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2016	\$ -	\$ 3,750	\$ 3,750
2017	-	3,750	3,750
2018	-	3,750	3,750
2019	<u>75,000</u>	<u>3,750</u>	<u>78,750</u>
Totals	<u>\$ 75,000</u>	<u>\$ 15,000</u>	<u>\$ 90,000</u>

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan Descriptions

The City contributes to three defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is a single-employer pension plan. The benefits, benefits levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan and the Firefighters' Pension Plan issue separate reports on the pension plans. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

Plan Description. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. Effective January 1, 2011, IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate (average of the highest 48 consecutive months earnings during the last 10 years) of earnings for each year of credited service up to 15 years and 2% for each year thereafter. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service, or age 62 with 35 years of service are entitled to an annual retirement benefit as described above. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. .

Plan Membership. At December 31, 2014, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	153
Inactive, non-retired members	115
Active members	<u>183</u>
Total	<u><u>451</u></u>

Contributions. As set by statute, City employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's actuarially determined contribution rate for calendar year 2014 was 12.75% of annual covered payroll. The City 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.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies. For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2014 annual actuarial valuation included a 7.48% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) inflation of 3.50% and price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Mortality. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-Term Expected Real Rate of Return. The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	63.20 %	9.15 %	7.60 %
International equities	2.60 %	9.80 %	7.80 %
Fixed income	23.50 %	3.05 %	3.00 %
Real estate	4.30 %	7.35 %	6.15 %
Alternatives	4.50 %		
Private equity		13.55 %	8.50 %
Hedge funds		5.55 %	5.25 %
Commodities		4.40 %	2.75 %
Cash equivalents	1.90 %	2.25 %	2.25 %

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.48%. The discount rate calculated using the December 31, 2013 measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.56% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2014 to arrive at a discount rate of 7.48% used to determine the total pension liability. The year ending December 31, 2073 is the last year in the 2015 to 2114 projection period for which projected benefit payments are fully funded.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability / (asset) to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.48% as well as what the net pension liability / (asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.48%) or 1 percentage point higher (8.48%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 64,472,375	\$ 56,932,200	\$ 50,790,837
Plan fiduciary net position	<u>50,311,493</u>	<u>50,311,493</u>	<u>50,311,493</u>
Net pension liability	<u>\$ 14,160,882</u>	<u>\$ 6,620,707</u>	<u>\$ 479,344</u>

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

Changes in Net Pension Liability/(Asset). The City's changes in net pension liability/(asset) for the calendar year ended December 31, 2014 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at December 31, 2013	\$ 51,131,800	\$ 47,810,846	\$ 3,320,954
Service cost	1,112,513	-	1,112,513
Interest on total pension liability	3,785,492	-	3,785,492
Differences between expected and actual experience of the total pension liability	1,297,327	-	1,297,327
Change of assumptions	2,034,739	-	2,034,739
Benefit payments, including refunds of employee contributions	(2,429,671)	(2,429,671)	-
Contributions - employer	-	1,305,023	(1,305,023)
Contributions - employee	-	492,715	(492,715)
Net investment income	-	2,897,188	(2,897,188)
Other (net transfer)	-	235,392	(235,392)
Balances at December 31, 2014	<u>\$ 56,932,200</u>	<u>\$ 50,311,493</u>	<u>\$ 6,620,707</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2015, the City recognized pension expense of \$1,484,256. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,005,103	\$ -
Assumption changes	1,576,413	-
Net difference between projected and actual earnings on pension plan investments	539,004	-
Contributions subsequent to the measurement date	<u>571,655</u>	<u>-</u>
Total	<u>\$ 3,692,175</u>	<u>\$ -</u>

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2016. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$3,120,520) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2015	\$ 885,301
2016	885,301
2017	885,301
2018	<u>464,617</u>
Total	<u>\$ 3,120,520</u>

Police Pension

Plan Description. Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership. At June 30, 2015, the Police Pension Plan's membership consisted of:

Retirees and beneficiaries	48
Inactive, non-retired members	2
Active members	<u>54</u>
Total	<u><u>104</u></u>

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension 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 is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending June 30, 2015 was 45.01% of annual covered payroll.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies. The financial statements of the Police Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed as of June 30, 2015 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	7.00%
Inflation	3.00%
Projected salary increases	5.25%
Cost-of-living adjustments	Tier 1 - 3.00% Tier 2 - 2.00%

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Long-Term Expected Real Rate of Return. The long-term expected rate of return on the Police Pension Plan's investments was determined using a building block method. The best estimate for future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target allocation within the Plan investment policy. Expectation inflation is added back in. Adjustment is made to reflect geometric returns. Best estimated or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2015 are as follows:

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. government and agency securities	21%	0.8%
Municipal bonds	N/A	0.8%
Corporate bonds	10%	0.8%
Certificates of deposit	4%	0.8%
Stocks and mutual funds	65%	7.6%

Illinois Compiled Statutes (ILCS) limit the Plan's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Discount Rate. The discount rate used to measure the total pension liability for the Police Pension Plan was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 57,392,616	\$ 50,604,149	\$ 45,001,849
Plan fiduciary net position	<u>34,517,135</u>	<u>34,517,135</u>	<u>34,517,135</u>
Net pension liability	<u>\$ 22,875,481</u>	<u>\$ 16,087,014</u>	<u>\$ 10,484,714</u>

Changes in Net Pension Liability/(Asset). The City's changes in net pension liability/(asset) for the calendar year ended June 30, 2015 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at July 1, 2014	\$ 47,238,793	\$ 33,860,394	\$ 13,378,399
Service cost	1,194,543	-	1,194,543
Interest on total pension liability	3,228,731	-	3,228,731
Differences between expected and actual experience of the total pension liability	(610,133)	-	(610,133)
Change of assumptions	1,761,301	-	1,761,301
Benefit payments, including refunds of employee contributions	(2,209,086)	(2,209,086)	-
Contributions - employer	-	1,850,383	(1,850,383)
Contributions - employee	-	416,575	(416,575)
Net investment income	-	632,290	(632,290)
Administration	-	(33,421)	33,421
Balances at June 30, 2015	<u>\$ 50,604,149</u>	<u>\$ 34,517,135</u>	<u>\$ 16,087,014</u>

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2015, the City recognized pension expense of \$2,247,587. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 488,106
Assumption changes	1,409,041	-
Net difference between projected and actual earnings on pension plan investments	<u>1,390,476</u>	<u>-</u>
Total	\$ <u>2,799,517</u>	\$ <u>488,106</u>

The amounts reported as deferred outflows and inflows of resources related to pensions (\$2,311,411) will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2016	\$ 577,852
2017	577,852
2018	577,852
2019	<u>577,855</u>
Total	\$ <u>2,311,411</u>

Firefighters' Pension

Plan Description. Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership. At June 30, 2015, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	49
Inactive, non-retired members	4
Active members	<u>55</u>
Total	<u><u>108</u></u>

Contributions. Participants contribute a fixed percentage of their base salary to the plans. At June 30, 2015, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending June 30, 2015 was 31.35% of annual covered payroll.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Summary of Significant Accounting Policies. The financial statements of the Firefighters' Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed as of June 30, 2015 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate	7.00%
Inflation	3.00%
Projected salary increases	5.25%
Cost-of-living adjustments	Tier 1 - 3.00% Tier 2 - 2.00%

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Long-Term Expected Real Rate of Return. The long-term expected rate of return on the Firefighters' Pension Plan's investments was determined using a building block method. The best estimate for future real rates of return are developed for each of the major asset classes. Future real rates of return are weighted based on the target allocation within the Plan investment policy. Expectation inflation is added back in. Adjustment is made to reflect geometric returns. Best estimated or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2015 are as follows:

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. government and agency securities	21%	0.8%
Municipal bonds	N/A	0.8%
Corporate bonds	10%	0.8%
Certificates of deposit	4%	0.8%
Stocks and mutual funds	65%	7.6%

Illinois Compiled Statutes (ILCS) limit the Plan's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

Discount Rate. The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 52,503,926	\$ 46,725,593	\$ 41,888,844
Plan fiduciary net position	<u>42,196,016</u>	<u>42,196,016</u>	<u>42,196,016</u>
Net pension liability	<u>\$ 10,307,910</u>	<u>\$ 4,529,577</u>	<u>\$ (307,172)</u>

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Changes in Net Pension Liability/(Asset). The City's changes in net pension liability/(asset) for the calendar year ended June 30, 2015 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at July 1, 2014	\$ 43,931,004	\$ 40,740,802	\$ 3,190,202
Service cost	1,196,507	-	1,196,507
Interest on total pension liability	3,002,629	-	3,002,629
Differences between expected and actual experience of the total pension liability	(17,671)	-	(17,671)
Change of assumptions	685,724	-	685,724
Benefit payments, including refunds of employee contributions	(2,072,600)	(2,072,600)	-
Contributions - employer	-	1,236,008	(1,236,008)
Contributions - employee	-	374,389	(374,389)
Net investment income	-	1,954,325	(1,954,325)
Administration	-	(36,908)	36,908
Balances at June 30, 2015	<u>\$ 46,725,593</u>	<u>\$ 42,196,016</u>	<u>\$ 4,529,577</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2015, the City recognized pension expense of \$1,338,227. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 14,137
Assumption changes	548,579	-
Net difference between projected and actual earnings on pension plan investments	<u>702,714</u>	<u>-</u>
Total	<u>\$ 1,251,293</u>	<u>\$ 14,137</u>

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions (\$1,237,156) will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2016	\$ 309,290
2017	309,290
2018	309,290
2019	<u>309,286</u>
Total	<u>\$ 1,237,156</u>

B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City purchases commercial insurance to provide coverage for losses from torts; theft of, damage to, or destruction of assets; errors and omission; and health care of its employees. However, other risks, such as workers compensation and general liability are accounted for and financed by the City in the General Fund.

Self Insurance

For workers compensation claims, the uninsured risk of loss is \$600,000 per incident for EMTs, firefighters, and police officers and \$500,000 per incident for all other employees. The City has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the City participate in the risk management program. Charges for premiums and claims are paid from the General Fund.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The City does not allocate overhead costs or other nonincremental costs to the claims liability.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance (cont.)

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 334,632	\$ 193,441
Current year claims and changes in estimates	118,714	722,336
Claim payments	<u>(259,905)</u>	<u>(348,036)</u>
Unpaid Claims - End of Year	<u>\$ 193,441</u>	<u>\$ 567,741</u>

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City has active construction projects as of June 30, 2015. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

D. JOINT VENTURES

Champaign-Urbana Waste Disposal System

The City of Urbana and the City of Champaign have entered into a joint venture, which is called the Champaign-Urbana Waste Disposal System (system) and oversees the post-closure operations of a local sanitary landfill.

The governing body is made up of the Mayor of Urbana and the City Manager of Champaign, each with equal voting rights in respect to the system's operations. The annual budget is approved by both City Councils. The City made \$21,070 in payments to the system in fiscal year 2015. The City believes that the system's future revenues will approximate future expenses.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES (cont.)

Champaign-Urbana Waste Disposal System (cont.)

The City accounts for its share of the operation in the General Fund. The City has an equity interest in the organization equal to its percentage share of participation of the population of the cities on the date the joint venture was established. The City of Urbana owns 38.2% of the net worth of the joint venture. The equity interest relative to financial assets is reported in the governmental activities column of the government-wide statement of net position. Changes in the equity interest are reported on the statement of activities.

E. OTHER POSTEMPLOYMENT BENEFITS

The City administers a single-employer defined benefit healthcare plan ("the Retiree Health Insurance Plan"). The City's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Contribution requirements are established through the City's personnel manual and collective bargaining agreements. Retired employees who have worked at least 10 consecutive years with the City are eligible to remain on the City's health insurance plan. These retirees are required to pay 100% of premiums. Benefit levels are the same as those provided to active employees.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the City's net OPEB obligation to the Retiree Health Insurance Plan:

Annual required contribution	\$	213,435
Interest on net OPEB obligation		13,461
Adjustment to annual required contribution		<u>(11,218)</u>
Annual OPEB cost		215,678
Contributions made		<u>(97,909)</u>
Increase in net OPEB obligation		117,769
Net OPEB Obligation - Beginning of Year		<u>429,781</u>
Net OPEB Obligation - End of Year	\$	<u><u>547,550</u></u>

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 159,552	70%	\$ 320,974
June 30, 2014	217,107	50%	429,781
June 30, 2015	215,678	45%	547,550

The funded status of the plan as of June 30, 2013, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 2,945,778
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 2,945,778
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 16,928,776
UAAL as a percentage of covered payroll	17%

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

In the June 30, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 6% after 4 years. Both rates include a 3% inflation assumption. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at June 30, 2015, was 30 years.

