

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Urbana, Illinois

For the Fiscal Year Ended June 30, 2019



**CITY OF URBANA  
URBANA, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

As of and for the Year Ended  
June 30, 2019

Officials Issuing Report  
Elizabeth Hannan, Finance Director

# CITY OF URBANA

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**CITY OF URBANA, ILLINOIS  
FINANCE DEPARTMENT**

December 20, 2019

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, 2019.

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. The 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. Twelve 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 42,046 for 2018 and tends to be younger and more diverse than the population of the State as a whole. Residents are also highly educated, with nearly 55% holding a bachelor's degree or higher. About 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 the City Administrator, and 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 an 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. The Urbana Free Library and the Fire and Police Pension funds are included. There are no other entities in which the primary government is considered financially accountable or other organizations that, if excluded, 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 City Council has also adopted a set of financial policies to guide in preparation of the annual budget.

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, the City Administrator, 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, holds a public hearing and adopts the budget before the beginning of the new fiscal year. The budget is prepared by fund, department, program, 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 City Administrator. This budgetary control is maintained through regular 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 47,000 students from every state as well as more than 100 foreign countries to the Urbana-Champaign area, the University employs more than 14,000 people, including many residents of the City of Urbana. The health care sector employs more than 9,600 people in the metro area.

The University of Illinois “Flash Index,” which is the most current measure of the State’s economic performance, is at 105.3 for November 2019. An index over 100 indicates growth. In addition, the local unemployment rate was at 3.5% in September 2019. Both of these are positive indicators for the local economy.

State and local sales tax revenue make up nearly one-third of General Fund revenues. Sales tax performance was relatively strong in FY2019, with State and Home Rule sales out performing the budget by 4%. Use tax out performed the budget by about 20%, which may reflect increasing online sales. This strong performance is due, in part, to the long-anticipated decision which cleared the way for state and local governments to enforce existing sales and use tax laws on remote sales. Reliance on sales tax as a revenue source can be problematic during economic downturns. However, the City’s reserves provide a cushion against these fluctuations.

The City’s taxable assessed value increased by about 4.59% for the 2018 tax levy. That was the third year of significant growth in assessments following the 2008-2009 recession. The City has maintained a relatively stable tax rate for the past few years. City staff anticipates that growth will be about 3% for the 2019 tax levy, when assessments are finalized.

## Major Initiatives

The City is actively engaged in developing and implementing new strategies to foster economic growth. Significant initiatives for the City in fiscal year 2019 were:

- a) During FY2019, the City issued permits for commercial projects valued at \$39.8 million, adding 68,000 square feet in new construction.
- b) The City’s new Enterprise Zone went into effect in January 2016, and includes a residential program marketed as *Think Urbana*. To date, *Think Urbana*, which provides property tax abatements and sales tax exemptions for eligible development, has resulted in 58 projects containing 243 residential units, with a value of \$56.7 million.

- c) The Enterprise Zone has also resulted in 31 commercial development projects with a value of \$21.2 million, which are expected to result in 379 new and retained jobs.
- d) The City continued to use Tax Increment Financing District funds to incentivize redevelopment in several areas, including Downtown Urbana. The City currently has three active development agreements leveraging an estimated \$25 million in private investment in the Central Redevelopment Area TIF District. This includes a new 42-unit townhome development on the 200 block of South Vine Street and the redevelopment of the Landmark Hotel into a Hilton Tapestry.
- e) Several significant development projects are currently in the planning stages, including:
- The Gather project extended stay hotel and apartments
  - The Union Gardens multi-family development project
- f) Significant capital improvement projects include the following –
- Work on the \$47 million Multimodal Corridor Enhancement (MCORE) project continued in FY2019. This is a comprehensive project that will transform the heart of Campustown with participation from the Cities of Urbana and Champaign, the University of Illinois, and the Champaign-Urbana Mass Transit District. The project is funded in part with a \$15.7 million federal TIGER grant, with remaining funds coming from local matches.
- In Urbana, reconstruction of Green Street from Wright Street to Busey Avenue was completed in FY19. The final phase of this project rebuilding Green Street from Busey Avenue to Race Street, making this street the major connection between campus and downtown, is currently in the design phase and construction is scheduled to be begin in the spring of 2020.
- The total cost of the City of Urbana’s local match for the MCORE project is estimated at \$5.4 million, with funding coming from the Capital Improvement Fund and the City’s share of State Motor Fuel Tax funds.
- A space needs assessment and facility planning process began in FY2019 with an initial investment of \$75,000, carried forward from FY2018. The total cost of the study is expected to be slightly more than \$300,000 over two years. This plan will define a strategy for addressing City facility and programming/space needs when funds are available.

- Work began on a stormwater master plan update in FY2019, with an estimated cost of \$250,000. This will set the direction for future stormwater improvements.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Urbana for its CAFR for the fiscal year ended June 30, 2018. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR in conformance with GAAP. The report satisfied both GAAP and legal requirements.

A Certificate of Achievement is valid for a period of one year only. Management believes that the current CAFR continues to meet the Certificate of Achievement program requirements and we plan to submit it to GFOA to determine eligibility for another certificate.

I would like to express my appreciation to staff in the Finance Department for their efficient and dedicated service in helping prepare this report. In particular, I want to thank Jing Lin, Staff Accountant; Don Ho, Financial Analyst; Theresa Hoffman, Financial Services Specialist; Michelle Higar, Financial Services Coordinator; and Kris Francisco, Financial Services Manager for their work. I would also like to commend the Mayor, members of the City Council, City Administrator, 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,



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Elizabeth A. Hannan  
Finance Director

# CITY OF URBANA

## LIST OF PRINCIPAL OFFICIALS

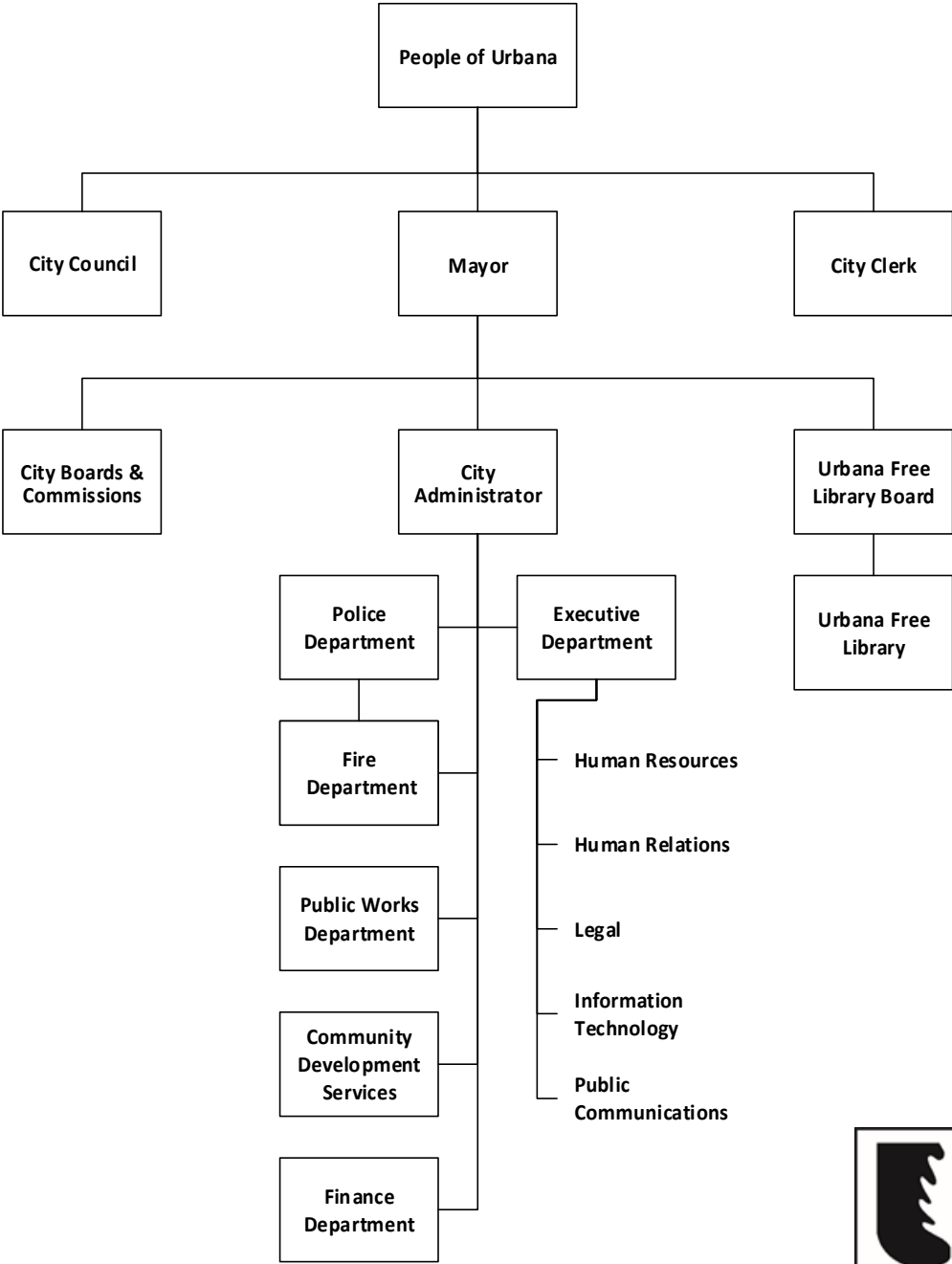
### Elected Officials

Mayor	Diane Wolfe Marlin
Aldersperson, Ward 1	Maryalice Wu
Aldersperson, Ward 2	Eric Jakobsson
Aldersperson, Ward 3	Shirese Hursey
Aldersperson, Ward 4	Bill Brown
Aldersperson, Ward 5	Dennis Roberts
Aldersperson, Ward 6	H. Dean Hazen
Aldersperson, Ward 7	Jared Miller
City Clerk	Charles A. Smyth

### Appointed Officials

City Administrator	Carol J. Mitten
Finance Director	Elizabeth Hannan
Interim Police Chief	Bryant Seraphin
Public Works Director	Vacant
Fire Chief	Charles Lauss
Community Development Director	John Schneider

# ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Urbana  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morvill*

Executive Director/CEO

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Urbana  
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, 2019, 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 of 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, 2019 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.

### ***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.

#### *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 section and statistical section 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 it.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Urbana's 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.

*Baker Tilly Virchow Krause, LLP*

Oak Brook, Illinois  
December 20, 2019

# CITY OF URBANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended June 30, 2019 (Unaudited)

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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, 2019. 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 \$108.0 million (net position). Of this amount \$(2.2) million is unrestricted.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$44.9 million, an increase of \$5.3 million in comparison with the prior year. Approximately \$13.3 million is available for spending at the government's discretion (unrestricted fund balance).
- General revenues accounted for \$32.0 million in revenue or 72% of all governmental revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$12.6 million or 28% of total governmental revenues of \$44.6 million.
- The City had \$43.3 million in expenses related to government activities. However, only \$12.6 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 \$13.5 million, or 45% of the total General Fund expenditures. This includes revenues that were owed to the City, but not yet received as of June 30.
- Long-term liabilities, which include pension obligations, increased by \$10.8 million to \$53.2 million. This is primarily due to increased net pension liabilities related to the Illinois Municipal Retirement Fund (IMRF). IMRF net pension liabilities increased by \$8.6 million due to an increase in plan net investment income (\$3.4 million), among other factors.
- The City has relatively little outstanding debt, with a total of \$4.5 million outstanding as of the end of 2019.

### 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, 2019 (Unaudited)

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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 these 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, 2019 (Unaudited)

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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 5 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, General Reserve Fund, Capital Improvement and Replacement Fund, and 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. The internal service fund is also presented separately 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.

#### *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.

# CITY OF URBANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended June 30, 2019 (Unaudited)

### Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's Illinois Municipal Retirement Fund, Police Pension Fund, Firefighters' Pension Fund and Retiree Health Insurance Plan; 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.