F. SUBSEQUENT EVENT

Subsequent to June 30, 2015, the investment markets have experienced significant volatility. It is highly likely that the values of the Police and Firefighters' Pensions' investments have changed by material amounts since year end.

G. TAX INCREMENT FINANCING DISTRICT

The City of Urbana has established several Tax Increment Redevelopment Project Areas (RPA's) to encourage redevelopment of certain sites for more market oriented commercial uses of the properties that will enhance their value and improve their contributions to the City and its surrounding areas. As part of the redevelopment plans, the City has made significant improvements to utilities, public parking, intersections, and traffic signalization, streets and landscaping. The redevelopment plans also include site preparation, land acquisition and assembly, and demolition/clearance.

Construction and development in the RPA's were the responsibility of developers and are substantially complete. To entice development of the areas, the City created tax increment financing (TIF) districts to finance public improvements made within the RPA's.

Several funds have been established to record the revenues generated in the RPA's that relate directly to servicing the debt issued to make public improvements in the RPA's.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No.72, *Fair Value Measurement and Application*
- Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- Statement No. 76, *The Hierarchy of General Accepted Accounting Principles for State and Local Governments*
- Statement No. 77, *Tax Abatement Disclosures*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF URBANA

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the year ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Property taxes	\$ 4,133,705	\$ 4,040,982	\$ 4,117,843
Local sales and use taxes	4,626,300	4,797,000	4,867,811
Utility taxes	3,066,900	2,711,075	3,084,704
Telecommunication taxes	1,000,000	852,600	853,515
Hotel/motel taxes	1,110,000	982,000	930,252
State income tax	4,350,000	4,001,250	4,279,535
Personal property replacement tax	342,280	263,178	296,941
State sales and use taxes	5,790,000	5,827,940	5,910,407
Other intergovernmental	2,104,510	2,583,969	2,570,863
State aid - law enforcement improvement	6,500	6,500	5,139
Licenses, fines, and service charges	2,775,022	3,118,985	3,242,213
Investment income	46,000	12,200	13,124
Miscellaneous revenues	-	509	509
Total Revenues	<u>29,351,217</u>	<u>29,198,188</u>	<u>30,172,856</u>
EXPENDITURES			
GENERAL GOVERNMENT			
Executive			
Personnel services	1,762,033	1,871,117	1,706,627
Materials and supplies	8,577	8,577	3,904
Other services and charges	<u>978,070</u>	<u>1,073,432</u>	<u>1,246,804</u>
Total executive	<u>2,748,680</u>	<u>2,953,126</u>	<u>2,957,335</u>
Finance			
Personnel services	828,608	865,023	880,746
Materials and supplies	48,412	50,880	44,177
Other services and charges	<u>215,360</u>	<u>240,518</u>	<u>213,863</u>
Total finance	<u>1,092,380</u>	<u>1,156,421</u>	<u>1,138,786</u>
City Clerk			
Personnel services	209,527	214,776	186,750
Materials and supplies	2,880	2,880	1,593
Other services and charges	<u>27,492</u>	<u>24,745</u>	<u>15,572</u>
Total city clerk	<u>239,899</u>	<u>242,401</u>	<u>203,915</u>
Legislative			
Personnel services	47,230	47,075	43,911
Materials and supplies	750	750	94
Other services and charges	<u>6,500</u>	<u>6,500</u>	<u>1,438</u>
Total legislative	<u>54,480</u>	<u>54,325</u>	<u>45,443</u>
Total General government	<u>4,135,439</u>	<u>4,406,273</u>	<u>4,345,479</u>
PUBLIC SAFETY			
Police			
Personnel services	8,207,352	7,878,681	7,572,346
Materials and services	109,604	123,094	59,792
Other services and charges	<u>1,142,759</u>	<u>1,087,623</u>	<u>1,002,839</u>
Total police	<u>9,459,715</u>	<u>9,089,398</u>	<u>8,634,977</u>

See Auditors' Report and Notes to Required Supplementary Information

CITY OF URBANA

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the year ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
Fire			
Personnel services	\$ 6,511,346	\$ 6,649,208	\$ 6,515,637
Materials and supplies	82,280	82,990	76,018
Other services and charges	640,023	617,608	574,624
Total fire	<u>7,233,649</u>	<u>7,349,806</u>	<u>7,166,279</u>
Total Public Safety	<u>16,693,364</u>	<u>16,439,204</u>	<u>15,801,256</u>
HIGHWAYS AND STREETS			
Personnel services	4,749,084	4,785,025	4,622,596
Materials and supplies	540,060	542,780	380,595
Other services and charges	1,665,289	1,494,729	1,205,520
Contractual services	12,610	12,610	2,750
Total Highways and Streets	<u>6,967,043</u>	<u>6,835,144</u>	<u>6,211,461</u>
URBAN REDEVELOPMENT AND HOUSING			
Personnel services	1,395,961	1,238,378	1,195,150
Materials and supplies	32,730	32,730	11,778
Other services and charges	364,123	428,938	395,871
Contractual services	1,000	1,000	-
Total Urban redevelopment and housing	<u>1,793,814</u>	<u>1,701,046</u>	<u>1,602,799</u>
Total Expenditures	<u>29,589,660</u>	<u>29,381,667</u>	<u>27,960,995</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(238,443)</u>	<u>(183,479)</u>	<u>2,211,861</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,120,527	3,166,202	2,428,307
Transfers out	<u>(2,253,820)</u>	<u>(2,188,277)</u>	<u>(2,207,212)</u>
Total Other Financing Sources (Uses)	<u>(133,293)</u>	<u>977,925</u>	<u>221,095</u>
Net Change in Fund Balance	<u>\$ (371,736)</u>	<u>\$ 794,446</u>	2,432,956
FUND BALANCE - Beginning of Year			<u>9,110,964</u>
FUND BALANCE - END OF YEAR			<u>\$ 11,543,920</u>

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - VEHICLE AND EQUIPMENT REPLACEMENT FUND
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental	\$ 100,233	\$ 101,594	\$ 139,569
Licenses, fines, and service charges	130,000	130,654	139,325
Investment income	45,000	500	90,266
Total Revenues	<u>275,233</u>	<u>232,748</u>	<u>369,160</u>
EXPENDITURES			
Public Safety - Police			
Personnel services	51,362	51,362	51,362
Materials and services	512,965	685,324	310,115
Contractual services	35,800	44,822	31,365
Total public safety - police	<u>600,127</u>	<u>781,508</u>	<u>392,842</u>
Public Safety - Fire			
Materials and supplies	188,793	189,594	45,339
Contractual services	21,633	22,334	7,928
Total public safety - fire	<u>210,426</u>	<u>211,928</u>	<u>53,267</u>
Capital Outlay	<u>1,092,764</u>	<u>885,121</u>	<u>831,251</u>
Total Expenditures	<u>1,903,317</u>	<u>1,878,557</u>	<u>1,277,360</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,628,084)</u>	<u>(1,645,809)</u>	<u>(908,200)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>1,020,460</u>	<u>1,028,118</u>	<u>1,028,118</u>
Total Other Financing Sources	<u>1,020,460</u>	<u>1,028,118</u>	<u>1,028,118</u>
Net Change in Fund Balance	<u>\$ (607,624)</u>	<u>\$ (617,691)</u>	119,918
FUND BALANCE - Beginning of Year			<u>5,165,138</u>
FUND BALANCE - END OF YEAR			<u>\$ 5,285,056</u>

CITY OF URBANA
ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
 AND RELATED RATIOS

Most Recent Fiscal Year

	2015
Total pension liability	
Service cost	\$ 1,112,513
Interest	3,785,492
Differences between expected and actual experience	1,297,327
Changes of assumptions	2,034,739
Benefit payments, including refunds of member contributions	<u>(2,429,671)</u>
Net change in total pension liability	5,800,400
Total pension liability - beginning	<u>51,131,800</u>
Total pension liability - ending (a)	<u><u>\$ 56,932,200</u></u>
Plan fiduciary net position	
Employer contributions	\$ 1,305,023
Employee contributions	492,715
Net investment income	2,897,188
Benefit payments, including refunds of member contributions	(2,429,671)
Other (net transfer)	<u>235,392</u>
Net change in plan fiduciary net position	2,500,647
Plan fiduciary net position - beginning	<u>47,810,846</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 50,311,493</u></u>
Employer's net pension liability - ending (a) - (b)	<u><u>\$ 6,620,707</u></u>
Plan fiduciary net position as a percentage of the total pension liability	88.37%
Covered-employee payroll	\$ 10,237,128
Employer's net pension liability as a percentage of covered-employee payroll	64.67%

Notes to Schedule:

The City implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

CITY OF URBANA
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Most Recent Fiscal Year

	2015
Actuarially determined contribution	\$ 1,264,285
Contributions in relation to the actuarially determined contribution	<u>(1,305,023)</u>
Contribution deficiency (excess)	<u>\$ (40,738)</u>
Covered-employee payroll	\$ 10,237,128
Contributions as a percentage of covered-employee payroll	12.75%

Notes to Schedule:

The City implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation method	5-Year Smoothed Market
Inflation	3.00%
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 CHBCA

Other information:

There were no benefit changes during the year.

CITY OF URBANA
POLICE PENSION FUND
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
Last Two Fiscal Years

	<u>2014</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 1,202,918	\$ 1,194,543
Interest	3,084,785	3,228,731
Differences between expected and actual experience	(136,267)	(610,133)
Changes of assumptions	-	1,761,301
Benefit payments, including refunds of member contributions	(1,971,517)	(2,209,086)
Net change in total pension liability	<u>2,179,919</u>	<u>3,365,356</u>
Total pension liability - beginning	45,058,874	47,238,793
Total pension liability - ending (a)	<u>\$ 47,238,793</u>	<u>\$ 50,604,149</u>
Plan fiduciary net position		
Employer contributions	\$ 2,254,203	\$ 1,850,383
Employee contributions	393,954	416,575
Net investment income	3,673,877	632,290
Benefit payments, including refunds of member contributions	(1,971,517)	(2,209,086)
Administration	(33,074)	(33,421)
Net change in plan fiduciary net position	<u>4,317,443</u>	<u>656,741</u>
Plan fiduciary net position - beginning	29,542,951	33,860,394
Plan fiduciary net position - ending (b)	<u>\$ 33,860,394</u>	<u>\$ 34,517,135</u>
City's net pension liability - ending (a) - (b)	<u>\$ 13,378,399</u>	<u>\$ 16,087,014</u>
Plan fiduciary net position as a percentage of the total pension liability	71.68%	68.21%
Covered-employee payroll	\$ 4,124,681	\$ 4,111,495
City's net pension liability as a percentage of covered-employee payroll	324.35%	391.27%

Notes to Schedule:

The Police Pension Plan implemented GASB Statement No. 67 in fiscal year 2014. The City implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2014 is not available. The net pension liability is reported on the statement of net position beginning in fiscal year 2015.

CITY OF URBANA
POLICE PENSION FUND
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ 1,048,121	\$ 1,143,288	\$ 1,243,507	\$ 1,225,637	\$ 1,381,577	\$ 1,500,579	\$ 1,524,579	\$ 1,648,164	\$ 1,642,577	\$ 1,642,577
Contributions in relation to the actuarially determined contribution	1,403,958	1,514,188	1,680,480	1,604,475	1,783,576	1,981,806	1,980,275	2,138,159	2,254,203	1,850,383
Cotribution deficiency (excess)	\$ (355,837)	\$ (370,900)	\$ (436,973)	\$ (378,838)	\$ (401,999)	\$ (481,227)	\$ (455,696)	\$ (489,995)	\$ (611,626)	\$ (207,806)
Covered-employee payroll	\$ 2,954,205	\$ 3,245,524	\$ 3,392,030	\$ 3,516,159	\$ 3,485,147	\$ 3,547,806	\$ 3,859,220	\$ 3,972,920	\$ 4,124,681	\$ 4,111,495
Contributions as a percentage of covered-employee payroll	47.52%	46.65%	49.54%	45.63%	51.18%	55.86%	51.31%	53.82%	54.65%	45.01%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	18 years
Asset valuation method	Market
Inflation	3%
Salary increases	5.25%, including inflation
Investment rate of return	7.00%, including inflation
Mortality	RP-2000 CHBCA Mortality Table

CITY OF URBANA
FIREFIGHTERS' PENSION FUND
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
Last Two Fiscal Years

	2014	2015
Total pension liability		
Service cost	\$ 1,214,058	\$ 1,196,507
Interest	2,893,786	3,002,629
Differences between expected and actual experience	(521,056)	(17,671)
Changes of assumptions	-	685,724
Benefit payments, including refunds of member contributions	(1,991,181)	(2,072,600)
Net change in total pension liability	<u>1,595,607</u>	<u>2,794,589</u>
Total pension liability - beginning	<u>42,335,397</u>	<u>43,931,004</u>
Total pension liability - ending (a)	<u><u>\$ 43,931,004</u></u>	<u><u>\$ 46,725,593</u></u>
Plan fiduciary net position		
Employer contributions	\$ 1,517,629	\$ 1,236,008
Employee contributions	350,475	374,389
Net investment income	5,208,327	1,954,325
Benefit payments, including refunds of member contributions	(1,991,181)	(2,072,600)
Administration	(37,219)	(36,908)
Net change in plan fiduciary net position	<u>5,048,031</u>	<u>1,455,214</u>
Plan fiduciary net position - beginning	<u>35,692,771</u>	<u>40,740,802</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 40,740,802</u></u>	<u><u>\$ 42,196,016</u></u>
Employer's net pension liability - ending (a) - (b)	<u><u>\$ 3,190,202</u></u>	<u><u>\$ 4,529,577</u></u>
Plan fiduciary net position as a percentage of the total pension liability	92.74%	90.31%
Covered-employee payroll	\$ 3,777,788	\$ 3,942,216
Employer's net pension liability as a percentage of covered-employee payroll	84.45%	114.90%

Notes to Schedule:

The Firefighters' Pension Plan implemented GASB Statement No. 67 in fiscal year 2014. The City implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2014 is not available. The net pension liability is reported on the statement of net position beginning in fiscal year 2015.

CITY OF URBANA
FIREFIGHTERS' PENSION FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ 800,420	\$ 795,816	\$ 777,163	\$ 1,025,535	\$ 1,133,720	\$ 1,220,290	\$ 1,182,977	\$ 1,245,665	\$ 1,179,662	\$ 1,179,662
Contributions in relation to the actuarially determined contribution	1,032,024	980,754	961,372	1,251,695	1,372,080	1,463,810	1,403,306	1,482,369	1,517,629	1,236,008
Cotribution deficiency (excess)	\$ (231,604)	\$ (184,938)	\$ (184,209)	\$ (226,160)	\$ (238,360)	\$ (243,520)	\$ (220,329)	\$ (236,704)	\$ (337,967)	\$ (56,346)
Covered-employee payroll	\$ 2,652,704	\$ 2,780,694	\$ 3,012,087	\$ 3,249,911	\$ 3,319,469	\$ 3,414,250	\$ 2,645,435	\$ 3,872,621	\$ 3,777,788	\$ 3,942,216
Contributions as a percentage of covered-employee payroll	38.90%	35.27%	31.92%	38.51%	41.33%	42.87%	53.05%	38.28%	40.17%	31.35%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	Market
Inflation	3.00%
Salary increases	5.25%, including inflation
Investment rate of return	7.00%, including inflation
Mortality	RP-2000 CHBCA Mortality Table

CITY OF URBANA

OTHER POSTEMPLOYMENT BENEFITS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS
 June 30, 2015

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/15	\$ 219,662	46%
6/30/14	215,185	51%
6/30/13	157,630	71%
6/30/12	125,767	46%
6/30/11	124,072	41%
6/30/10	121,606	41%

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
6/30/13	\$ -	\$ 2,945,778	\$ 2,945,778	0%	\$ 16,928,776	17%
6/30/11	-	2,226,311	2,226,311	0%	16,652,019	13%
6/30/09	-	1,767,772	1,767,772	0%	14,499,682	12%

The information presented above includes the Urbana Free Library.

CITY OF URBANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2015

BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget is as amended by the City Council. All annual appropriations lapse at fiscal year end.

Prior to June 30, the City Finance Director submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to September 30, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year for all funds.

The City is authorized to change budgeted amounts within any fund; however, revision must be approved by two-thirds of the members of the City Council. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The appropriated budget is prepared by fund, function, and department. The City Finance Director is authorized to transfer budget amounts between departments within any fund; however, the City Council must approve revisions that alter the total expenditures of any fund.

SUPPLEMENTARY INFORMATION

CITY OF URBANA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of June 30, 2015

	Special Revenue			
	Social Services	Special Community Development	HOME Community Development	Community Development Block Grant
ASSETS				
Cash and investments	\$ 43,407	\$ 268,559	\$ 150,487	\$ 15,273
Receivables (net)				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Accounts	-	-	-	128,694
Due from other governments	-	5,000	-	-
Grants	-	1,111	359,554	-
Due from other funds	-	6,699	112,962	9,749
TOTAL ASSETS	<u>\$ 43,407</u>	<u>\$ 281,369</u>	<u>\$ 623,003</u>	<u>\$ 153,716</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 7,951	\$ 44,060	\$ 5,158	\$ 16,980
Accrued salaries and taxes	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	9,482	531,357	140,332
Unearned revenues	-	5,271	-	-
Total Liabilities	<u>7,951</u>	<u>58,813</u>	<u>536,515</u>	<u>157,312</u>
Deferred Inflows of Resources				
Property taxes levied for future periods	-	-	-	-
Unavailable revenues for grants	-	-	359,554	128,694
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>359,554</u>	<u>128,694</u>
Fund Balances (Deficit)				
Restricted for urban housing and development	-	-	-	-
Restricted for public safety	-	-	-	-
Restricted for highways and streets	-	-	-	-
Committed for capital projects	-	-	-	-
Assigned for public safety	-	-	-	-
Assigned for urban housing and development	-	222,556	-	-
Assigned for social services	35,456	-	-	-
Assigned for workers' compensation	-	-	-	-
Assigned for public television	-	-	-	-
Assigned for capital projects	-	-	-	-
Unassigned	-	-	(273,066)	(132,290)
Total Fund Balances (deficit)	<u>35,456</u>	<u>222,556</u>	<u>(273,066)</u>	<u>(132,290)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 43,407</u>	<u>\$ 281,369</u>	<u>\$ 623,003</u>	<u>\$ 153,716</u>

Special Revenue						
Tax Increment Financing District 1	Tax Increment Financing District 2	Tax Increment Financing District 4	Post TIF 3 Escrow	Economic Development	Insurance Financing	Recycling
\$ 552,977	\$ 2,384,017	\$ 2,265,703	\$ 157,044	\$ 87,837	\$ 2,760,145	\$ 828,523
274,787	667,260	508,793	-	-	-	-
-	-	-	-	-	-	132,122
-	50,000	-	-	208,392	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 827,764</u>	<u>\$ 3,101,277</u>	<u>\$ 2,774,496</u>	<u>\$ 157,044</u>	<u>\$ 296,229</u>	<u>\$ 2,760,145</u>	<u>\$ 960,645</u>
\$ 11,051	\$ 203,041	\$ 3,202	\$ -	\$ 65,657	\$ -	\$ 60,131
3,581	1,846	3,230	-	2,253	-	14,363
-	-	-	157,044	-	-	-
-	22	-	-	-	-	-
-	-	-	-	-	-	-
<u>14,632</u>	<u>204,909</u>	<u>6,432</u>	<u>157,044</u>	<u>67,910</u>	<u>-</u>	<u>74,494</u>
269,438	555,229	400,560	-	-	-	-
-	-	-	-	-	-	-
<u>269,438</u>	<u>555,229</u>	<u>400,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
543,694	2,341,139	2,367,504	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	886,151
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	228,319	-	-
-	-	-	-	-	2,760,145	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>543,694</u>	<u>2,341,139</u>	<u>2,367,504</u>	<u>-</u>	<u>228,319</u>	<u>2,760,145</u>	<u>886,151</u>
<u>\$ 827,764</u>	<u>\$ 3,101,277</u>	<u>\$ 2,774,496</u>	<u>\$ 157,044</u>	<u>\$ 296,229</u>	<u>\$ 2,760,145</u>	<u>\$ 960,645</u>

CITY OF URBANA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of June 30, 2015

	Special Revenue			
	Public Television	Police Records	Emergency Solutions	Broadband Construction
ASSETS				
Cash and investments	\$ 35,250	\$ 69,388	\$ -	\$ -
Receivables (net)				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Accounts	-	-	-	-
Due from other governments	-	10,319	-	-
Grants	-	-	-	-
Due from other funds	-	-	-	-
TOTAL ASSETS	<u>\$ 35,250</u>	<u>\$ 79,707</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 7,847	\$ -
Accrued salaries and taxes	5,074	3,592	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	30,054	-
Unearned revenues	-	-	-	-
Total Liabilities	<u>5,074</u>	<u>3,592</u>	<u>37,901</u>	<u>-</u>
Deferred Inflows of Resources				
Property taxes levied for future periods	-	-	-	-
Unavailable revenues for grants	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)				
Restricted for urban housing and development	-	-	-	-
Restricted for public safety	-	47,467	-	-
Restricted for highways and streets	-	-	-	-
Committed for capital projects	-	-	-	-
Assigned for public safety	-	28,648	-	-
Assigned for urban housing and development	-	-	-	-
Assigned for social services	-	-	-	-
Assigned for workers' compensation	-	-	-	-
Assigned for public television	30,176	-	-	-
Assigned for capital projects	-	-	-	-
Unassigned	-	-	(37,901)	-
Total Fund Balances (deficit)	<u>30,176</u>	<u>76,115</u>	<u>(37,901)</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 35,250</u>	<u>\$ 79,707</u>	<u>\$ -</u>	<u>\$ -</u>

Capital Projects		Total Nonmajor
Sanitary Sewer Construction	Boneyard Improvement	Governmental Funds
\$ 348,725	\$ 2,435	\$ 9,969,770
-	-	1,450,840
413,180	-	545,302
-	-	387,086
-	-	15,319
-	-	360,665
-	-	129,410
<u>\$ 761,905</u>	<u>\$ 2,435</u>	<u>\$ 12,858,392</u>

\$ 27,982	\$ -	\$ 453,060
-	-	33,939
-	-	157,044
-	-	711,247
64,681	-	69,952
<u>92,663</u>	<u>-</u>	<u>1,425,242</u>

-	-	1,225,227
-	-	488,248
-	-	1,713,475

-	-	5,252,337
-	-	47,467
-	-	886,151
669,242	-	669,242
-	-	28,648
-	-	450,875
-	-	35,456
-	-	2,760,145
-	-	30,176
-	2,435	2,435
-	-	(443,257)
<u>669,242</u>	<u>2,435</u>	<u>9,719,675</u>

<u>\$ 761,905</u>	<u>\$ 2,435</u>	<u>\$ 12,858,392</u>
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CITY OF URBANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	Special Revenue			
	Social Services	Special Community Development	HOME Community Development	Community Development Block Grant
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	-	166,720	899,760	188,958
Licenses, fines, and service charges	-	30,343	37,553	853
Investment income	98	109	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>98</u>	<u>197,172</u>	<u>937,313</u>	<u>189,811</u>
EXPENDITURES				
Current				
General government	172,214	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Urban redevelopment and housing	-	254,916	895,640	296,812
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>172,214</u>	<u>254,916</u>	<u>895,640</u>	<u>296,812</u>
Excess (deficiency) of revenues over expenditures	<u>(172,116)</u>	<u>(57,744)</u>	<u>41,673</u>	<u>(107,001)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	195,000	61,700	46,445	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>195,000</u>	<u>61,700</u>	<u>46,445</u>	<u>-</u>
Net Change in Fund Balances	22,884	3,956	88,118	(107,001)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>12,572</u>	<u>218,600</u>	<u>(361,184)</u>	<u>(25,289)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 35,456</u>	<u>\$ 222,556</u>	<u>\$ (273,066)</u>	<u>\$ (132,290)</u>