### Government-Wide Financial Analysis

<b>Table 1</b>						
<b>Condensed Statements of Net Position</b>						
<b>(in millions of dollars)</b>						
	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>2019 2018</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Assets</b>						
Current and other assets	\$ 52.6	\$ 46.2	\$ 1.8	\$ 1.8	\$ 54.4	\$ 48.0
Capital assets	<u>98.0</u>	<u>98.9</u>	<u>6.1</u>	<u>6.2</u>	<u>104.1</u>	<u>105.1</u>
Total assets	<u>150.6</u>	<u>145.1</u>	<u>7.9</u>	<u>8.0</u>	<u>158.5</u>	<u>153.1</u>
<b>Deferred outflows of resources</b>						
Deferred outflows related to pensions	13.1	9.4	0.1	-	13.2	9.4
Deferred outflows related to OPEB	<u>1.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.0</u>	<u>-</u>
Total deferred outflows of resources	<u>14.1</u>	<u>9.4</u>	<u>0.1</u>	<u>-</u>	<u>14.2</u>	<u>9.4</u>
<b>Liabilities</b>						
Long-term liabilities	53.1	42.4	0.1	-	53.2	42.4
Other liabilities	<u>3.4</u>	<u>2.8</u>	<u>0.2</u>	<u>0.2</u>	<u>3.6</u>	<u>3.0</u>
Total liabilities	<u>56.5</u>	<u>45.2</u>	<u>0.3</u>	<u>0.2</u>	<u>56.8</u>	<u>45.4</u>
<b>Deferred inflows of resources</b>						
Property taxes levied for future periods	2.8	2.7	-	-	2.8	2.7
Deferred inflows related to OPEB	0.8	0.1	-	-	0.8	0.1
Deferred inflows related to pensions	<u>4.3</u>	<u>8.4</u>	<u>-</u>	<u>0.1</u>	<u>4.3</u>	<u>8.5</u>
Total deferred inflows of resources	<u>7.9</u>	<u>11.2</u>	<u>-</u>	<u>0.1</u>	<u>7.9</u>	<u>11.3</u>
<b>Net position</b>						
Net investment in capital assets	93.5	93.3	6.1	6.2	99.6	99.5
Restricted	10.6	8.0	-	-	10.6	8.0
Unrestricted	<u>(3.8)</u>	<u>(3.2)</u>	<u>1.6</u>	<u>1.5</u>	<u>(2.2)</u>	<u>(1.7)</u>
Total net position	<u>\$ 100.3</u>	<u>\$ 98.1</u>	<u>\$ 7.7</u>	<u>\$ 7.7</u>	<u>\$ 108.0</u>	<u>\$ 105.8</u>

## CITY OF URBANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended June 30, 2019 (Unaudited)

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#### *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.

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 \$2.2 million from \$105.8 million to \$108.0 million. The City's total assets/deferred outflows of resources equal \$172.7 million. The City's total liabilities/deferred inflows of resources equal \$64.7 million.

The increase in net position was driven by an increase in the City's assets/deferred outflow. The deferred outflow related to pensions increased substantially due to delayed IMRF's net difference between projected and actual earnings on pension plan investments resulting in a deferred outflow compared to a deferred inflow in the prior year. An increase of \$3.8 million in deferred outflow related to pension was offset by a decrease of \$4.2 million in deferred inflow related to pensions. An increase of \$8.5 million in IMRF Pension net pension liability resulted in the increase of long-term liability. The increase in assets/deferred outflow exceeded the increase in liability/deferred inflow, resulting in an increase in net position.

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 negative unrestricted net position of \$(2.2) million is due to an increase of \$2.6 million in the restricted net position. The unrestricted net position in business-type activities of \$1.6 million can be used to fund ongoing operations.

**CITY OF URBANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended June 30, 2019  
(Unaudited)

<b>Table 2</b>						
<b>Condensed Statements of Activities</b>						
<b>(in millions of dollars)</b>						
	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>2019 2018</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>						
<i>Program revenues</i>						
Charges for services	\$ 9.0	\$ 8.2	\$ 1.5	\$ 1.3	\$ 10.5	\$ 9.5
Operating grants and contributions	0.5	3.0	-	-	0.5	3.0
Capital grants and contributions	3.1	3.2	-	-	3.1	3.2
<i>General revenues</i>						
Property taxes	6.8	6.6	-	-	6.8	6.6
Other taxes	11.5	11.6	-	-	11.5	11.6
Intergovernmental	11.6	10.5	-	-	11.6	10.5
Other general revenues	<u>2.1</u>	<u>0.6</u>	<u>0.1</u>	<u>-</u>	<u>2.2</u>	<u>0.6</u>
Total revenues	<u>44.6</u>	<u>43.7</u>	<u>1.6</u>	<u>1.3</u>	<u>46.2</u>	<u>45.0</u>
<b>Expenses</b>						
General government	5.6	6.9	-	-	5.6	6.9
Public safety	22.2	21.9	-	-	22.2	21.9
Highways and streets	11.2	10.8	-	-	11.2	10.8
Urban redevelopment and housing	4.2	4.6	-	-	4.2	4.6
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>43.3</u>	<u>44.3</u>	<u>0.7</u>	<u>0.7</u>	<u>44.0</u>	<u>45.0</u>
Transfers	<u>0.9</u>	<u>0.9</u>	<u>(0.9)</u>	<u>(0.9)</u>	<u>-</u>	<u>-</u>
Change in net position	2.2	0.3	-	(0.3)	2.2	-
Net position, beginning of year	<u>98.1</u>	<u>97.8</u>	<u>7.7</u>	<u>8.0</u>	<u>105.8</u>	<u>105.8</u>
Net position, end of year	<u>\$ 100.3</u>	<u>\$ 98.1</u>	<u>\$ 7.7</u>	<u>\$ 7.7</u>	<u>\$ 108.0</u>	<u>\$ 105.8</u>

**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.).



## CITY OF URBANA

### MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended June 30, 2019 (Unaudited)

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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*

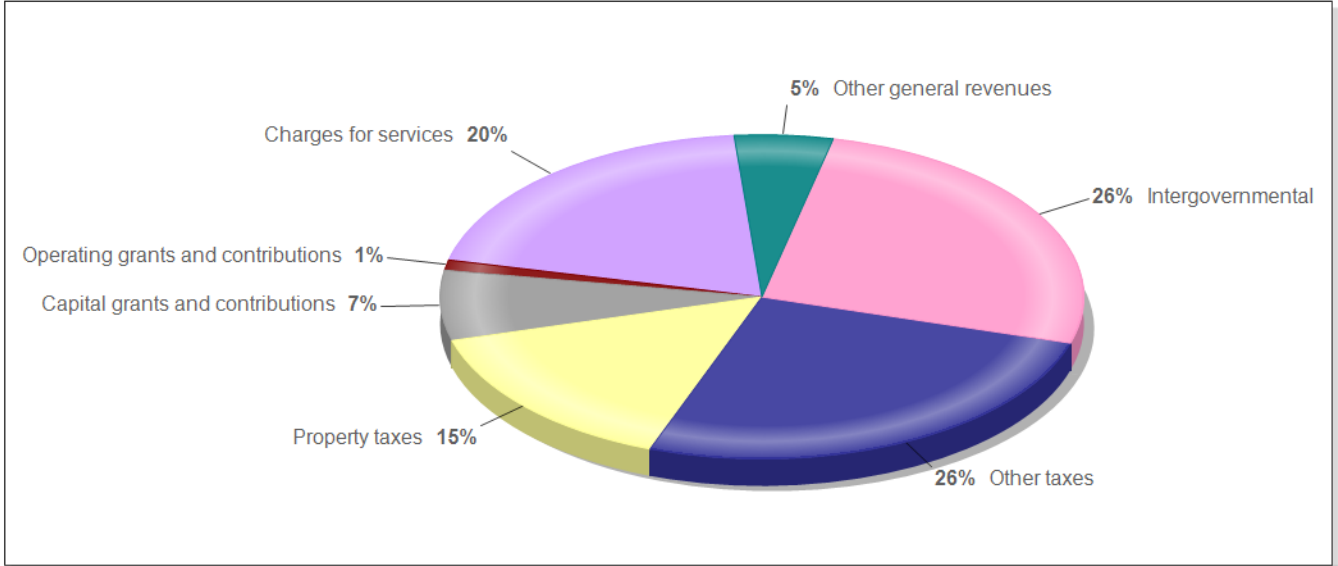
Governmental activities experienced an increase in revenue of \$0.9 million from \$43.7 million to \$44.6 million. Expenses remained steady between fiscal years which resulted in an increase of \$2.2 million in the City's governmental activities net position.

# CITY OF URBANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended June 30, 2019 (Unaudited)

### Governmental Activities

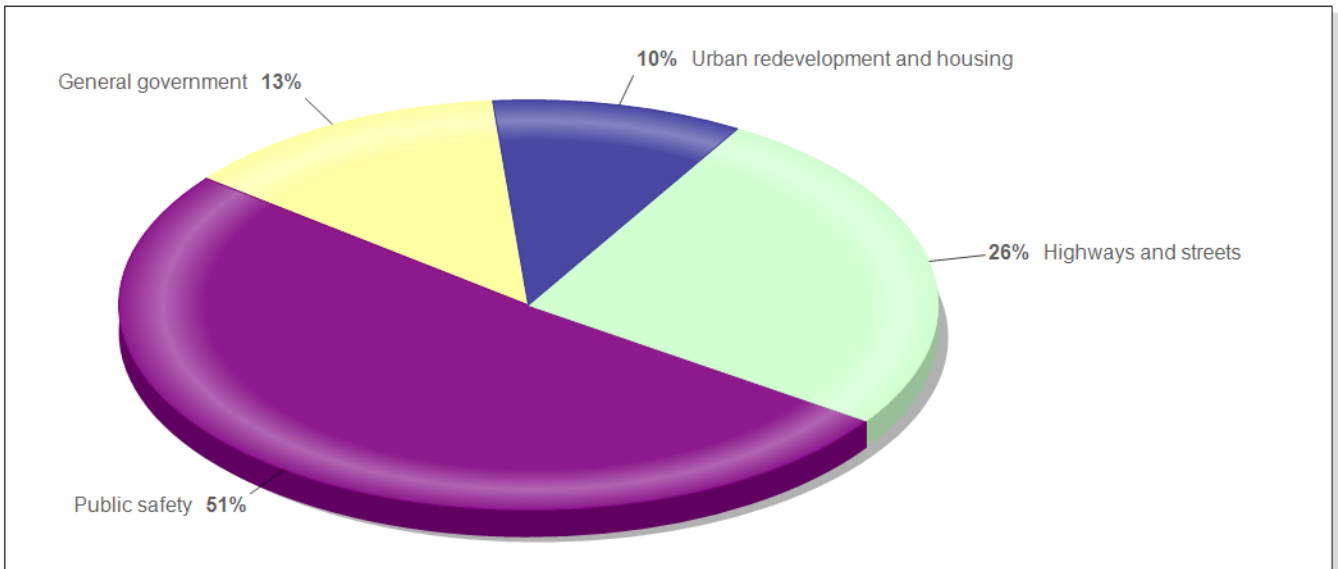
#### Governmental Revenues by Source



### Revenues

Revenues increased by 4% compared to the previous fiscal year. It was partly because of the recognition of previously unearned grant revenue. Investment income increased largely due to increased interest rates.

#### Governmental Expenses by Function



# CITY OF URBANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended June 30, 2019 (Unaudited)

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### *Expenses*

The City's overall expenses in governmental activities for the current fiscal year decreased by \$1.0 million over the previous year. The City was making budget cuts for FY19. Expenses in General government decreased by \$1.3 million is partly due to the Information Technology department moving out of the General Fund. Decreases in public works expenses were driven by decreased capital outlay in highway/streets and infrastructure maintenance. The decreased expenditures in Urban Redevelopment & Housing is related to staff turnover.

### **Financial Analysis of the City's Funds**

The fund balance in governmental funds increased from \$39.6 million to \$44.9 million, an increase of \$5.3 million or 13.4%. Most of the increase is in the General Operating Fund, where the revenues exceeded expenditures by \$2.1 million. There was an increase of \$2.4 million in fund balance. This is partially because Information Technology moved from the General Fund into a new internal service fund starting in FY19, decreasing the staff costs.

The Urban Redevelopment & Housing revenue increased \$0.2 million as a result of quite a lot of building activity on large projects. In particular, building activity at Carle and the Retreat project contributed to the increased revenues.

Both the Capital Improvement & Replacement and Motor Fuel Tax Funds had increases of \$1.8 million and \$1.3 million in fund balance respectively. The increase is because the substantial completion of capital projects in 2018, and only restoration and remedial work taking place in 2019 (Airport Rd West project), which led to decreased expenditures. Compared to 2018, the capital outlay decreased largely in both funds due to the completion of the projects improvements.

### **General Fund Budgetary Highlights**

General Fund revenues of \$32.3 million were more than the final budget by \$0.4 million. However, it was at 101% of the original budget largely because the City's budget is prepared on a cash basis, whereas the audited financial statements are prepared on a modified accrual basis. Expenditures were \$2.5 million below budget, largely because expenditures in police and public works were significantly below the final budget. In the police department, salary expenses and employee insurance costs were less than budgeted. In addition, police and fire pension costs were lower than expected due to delayed receipt of property tax revenues. The public works department was under budget for City utilities, supplies, and equipment.

### **Capital Assets and Debt Administration**

#### *Capital assets*

By the end of 2019, the City had compiled a total investment of \$180.7 million (\$104.1 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 \$5.1 million. More detailed information about capital assets 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, 2019 (Unaudited)

<b>Table 3</b> <b>Capital Assets (net of depreciation)</b> <b>(in millions of dollars)</b>						
	<u>Governmental</u>		<u>Business Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	2019	2018	2019	2018	2019	2018
Land	\$ 7.9	\$ 7.9	\$ 3.8	\$ 3.8	\$ 11.7	\$ 11.7
Construction in progress	12.6	12.0	0.6	0.6	13.2	12.6
Buildings and improvements	5.3	5.3	1.6	1.7	6.9	7.0
Infrastructure	67.5	70.0	-	-	67.5	70.0
Equipment	4.7	3.7	0.1	0.1	4.8	3.8
<b>Total</b>	<u>\$ 98.0</u>	<u>\$ 98.9</u>	<u>\$ 6.1</u>	<u>\$ 6.2</u>	<u>\$ 104.1</u>	<u>\$ 105.1</u>

### *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 \$4.5 million. The City began the fiscal year with a balance of \$5.6 million in debt and reduced debt by \$1.1 million, leaving a June 30, 2019 debt balance of \$4.5 million. More detailed information about debt administration can be found in Note III of the basic financial statements.

<b>Table 4</b> <b>Long-Term Debt</b> <b>(in millions of dollars)</b>		
	<u>Governmental</u>	
	<u>Activities</u>	
	2019	2018
General obligation bonds	\$ 4.2	\$ 5.3
Loans payable	0.3	0.3
<b>Total</b>	<u>\$ 4.5</u>	<u>\$ 5.6</u>

# CITY OF URBANA

## MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended June 30, 2019 (Unaudited)

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### **Factors Bearing on the City's Future**

The City continues to make progress on eliminating a significant structural deficit in the General Operating Fund. A number of positions have been eliminated over the last few years. The City Council has approved a 3% tax on recreational cannabis, which will be effective in September 2020; an 0.5% increase in the food and beverage tax, which will be effective in February 2020; and changes to the hotel / motel tax that will capture revenue from Airbnb and similar facilitators, beginning in March 2020. Those changes should position the City to eliminate the structural deficit for FY2021.

The impact of changes in Illinois law pertaining to collection of sales tax on e-commerce is more difficult to predict. The City does expect to see a slight gain overall in sales and use tax revenue. This will be fully realized in October 2020, when the City receives revenues from sales in July 2020, which is the date when the changes are fully implemented. However, our dependence on sales tax revenue, which is nearly one-third of General Fund revenue, will be problematic during economic downturns.

The City has reduced its property tax rate to \$1.3499, and the City's overall tax rate has decreased by nearly 36-cents to \$10.3310. That rate is about 13% higher than the neighboring City of Champaign. While the gap is shrinking, this puts the City at a competitive disadvantage and is not sustainable. The City and other taxing districts continue to deal with fallout from the 2012 State law that grants hospitals tax relief. Because the local hospitals made up about 11% of the City's EAV, the result was a shift in the tax burden to other taxpayers.

The State's fiscal situation remains a concern. There is always the possibility that the State will reduce funding to local governments as they continue efforts to address significant fiscal issues, including funding for State pensions.

In addition, any reductions in State funding for the University of Illinois, which is a significant driver for the local economy and the City's largest employer, would also have a significant impact on the City. Depending on the magnitude of reductions, there could be wide ranging impacts on the local economy, affecting sales taxes and other City revenues.

The City will continue to develop a financial forecast annually to ensure that we can identify and use appropriate strategies to ensure long term financial sustainability.

### **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, 2019

	Governmental Activities	Business-Type Activities	Totals	Component Unit - Urbana Free Library
<b>ASSETS</b>				
Cash and investments	\$ 40,389,052	\$ 1,784,155	\$ 42,173,207	\$ 1,385,876
Receivables				
Property taxes	6,097,123	-	6,097,123	2,505,755
Other taxes	402,849	-	402,849	-
Accrued interest	96,328	-	96,328	145
Accounts	1,067,649	15,776	1,083,425	-
Due from other governments	3,749,961	-	3,749,961	14,296
Grants	618,956	-	618,956	-
Internal balances	(28,312)	28,312	-	-
Prepaid items	93,240	-	93,240	17,166
Inventory	122,136	-	122,136	-
Restricted assets				
Cash and investments	-	-	-	732,272
Investment in joint venture	74,210	-	74,210	-
Capital Assets				
Land	7,867,289	3,765,739	11,633,028	594,362
Construction in progress	12,600,814	674,328	13,275,142	-
Other capital assets, net of depreciation	77,496,341	1,639,686	79,136,027	8,286,577
Total Assets	<u>150,647,636</u>	<u>7,907,996</u>	<u>158,555,632</u>	<u>13,536,449</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	13,036,074	83,764	13,119,838	-
Deferred outflows related to OPEB	1,030,468	733	1,031,201	40,443
Total Deferred Outflows of Resources	<u>14,066,542</u>	<u>84,497</u>	<u>14,151,039</u>	<u>40,443</u>
<b>LIABILITIES</b>				
Accounts payable	1,427,398	7,674	1,435,072	19,188
Claims payable	707,205	-	707,205	-
Accrued interest	50,250	-	50,250	-
Accrued salaries and taxes	605,406	2,109	607,515	102,739
Unearned revenue	706,506	157,810	864,316	42,417
Noncurrent Liabilities				
Due within one year	3,150,483	-	3,150,483	146,115
Due in more than one year	49,900,911	150,466	50,051,377	171,941
Total Liabilities	<u>56,548,159</u>	<u>318,059</u>	<u>56,866,218</u>	<u>482,400</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes levied for future periods	2,840,058	-	2,840,058	1,554,307
Deferred inflows related to pensions	4,256,818	16,374	4,273,192	-
Deferred inflows related to OPEB	763,924	791	764,715	29,992
Total Deferred Inflows of Resources	<u>7,860,800</u>	<u>17,165</u>	<u>7,877,965</u>	<u>1,584,299</u>
<b>NET POSITION</b>				
Net investment in capital assets	93,516,944	6,079,753	99,596,697	8,880,939
Restricted for				
Public safety	60,888	-	60,888	-
Urban redevelopment and housing	3,849,136	-	3,849,136	-
Capital projects	5,975,268	-	5,975,268	-
Highways and streets	754,062	-	754,062	-
Trust	-	-	-	730,210
Unrestricted	<u>(3,851,079)</u>	<u>1,577,516</u>	<u>(2,273,563)</u>	<u>1,899,044</u>
<b>TOTAL NET POSITION</b>	<u>\$ 100,305,219</u>	<u>\$ 7,657,269</u>	<u>\$ 107,962,488</u>	<u>\$ 11,510,193</u>

See accompanying notes to financial statements.

# CITY OF URBANA

## STATEMENT OF ACTIVITIES For the Year Ended June 30, 2019

Functions/Programs	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	\$ 5,617,996	\$ 293,142	\$ 36,954	\$ -
Public safety	22,171,977	3,233,690	78,030	125,791
Highways and streets	11,247,279	3,872,038	3,013	2,932,125
Urban redevelopment & housing	4,206,629	1,554,066	388,265	-
Interest and fiscal charges	<u>93,230</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>43,337,111</u>	<u>8,952,936</u>	<u>506,262</u>	<u>3,057,916</u>
Business-type Activities				
Parking	<u>733,772</u>	<u>1,529,315</u>	<u>-</u>	<u>-</u>
Total Business-type Activities	<u>733,772</u>	<u>1,529,315</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 44,070,883</u>	<u>\$ 10,482,251</u>	<u>\$ 506,262</u>	<u>\$ 3,057,916</u>
Component Unit				
Urbana Free Library	<u>\$ 4,037,725</u>	<u>\$ 223,773</u>	<u>\$ 110,449</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				
<b>Change in net position</b>				
NET POSITION - Beginning of Year				
<b>NET POSITION - END OF YEAR</b>				

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
\$ (5,287,900)	\$ -	\$ (5,287,900)	\$ -
(18,734,466)	-	(18,734,466)	-
(4,440,103)	-	(4,440,103)	-
(2,264,298)	-	(2,264,298)	-
<u>(93,230)</u>	<u>-</u>	<u>(93,230)</u>	<u>-</u>
<u>(30,819,997)</u>	<u>-</u>	<u>(30,819,997)</u>	<u>-</u>
-	<u>795,543</u>	<u>795,543</u>	-
-	<u>795,543</u>	<u>795,543</u>	-
<u>(30,819,997)</u>	<u>795,543</u>	<u>(30,024,454)</u>	-
-	-	-	(3,703,503)
6,844,352	-	6,844,352	2,953,447
5,570,906	-	5,570,906	-
952,301	-	952,301	-
1,321,740	-	1,321,740	-
3,698,703	-	3,698,703	-
6,652,735	-	6,652,735	-
268,049	-	268,049	89,935
4,298,362	-	4,298,362	-
357,068	-	357,068	-
1,118,805	54,762	1,173,567	15,855
<u>960,426</u>	<u>-</u>	<u>960,426</u>	<u>547,386</u>
<u>32,043,447</u>	<u>54,762</u>	<u>32,098,209</u>	<u>3,606,623</u>
<u>942,620</u>	<u>(942,620)</u>	<u>-</u>	<u>-</u>
<u>32,986,067</u>	<u>(887,858)</u>	<u>32,098,209</u>	<u>3,606,623</u>
2,166,070	(92,315)	2,073,755	(96,880)
<u>98,139,149</u>	<u>7,749,584</u>	<u>105,888,733</u>	<u>11,607,073</u>
<u>\$ 100,305,219</u>	<u>\$ 7,657,269</u>	<u>\$ 107,962,488</u>	<u>\$ 11,510,193</u>

See accompanying notes to financial statements.



**CITY OF URBANA**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of June 30, 2019

	General	Vehicle and Equipment Replacement	General Reserve	Capital Improvement and Replacement
<b>ASSETS</b>				
Cash and investments	\$ 10,909,486	\$ 7,568,444	\$ 5,475,152	\$ 6,822,882
Receivables				
Property tax receivable	3,525,839	-	-	-
Other taxes	345,110	-	-	71,616
Accounts receivable	371,717	-	-	462,340
Accrued interest	96,328	-	-	-
Due from other governments	3,649,179	-	-	-
Grants receivable	-	125,791	-	31,412
Due from other funds	279,043	-	-	-
Prepaid items	81,198	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 19,257,900</b>	<b>\$ 7,694,235</b>	<b>\$ 5,475,152</b>	<b>\$ 7,388,250</b>

See accompanying notes to financial statements.