Special Revenue

Tax Increment Financing District 1	Tax Increment Financing District 2	Tax Increment Financing District 4	Post TIF 3 Escrow	Economic Development	Insurance Financing	Recycling
\$ 667,485	\$ 1,386,457	\$ 1,007,542	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	64,145	-	1,297,669
9,824	34,684	31,334	157,044	(29,708)	52,355	5,427
<u>127,564</u>	<u>1,013,153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>804,873</u>	<u>2,434,294</u>	<u>1,038,876</u>	<u>157,044</u>	<u>34,437</u>	<u>52,355</u>	<u>1,303,096</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,061,124
777,308	274,640	503,947	157,044	128,805	-	-
494	653,363	279,574	-	-	-	-
-	830,000	-	-	-	-	-
-	<u>99,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>777,802</u>	<u>1,857,889</u>	<u>783,521</u>	<u>157,044</u>	<u>128,805</u>	<u>-</u>	<u>1,061,124</u>
<u>27,071</u>	<u>576,405</u>	<u>255,355</u>	<u>-</u>	<u>(94,368)</u>	<u>52,355</u>	<u>241,972</u>
144,985	-	-	-	-	-	-
(60,183)	(166,985)	-	-	(10,000)	(290,000)	(29,910)
<u>84,802</u>	<u>(166,985)</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(290,000)</u>	<u>(29,910)</u>
111,873	409,420	255,355	-	(104,368)	(237,645)	212,062
<u>431,821</u>	<u>1,931,719</u>	<u>2,112,149</u>	<u>-</u>	<u>332,687</u>	<u>2,997,790</u>	<u>674,089</u>
<u>\$ 543,694</u>	<u>\$ 2,341,139</u>	<u>\$ 2,367,504</u>	<u>\$ -</u>	<u>\$ 228,319</u>	<u>\$ 2,760,145</u>	<u>\$ 886,151</u>

CITY OF URBANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	Special Revenue			
	Public Television	Police Records	Emergency Solutions	Broadband Construction
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	-	123,552	42,608	-
Licenses, fines, and service charges	3,430	-	-	-
Investment income	(36)	34	(5)	26
Miscellaneous	-	-	-	-
Total Revenues	<u>3,394</u>	<u>123,586</u>	<u>42,603</u>	<u>26</u>
EXPENDITURES				
Current				
General government	147,750	-	-	-
Public safety	-	96,461	1,239	-
Highways and streets	-	-	-	25,599
Urban redevelopment and housing	-	-	77,860	-
Capital Outlay	822	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>148,572</u>	<u>96,461</u>	<u>79,099</u>	<u>25,599</u>
Excess (deficiency) of revenues over expenditures	<u>(145,178)</u>	<u>27,125</u>	<u>(36,496)</u>	<u>(25,573)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	148,044	26,202	-	19,748
Transfers out	-	(22,403)	-	-
Total Other Financing Sources (Uses)	<u>148,044</u>	<u>3,799</u>	<u>-</u>	<u>19,748</u>
Net Change in Fund Balances	2,866	30,924	(36,496)	(5,825)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>27,310</u>	<u>45,191</u>	<u>(1,405)</u>	<u>5,825</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 30,176</u>	<u>\$ 76,115</u>	<u>\$ (37,901)</u>	<u>\$ -</u>

<u>Capital Projects</u>		
<u>Sanitary Sewer Construction</u>	<u>Boneyard Improvement</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ 3,061,484
1,272,823	-	1,272,823
-	-	1,421,598
8,125	-	1,442,118
2,600	549	264,335
-	-	<u>1,140,717</u>
<u>1,283,548</u>	<u>549</u>	<u>8,603,075</u>
-	-	319,964
-	-	97,700
98,884	-	1,185,607
-	-	3,366,972
401,832	1,565,956	2,902,041
-	-	830,000
-	-	<u>99,886</u>
<u>500,716</u>	<u>1,565,956</u>	<u>8,802,170</u>
<u>782,832</u>	<u>(1,565,407)</u>	<u>(199,095)</u>
-	-	642,124
<u>(723,647)</u>	-	<u>(1,303,128)</u>
<u>(723,647)</u>	-	<u>(661,004)</u>
59,185	(1,565,407)	(860,099)
<u>610,057</u>	<u>1,567,842</u>	<u>10,579,774</u>
<u>\$ 669,242</u>	<u>\$ 2,435</u>	<u>\$ 9,719,675</u>

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SOCIAL SERVICES FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Investment income	\$ -	\$ -	\$ 98
Total Revenues	-	-	98
EXPENDITURES			
General Government			
Contractual services	-	203,745	172,214
Total general government	-	203,745	172,214
Total Expenditures	-	203,745	172,214
Excess (deficiency) of revenues over (under) expenditures	-	(203,745)	(172,116)
OTHER FINANCING SOURCES			
Transfers in	195,000	195,000	195,000
Total Other Financing Sources	195,000	195,000	195,000
Net Change in Fund Balance	\$ 195,000	\$ (8,745)	22,884
FUND BALANCE - Beginning of Year			12,572
FUND BALANCE - END OF YEAR			\$ 35,456

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL COMMUNITY DEVELOPMENT FUND
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental	\$ 170,820	\$ 170,820	\$ 166,720
Licenses, fines, and service charges	2,000	31,093	30,343
Investment income	-	-	109
Total Revenues	172,820	201,913	197,172
EXPENDITURES			
Urban Redevelopment and Housing			
Personnel services	71,395	10,745	10,745
Materials and supplies	700	700	466
Contractual services	250,685	267,956	243,705
Total urban redevelopment and housing	322,780	279,401	254,916
Total Expenditures	322,780	279,401	254,916
Excess (deficiency) of revenues over (under) expenditures	(149,960)	(77,488)	(57,744)
OTHER FINANCING SOURCES (USES)			
Transfers in	123,116	65,700	61,700
Transfers out	(8,864)	-	-
Total Other Financing Sources (Uses)	114,252	65,700	61,700
Net Change in Fund Balance	\$ (35,708)	\$ (11,788)	3,956
FUND BALANCE - Beginning of Year			218,600
FUND BALANCE - END OF YEAR			\$ 222,556

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - HOME COMMUNITY DEVELOPMENT FUND
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental	\$ 2,600,000	\$ 2,600,000	\$ 899,760
Licenses, fines, and service charges	60,000	60,000	37,553
Total Revenues	<u>2,660,000</u>	<u>2,660,000</u>	<u>937,313</u>
EXPENDITURES			
Urban Redevelopment and Housing			
Personnel services	143,302	126,559	112,958
Materials and supplies	51,500	6,500	1,694
Contractual services	<u>2,498,890</u>	<u>2,498,890</u>	<u>780,988</u>
Total urban redevelopment and housing	<u>2,693,692</u>	<u>2,631,949</u>	<u>895,640</u>
Total Expenditures	<u>2,693,692</u>	<u>2,631,949</u>	<u>895,640</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(33,692)</u>	<u>28,051</u>	<u>41,673</u>
OTHER FINANCING SOURCES			
Transfers in	<u>41,000</u>	<u>41,000</u>	<u>46,445</u>
Total Other Financing Sources	<u>41,000</u>	<u>41,000</u>	<u>46,445</u>
Net Change in Fund Balance	<u>\$ 7,308</u>	<u>\$ 69,051</u>	88,118
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(361,184)</u>
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (273,066)</u>

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT FUND
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental	\$ 386,734	\$ 386,734	\$ 188,958
Licenses, fines, and service charges	38,000	38,000	853
Total Revenues	<u>424,734</u>	<u>424,734</u>	<u>189,811</u>
EXPENDITURES			
Urban Redevelopment and Housing			
Personnel services	208,456	159,101	162,134
Materials and supplies	600	600	140
Contractual services	<u>304,982</u>	<u>242,900</u>	<u>134,538</u>
Total urban redevelopment and housing	<u>514,038</u>	<u>402,601</u>	<u>296,812</u>
Capital Outlay	<u>43,021</u>	<u>43,021</u>	-
Total Expenditures	<u>557,059</u>	<u>445,622</u>	<u>296,812</u>
Net Change in Fund Balance	<u>\$ (132,325)</u>	<u>\$ (20,888)</u>	(107,001)
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(25,289)</u>
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (132,290)</u>

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING DISTRICT 1 FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Property taxes	\$ 611,000	\$ 658,300	\$ 667,485
Investment income	3,000	500	9,824
Miscellaneous	-	127,564	127,564
Total Revenues	<u>614,000</u>	<u>786,364</u>	<u>804,873</u>
EXPENDITURES			
Urban Redevelopment and Housing			
Personnel services	79,574	71,588	71,753
Contractual services	<u>667,092</u>	<u>742,281</u>	<u>705,555</u>
Total urban redevelopment and housing	<u>746,666</u>	<u>813,869</u>	<u>777,308</u>
Capital Outlay	-	13,425	494
Total Expenditures	<u>746,666</u>	<u>827,294</u>	<u>777,802</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(132,666)</u>	<u>(40,930)</u>	<u>27,071</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	200,000	230,000	144,985
Transfers out	<u>(66,480)</u>	<u>(57,483)</u>	<u>(60,183)</u>
Total Other Financing Sources (Uses)	<u>133,520</u>	<u>172,517</u>	<u>84,802</u>
Net Change in Fund Balance	<u>\$ 854</u>	<u>\$ 131,587</u>	111,873
FUND BALANCE - Beginning of Year			<u>431,821</u>
FUND BALANCE - END OF YEAR			<u>\$ 543,694</u>

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING DISTRICT 2 FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Property taxes	\$ 1,280,000	\$ 1,402,483	\$ 1,386,457
Investment income	8,000	500	34,684
Miscellaneous	-	981,153	1,013,153
Total Revenues	<u>1,288,000</u>	<u>2,384,136</u>	<u>2,434,294</u>
EXPENDITURES			
Urban Redvelopemnt and Housing			
Personnel services	55,976	55,001	54,402
Contractual services	<u>370,480</u>	<u>829,664</u>	<u>220,238</u>
Total urban redvelopemnt and housing	<u>426,456</u>	<u>884,665</u>	<u>274,640</u>
Debt Service			
Principal	928,270	830,000	830,000
Interest and fiscal charges	-	99,850	99,886
Total debt service	<u>928,270</u>	<u>929,850</u>	<u>929,886</u>
Capital Outlay	-	1,000,000	653,363
Total Expenditures	<u>1,354,726</u>	<u>2,814,515</u>	<u>1,857,889</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(66,726)</u>	<u>(430,379)</u>	<u>576,405</u>
OTHER FINANCING USES			
Transfers out	<u>(222,000)</u>	<u>(252,000)</u>	<u>(166,985)</u>
Total Other Financing Uses	<u>(222,000)</u>	<u>(252,000)</u>	<u>(166,985)</u>
Net Change in Fund Balance	<u>\$ (288,726)</u>	<u>\$ (682,379)</u>	409,420
FUND BALANCE - Beginning of Year			<u>1,931,719</u>
FUND BALANCE - END OF YEAR			<u>\$ 2,341,139</u>

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING DISTRICT 4 FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Property taxes	\$ 902,000	\$ 968,144	\$ 1,007,542
Investment income	7,000	500	31,334
Total Revenues	<u>909,000</u>	<u>968,644</u>	<u>1,038,876</u>
EXPENDITURES			
Urban Redevelopment and Housing			
Personnel services	131,401	109,098	76,691
Contractual services	<u>668,953</u>	<u>894,465</u>	<u>427,256</u>
Total urban redevelopment and housing	<u>800,354</u>	<u>1,003,563</u>	<u>503,947</u>
Capital Outlay	<u>725,000</u>	<u>1,306,911</u>	<u>279,574</u>
Total Expenditures	<u>1,525,354</u>	<u>2,310,474</u>	<u>783,521</u>
Net Change in Fund Balance	<u>\$ (616,354)</u>	<u>\$ (1,341,830)</u>	255,355
FUND BALANCE - Beginning of Year			<u>2,112,149</u>
FUND BALANCE - END OF YEAR			<u>\$ 2,367,504</u>

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - POST TIF 3 ESCROW FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Investment income	\$ -	\$ -	\$ 157,044
Total Revenues	-	-	157,044
EXPENDITURES			
Urban Redevelopment and Housing			
Distributions to other governments	-	11,613,371	157,044
Total urban redevelopment and housing	-	11,613,371	157,044
Total Expenditures	-	11,613,371	157,044
Net Change in Fund Balance	\$ -	\$ (11,613,371)	-
FUND BALANCE - Beginning of Year			-
FUND BALANCE - END OF YEAR			\$ -