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<u>Motor Fuel Tax</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ 3,752,831	\$ 5,140,813	\$ 39,669,608
-	2,226,174	5,752,013
-	331,233	747,959
-	233,592	1,067,649
-	-	96,328
100,782	-	3,749,961
-	461,753	618,956
-	-	279,043
-	-	81,198
<u>\$ 3,853,613</u>	<u>\$ 8,393,565</u>	<u>\$ 52,062,715</u>

See accompanying notes to financial statements.

**CITY OF URBANA**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of June 30, 2019

	<u>General</u>	<u>Vehicle and Equipment Replacement</u>	<u>General Reserve</u>	<u>Capital Improvement and Replacement</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 374,671	\$ 3,930	\$ -	\$ 359,630
Claims payable	707,205	-	-	-
Accrued salaries and taxes	563,856	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	<u>402,808</u>	<u>-</u>	<u>-</u>	<u>230,568</u>
Total Liabilities	<u>2,048,540</u>	<u>3,930</u>	<u>-</u>	<u>590,198</u>
Deferred Inflows of Resources				
Property taxes levied for future periods	1,841,681	-	-	-
Unavailable revenues for grants	331,711	125,791	-	33,937
Unavailable for intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>2,173,392</u>	<u>125,791</u>	<u>-</u>	<u>33,937</u>
Fund Balances				
Nonspendable for prepaid items	81,198	-	-	-
Restricted for urban housing and development	-	-	-	-
Restricted for capital projects	-	-	-	2,178,473
Restricted for public safety	-	-	-	-
Restricted for highways and streets	-	-	-	-
Committed for capital projects	-	-	-	-
Assigned for public safety	-	7,564,514	-	-
Assigned for urban housing and development	-	-	-	-
Assigned for workers' compensation	1,456,102	-	-	-
Assigned for public television	-	-	-	-
Assigned for capital projects	-	-	-	4,585,642
Assigned for property tax reserve	-	-	5,475,152	-
Unassigned fund balance	<u>13,498,668</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>15,035,968</u>	<u>7,564,514</u>	<u>5,475,152</u>	<u>6,764,115</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 19,257,900</u>	<u>\$ 7,694,235</u>	<u>\$ 5,475,152</u>	<u>\$ 7,388,250</u>

See accompanying notes to financial statements.

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Motor Fuel Tax	Nonmajor Governmental Funds	Totals
\$ 32,317	\$ 590,428	\$ 1,360,976
-	-	707,205
-	25,880	589,736
-	279,043	279,043
-	73,130	706,506
<u>32,317</u>	<u>968,481</u>	<u>3,643,466</u>
-	998,377	2,840,058
24,501	54,810	570,750
-	<u>123,954</u>	<u>123,954</u>
<u>24,501</u>	<u>1,177,141</u>	<u>3,534,762</u>
-	-	81,198
-	3,849,136	3,849,136
3,796,795	-	5,975,268
-	60,888	60,888
-	754,062	754,062
-	1,280,537	1,280,537
-	123,402	7,687,916
-	266,203	266,203
-	-	1,456,102
-	125,877	125,877
-	-	4,585,642
-	-	5,475,152
-	(212,162)	<u>13,286,506</u>
<u>3,796,795</u>	<u>6,247,943</u>	<u>44,884,487</u>
<u>\$ 3,853,613</u>	<u>\$ 8,393,565</u>	<u>\$ 52,062,715</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, 2019

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Total Fund Balances - Governmental Funds	\$ 44,884,487
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.	97,964,444
Less amount reported in internal service funds below:	(57,430)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.	13,036,074
Less amounts reported in internal service funds below.	(353,122)
Deferred outflows of resources related to other post-employment benefits do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.	1,030,468
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.	694,704
An asset is reported in the statement of net position for the equity interest in the Champaign-Urbana Waste Disposal System joint venture.	74,210
Internal service funds are reported in the statement of net position as governmental activities.	509,657
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.	(4,256,818)
Less amounts reported in internal service funds above.	64,374
Deferred inflows related to other post employment benefits do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.	(763,924)
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	(4,150,000)
Loan payable	(297,500)
Compensated absences	(1,967,983)
Accrued interest	(50,250)
Net pension liabilities	(42,263,861)
Total other post employment benefits liability	(4,372,050)
Less amounts reported in internal service funds above.	<u>579,739</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 100,305,219</u></b>

See accompanying notes to financial statements.

## CITY OF URBANA

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

For the Year Ended June 30, 2019

	General	Vehicle and Equipment Replacement	General Reserve	Capital Improvement and Replacement
<b>REVENUES</b>				
Property taxes	\$ 4,450,921	\$ -	\$ -	\$ -
Other taxes	10,221,910	-	-	-
Intergovernmental	11,609,483	-	-	1,342,768
Licenses, fines, and service charges	5,357,387	-	-	1,572,644
Investment income	281,759	224,525	161,791	182,329
Miscellaneous revenues	<u>384,248</u>	<u>31,718</u>	-	<u>525,607</u>
Total Revenues	<u>32,305,708</u>	<u>256,243</u>	<u>161,791</u>	<u>3,623,348</u>
<b>EXPENDITURES</b>				
Current				
General government	4,807,691	-	-	-
Public safety	16,740,723	-	-	-
Highways and streets	7,020,660	-	-	596,845
Urban redevelopment and housing	1,599,665	-	-	-
Capital Outlay	-	2,012,570	-	1,102,286
Debt Service				
Principal	-	17,500	-	275,000
Interest and fiscal charges	-	-	-	17,275
Total Expenditures	<u>30,168,739</u>	<u>2,030,070</u>	<u>-</u>	<u>1,991,406</u>
Excess (deficiency) of revenues over expenditures	<u>2,136,969</u>	<u>(1,773,827)</u>	<u>161,791</u>	<u>1,631,942</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,556,256	1,516,514	-	787,412
Transfers out	<u>(2,258,453)</u>	<u>-</u>	<u>-</u>	<u>(610,868)</u>
Total Other Financing Sources (Uses)	<u>297,803</u>	<u>1,516,514</u>	<u>-</u>	<u>176,544</u>
<b>Net Change in Fund Balances</b>	2,434,772	(257,313)	161,791	1,808,486
FUND BALANCES - Beginning of Year	<u>12,601,196</u>	<u>7,821,827</u>	<u>5,313,361</u>	<u>4,955,629</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 15,035,968</u>	<u>\$ 7,564,514</u>	<u>\$ 5,475,152</u>	<u>\$ 6,764,115</u>

See accompanying notes to financial statements.

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Motor Fuel Tax	Nonmajor Governmental Funds	Totals
\$ -	\$ 2,393,431	\$ 6,844,352
-	1,321,740	11,543,650
1,533,932	957,255	15,443,438
-	1,681,151	8,611,182
94,328	158,540	1,103,272
-	18,857	960,430
<u>1,628,260</u>	<u>6,530,974</u>	<u>44,506,324</u>
-	353,910	5,161,601
-	52,750	16,793,473
-	1,159,469	8,776,974
-	2,556,987	4,156,652
288,002	678,940	4,081,798
-	880,000	1,172,500
-	51,409	68,684
<u>288,002</u>	<u>5,733,465</u>	<u>40,211,682</u>
<u>1,340,258</u>	<u>797,509</u>	<u>4,294,642</u>
-	491,756	5,351,938
-	(1,519,427)	(4,388,748)
-	(1,027,671)	963,190
1,340,258	(230,162)	5,257,832
<u>2,456,537</u>	<u>6,478,105</u>	<u>39,626,655</u>
<u>\$ 3,796,795</u>	<u>\$ 6,247,943</u>	<u>\$ 44,884,487</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, 2019

Net change in fund balances - total governmental funds \$ 5,257,832

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	4,081,798
Some items reported as capital outlay were not capitalized	(139,737)
Depreciation is reported in the government-wide financial statements	(4,864,641)
Net book value of assets retired	(626)
Less amounts reported in internal service funds below	5,142

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	(85,250)
Intergovernmental	123,954

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

Principal repaid	1,172,500
------------------	-----------

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	(115,105)
Accrued interest on debt	(24,546)
Total other post employment benefit liability	(782,974)
Net pension liability	(10,940,937)
Deferred outflows of resources due to pensions	3,656,458
Deferred outflows of resources due to other post employment benefits	1,030,468
Deferred inflows of resources due to pensions	4,134,448
Deferred inflows of resources due to other post employment benefits	(663,804)
Less amounts reported in internal service funds below	144,720

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.

1,712

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.

174,658

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**

**\$ 2,166,070**

See accompanying notes to financial statements.



**CITY OF URBANA**

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 As of June 30, 2019

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Parking	
<b>ASSETS</b>		
Current Assets		
Cash and investments	\$ 1,784,155	\$ 719,444
Accounts receivable	15,776	-
Inventories	-	122,136
Prepaid items	-	12,042
Total Current Assets	1,799,931	853,622
Noncurrent Assets		
Capital Assets		
Land	3,765,739	-
Construction in progress	674,328	-
Parking improvements	8,124,944	-
Equipment	455,713	265,446
Less: Accumulated depreciation	(6,940,971)	(208,016)
Total Noncurrent Assets	6,079,753	57,430
Total Assets	7,879,684	911,052
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	83,764	353,122
Deferred outflows related to OPEB	733	-
Total Deferred Outflows of Resources	84,497	353,122

See accompanying notes to financial statements.

**CITY OF URBANA**

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 As of June 30, 2019

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
	Parking	
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	7,674	66,422
Accrued salaries and taxes	2,109	15,670
Unearned revenues	157,810	-
Total Current Liabilities	167,593	82,092
Noncurrent Liabilities		
Net pension liability	138,478	579,739
Total OPEB liability	11,988	-
Total Noncurrent Liabilities	150,466	579,739
Total Liabilities	318,059	661,831
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	16,374	64,374
Deferred inflows related to OPEB	791	-
Total Deferred Inflows of Resources	17,165	64,374
<b>NET POSITION</b>		
Net investment in capital assets	6,079,753	57,430
Unrestricted net position	1,549,204	480,539
<b>TOTAL NET POSITION</b>	<b>\$ 7,628,957</b>	<b>\$ 537,969</b>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.	28,312	(28,312)
Net Position Business-type Activities	<b>\$ 7,657,269</b>	
Net internal service funds reported in the statement of net position as governmental activities		<b>\$ 509,657</b>

See accompanying notes to financial statements.

**CITY OF URBANA**

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

For the Year Ended June 30, 2019

	<u>Business-type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Parking</u>	
<b>OPERATING REVENUES</b>		
Parking meters	\$ 1,292,848	\$ -
Parking rentals	236,467	-
Charges for services	-	<u>1,875,725</u>
Total Operating Revenues	<u>1,529,315</u>	<u>1,875,725</u>
<b>OPERATING EXPENSES</b>		
Personnel	201,690	1,012,445
Supplies	20,793	44,664
Contractual services	311,800	253,769
Equipment parts	-	169,256
Fuel	-	204,277
Depreciation	<u>205,966</u>	<u>5,142</u>
Total Operating Expenses	<u>740,249</u>	<u>1,689,553</u>
Operating Income	<u>789,066</u>	<u>186,172</u>
<b>NONOPERATING REVENUES</b>		
Investment income	<u>54,762</u>	<u>15,533</u>
Total Nonoperating Revenues	<u>54,762</u>	<u>15,533</u>
Income Before Transfers	<u>843,828</u>	<u>201,705</u>
<b>TRANSFERS</b>		
Transfers out	<u>(942,620)</u>	<u>(20,570)</u>
Total Transfers	<u>(942,620)</u>	<u>(20,570)</u>
<b>Change in Net Position</b>	(98,792)	181,135
NET POSITION - Beginning of Year	<u>7,727,749</u>	<u>356,834</u>
<b>NET POSITION- END OF YEAR</b>	<u>\$ 7,628,957</u>	<u>\$ 537,969</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	<u>6,477</u>	
Change in Net Position of Business-type Activities	<u>\$ (92,315)</u>	

See accompanying notes to financial statements.

**CITY OF URBANA**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended June 30, 2019

	<u>Parking</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from customers	\$ 1,528,181	\$ 1,875,725
Paid to suppliers for goods and services	(330,368)	(670,675)
Paid to employees for services	(204,480)	(857,137)
Net Cash Flows From Operating Activities	<u>993,333</u>	<u>347,913</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	54,762	15,533
Investments purchased	(168,278)	-
Net Cash Flows From Investing Activities	<u>(113,516)</u>	<u>15,533</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers	(942,620)	(20,570)
Net Cash Flows From Noncapital Financing Activities	<u>(942,620)</u>	<u>(20,570)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(48,151)	-
Net Cash Flows From Capital and Related Financing Activities	<u>(48,151)</u>	<u>-</u>
<b>Net Change in Cash and Cash Equivalents</b>	(110,954)	342,876
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>697,109</u>	<u>376,568</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 586,155</u>	<u>\$ 719,444</u>

See accompanying notes to financial statements.

**CITY OF URBANA**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended June 30, 2019

	Parking	Governmental Activities - Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income	\$ 789,066	\$ 186,172
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities		
Depreciation	205,966	5,142
Changes in assets, deferred outflows of resources, and liabilities		
Accounts receivable	4,588	-
Inventory	-	(6,169)
Prepays	-	(12,042)
Deferred outflows related to pensions	(70,081)	(325,452)
Deferred outflows related to OPEB	(733)	-
Accounts payable	2,225	19,502
Accrued salaries	167	10,588
Unearned revenue	(5,722)	-
Net pension liability	110,587	524,682
Total OPEB liability	557	-
Deferred inflows related to pensions	(43,759)	(54,510)
Deferred inflows related to OPEB	472	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 993,333</b>	<b>\$ 347,913</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>		
Cash and investments - statement of net position	\$ 1,784,155	\$ 719,444
Less: Investments	(1,198,000)	-
<b>CASH AND CASH EQUIVALENTS</b>	<b>\$ 586,155</b>	<b>\$ 719,444</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
None		

See accompanying notes to financial statements.

**CITY OF URBANA**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
As of June 30, 2019

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	<u>Pension Trusts</u>
<b>ASSETS</b>	
Cash	\$ 2,513,750
Investments	
Certificates of deposit	2,142,042
Money market funds	224,356
U.S. Government and agency securities	19,777,270
Mutual funds	52,417,548
Domestic common stocks	4,861,630
Corporate bonds	8,333,410
Municipal bonds	315,024
Receivables	
Accrued interest	<u>131,141</u>
Total Assets	<u>90,716,171</u>
<b>LIABILITIES</b>	
Accounts payable	<u>17,340</u>
Total Liabilities	<u>17,340</u>
<b>NET POSITION</b>	
Restricted for pensions	<u><u>\$ 90,698,831</u></u>

**CITY OF URBANA**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2019

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	<u>Pension Trusts</u>
<b>ADDITIONS</b>	
Contributions	
Employer contributions	\$ 1,795,694
Employee contributions	894,594
Other	<u>120,990</u>
Total Contributions	<u>2,811,278</u>
Investment income	
Interest on investments	3,118,216
Net appreciation in fair value of investments	2,274,387
Investment expense	<u>(268,144)</u>
Total Investment Income	<u>5,124,459</u>
Total Additions	<u>7,935,737</u>
<b>DEDUCTIONS</b>	
Benefits	5,357,149
Refunds of contributions	71,280
Administrative costs	<u>66,628</u>
Total Deductions	<u>5,495,057</u>
 <b>Change in Net Position</b>	 2,440,680
 NET POSITION - Beginning of Year	 <u>88,258,151</u>
 <b>NET POSITION - END OF YEAR</b>	 <u><u>\$ 90,698,831</u></u>

# CITY OF URBANA

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2019

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# CITY OF URBANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2019

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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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, 2019

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

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#### **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 and statutes provide for circumstances whereby the City can impose its will on the Library. See Note III.G. 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, 2019. 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, 2019

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

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### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

#### ***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, 2019

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

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#### ***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 and Equipment Replacement Fund - accounts for the fees, grants, and transfers used to pay for the replacement of public safety vehicles and equipment.
- General Reserve Fund - accounts for funds held related to the ongoing dispute about hospital property taxes.
- Capital Improvement and Replacement Fund - accounts 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 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:

- Parking 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, 2019

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

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### ***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).

Police Special	Farmer's Market
Community Development Special	Community Development Grants
TIF #2	TIF #4
Central TIF	Post TIF Closure
Recycling	Cable TV PEG
Arms Programming	

Capital Projects Fund - 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.

Sanitary Sewer

In addition, the City reports the following fund types:

Internal Service Funds - 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  
Information Technology

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, 2019

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

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#### ***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, 2019

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### 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, 2019

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

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### ***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, 2019

---

## 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. Investments in IMET's 1 - 3 Year Fund may be redeemed with 5 business days' notice.

See Note III. A. for further information.

#### ***2. Receivables***

Property taxes for levy year 2018 attaches as an enforceable lien on January 1, 2018, 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 2019 tax levy, which attached as an enforceable lien on the property as of January 1, 2019, has not been recorded as a receivable as of June 30, 2019, as the tax has not yet been levied by the City and will not be levied until December 2019, and therefore, the levy is not measurable at June 30, 2019.

Tax bills for levy year 2018 are prepared by the Champaign County Clerk and issued on or about May 1, 2019 and August 1, 2019, and are payable in two installments, on or about June 1, 2019 and September 1, 2019 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, 2019

---

### **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 2018 property tax levy is recognized as a receivable and deferred inflows of resources in fiscal 2019, net the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At June 30, 2019, the property taxes receivable and related deferred inflows of resources consisted of the estimated amount collectible from the 2018 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 land, infrastructure, buildings, and improvements with an initial cost of more than \$10,000 and an estimated useful life in excess of 10 years and equipment 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 acquisition value at the date of donation.

# CITY OF URBANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2019

---

### 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	3-20 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, 2019.

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, 2019, 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, 2019

---

### 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, loans payable, accrued compensated absences, total other post-employment benefit liability, 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, 2019

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### 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. The City has adopted a financial policy authorizing the Finance Director to assign amounts for a specific purpose. 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 \$13,498,668.

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

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**NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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**A. EXCESS EXPENDITURES OVER BUDGET**

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
Motor Fuel Tax	\$ 88,713	\$ 288,002	\$ 199,289
Parking	732,554	740,249	7,695
Information Technology	826,921	895,537	68,616

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, 2019, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
Community Development Grants	\$ (212,162)

## CITY OF URBANA

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2019

#### NOTE III - DETAILED NOTES ON ALL FUNDS

##### *A. DEPOSITS AND INVESTMENTS*

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	\$ 8,385,582	\$ 8,935,320	Custodial credit risk - deposits
Non-negotiable certificates of deposit	14,695,592	14,713,472	Custodial credit risk - deposits
Money market mutual funds - bond funds	224,356	224,356	Credit risk, interest rate risk
Mutual funds - other than bonds	52,417,548	52,417,548	N/A
Illinois Funds	7,375,144	7,373,756	Credit risk
IMET (Convenience Fund)	523,141	523,141	Credit risk
IMET (1-3 Year Fund)	5,703,027	5,703,027	Credit risk, interest rate risk
U.S. Treasury obligations	12,706,305	12,706,405	Interest rate risk, custodial credit risk - investments
U.S. Agency obligations (implicitly guaranteed)	16,289,213	16,289,213	Credit risk, interest rate risk, concentration of credit risk, custodial credit risk - investments
U.S. Agency obligations (explicitly guaranteed)	925,233	925,233	Interest rate risk, custodial credit risk - investments
Municipal bonds	315,024	315,024	Credit risk, interest rate risk, concentration of credit risk, custodial credit risk - investments
Corporate bonds	8,333,410	8,333,410	Credit risk, interest rate risk, concentration of credit risk, custodial credit risk - investments
Corporate stock	4,861,630	4,861,630	Concentration of credit risk, custodial credit risk - investments
Cash on hand	<u>3,032</u>	<u>-</u>	N/A
<b>Total Deposits and Investments</b>	<b><u>\$132,758,237</u></b>	<b><u>\$133,321,535</u></b>	

# CITY OF URBANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2019

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

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#### A. DEPOSITS AND INVESTMENTS (cont.)

Reconciliation to financial statements

Per statement of net position

Unrestricted cash and investments \$ 42,173,207

Per statement of net position - fiduciary funds

Cash 2,513,750

Certificates of deposit 2,142,042

Money market funds 224,356

U.S. Government and agency securities 19,777,270

Mutual funds 52,417,548

Domestic common stocks 4,861,630

Corporate bonds 8,333,410

Municipal bonds 315,024

Total Deposits and Investments \$132,758,237

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.

As of June 30, 2019, \$925,167 of the City's total bank balances were 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, 2019

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

**A. DEPOSITS AND INVESTMENTS (cont.)**

**Credit Risk (cont.)**

As of June 30, 2019, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's Investors Services</u>
Illinois Funds	Aaa
IMET (Convenience Fund)	Not Rated
IMET (1-3 Year Fund)	Aaa-bf
U.S. Agency obligations (implicitly guaranteed)	Aaa

As of June 30, 2019, the Police Pension Fund's investments were rated as follows:

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

As of June 30, 2019, the Firefighters' Pension Fund's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's Investors Services</u>
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, 2019

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

**A. DEPOSITS AND INVESTMENTS (cont.)**

**Concentration of Credit Risk (cont.)**

At June 30, 2019, the City's and Pensions' investment portfolios were concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
<i>City:</i>		
Federal National Mortgage Association	U.S. Agency obligation (implicitly guaranteed)	20.08%
Federal Home Loan Mortgage Corporation	U.S. Agency obligation (implicitly guaranteed)	13.69%
Federal Home Loan Banks	U.S. Agency obligation (implicitly guaranteed)	12.80%
<i>Firefighters' Pension Fund:</i>		
Federal National Mortgage Association	U.S. Agency obligation (implicitly guaranteed)	6.00%

**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, 2019, 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 (1-3 Year Fund)	\$ 5,703,027	\$ -	\$ 5,703,027	\$ -	\$ -
U.S. Treasury obligations	298,851	298,851	-	-	-
U.S. Agency obligations	9,844,630	4,026,168	4,123,977	1,547,753	146,732
Totals	<u>\$ 15,846,508</u>	<u>\$ 4,325,019</u>	<u>\$ 9,827,004</u>	<u>\$ 1,547,753</u>	<u>\$ 146,732</u>

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

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

**A. DEPOSITS AND INVESTMENTS (cont.)**

***Interest Rate Risk (cont.)***

*Police Pension Fund*

Investment Type	Fair Value	Maturity (In Years)			
		Less than 1	1 - 5	6 - 10	Greater than 10
U.S. Treasury obligations	\$ 8,468,859	\$ 1,643,882	\$ 2,947,963	\$ 3,877,014	\$ -
U.S. Agency obligations	1,443,507	1,234,706	202,954	1,264	4,583
Corporate bonds	<u>4,192,974</u>	<u>49,997</u>	<u>3,531,191</u>	<u>611,786</u>	<u>-</u>
Totals	<u>\$ 14,105,340</u>	<u>\$ 2,928,585</u>	<u>\$ 6,682,108</u>	<u>\$ 4,490,064</u>	<u>\$ 4,583</u>

*Firefighters' Pension Fund*

Investment Type	Fair Value	Maturity (In Years)			
		Less than 1	1 - 5	6 - 10	Greater than 10
U.S. Treasury obligations	\$ 3,938,595	\$ 564,917	\$ 3,008,989	\$ 364,689	\$ -
U.S. Agency obligations	5,926,309	1,588,609	2,010,968	2,326,732	-
Municipal bonds	315,024	-	315,024	-	-
Corporate bonds	4,140,436	498,035	2,090,830	1,551,571	-
Money market mutual funds	<u>224,356</u>	<u>224,356</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 14,544,720</u>	<u>\$ 2,875,917</u>	<u>\$ 7,425,811</u>	<u>\$ 4,242,992</u>	<u>\$ -</u>