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental	\$ -	\$ 1,000	\$ -
Licenses, fines, and service charges	99,000	78,000	64,145
Investment income	1,500	203	(29,708)
Total Revenues	<u>100,500</u>	<u>79,203</u>	<u>34,437</u>
EXPENDITURES			
Urban Redevelopment and Housing			
Personnel services	32,725	43,311	37,173
Contractual services	<u>162,575</u>	<u>106,523</u>	<u>91,632</u>
Total urban redevelopment and housing	<u>195,300</u>	<u>149,834</u>	<u>128,805</u>
Total Expenditures	<u>195,300</u>	<u>149,834</u>	<u>128,805</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(94,800)</u>	<u>(70,631)</u>	<u>(94,368)</u>
OTHER FINANCING USES			
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>
Total Other Financing Uses	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>
Net Change in Fund Balance	<u>\$ (104,800)</u>	<u>\$ (80,631)</u>	(104,368)
FUND BALANCE - Beginning of Year			<u>332,687</u>
FUND BALANCE - END OF YEAR			<u>\$ 228,319</u>

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - INSURANCE FINANCING FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Investment income	\$ -	\$ 25,000	\$ 52,355
Total Revenues	-	25,000	52,355
EXPENDITURES			
Total Expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	25,000	52,355
OTHER FINANCING USES			
Transfers out	-	(290,000)	(290,000)
Total Other Financing Uses	-	(290,000)	(290,000)
Net Change in Fund Balance	\$ -	\$ (265,000)	(237,645)
FUND BALANCE - Beginning of Year			2,997,790
FUND BALANCE - END OF YEAR			\$ 2,760,145

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - RECYCLING FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Licenses, fines, and service charges	\$ 1,182,859	\$ 1,182,859	\$ 1,297,669
Investment income	8,000	200	5,427
Total Revenues	<u>1,190,859</u>	<u>1,183,059</u>	<u>1,303,096</u>
EXPENDITURES			
Highways and Streets			
Personnel services	420,760	389,471	390,737
Materials and supplies	123,200	126,173	64,026
Contractual services	<u>732,100</u>	<u>732,100</u>	<u>606,361</u>
Total highways and streets	<u>1,276,060</u>	<u>1,247,744</u>	<u>1,061,124</u>
Capital Outlay	-	7,476	-
Total Expenditures	<u>1,276,060</u>	<u>1,255,220</u>	<u>1,061,124</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(85,201)</u>	<u>(72,161)</u>	<u>241,972</u>
OTHER FINANCING USES			
Transfers out	<u>(29,910)</u>	<u>(23,130)</u>	<u>(29,910)</u>
Total Other Financing Uses	<u>(29,910)</u>	<u>(23,130)</u>	<u>(29,910)</u>
Net Change in Fund Balance	<u>\$ (115,111)</u>	<u>\$ (95,291)</u>	212,062
FUND BALANCE - Beginning of Year			<u>674,089</u>
FUND BALANCE - END OF YEAR			<u>\$ 886,151</u>

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PUBLIC TELEVISION FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Licenses, fines, and service charges	\$ -	\$ -	\$ 3,430
Investment income	-	-	(36)
Total Revenues	<u>-</u>	<u>-</u>	<u>3,394</u>
EXPENDITURES			
General Government			
Personnel services	139,896	134,516	134,260
Contractual services	<u>13,470</u>	<u>20,761</u>	<u>13,490</u>
Total general government	<u>153,366</u>	<u>155,277</u>	<u>147,750</u>
Capital Outlay	<u>1,500</u>	<u>1,500</u>	<u>822</u>
Total Expenditures	<u>154,866</u>	<u>156,777</u>	<u>148,572</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(154,866)</u>	<u>(156,777)</u>	<u>(145,178)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>152,500</u>	<u>148,857</u>	<u>148,044</u>
Total Other Financing Sources	<u>152,500</u>	<u>148,857</u>	<u>148,044</u>
Net Change in Fund Balance	<u>\$ (2,366)</u>	<u>\$ (7,920)</u>	2,866
FUND BALANCE - Beginning of Year			<u>27,310</u>
FUND BALANCE - END OF YEAR			<u>\$ 30,176</u>

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - POLICE RECORDS FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental	\$ 123,552	\$ 123,552	\$ 123,552
Investment income	-	10	34
Total Revenues	<u>123,552</u>	<u>123,562</u>	<u>123,586</u>
EXPENDITURES			
Public Safety - Police			
Personnel services	89,610	90,812	83,184
Contractual services	<u>31,307</u>	<u>30,785</u>	<u>13,277</u>
Total public safety - police	<u>120,917</u>	<u>121,597</u>	<u>96,461</u>
Total Expenditures	<u>120,917</u>	<u>121,597</u>	<u>96,461</u>
Excess of revenues over expenditures	<u>2,635</u>	<u>1,965</u>	<u>27,125</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	26,202	26,202	26,202
Transfers out	<u>(22,403)</u>	<u>(22,403)</u>	<u>(22,403)</u>
Total Other Financing Sources (Uses)	<u>3,799</u>	<u>3,799</u>	<u>3,799</u>
Net Change in Fund Balance	<u>\$ 6,434</u>	<u>\$ 5,764</u>	30,924
FUND BALANCE - Beginning of Year			<u>45,191</u>
FUND BALANCE - END OF YEAR			<u>\$ 76,115</u>

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - EMERGENCY SOLUTIONS FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental	\$ -	\$ 47,072	\$ 42,608
Investment income	-	-	(5)
Total Revenues	-	47,072	42,603
EXPENDITURES			
Urban Redevelopment and Housing			
Contractual services	-	34,160	77,860
Total urban redevelopment and housing	-	34,160	77,860
Public Safety - Police			
Personnel services	-	-	1,239
Total public safety - police	-	-	1,239
Total Expenditures	-	34,160	79,099
Net Change in Fund Balance	\$ -	\$ 12,912	(36,496)
FUND BALANCE (DEFICIT) - Beginning of Year			(1,405)
FUND BALANCE (DEFICIT) - END OF YEAR			\$ (37,901)

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BROADBAND CONSTRUCTION FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Investment income	\$ -	\$ 31	\$ 26
Total Revenues	-	31	26
EXPENDITURES			
Highways and Streets			
Contractual services	56,170	25,599	25,599
Total highways and streets	56,170	25,599	25,599
Total Expenditures	56,170	25,599	25,599
Excess (deficiency) of revenues over (under) expenditures	(56,170)	(25,568)	(25,573)
OTHER FINANCING SOURCES			
Transfers in	-	-	19,748
Total Other Financing Sources	-	-	19,748
Net Change in Fund Balance	(56,170)	(25,568)	(5,825)
FUND BALANCE - Beginning of Year			5,825
FUND BALANCE - END OF YEAR			\$ -

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SANITARY SEWER CONSTRUCTION FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Sewer benefit taxes	\$ 1,331,141	\$ 1,331,141	\$ 1,272,823
Licenses, fines, and service charges	2,500	8,125	8,125
Investment income	8,566	500	2,600
Total Revenues	<u>1,342,207</u>	<u>1,339,766</u>	<u>1,283,548</u>
EXPENDITURES			
Highways and Streets			
Contractual services	<u>144,934</u>	<u>163,359</u>	<u>98,884</u>
Total highways and streets	<u>144,934</u>	<u>163,359</u>	<u>98,884</u>
Capital Outlay	<u>400,000</u>	<u>400,000</u>	<u>401,832</u>
Total Expenditures	<u>544,934</u>	<u>563,359</u>	<u>500,716</u>
Excess of revenues over expenditures	<u>797,273</u>	<u>776,407</u>	<u>782,832</u>
OTHER FINANCING USES			
Transfers out	<u>(723,647)</u>	<u>(723,647)</u>	<u>(723,647)</u>
Total Other Financing Uses	<u>(723,647)</u>	<u>(723,647)</u>	<u>(723,647)</u>
Net Change in Fund Balance	<u>\$ 73,626</u>	<u>\$ 52,760</u>	59,185
FUND BALANCE - Beginning of Year			<u>610,057</u>
FUND BALANCE - END OF YEAR			<u>\$ 669,242</u>

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BONEYARD IMPROVEMENT FUND
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Investment income	\$ -	\$ 550	\$ 549
Total Revenues	-	550	549
EXPENDITURES			
Capital Outlay	-	1,878,835	1,565,956
Total Expenditures	-	1,878,835	1,565,956
Net Change in Fund Balance	\$ -	\$ (1,878,285)	(1,565,407)
FUND BALANCE - Beginning of Year			1,567,842
FUND BALANCE - END OF YEAR			\$ 2,435

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL IMPROVEMENT AND REPLACEMENT FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental	\$ 788,000	\$ 5,921,936	\$ 2,556,441
Licenses, fines, and service charges	2,102,548	2,296,771	1,389,070
Investment income	15,181	17,212	36,951
Miscellaneous	5,000	9,578	15,304
Total Revenues	<u>2,910,729</u>	<u>8,245,497</u>	<u>3,997,766</u>
EXPENDITURES			
Highways and Streets			
Contractual services	<u>491,666</u>	<u>532,978</u>	<u>429,270</u>
Total highways and streets	<u>491,666</u>	<u>532,978</u>	<u>429,270</u>
Capital Outlay	5,543,700	13,328,491	5,407,061
Debt Service			
Principal	320,000	285,000	285,000
Interest and fiscal charges	-	<u>41,572</u>	<u>41,573</u>
Total debt service	<u>320,000</u>	<u>326,572</u>	<u>326,573</u>
Total Expenditures	<u>6,355,366</u>	<u>14,188,041</u>	<u>6,162,904</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,444,637)</u>	<u>(5,942,544)</u>	<u>(2,165,138)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,279,450	1,360,500	858,400
Transfers out	(1,059,784)	(1,165,834)	(669,179)
Debt issued	<u>2,780,000</u>	<u>2,800,000</u>	<u>2,800,000</u>
Total Other Financing Sources (Uses)	<u>2,999,666</u>	<u>2,994,666</u>	<u>2,989,221</u>
Net Change in Fund Balance	<u>\$ (444,971)</u>	<u>\$ (2,947,878)</u>	824,083
FUND BALANCE - Beginning of Year			<u>3,474,614</u>
FUND BALANCE - END OF YEAR			<u>\$ 4,298,697</u>

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MOTOR FUEL TAX FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental	\$ 1,692,496	\$ 1,365,564	\$ 1,309,866
Investment income	2,500	6,765	53,437
Total Revenues	1,694,996	1,372,329	1,363,303
EXPENDITURES			
Capital Outlay	1,759,207	3,432,708	1,757,720
Total Expenditures	1,759,207	3,432,708	1,757,720
Net Change in Fund Balance	\$ (64,211)	\$ (2,060,379)	(394,417)
FUND BALANCE - Beginning of Year			2,295,690
FUND BALANCE - END OF YEAR			\$ 1,901,273

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
MOTOR VEHICLE PARKING FUND
For the Year Ended June 30, 2015

	Budgeted Amounts		
	Original	Final	Actual
OPERATING REVENUES			
Parking meters	\$ 798,200	\$ 879,600	\$ 1,007,438
Parking rentals	313,630	287,162	302,446
Miscellaneous revenues	<u>-</u>	<u>-</u>	<u>2,800</u>
Total Operating Revenues	<u>1,111,830</u>	<u>1,166,762</u>	<u>1,312,684</u>
OPERATING EXPENSES			
Personnel	220,712	205,137	181,631
Supplies	61,890	120,204	67,740
Contractual services	1,134,010	1,275,756	193,052
Depreciation	<u>290,000</u>	<u>-</u>	<u>226,317</u>
Total Operating Expenses	<u>1,706,612</u>	<u>1,601,097</u>	<u>668,740</u>
Operating Income (Loss)	<u>(594,782)</u>	<u>(434,335)</u>	<u>643,944</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	40,000	-	50,235
Interest expense	<u>(22,000)</u>	<u>(6,745)</u>	<u>(4,639)</u>
Total Non-Operating Revenues (Expenses)	<u>18,000</u>	<u>(6,745)</u>	<u>45,596</u>
Net Income Before Transfers	<u>(576,782)</u>	<u>(441,080)</u>	<u>689,540</u>
TRANSFERS			
Transfers out	<u>(777,430)</u>	<u>(777,430)</u>	<u>(777,430)</u>
Net Transfers	<u>(777,430)</u>	<u>(777,430)</u>	<u>(777,430)</u>
Change in net position	<u>\$ (1,354,212)</u>	<u>\$ (1,218,510)</u>	(87,890)
NET POSITION - Beginning of Year (as restated)			<u>8,239,793</u>
NET POSITION - END OF YEAR			<u>\$ 8,151,903</u>