## CITY OF URBANA

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2019

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

##### **A. DEPOSITS AND INVESTMENTS (cont.)**

##### ***Fair Value Hierarchy***

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2019, the City's investments are measured using the market valuation method and valuation inputs as follows:

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury obligations	\$ -	\$ 298,851	\$ -	\$ 298,851
U.S. Agency obligations	-	9,844,630	-	9,844,630
Illinois Funds	<u>7,375,144</u>	<u>-</u>	<u>-</u>	<u>7,375,144</u>
<b>Totals</b>	<b><u>\$ 7,375,144</u></b>	<b><u>\$ 10,143,481</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 17,518,625</u></b>

##### ***Police Pension Fund***

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury obligations	\$ -	\$ 8,468,859	\$ -	\$ 8,468,859
U.S. Agency obligations	-	1,443,507	-	1,443,507
Corporate stock	4,861,630	-	-	4,861,630
Corporate bonds	-	4,192,974	-	4,192,974
Mutual funds - other than bonds	<u>19,005,238</u>	<u>-</u>	<u>-</u>	<u>19,005,238</u>
<b>Totals</b>	<b><u>\$ 23,866,868</u></b>	<b><u>\$ 14,105,340</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 37,972,208</u></b>

##### ***Firefighters' Pension Fund***

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury obligations	\$ -	\$ 3,938,595	\$ -	\$ 3,938,595
U.S. Agency obligations	-	5,926,309	-	5,926,309
Corporate bonds	-	4,140,436	-	4,140,436
Municipal bonds	-	315,024	-	315,024
Mutual funds - other than bonds	33,412,310	-	-	33,412,310
Money market mutual funds - bond funds	<u>-</u>	<u>224,356</u>	<u>-</u>	<u>224,356</u>
<b>Totals</b>	<b><u>\$ 33,412,310</u></b>	<b><u>\$ 14,544,720</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 47,957,030</u></b>

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

# CITY OF URBANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2019

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

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#### **B. RECEIVABLES**

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

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:

	<u>Unearned</u>	<u>Unavailable</u>
Property taxes receivable for subsequent year	\$ 2,840,058	\$ -
License fees	402,808	-
Grants	-	570,750
Stormwater fees	230,568	-
Intergovernmental	<u>73,130</u>	<u>123,954</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u>\$ 3,546,564</u>	<u>\$ 694,704</u>
Unearned revenue included in liabilities	\$ 706,506	
Unearned revenue included in deferred inflows	<u>2,840,058</u>	
Total Unearned Revenue for Governmental Funds	<u>\$ 3,546,564</u>	

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

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

**C. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 7,867,289	\$ -	\$ -	\$ 7,867,289
Construction in progress	12,016,720	1,637,920	1,053,826	12,600,814
Total Capital Assets Not Being Depreciated	<u>19,884,009</u>	<u>1,637,920</u>	<u>1,053,826</u>	<u>20,468,103</u>
Capital assets being depreciated				
Building and improvements	9,898,018	173,431	-	10,071,449
Infrastructure	120,284,384	1,343,485	-	121,627,869
Equipment	<u>13,900,628</u>	<u>1,841,051</u>	<u>207,729</u>	<u>15,533,950</u>
Total Capital Assets Being Depreciated	<u>144,083,030</u>	<u>3,357,967</u>	<u>207,729</u>	<u>147,233,268</u>
Total Capital Assets	<u>163,967,039</u>	<u>4,995,887</u>	<u>1,261,555</u>	<u>167,701,371</u>
Less: Accumulated depreciation for				
Building and improvements	\$ (4,587,841)	\$ (221,041)	\$ -	\$ (4,808,882)
Infrastructure	(50,247,381)	(3,861,189)	-	(54,108,570)
Equipment	<u>(10,244,167)</u>	<u>(782,411)</u>	<u>207,103</u>	<u>(10,819,475)</u>
Total Accumulated Depreciation	<u>(65,079,389)</u>	<u>(4,864,641)</u>	<u>207,103</u>	<u>(69,736,927)</u>
Net Capital Assets Being Depreciated	<u>79,003,641</u>	<u>8,222,608</u>	<u>626</u>	<u>77,496,341</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 98,887,650</u>	<u>\$ 9,860,528</u>	<u>\$ 1,054,452</u>	<u>\$ 97,964,444</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
Public safety	\$ 1,974,589
Highways and streets	2,090,083
General government	711,761
Urban redevelopment and housing	<u>88,208</u>
Total Governmental Activities Depreciation Expense	<u>\$ 4,864,641</u>

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

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

**C. CAPITAL ASSETS (cont.)**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 3,765,739	\$ -	\$ -	\$ 3,765,739
Construction in progress	<u>674,328</u>	<u>-</u>	<u>-</u>	<u>674,328</u>
Total Capital Assets Not Being depreciated	<u>4,440,067</u>	<u>-</u>	<u>-</u>	<u>4,440,067</u>
Capital assets being depreciated				
Buildings and improvements	8,119,112	5,832	-	8,124,944
Equipment	<u>413,394</u>	<u>42,319</u>	<u>-</u>	<u>455,713</u>
Total Capital Assets Being Depreciated	<u>8,532,506</u>	<u>48,151</u>	<u>-</u>	<u>8,580,657</u>
Total Capital Assets	<u>12,972,573</u>	<u>48,151</u>	<u>-</u>	<u>13,020,724</u>
Less: Accumulated depreciation for				
Buildings and improvements	(6,394,302)	(186,217)	-	(6,580,519)
Equipment	<u>(340,703)</u>	<u>(19,749)</u>	<u>-</u>	<u>(360,452)</u>
Total Accumulated Depreciation	<u>(6,735,005)</u>	<u>(205,966)</u>	<u>-</u>	<u>(6,940,971)</u>
Net Capital Assets Being Depreciated	<u>\$ 1,797,501</u>	<u>\$ (157,815)</u>	<u>\$ -</u>	<u>\$ 1,639,686</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 6,237,568</u></u>	<u><u>\$ (157,815)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,079,753</u></u>

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

**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	<u>\$ 279,043</u>
Total - Fund Financial Statements		279,043
Add: Interfund receivables created with internal service fund eliminations		28,312
Less: Government-wide eliminations		<u>(279,043)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 28,312</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, 2019

**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	\$ 573,389
General	Nonmajor Governmental	1,029,905
General	Parking	942,620
General	Internal Service	10,342
Vehicle and Equipment Replacement	General	1,440,757
Vehicle and Equipment Replacement	Capital Improvement and Replacement	37,479
Vehicle and Equipment Replacement	Nonmajor Governmental	28,050
Vehicle and Equipment Replacement	Internal Service	10,228
Capital Improvement and Replacement	General	787,412
Nonmajor Governmental	General	30,284
Nonmajor Governmental	Nonmajor Governmental	461,472
Total - Fund Financial Statements		5,351,938
Less: Fund eliminations		(4,409,318)
Total Transfers - Government-Wide Statement of Activities		\$ 942,620

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, 2019

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

***E. LONG-TERM OBLIGATIONS***

Long-term obligations activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 5,305,000	\$ -	\$ 1,155,000	\$ 4,150,000	\$ 1,165,000
Loans payable	315,000	-	17,500	297,500	17,500
Sub-totals	5,620,000	-	1,172,500	4,447,500	1,182,500
Other Liabilities					
Compensated absences	1,852,878	2,377,776	2,262,671	1,967,983	1,967,983
Total OPEB liability	3,589,076	854,539	71,565	4,372,050	-
Net pension liability - IMRF	2,103,707	9,733,717	1,215,798	10,621,626	-
Net pension liability - Police	20,613,475	3,005,331	1,035,976	22,582,830	-
Net pension liability - Fire	8,605,742	1,213,381	759,718	9,059,405	-
Total Other Liabilities	36,764,878	17,184,744	5,345,728	48,603,894	1,967,983
Total Governmental Activities Long-Term Liabilities	\$ 42,384,878	\$ 17,184,744	\$ 6,518,228	\$ 53,051,394	\$ 3,150,483
<b>Business-type Activities</b>					
Other Liabilities					
Total OPEB liability	\$ 11,431	\$ 608	\$ 51	\$ 11,988	\$ -
Net pension liability - IMRF	27,891	127,117	16,530	138,478	-
Total Other Liabilities	39,322	127,725	16,581	150,466	-
Total Business-type Activities Long-Term Liabilities	\$ 39,322	\$ 127,725	\$ 16,581	\$ 150,466	\$ -

Compensated absences, total OPEB liability, 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, 2019

**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, 2019</u>
Series 2012 General Obligation Bonds	December 20, 2012	January 1, 2022	1.43%	\$ 7,800,000	\$ 2,715,000
Series 2014 General Obligation Bonds	July 1, 2014	January 1, 2024	1.92%	2,800,000	<u>1,435,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 4,150,000</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>
2020	\$ 1,165,000	\$ 69,662
2021	1,185,000	52,260
2022	1,205,000	33,858
2023	295,000	14,432
2024	<u>300,000</u>	<u>7,500</u>
Totals	<u>\$ 4,150,000</u>	<u>\$ 177,712</u>

**Loans Payable**

The City entered into a loan arrangement on November 16, 2015 to purchase a fire truck. Loan payments are made out of the Vehicle and Equipment Replacement Fund.

Loans Payable at June 30, 2019 consist of the following:

<u>Governmental Activities Loans Payable</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance June 30, 2019</u>
Fire truck revolving loan payable	November 16, 2015	November 1, 2035	0%	\$ 350,000	\$ <u>297,500</u>
Total Governmental Activities Loans Payable					<u>\$ 297,500</u>

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

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

***E. LONG-TERM OBLIGATIONS*** (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Loans Payable	
	Principal	Interest
2020	\$ 17,500	\$ -
2021	17,500	-
2022	17,500	-
2023	17,500	-
2024	17,500	-
2025-2029	87,500	-
2030-2034	87,500	-
2035-2036	35,000	-
Totals	\$ 297,500	\$ -

***Conduit Debt***

The following bonds, which are not included in the financial statements of the City, bear the City's name. These bonds are special limited obligations of nongovernmental entities. The bonds are not general obligations of the City and the City is not liable for the repayment of the bonds.

On December 30, 2015, the City issued \$10,000,000 in promissory notes for Clark-Lindsey Village, Inc. to support renovation and new construction for improving and extending the retirement facilities. Repayment of the notes are the responsibility of Clark-Lindsey Village, Inc. At the end of the fiscal year, \$9,599,158 of the note was outstanding. These notes are in addition to a similar loan issued by the City on May 20, 2004 to Clark-Lindsey Village of which there was an outstanding balance of \$2,573,733 as of the fiscal year-end.

On May 1, 2009, The City issued \$4,377,000 in promissory notes for Cunningham Children's Home, Inc. to refinance the Residential Treatment Center capital project. Repayment of the notes are the responsibility of the Cunningham Children's Home, Inc. At the end of the fiscal year, \$3,347,699 of the note was outstanding.

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

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

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***F. NET POSITION***

Net position reported on the government wide statement of net position at June 30, 2019, includes the following:

***Governmental Activities***

Net Investment in Capital Assets	
Land	\$ 7,867,289
Construction in progress	12,600,814
Other capital assets, net of accumulated depreciation	77,496,341
Less: Long-term debt outstanding	<u>(4,447,500)</u>
Total Net Investment in Capital Assets	<u>\$ 93,516,944</u>

***Business-type Activities***

Net Investment in Capital Assets	
Land	\$ 3,765,739
Construction in progress	674,328
Other capital assets, net of accumulated depreciation	<u>1,639,686</u>
Total Net Investment in Capital Assets	<u>\$ 6,079,753</u>

***G. 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.

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

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

**G. COMPONENT UNIT (cont.)**

**URBANA FREE LIBRARY (cont.)**

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Deposits - Library	\$ 1,681,352	\$ 1,809,588	Custodial credit risk - deposits
Deposits - Foundation	247,012	247,012	Custodial credit risk - deposits
Illinois Funds	177,171	177,171	Credit risk
Petty cash	742	-	N/A
Webber Property Cash Account	11,871	11,871	
Total Deposits and Investments	<u>\$ 2,118,148</u>	<u>\$ 2,245,642</u>	

**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.

**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, 2019, the Library's investments were rated as follows:

Investment Type	Standard & Poors
Illinois Funds	AAAm

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

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

**G. COMPONENT UNIT (cont.)**

**URBANA FREE LIBRARY (cont.)**

c. Capital Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Useful Lives (Years)</u>
Land	\$ 594,362	\$ -	\$ -	\$ 594,362	N/A
Buildings and improvements	10,617,704	233,288	-	10,850,992	75
Equipment	669,116	-	-	669,116	5 - 25
Less: Accumulated depreciation	<u>(3,025,731)</u>	<u>(207,800)</u>	<u>-</u>	<u>(3,233,531)</u>	
Totals	<u>\$ 8,855,451</u>	<u>\$ 25,488</u>	<u>\$ -</u>	<u>\$ 8,880,939</u>	

d. Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated absences	\$ 161,942	\$ -	\$ 15,827	\$ 146,115	\$ 146,115
Total OPEB liability	<u>62,793</u>	<u>111,957</u>	<u>2,809</u>	<u>171,941</u>	<u>-</u>
Totals	<u>\$ 224,735</u>	<u>\$ 111,957</u>	<u>\$ 18,636</u>	<u>\$ 318,056</u>	<u>\$ 146,115</u>

**NOTE IV - OTHER INFORMATION**

**A. EMPLOYEES' RETIREMENT SYSTEM**

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.

# CITY OF URBANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Illinois Municipal Retirement Fund

**Plan description.** All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) 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 of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 3% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 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 of earnings for the first 15 years of service credit, plus 2% for each year of service after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

**Plan membership.** At December 31, 2018, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	201
Inactive, non-retired members	124
Active members	<u>170</u>
Total	<u><u>495</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 2018 was 11.51% of annual covered payroll for IMRF. 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.

**Net Pension Liability/(Asset).** The net pension liability/(asset) was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.



# CITY OF URBANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**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 total pension liability for IMRF was determined by actuarial valuations performed as of December 31, 2018 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Investment Rate of Return	7.25%
Salary increases	3.39% to 14.25%, including inflation
Price inflation	2.50%

**Mortality.** For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**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:

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	37.00%	8.50%	7.15%
International equities	18.00%	9.20%	7.25%
Fixed income	28.00%	3.75%	3.75%
Real estate	9.00%	7.30%	6.25%
Alternatives	7.00%		
Private equity		12.40%	8.50%
Hedge funds		5.75%	5.50%
Commodities		4.75%	3.20%
Cash equivalents	1.00%	2.50%	2.50%

**Discount rate.** The discount rate used to measure the total pension liability for IMRF was 7.25%. The discount rate calculated using the December 31, 2017 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 rate and the member rate. Based on those assumptions, the 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 investments was applied to all periods of projected benefits to determine the total pension liability.

**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 net pension liability/(asset) of the City calculated using the discount rate of 7.25% 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 75,712,971	\$ 67,637,713	\$ 61,018,805
Plan fiduciary net pension	56,877,609	56,877,609	56,877,609
Net pension liability/(asset)	<u>\$ 18,835,362</u>	<u>\$ 10,760,104</u>	<u>\$ 4,141,196</u>

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Changes in net pension liability/(asset).** The changes in net pension liability/(asset) for the calendar year ended December 31, 2018 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at December 31, 2017	\$ 62,645,518	\$ 60,513,920	\$ 2,131,598
Service cost	1,015,914	-	1,015,914
Interest on total pension liability	4,613,194	-	4,613,194
Differences between expected and actual experience of the total pension liability	881,107	-	881,107
Change of assumptions	1,770,413	-	1,770,413
Benefit payments, including refunds of employee contributions	(3,288,433)	(3,288,433)	-
Contributions - employer	-	1,231,583	(1,231,583)
Contributions - employee	-	496,327	(496,327)
Net investment income	-	(3,391,366)	3,391,366
Other (net transfer)	-	1,315,578	(1,315,578)
Balances at December 31, 2018	<u>\$ 67,637,713</u>	<u>\$ 56,877,609</u>	<u>\$ 10,760,104</u>

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended June 30, 2019, the City recognized pension expense of \$1,085,259. 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	\$ 742,943	\$ 79,363
Assumption changes	1,341,537	1,039,955
Net difference between projected and actual earnings on pension plan investments	3,859,066	-
Contributions subsequent to the measurement date	<u>706,656</u>	<u>-</u>
Total	<u>\$ 6,650,202</u>	<u>\$ 1,119,318</u>

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (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, 2020. The remaining amounts reported as deferred outflows and inflows of resources related to pensions (\$4,824,228) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2019	\$ 1,428,418
2020	755,418
2021	1,003,555
2022	1,636,837
Total	\$ 4,824,228

**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.

*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 officer 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 onehalf the annual unadjusted percentage increase in the CPI, whichever is less.

CITY OF URBANA

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Plan membership. At July 1, 2018, the actuarial valuation date, the Police Pension membership consisted of:

Table with 2 columns: Description and Count. Rows include Retirees and beneficiaries (52), Inactive, non-retired members (5), Active members (60), and Total (117).

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, 2019 was 29.20% of annual covered payroll.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of June 30, 2019, 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, 2019

### 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, 2019 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	2.50%
Projected salary increases	2.50 - 4.25%
Cost-of-living adjustments	2.50%

Mortality rates were based on the RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate.

**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, 2019 are as follows:

Asset Class	Target	Long-Term Expected Real Rate of Return
Equities	55%	6.0%
Fixed income	43%	2.7%
Cash	2%	-%

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, 2019

#### 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	\$ 71,880,425	\$ 62,857,683	\$ 55,552,121
Plan fiduciary net position	40,274,853	40,274,853	40,274,853
Net pension liability	\$ 31,605,572	\$ 22,582,830	\$ 15,277,268

**Changes in net pension liability/(asset).** The City's changes in net pension liability/(asset) for the calendar year ended June 30, 2019 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at June 30, 2018	\$ 59,881,095	\$ 39,267,620	\$ 20,613,475
Service cost	1,182,091	-	1,182,091
Interest on total pension liability	4,093,197	-	4,093,197
Differences between expected and actual experience of the total pension liability	515,012	-	515,012
Benefit payments, including refunds of employee contributions	(2,813,712)	(2,813,712)	-
Contributions - employer	-	1,035,976	(1,035,976)
Contributions - employee	-	474,021	(474,021)
Contributions - other	-	120,990	(120,990)
Net investment income	-	2,227,519	(2,227,519)
Administration	-	(37,561)	37,561
Balances at June 30, 2019	\$ 62,857,683	\$ 40,274,853	\$ 22,582,830

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

**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, 2019, the City recognized pension expense of \$3,117,258. 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	\$ 3,385,129	\$ 1,335,167
Assumption changes	645,887	359,909
Net difference between projected and actual earnings on pension plan investments	279,987	-
Total	\$ 4,311,003	\$ 1,695,076

The amounts reported as deferred outflows and inflows of resources related to pensions (\$2,615,927) will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2020	\$ 527,591
2021	219,441
2022	750,954
2023	763,357
2024	243,252
Thereafter	111,332
Total	\$ 2,615,927

**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, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### 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 July 1, 2018, the actuarial valuation date, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	52
Inactive, non-retired members	4
Active members	<u>56</u>
Total	<u><u>112</u></u>

**Contributions.** Participants contribute a fixed percentage of their base salary to the plans. At June 30, 2019, 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, 2019 was 19.76% of annual covered payroll.

**Net pension liability/(asset).** The net pension liability/(asset) was measured as of June 30, 2019, 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, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### 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, 2019 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	2.50%
Projected salary increases	4.25 - 7.19%
Cost-of-living adjustments	2.50%

Mortality rates were based on the RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate.

## CITY OF URBANA

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2019

#### 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, 2019 are as follows:

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. Government and Agency securities	15%	2.4%
Certificates of deposit	10%	1.6%
Municipal bonds	5%	0.5%
Corporate bonds	5%	5.1%
Equity	65%	5.2%

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	\$ 67,982,113	\$ 59,483,383	\$ 52,552,336
Plan fiduciary net position	<u>50,423,978</u>	<u>50,423,978</u>	<u>50,423,978</u>
Net pension liability	<u>\$ 17,558,135</u>	<u>\$ 9,059,405</u>	<u>\$ 2,128,358</u>

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

**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, 2019 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at June 30, 2018	\$ 57,596,273	\$ 48,990,531	\$ 8,605,742
Service cost	1,130,620	-	1,130,620
Interest on total pension liability	3,940,224	-	3,940,224
Differences between expected and actual experience of the total pension liability	(569,017)	-	(569,017)
Benefit payments, including refunds of employee contributions	(2,614,717)	(2,614,717)	-
Contributions - employer	-	759,718	(759,718)
Contributions - employee	-	420,573	(420,573)
Net investment income	-	2,896,940	(2,896,940)
Administration	-	(29,067)	29,067
Balances at June 30, 2019	\$ 59,483,383	\$ 50,423,978	\$ 9,059,405

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended June 30, 2019, the City recognized pension expense of \$2,108,770. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources <sup>5</sup>
Difference between expected and actual experience	\$ 1,130,615	\$ 718,423
Assumption changes	1,028,018	-
Net difference between projected and actual earnings on pension plan investments	-	593,375
Total	\$ 2,158,633	\$ 1,311,798

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

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**NOTE IV - OTHER INFORMATION (cont.)**

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**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Firefighters' Pension (cont.)**

The amounts reported as deferred outflows and inflows of resources related to pensions (\$846,835) will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 498,253
2021	(24,181)
2022	218,800
2023	322,744
2024	(76,596)
Thereafter	<u>(92,185)</u>
Total	<u>\$ 846,835</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, 2019

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**NOTE IV - OTHER INFORMATION (cont.)**

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**B. RISK MANAGEMENT (cont.)**

**Self Insurance (cont.)**

**Claims Liability**

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 209,344	\$ 499,722
Current year claims and changes in estimates	645,652	688,110
Claim payments	<u>(355,274)</u>	<u>(480,627)</u>
Unpaid Claims - End of Year	<u>\$ 499,722</u>	<u>\$ 707,205</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, 2019. 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 \$19,494 in payments to the system in fiscal year 2019. 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, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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#### **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 and Library provide postemployment health insurance benefits for retired employees through a cost-sharing defined benefit plan administered by the City.

**Plan description.** The City and Library's cost-sharing defined benefit OPEB plan, the Retiree Health Insurance Plan, provides group health insurance plan coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. The plan is funded on a pay-as-you-go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

**Contributions and benefits provided.** The City and Library provide continued health insurance coverage at the active employee rate to all eligible employees in accordance with ILCS, which creates an OPEB for retirees, commonly referred to as an implicit rate subsidy. To be eligible for benefits, an employee must qualify for retirement under the City or Library's retirement plans. For City and Library employees, upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the retiree is no longer eligible to participate in the plan. Retired employees are required to pay 100% of the premiums for such coverage.

**Total OPEB Liability.** At June 30, 2019, the City reported a liability for its proportionate share of the total OPEB liability of \$4,384,038 and the Library reported a liability for its proportionate share of the total OPEB liability of \$171,941. The total liability was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2018. The proportions of the total OPEB liability were based on the share of OPEB cost between the City and Library, as determined by the independent actuary, for the measurement year ended June 30, 2019. At June 30, 2019, the City and Library's proportions were 96.23% and 3.77%, respectively.