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL EQUIPMENT SERVICES FUND For the Year Ended June 30, 2015

	Budgeted Amounts		Actual
	Original	Final	
OPERATING REVENUES			
Charges for services	\$ <u>1,093,270</u>	\$ <u>1,230,300</u>	\$ <u>903,224</u>
Total Operating Revenues	<u>1,093,270</u>	<u>1,230,300</u>	<u>903,224</u>
OPERATING EXPENSES			
Personnel	405,819	396,294	381,452
Supplies	73,191	73,191	13,018
Contractual services	135,870	137,294	116,605
Equipment parts	210,000	240,861	165,973
Fuel	434,000	434,000	230,885
Depreciation	<u>27,400</u>	<u>-</u>	<u>14,518</u>
Total Operating Expenses	<u>1,286,280</u>	<u>1,281,640</u>	<u>922,451</u>
Operating Loss	<u>(193,010)</u>	<u>(51,340)</u>	<u>(19,227)</u>
NON-OPERATING REVENUES			
Investment income	<u>-</u>	<u>50</u>	<u>84</u>
Total Non-Operating Revenues	<u>-</u>	<u>50</u>	<u>84</u>
Change in net position	<u><u>\$ (193,010)</u></u>	<u><u>\$ (51,290)</u></u>	(19,143)
NET POSITION - Beginning of Year (as restated)			<u>173,021</u>
NET POSITION - END OF YEAR			<u><u>\$ 153,878</u></u>

CITY OF URBANA

COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS
As of June 30, 2015

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Totals</u>
ASSETS			
Cash	\$ 1,125,940	\$ 467,582	\$ 1,593,522
Investments			
Certificates of deposit	-	2,844,221	2,844,221
Money market funds	-	146,669	146,669
U.S. Government securities	7,995,152	11,375,576	19,370,728
Mutual funds	16,013,963	26,064,840	42,078,803
Domestic common stocks	5,897,917	-	5,897,917
Corporate bonds	3,019,447	948,736	3,968,183
Municipal bonds	401,114	319,848	720,962
Receivables			
Accrued interest	<u>74,814</u>	<u>29,914</u>	<u>104,728</u>
Total Assets	<u>34,528,347</u>	<u>42,197,386</u>	<u>76,725,733</u>
LIABILITIES			
Accounts payable	<u>11,212</u>	<u>1,370</u>	<u>12,582</u>
Total Liabilities	<u>11,212</u>	<u>1,370</u>	<u>12,582</u>
NET POSITION			
Restricted for pensions	<u>\$ 34,517,135</u>	<u>\$ 42,196,016</u>	<u>\$ 76,713,151</u>

CITY OF URBANA

COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS
For the Year Ended June 30, 2015

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Totals</u>
ADDITIONS			
Contributions			
Employer contributions	\$ 1,850,383	\$ 1,236,008	\$ 3,086,391
Employee contributions	416,575	374,389	790,964
Total Contributions	<u>2,266,958</u>	<u>1,610,397</u>	<u>3,877,355</u>
Investment income			
Investment income	771,614	1,548,183	2,319,797
Net appreciation in fair value of investments	50,069	423,743	473,812
Total Investment Income	821,683	1,971,926	2,793,609
Less Investment expense	189,393	17,601	206,994
Net Investment Income	<u>632,290</u>	<u>1,954,325</u>	<u>2,586,615</u>
Total Additions	<u>2,899,248</u>	<u>3,564,722</u>	<u>6,463,970</u>
DEDUCTIONS			
Benefits	2,035,177	2,072,600	4,107,777
Transfers and refunds of service credits	173,909	-	173,909
Administrative costs	33,421	36,908	70,329
Total Deductions	<u>2,242,507</u>	<u>2,109,508</u>	<u>4,352,015</u>
Change in Net Position	656,741	1,455,214	2,111,955
NET POSITION - Beginning of Year	<u>33,860,394</u>	<u>40,740,802</u>	<u>74,601,196</u>
NET POSITION, END OF YEAR	<u>\$ 34,517,135</u>	<u>\$ 42,196,016</u>	<u>\$ 76,713,151</u>

STATISTICAL SECTION

This part of the City of Urbana, Illinois' 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 City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	127 - 131
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source.	132 - 135
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	136 - 141
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place.	142 - 144
Operating Information These schedules contain information about the City's service and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	145 - 146

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF URBANA, ILLINOIS

SCHEDULE OF NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Amounts Expressed in Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013*	2014**	2015
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 67,218	\$ 69,988	\$ 74,059	\$ 77,101	\$ 79,853	\$ 81,466	\$ 87,036	\$ 83,380	\$ 86,212	\$ 90,695
Restricted	11,872	11,098	11,907	12,905	14,164	13,603	9,781	20,107	8,366	8,236
Unrestricted	22,842	24,519	25,637	24,615	21,977	22,085	27,336	25,589	291	1,985
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	\$ 101,932	\$ 105,605	\$ 111,603	\$ 114,621	\$ 115,994	\$ 117,154	\$ 124,153	\$ 129,076	\$ 94,869	\$ 100,916
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 5,055	\$ 5,025	\$ 4,893	\$ 5,017	\$ 5,458	\$ 5,609	\$ 5,778	\$ 6,248	\$ 5,953	\$ 5,801
Unrestricted	2,338	2,425	3,399	3,571	3,189	3,048	2,970	2,353	2,295	2,357
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	\$ 7,393	\$ 7,450	\$ 8,292	\$ 8,588	\$ 8,647	\$ 8,657	\$ 8,748	\$ 8,601	\$ 8,248	\$ 8,158
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 72,273	\$ 75,013	\$ 78,952	\$ 82,118	\$ 85,311	\$ 87,075	\$ 92,814	\$ 89,628	\$ 92,165	\$ 96,496
Restricted	11,872	11,098	11,907	12,905	14,164	13,603	9,781	20,107	8,366	8,236
Unrestricted	25,180	26,944	29,036	28,186	25,166	25,133	30,306	27,942	2,586	4,342
TOTAL PRIMARY GOVERNMENT	\$ 109,325	\$ 113,055	\$ 119,895	\$ 123,209	\$ 124,641	\$ 125,811	\$ 132,901	\$ 137,677	\$ 103,117	\$ 109,074

Source:

The City of Urbana's Comprehensive Annual Financial Report

* Restated

**Restated due to the implementation of GASB Statement No. 68. Prior years have not been restated.

CITY OF URBANA, ILLINOIS

SCHEDULE OF CHANGES IN NET POSITION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013 ^a	2014 ^{b,e}	2015
EXPENSES										
Governmental activities										
Public safety	\$ 11,563	\$ 11,982	\$ 12,536	\$ 14,151	\$ 14,368	\$ 14,644	\$ 15,116	\$ 16,090	\$ 15,967	\$ 17,483
Highways and streets	9,049	9,411	9,728	10,591	10,956	10,980	10,376	11,527	12,386	11,892
General government	2,783	3,109	3,019	3,264	3,376	3,395	3,457	3,654	4,900	5,093
Urban redevelopment and housing	4,842	5,903	5,480	5,561	5,790	6,647	6,737	5,969	17,507	4,825
Interest on long-term debt	-	-	-	-	-	-	-	-	98	136
Library Services ^d	2,801	3,103	3,298	3,641	3,693	3,582	3,844	-	-	
Total governmental activities expenses	31,038	33,508	34,061	37,208	38,183	39,248	39,530	37,240	50,858	39,429
Business-type activities										
Motor vehicle parking	592	655	668	715	747	758	698	735	717	675
Total business-type activities expenses	592	655	668	715	747	758	698	735	717	675
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 31,630	\$ 34,163	\$ 34,729	\$ 37,923	\$ 38,930	\$ 40,006	\$ 40,228	\$ 37,975	\$ 51,575	\$ 40,104
PROGRAM REVENUES										
Governmental activities										
Charges for services										
Public safety	\$ 2,653	\$ 2,315	\$ 3,847	\$ 3,089	\$ 2,717	\$ 2,763	\$ 2,883	\$ 2,988	\$ 3,182	\$ 3,796
Highways and streets	1,704	1,559	2,292	1,955	1,742	1,748	1,783	1,833	3,237	3,414
Other activities ^{c,d}	1,891	1,292	1,938	1,405	1,217	1,278	1,941	1,071	-	-
General government ^c	-	-	-	-	-	-	-	-	179	200
Urban redevelopment and housing ^c	-	-	-	-	-	-	-	-	1,080	1,308
Operating grants and contributions	2,800	1,837	1,720	1,797	2,200	1,799	1,826	2,430	1,859	2,818
Capital grants and contributions	372	22	46	252	1,998	1,874	6,200	3,890	4,434	2,010
Total governmental activities program revenues	9,420	7,025	9,843	8,498	9,874	9,462	14,633	12,212	13,971	13,546
Business-type activities program revenues										
Charges for services - motor vehicle parking	1,105	1,076	1,104	1,101	1,034	1,107	1,102	1,183	1,121	1,310
Total business-type activities program revenues	1,105	1,076	1,104	1,101	1,034	1,107	1,102	1,183	1,121	1,310
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 10,525	\$ 8,101	\$ 10,947	\$ 9,599	\$ 10,908	\$ 10,569	\$ 15,735	\$ 13,395	\$ 15,092	\$ 14,856
NET REVENUE (EXPENSE)										
Governmental activities	\$ (21,618)	\$ (26,483)	\$ (24,218)	\$ (28,710)	\$ (28,309)	\$ (29,786)	\$ (24,897)	\$ (25,028)	\$ (36,887)	\$ (25,883)
Business-type activities	513	421	436	386	287	349	404	448	404	635
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ (21,105)	\$ (26,062)	\$ (23,782)	\$ (28,324)	\$ (28,022)	\$ (29,437)	\$ (24,493)	\$ (24,580)	\$ (36,483)	\$ (25,248)

Source:

The City of Urbana's Comprehensive Annual Financial Report

CITY OF URBANA, ILLINOIS

SCHEDULE OF CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013 ^a	2014 ^{b, e}	2015
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities										
Property taxes	\$ 8,320	\$ 9,087	\$ 9,430	\$ 10,968	\$ 10,401	\$ 11,614	\$ 10,583	\$ 8,674	\$ 7,901	\$ 7,179
Utility taxes	4,120	3,832	3,757	3,832	3,694	3,865	3,965	4,093	4,161	3,938
State and local sales taxes	6,604	8,094	8,836	8,736	8,422	9,070	9,791	10,170	10,902	11,494
Other taxes	1,500	1,551	1,551	1,530	1,660	1,801	2,128	2,211	2,332	2,203
Other intergovernmental	4,544	5,300	5,311	5,422	3,859	3,734	4,109	3,874	4,327	4,724
Investment income	618	1,712	1,487	954	1,152	418	769	(417)	562	458
Miscellaneous	122	87	88	86	144	47	44	71	55	1,157
Transfers	490	500	(245)	201	350	396	508	581	777	777
Total governmental activities	26,318	30,163	30,215	31,729	29,682	30,945	31,897	29,257	31,017	31,930
Business-type activities										
Investment income	44	136	161	111	122	58	94	(14)	54	50
Miscellaneous	-	-	-	-	-	-	100	-	-	3
Transfers	(490)	(500)	245	(201)	(350)	(396)	(508)	(581)	(777)	(777)
Total business-type activities	(446)	(364)	406	(90)	(228)	(338)	(314)	(595)	(723)	(724)
TOTAL PRIMARY GOVERNMENT	\$ 25,872	\$ 29,799	\$ 30,621	\$ 31,639	\$ 29,454	\$ 30,607	\$ 31,583	\$ 28,662	\$ 30,294	\$ 31,206
CHANGE IN NET POSITION										
Governmental activities	\$ 4,700	\$ 3,680	\$ 5,997	\$ 3,019	\$ 1,373	\$ 1,159	\$ 7,000	\$ 4,229	\$ (5,870)	\$ 6,047
Business-type activities	67	57	842	296	59	11	90	(147)	(319)	(89)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 4,767	\$ 3,737	\$ 6,839	\$ 3,315	\$ 1,432	\$ 1,170	\$ 7,090	\$ 4,082	\$ (6,189)	\$ 5,958

Source:

The City of Urbana's Comprehensive Annual Financial Report

^a Restated

^b Beginning in fiscal year 2014, replacement taxes, state sales taxes, and state use taxes are presented as intergovernmental revenues.

^c Prior to 2014, charges for services for general government and urban redevelopment and housing (along with library services) were combined in the schedule above.

^d In 2013, GASB Statement No. 61 was implemented, resulting in the Urbana Free Library no longer being reported within Governmental Activities.

^e In 2015, GASB Statement No. 68 and No. 71 were implemented, resulting in the restatement of 2014 net position. The effects of the restatement are not shown in this schedule.

CITY OF URBANA, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013*	2014	2015
GENERAL FUND										
Nonspendable										
Prepaid items	\$ 282	\$ 287	\$ 352	\$ 324	\$ 300	\$ 371	\$ 390	\$ 418	\$ 217	\$ 182
Unrestricted										
Unassigned / unreserved	5,102	5,850	6,035	6,904	6,018	4,715	5,830	4,645	8,894	11,362
TOTAL GENERAL FUND	\$ 5,384	\$ 6,137	\$ 6,387	\$ 7,228	\$ 6,318	\$ 5,086	\$ 6,220	\$ 5,063	\$ 9,111	\$ 11,544
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable										
Prepaid items	359	79	84	36	34	29	28	20	14	-
Restricted										
Library services	1,474	1,581	1,733	1,766	1,860	2,080	2,108	2,127	-	-
Urban redevelopment and housing	6,393	6,620	7,726	8,603	9,443	7,974	5,959	5,875	4,476	5,252
Public safety	-	-	-	-	-	-	-	-	20	47
Highways and streets	-	-	-	-	-	-	-	-	-	886
Capital projects	3,338	2,532	2,012	2,177	2,530	3,549	3,823	4,731	3,869	3,367
Unrestricted										
Committed										
Other purposes	388	411	346	670	484	205	293	783	-	-
Urban redevelopment and housing	2,406	2,030	1,884	591	521	683	600	388	-	-
Highways and streets	-	-	-	-	-	473	2,599	3,406	674	-
Workers' compensation	2,965	3,214	3,521	3,329	3,114	2,820	2,956	2,942	-	-
Capital projects	7,626	7,916	8,028	7,008	5,298	5,601	4,639	4,529	610	669
Assigned										
Public safety	-	-	-	-	-	-	-	-	5,190	5,314
Urban redevelopment and housing	-	-	-	-	-	-	-	-	539	451
Social services	-	-	-	-	-	-	-	-	13	35
Workers' compensation	-	-	-	-	-	-	-	-	2,998	2,760
Public television	-	-	-	-	-	-	-	-	27	30
Capital projects	-	-	-	-	-	-	-	-	3,473	2,836
Unassigned (deficit)	-	-	-	-	-	-	-	-	(388)	(443)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 24,949	\$ 24,383	\$ 25,334	\$ 24,180	\$ 23,284	\$ 23,414	\$ 23,005	\$ 24,801	\$ 21,515	\$ 21,204
TOTAL ALL GOVERNMENTAL FUNDS	\$ 30,333	\$ 30,520	\$ 31,721	\$ 31,408	\$ 29,602	\$ 28,500	\$ 29,225	\$ 29,864	\$ 30,626	\$ 32,748

* Restated

Source:
The City of Urbana's Comprehensive Annual Financial Report

CITY OF URBANA, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	2006	2007	2008	2009	2010	2011	2012	2013*	2014**	2015
REVENUES										
Property taxes	\$ 8,187	\$ 8,830	\$ 9,258	\$ 10,560	\$ 10,533	\$ 11,768	\$ 10,522	\$ 8,673	\$ 7,901	\$ 7,179
Other taxes	12,223	13,477	14,143	14,097	13,776	14,736	15,884	16,475	10,863	11,009
Intergovernmental	9,140	8,602	8,598	9,110	9,973	9,188	13,827	12,422	18,595	18,490
Investment income	618	1,712	1,479	953	1,152	418	769	(417)	562	458
Licenses, fines and service charges	4,824	3,723	6,556	4,811	3,761	4,009	4,920	4,023	5,802	6,213
Miscellaneous	127	82	93	85	139	45	46	-	56	1,157
Total revenues	35,119	36,426	40,127	39,616	39,334	40,164	45,968	41,176	43,779	44,506
EXPENDITURES										
Public safety	11,938	12,489	13,113	14,011	14,552	14,899	15,212	16,097	16,422	16,345
Highways and streets	6,126	6,494	6,729	7,716	8,104	7,900	7,132	7,850	8,097	7,826
General government	2,685	3,078	2,942	3,078	3,273	3,349	3,334	3,704	4,895	4,666
Urban redevelopment and housing	4,806	5,886	5,463	5,468	5,755	6,628	6,675	5,946	17,413	4,970
Library services	2,696	2,980	3,118	3,379	3,507	3,427	3,598	-	-	-
Debt service										
Principal	-	-	-	-	-	-	-	-	815	1,115
Interest and fiscal charges	-	-	-	-	-	-	-	-	60	141
Capital outlay	5,294	5,813	7,315	6,479	6,299	5,459	9,800	9,887	13,434	10,898
Total expenditures	33,545	36,740	38,680	40,131	41,490	41,662	45,751	43,484	61,136	45,961
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,574	(314)	1,447	(515)	(2,156)	(1,498)	217	(2,308)	(17,357)	(1,455)
OTHER FINANCING SOURCES (USES)										
Transfers in (out)	241	500	(245)	201	350	396	508	205	\$ 777	\$ 777
Bond proceeds	-	-	-	-	-	-	-	3,800	4,000	2,800
Total other financing sources (uses)	241	500	(245)	201	350	396	508	4,005	4,777	3,577
NET CHANGES IN FUND BALANCES	\$ 1,815	\$ 186	\$ 1,202	\$ (314)	\$ (1,806)	\$ (1,102)	\$ 725	\$ 1,697	\$ (12,580)	\$ 2,122
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	3.5%

Source:

The City of Urbana's Comprehensive Annual Financial Report

* Restated

** Beginning in fiscal year 2014, replacement taxes, sales taxes, and use taxes are presented as intergovernmental revenues.

CITY OF URBANA, ILLINOIS

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Levy Years**

Levy Year	Residential Property	Commercial Property	Total Taxable Assessed Value (a)	Total Direct Tax Rate (b)	Estimated Actual Taxable Value	Assessed Value as % of Actual Value	Percentage Change
2005	272,438,176	196,612,417	469,050,593	0.01312	1,407,151,779	33%	9.6%
2006	298,445,597	207,230,391	505,675,988	0.01312	1,517,027,964	33%	7.8%
2007	325,902,257	216,421,955	542,324,212	0.01294	1,626,972,636	33%	7.2%
2008	339,924,357	240,170,456	580,094,813	0.01294	1,740,284,439	33%	7.0%
2009	345,226,107	246,662,888	591,888,995	0.01294	1,775,666,985	33%	2.0%
2010	350,754,767	245,020,899	595,775,666	0.01294	1,787,326,998	33%	0.7%
2011	340,386,247	244,199,112	584,585,359	0.01319	1,753,756,077	33%	-1.9%
2012	329,368,177	239,673,992	569,042,169	0.01355	1,707,126,507	33%	-2.7%
2013	326,003,623	194,489,301	520,492,924	0.01355	1,561,478,772	33%	-8.5%
2014	321,888,953	201,495,560	523,383,513	0.01346	1,570,150,539	33%	0.6%

Source: Champaign County Assessor's Office.

Note: Property in the City of Urbana is reassessed on a triennial basis. Property is assessed at 33.33% of estimated actual value. Tax rates are per \$100 of equalized assessed value.

^a County deducts the tax-exempt property from each property category before reporting this data.

^b City of Urbana rate only. Excludes all other taxing jurisdictions.

CITY OF URBANA, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Levy Years

(Tax Rates per \$100 Assessed Valuation)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
City of Urbana:										
Library	0.4787	0.4822	0.4752	0.4853	0.4998	0.4927	0.5089	0.5347	0.5608	0.5577
General	0.3326	0.3357	0.3472	0.3312	0.2735	0.2339	0.2454	0.1998	0.1492	0.3081
Police Pension	0.2913	0.2921	0.3034	0.2704	0.2964	0.3266	0.3328	0.3689	0.3928	0.2842
Fire Pension	0.2094	0.1842	0.1684	0.2073	0.2245	0.2410	0.2319	0.2516	0.2522	0.1962
Total City of Urbana:	<u>1.3120</u>	<u>1.2942</u>	<u>1.2942</u>	<u>1.2942</u>	<u>1.2942</u>	<u>1.2942</u>	<u>1.3190</u>	<u>1.3550</u>	<u>1.3550</u>	<u>1.3462</u>
School District	4.3178	4.3377	4.2880	4.3507	4.3178	4.4083	4.5983	4.9537	5.7630	5.8637
Champaign County	0.7801	0.7616	0.7389	0.7426	0.7487	0.7688	0.7841	0.8138	0.8511	0.8636
Park District	0.7218	0.7066	0.6961	0.6962	0.8354	0.8586	0.9526	1.0115	1.1816	1.2013
Parkland College	0.4776	0.4720	0.4688	0.5115	0.5082	0.5064	0.5120	0.5191	0.5253	0.5259
Mass Transit	0.2623	0.2592	0.2544	0.2575	0.2619	0.2725	0.2831	0.2966	0.3198	0.3282
Cunningham Town	0.1932	0.1919	0.1917	0.1875	0.1885	0.1942	0.2030	0.2164	0.2472	0.2488
Public Health	0.1087	0.1060	0.1049	0.1052	0.1071	0.1075	0.1102	0.1163	0.1259	0.1290
Forest Preserve	0.0818	0.0800	0.0779	0.0783	0.0790	0.0817	0.0843	0.0880	0.0931	0.0944
Total	<u><u>8.2553</u></u>	<u><u>8.2092</u></u>	<u><u>8.1149</u></u>	<u><u>8.2237</u></u>	<u><u>8.3408</u></u>	<u><u>8.4922</u></u>	<u><u>8.8466</u></u>	<u><u>9.3704</u></u>	<u><u>10.4620</u></u>	<u><u>10.6011</u></u>

Source: Champaign County Clerk

CITY OF URBANA, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	At Fiscal Year End June 30, 2015			At Fiscal Year End June 30, 2006		
	Equalized Assessed Value	Rank	Percentage of Total City Equalized Assessed Value	Equalized Assessed Value	Rank	Percentage of Total City Equalized Assessed Value
	The Scion Group (One Illinois) LLC	11,496,350	1	2.20%		
Provena Covenant / Presence				14,323,000	2	3.35%
Town and County Apartments	8,587,720	2	1.64%	6,100,850	5	1.43%
Tekton Group (Lincoln Melrose)	5,860,440	3	1.12%	6,476,720	4	1.51%
Campus Property Management	5,252,900	4	1.00%	10,044,600	3	2.35%
Clark Lindsey Village	4,631,830	5	0.88%	4,494,040	7	1.05%
Amber Apartment LLC	4,364,270	6	0.83%			
Supervalu Inc	4,148,200	7	0.79%	4,191,170	8	0.98%
Carle Foundation	3,877,040	8	0.74%	39,195,180	1	9.16%
Walmart Property	3,682,380	9	0.70%	4,510,020	6	1.05%
Meijer Inc	3,143,880	10	0.60%			
C.U. Partners, Holiday Inn				3,702,290	10	0.87%
Flex-N-Gate				3,906,280	9	0.91%
Total	\$ 55,045,010		10.50%	\$ 96,944,150		22.66%
Total Urbana EAV	\$ 523,383,513			\$ 427,807,311		

Source: Champaign County Clerk

Note: Carle Foundation and Provena Covenant / Presence did not pay property taxes in 2015

CITY OF URBANA, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Levy Years

Tax Levy Year	Total Tax Levy Extended	Collections in Fiscal Year	Levy Collected In Fiscal Year	Percent of Collections Subsequent Years	Total Tax Collections	Percent of Levy Collected
2005	\$ 6,153,944	\$ 3,197,666	51.96%	2,939,507	\$ 6,137,173	99.73%
2006	6,544,459	3,347,995	51.16%	3,170,172	6,518,167	99.60%
2007	7,018,760	3,509,185	50.00%	3,498,762	7,007,947	99.85%
2008	7,507,666	3,786,555	50.44%	3,721,111	7,507,666	100.00%
2009	7,660,227	3,869,925	50.52%	3,768,393	7,638,318	99.71%
2010	7,710,529	3,949,073	51.22%	3,735,508	7,684,581	99.66%
2011	7,710,681	4,039,136	52.38%	3,626,140	7,665,276	99.41%
2012	7,710,681	3,574,872	46.36%	3,268,227	6,843,099	88.75%
2013	7,052,679	3,768,460	53.43%	3,248,843	7,017,303	99.50%
2014	7,045,789	3,738,041	53.05%	-	3,738,041	53.05%

Source: Champaign County Clerk

Note: Does not include special service areas or incremental property taxes, but does include the Urbana Free Library

CITY OF URBANA, ILLINOIS

RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Governmental Activities General Obligation Bonds</u>	<u>Business-Type Activities Parking Bonds</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income (a)</u>	<u>Per Capita (a)</u>
2006	\$ -	\$ 1,026,470	\$ 1,026,470	0.10%	\$ 28
2007	-	923,102	923,102	0.08%	25
2008	-	808,981	808,981	0.07%	21
2009	-	684,039	684,039	0.05%	17
2010	-	548,203	548,203	0.04%	14
2011	-	401,391	401,391	0.03%	10
2012	-	243,516	243,516	0.02%	6
2013	3,800,000	-	3,800,000	0.26%	92
2014	6,985,000	-	6,985,000	0.40%	167
2015	8,670,000	-	8,670,000	0.49%	206

Source:

The City of Urbana's Comprehensive Annual Financial Report

(a) Additional demographic information is available in the schedule of Demographic and Economic Statistics on page 142.

CITY OF URBANA, ILLINOIS

**RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
2006	\$ -	\$ -	0.0%	\$ -
2007	-	-	0.0%	-
2008	-	-	0.0%	-
2009	-	-	0.0%	-
2010	-	-	0.0%	-
2011	-	-	0.0%	-
2012	-	-	0.0%	-
2013	3,800,000	3,800,000	0.7%	91
2014	6,985,000	6,985,000	1.3%	167
2015	8,670,000	8,670,000	1.7%	206

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 142.. Information on taxable value can be found in the schedule of Assessed Value and Actual Value of Taxable Property.

CITY OF URBANA, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt (1)</u>
Overlapping debt			
Debt repaid with property taxes			
School District	\$ 42,631,000	86%	\$ 36,500,833
Champaign County	36,993,058	15%	5,480,321
Forest Preserve	656,200	15%	96,515
Parkland College	62,545,000	11%	6,711,730
C-U Health District	1,277,247	27%	339,032
C-U Mass Transit District	-	24%	-
Urbana Park District	13,814,840	99%	13,716,124
Subtotal, overlapping debt			62,844,555
City of Urbana direct debt			8,670,000
Total direct and overlapping debt			<u>\$ 71,514,555</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 geographic boundaries of the City of Urbana. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Urbana. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) Computed by dividing Urbana's assessed value by the assessed value of the overlapping government and multiplying this rate by the overlapping government's outstanding debt. An overlapping government unit is any which levies a tax on a citizen of Urbana. This schedule does not include revenue supported debt.

CITY OF URBANA, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

As of June 30, 2015

The City is a home rule municipality. Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the essential value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing amounts."

To date, the General Assembly has set no limits for home rule municipalities.

CITY OF URBANA, ILLINOIS
REVENUE SUPPORTED BOND COVERAGE
Last Ten Fiscal Years

Fiscal Year	(1) Revenue	(2) Expense	Available for Debt Service	Principal	Interest
2006	\$ 1,148,598	\$ 774,277	\$ 374,321	\$ 96,199	\$ 43,625
2007	1,211,998	848,705	363,293	103,368	41,826
2008	1,509,482	358,637	1,150,845	114,121	38,939
2009	1,211,586	608,863	602,723	124,942	34,782
2010	1,156,006	791,490	364,516	135,836	28,665
2011	1,164,927	852,367	312,560	146,812	25,487
2012	1,296,430	915,776	380,654	157,875	19,888
2013	1,168,929	1,019,366	149,563	169,034	13,639
2014	1,175,554	1,502,068	(326,514)	15,296	6,703
2015	1,362,919	1,450,809	(87,890)	16,673	5,327

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Revenues include operating revenues, interest, other 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.

<u>Total</u>	<u>(3) Coverage</u>
\$ 139,824	268%
145,194	250%
153,060	752%
159,724	377%
164,501	222%
172,299	181%
177,763	214%
182,673	82%
21,999	-1484%
22,000	-400%

CITY OF URBANA, ILLINOIS

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

<u>Year</u>	<u>(1) Population</u>	<u>(2) Personal Income (thousands of dollars)</u>	<u>(2) Per Capita Personal Income</u>	<u>(1) Median Age</u>	<u>(3) Education Level in Years of Formal Schooling</u>	<u>(4) School Enrollment</u>	<u>(5) Unemployment Rate</u>
2006	36,590	\$ 1,140,620	\$ 31,173	24.6	13.5	4,303	4.1%
2007	37,090	1,206,723	32,535	24.6	13.5	4,088	3.9%
2008	38,130	1,299,852	34,090	24.6	13.5	4,141	5.6%
2009	39,170	1,423,242	36,335	24.0	14.1	4,155	8.7%
2010	40,210	1,440,483	35,824	24.0	14.1	4,206	10.4%
2011	41,440	1,544,303	37,266	24.0	14.1	4,242	8.6%
2012	41,511	1,576,859	37,987	24.0	14.1	4,331	8.8%
2013	41,581	1,625,235	39,086	24.0	14.1	4,454	8.5%
2014	41,752	1,739,472	41,662	23.8	14.9	4,494	5.7%
2015	42,044	1,751,637	41,662	23.8	14.9	4,451	4.5%

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 Department, 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 education levels is conducted once every three years. Level for the 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, ILLINOIS

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

<u>Employer</u>	2015			2006		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
University of Illinois	10,349	1	9.4%	20,571	1	20.5%
Carle Group	5,623	2	5.1%	5,668	2	5.6%
Champaign Schools	1,814	3	1.6%	1,378	3	1.4%
Kraft Foods	1,350	4	1.2%	1,340	4	1.3%
Parkland College	950	5	0.9%	1,200	5	1.2%
Champaign County	910	6	0.8%	800	7	0.8%
Urbana Schools	832	7	0.8%	730	8	0.7%
Plastipak	810	8	0.7%			
Presence Covenant Medical Center	774	9	0.7%	1,200	6	1.2%
Christie Clinic	750	10	0.7%			
Solo Cup				700	9	0.7%
Super Value				625	10	0.6%
Total	24,162		22.0%	34,212		34.1%

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

CITY OF URBANA, ILLINOIS

NUMBER OF CITY EMPLOYEES BY FUNCTION (FULL-TIME EQUIVALENTS)
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police safety										
Sworn	54.0	55.0	55.0	55.0	55.0	55.0	55.0	54.0	55.0	55.0
Civilian	21.0	21.0	22.0	22.0	22.0	22.0	22.0	22.0	17.8	17.3
Fire safety										
Sworn	57.0	57.0	57.0	57.0	57.0	56.0	57.0	57.0	57.0	57.0
Civilian	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5
Highways and Streets										
Administration	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0
Maintenance	31.5	31.5	32.5	32.5	32.5	29.5	32.5	32.5	32.7	29.0
Engineering	12.5	12.5	12.5	12.5	13.5	13.5	13.5	13.5	13.9	12.3
Fleet	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.1
Arbor	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	14.8	15.0
Facilities	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.8	8.8
Environmental	3.0	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	3.5	3.5	3.5	3.5	3.5
Legal	3.0	4.0	5.0	5.0	5.0	4.0	4.0	4.0	5.0	5.0
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	11.8	12.0	12.0
Information technology	11.0	11.0	11.0	11.0	11.0	11.0	11.0	10.0	10.3	11.3
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	7.5	7.5	7.5	6.5	7.5	7.5	7.3	7.3
Economic development	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.8	5.8
Building safety	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.8	8.8
Housing	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.0	4.0
Total	<u>270.0</u>	<u>272.0</u>	<u>276.0</u>	<u>276.0</u>	<u>277.0</u>	<u>270.0</u>	<u>275.0</u>	<u>276.8</u>	<u>277.4</u>	<u>273.0</u>

Source: City Finance Department

CITY OF URBANA, ILLINOIS

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police Department										
Arrests	7,509	7,281	7,227	7,442	7,251	6,146	6,170	5,956	6,895	6,830
Service calls	19,681	20,479	21,480	21,967	20,964	20,066	20,646	20,100	20,487	19,397
Reports written	7,649	7,740	6,277	7,163	7,119	7,083	7,304	7,108	7,701	7,411
Parking tickets issued	55,451	46,186	42,772	35,143	33,601	24,436	24,666	22,744	21,823	22,439
Fire Department										
Fires	*	*	175	194	172	186	291	258	207	188
Overpressure, explosion, overhear	*	*	7	12	11	8	13	5	13	13
Rescue EMS	*	*	2,126	2,134	2,141	2,285	2,325	2,412	2,713	2,556
Hazardous condition	*	*	171	221	217	253	239	248	257	220
Service call	*	*	332	343	434	456	467	560	679	737
Good intent	*	*	478	452	475	434	430	380	486	464
False alarm or false call	*	*	1,111	1,097	1,072	1,004	1,000	1,064	1,065	1,002
Severe weather or natural disaster	*	*	6	-	2	4	5	2	5	3
Special incident	*	*	4	3	4	5	2	4	2	3
Uncoded	*	*	75	-	-	-	-	-	-	-
Inspections:										
Fire/CD combined	**	**	**	**	**	**	**	39	-	-
Certified housing	**	**	**	**	**	**	**	18	23	23
Commercial	**	**	**	**	**	**	**	842	1,037	1,056
Multi family	**	**	**	**	**	**	**	252	333	355
Residential	**	**	**	**	**	**	**	49	23	31
U of I fire inspection	**	**	**	**	**	**	**	44	70	72
Highways and Streets										
Street resurfacing (sq. yard asphalt and concrete)	***	74,000	41,000	37,550	48,182	62,010	63,248	129,271	***	73,142
Recycling, tons of waste collected (1000's)										
Non-landscape	6.0	6.0	6.2	7.8	7.3	8.6	8.8	9.6	***	10.0
Landscape	12.4	13.5	14.5	19.0	20.3	16.9	21.9	17.9	***	16.5
General Government										
Licenses/permits processed	524	799	810	793	792	833	877	992	1,035	1,044
Parking rentals and permits	2,025	1,947	1,917	1,827	1,837	1,815	1,815	1,762	1,575	1,621
Urban Redevelopment and Housing										
Permits issued	2,121	1,982	1,852	1,642	1,627	1,456	1,513	1,346	1,610	1,417
Zoning/planning cases	99	86	59	76	54	51	75	43	85	91

Source: Various city departments.

* Records for responses are corrupted and accurate information is unable to be obtained.

** Changed tracking for inspections in 2013 to be able to break down into specific categories.

*** Information not available.

CITY OF URBANA, ILLINOIS

CAPITAL ASSET STATISTICS BY FUNCTION Last Ten Fiscal Years

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Highways and Streets										
Area City (sq. mi.)	11.6	11.6	11.6	11.7	11.9	11.9	11.9	11.9	11.9	11.9
Miles streets	130.4	141.2	141.6	144.6	145.5	145.5	143.8	143.8	143.8	143.8
Miles sewers	221.2	222.1	225.7	235.6	237.3	241.0	241.9	243.0	243.8	244.7
Street lights	3,469	3,469	3,569	3,569	3,619	3,659	3,688	3,651	3,768	3,781
City trees	12,400	12,550	12,580	12,610	12,640	12,670	12,700	11,572	11,479	11,165

Source: Various city departments.