# CITY OF URBANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2019

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### NOTE IV - OTHER INFORMATION (cont.)

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**Actuarial assumptions and other inputs.** The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Health care participation rate	30% participation with 50% electing spouse coverage
Healthcare cost trend rates	Initial rate of 8.00%, grading down to the ultimate trend rate of 4.00% in 2075
Retirees' share of benefit-related costs	100%

The discount rate was based on the June 28, 2019 Bond Buyer 20-Bond Index, as published by the Federal Reserve.

Mortality rates were based on the PubG-2010 mortality projected 5 years past the valuation date using Scale MP-2018 (Employee, Healthy Retiree, & Survivor) for General/Library Employees & the PubS-2010 mortality projected 5 years past the valuation date using scale MP-2018 (Active Lives, Healthy Retiree, Survivor, & Disabled) for Public Safety Employees.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study conducted by the independent actuary.

**Discount Rate.** At June 30, 2019, the discount rate used to measure the total OPEB liability was a blended rate of 2.79%, which was a change from the June 30, 2018 rate of 3.87%. Since the plan is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.



## CITY OF URBANA

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2019

#### **NOTE IV - OTHER INFORMATION (cont.)**

#### ***Changes in the Total OPEB Liability***

	Total OPEB Liability
Balances at June 30, 2018	\$ <u>3,663,300</u>
Changes for the year:	
Service cost	386,933
Interest	126,229
Differences between expected and actual experience	(751,658)
Changes in assumptions or other inputs	1,205,600
Benefit payments	<u>(74,425)</u>
Net changes	<u>892,679</u>
Balances at June 30, 2019	<u><u>\$ 4,555,979</u></u>
Total OPEB liability - City proportion	<u><u>\$ 4,384,038</u></u>
Total OPEB liability - Library proportion	<u><u>\$ 171,941</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% for the reporting period ended June 30, 2018, to 2.79% for the reporting period ended June 30, 2019. Other changes reflected include updated annual per capita claims costs developed based on current age-adjusted premiums; updated premium rates; updated health care trend rates; updated IMRF disability, termination, retirement, and salary increase assumptions; updated PSEBA disability rate assumption; and updated mortality rates.

***Sensitivity of the total OPEB liability to changes in the discount rate.*** The following presents the total OPEB liability of the City and Library, as well as what the City and Library's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.79 percent) or 1-percentage-point higher (3.79 percent) than the current discount rate:

	1% Decrease (1.79%)	Discount Rate (2.79%)	1% Increase (3.79%)
Total OPEB liability - City	\$ 4,929,243	\$ 4,384,038	\$ 3,919,735
Total OPEB liability - Library	<u>193,324</u>	<u>171,941</u>	<u>153,731</u>
Total OPEB liability	<u><u>\$ 5,122,567</u></u>	<u><u>\$ 4,555,979</u></u>	<u><u>\$ 4,073,466</u></u>

## CITY OF URBANA

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2019

#### NOTE IV - OTHER INFORMATION (cont.)

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.** The following presents the net OPEB liability of the City and Library, as well as what the City and Library's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.00 percent decreasing to 3.00 percent) or 1-percentage-point higher (9.00 percent decreasing to 5.00 percent) than the current healthcare cost trend rates:

	1% Decrease (7.00% Decreasing to 3.00%)	Healthcare Cost Trend Rates (8.00% Decreasing to 4.00%)	1% Increase (9.00% Decreasing to 5.00%)
Total OPEB liability - City	\$ 3,714,296	\$ 4,384,038	\$ 5,236,128
Total OPEB liability - Library	<u>145,674</u>	<u>171,941</u>	<u>205,360</u>
Total OPEB liability	<u>\$ 3,859,970</u>	<u>\$ 4,555,979</u>	<u>\$ 5,441,488</u>

#### ***OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB***

For the year ended June 30, 2019, the City and Library recognized OPEB expense of \$554,779 (\$533,842 for the City and \$20,937 for the Library). At June 30, 2019, the City and the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 668,140
Changes of assumptions or other inputs	<u>1,071,644</u>	<u>126,567</u>
Total	<u>\$ 1,071,644</u>	<u>\$ 794,707</u>
City proportion	<u>\$ 1,031,201</u>	<u>\$ 764,715</u>
Library proportion	<u>\$ 40,443</u>	<u>\$ 29,992</u>

**CITY OF URBANA**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended June 30, 2019

**NOTE IV - OTHER INFORMATION (cont.)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	City	Library	Total
2020	\$ 33,311	\$ 1,306	\$ 34,617
2021	33,311	1,306	34,617
2022	33,311	1,306	34,617
2023	33,311	1,306	34,617
2024	33,311	1,306	34,617
Thereafter	99,931	3,921	103,852
Total	\$ 266,486	\$ 10,451	\$ 276,937

***F. 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, 2019

### NOTE IV - OTHER INFORMATION (cont.)

#### G. TAX ABATEMENT

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City is disclosing all abatement agreements individually.

The City through its Tax Incremental Financing Districts has entered into tax abatement agreements with developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the individual development agreements which are approved by City Council. The developers pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid.

Agreement Description	Calculation Method	Developer Commitment	2019 Payments
Archorent (Creative Thermal)	70% of property taxes due to incremental value; 10 years or until maximum of \$1,400,000	Owners must pay property taxes to the County before receiving the rebates	\$ 82,288
Five Points NW	80% of property taxes due to incremental value for retail and 50% for non-retail; ends at end of CY 2022	Owners must pay property taxes to the County before receiving the rebates	148,151
Interchange Properties, LLC (O'Brien)	36% of property taxes due to incremental value; 15 years	Owners must pay property taxes to the County before receiving the rebates	99,972
Central Illinois Soccer Enterprises, LLC	70% of property taxes due to incremental value; 10 years or until maximum of \$300,000	Owners must pay property taxes to the County before receiving the rebates	19,998
Baku Patel	50% of property taxes due to incremental value; 10 years or until maximum of \$75,000	Owners must pay property taxes to the County before receiving the rebates	6,369

# CITY OF URBANA

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 2019

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### **NOTE IV - OTHER INFORMATION** (cont.)

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#### **G. TAX ABATEMENT** (cont.)

The City has entered into property tax abatement agreements with developers and homeowners to stimulate economic development. The developers or homeowners pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid. For the year ended June 30, 2019, the City paid \$496,572 in payments to properties within either the City's enterprise zone residential or enterprise zone commercial areas. These properties also received \$65,130 in township tax abatements.

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

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

- Statement No. 84, *Fiduciary Activities*
- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61.*
- Statement No. 91, *Conduit Debt Obligations*

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, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Property taxes	\$ 4,387,958	\$ 4,386,115	\$ 4,450,921
Local sales and use taxes	5,456,600	5,638,000	5,570,906
Utility taxes	3,090,000	3,138,000	3,114,001
Telecommunication taxes	692,000	620,000	584,702
Hotel/motel taxes	935,000	935,000	952,301
State income tax	3,952,000	4,050,000	4,298,362
Personal property replacement tax	255,860	264,815	268,049
State sales and use taxes	6,212,300	6,490,000	6,652,735
Other intergovernmental	426,739	373,739	376,354
Fed law - operating	-	-	1,983
State aid - law enforcement improvement	1,000	2,000	1,000
State aid - culture, recreation and education	5,700	5,700	11,000
Miscellaneous revenues	285,765	454,765	384,248
Licenses, fines, and service charges	4,877,047	5,344,541	5,357,387
Interest on investments	170,000	165,000	281,759
Total Revenues	<u>30,747,969</u>	<u>31,867,675</u>	<u>32,305,708</u>
<b>EXPENDITURES</b>			
<b>GENERAL GOVERNMENT</b>			
Executive			
Personnel services	1,539,056	1,564,606	1,613,842
Materials and supplies	8,994	8,590	56,682
Other services and charges	614,183	1,194,003	828,766
Contractual services	621,125	670,255	572,344
Total executive	<u>2,783,358</u>	<u>3,437,454</u>	<u>3,071,634</u>
Finance			
Personnel services	1,035,583	1,051,006	1,028,597
Materials and supplies	26,613	26,620	15,507
Other services and charges	424,489	458,081	396,655
Total finance	<u>1,486,685</u>	<u>1,535,707</u>	<u>1,440,759</u>
City Clerk			
Personnel services	218,971	218,971	215,167
Materials and supplies	8,535	8,135	5,568
Other services and charges	28,332	27,103	24,636
Total city clerk	<u>255,838</u>	<u>254,209</u>	<u>245,371</u>
Legislative			
Personnel services	50,322	50,322	49,472
Materials and supplies	353	353	240
Other services and charges	6,363	6,363	215
Total legislative	<u>57,038</u>	<u>57,038</u>	<u>49,927</u>
Total General government	<u>4,582,919</u>	<u>5,284,408</u>	<u>4,807,691</u>

**CITY OF URBANA**

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
For the year ended June 30, 2019

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
<b>PUBLIC SAFETY</b>			
Police			
Personnel services	\$ 8,340,858	\$ 8,309,197	\$ 7,773,553
Materials and supplies	99,067	92,114	65,842
Other services and charges	<u>1,519,763</u>	<u>1,497,935</u>	<u>1,379,435</u>
Total police	<u>9,959,688</u>	<u>9,899,246</u>	<u>9,218,830</u>
Fire			
Personnel services	6,898,166	6,993,266	6,694,388
Materials and supplies	308,790	131,136	88,270
Other services and charges	<u>607,186</u>	<u>788,143</u>	<u>739,235</u>
Total fire	<u>7,814,142</u>	<u>7,912,545</u>	<u>7,521,893</u>
Total Public Safety	<u>17,773,830</u>	<u>17,811,791</u>	<u>16,740,723</u>
<b>HIGHWAYS AND STREETS</b>			
Personnel services	4,896,022	5,034,737	4,882,253
Materials and supplies	569,792	649,174	363,734
Other services and charges	<u>1,895,835</u>	<u>2,200,234</u>	<u>1,774,673</u>
Total Highways and Streets	<u>7,361,649</u>	<u>7,884,145</u>	<u>7,020,660</u>
<b>URBAN REDEVELOPMENT AND HOUSING</b>			
Personnel services	1,313,549	1,268,130	1,231,961
Materials and supplies	12,819	14,819	7,344
Other services and charges	<u>433,053</u>	<u>426,493</u>	<u>360,360</u>
Total Urban redevelopment and housing	<u>1,759,421</u>	<u>1,709,442</u>	<u>1,599,665</u>
 Total Expenditures	 <u>31,477,819</u>	 <u>32,689,786</u>	 <u>30,168,739</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(729,850)</u>	 <u>(822,111)</u>	 <u>2,136,969</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,554,207	2,554,207	2,556,256
Transfers out	<u>(2,042,417)</u>	<u>(2,258,453)</u>	<u>(2,258,453)</u>
Total Other Financing Sources (Uses)	<u>511,790</u>	<u>295,754</u>	<u>297,803</u>
 <b>Net Change in Fund Balance</b>	 <u>\$ (218,060)</u>	 <u>\$ (526,357)</u>	 2,434,772
 <b>FUND BALANCE - Beginning of Year</b>			 <u>12,601,196</u>
 <b>FUND BALANCE - END OF YEAR</b>			 <u>\$ 15,035,968</u>



## CITY OF URBANA

### DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - VEHICLE AND EQUIPMENT REPLACEMENT FUND For the Year Ended June 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Interest on investments	\$ 40,000	\$ 40,000	\$ 224,525
Miscellaneous revenues	-	5,000	31,718
Total Revenues	<u>40,000</u>	<u>45,000</u>	<u>256,243</u>
<b>EXPENDITURES</b>			
Capital Outlay	3,323,275	4,089,762	2,012,570
Debt Service			
Principal	-	-	17,500
Total debt service	-	-	17,500
Total Expenditures	<u>3,323,275</u>	<u>4,089,762</u>	<u>2,030,070</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,283,275)</u>	<u>(4,044,762)</u>	<u>(1,773,827)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	1,293,061	1,522,114	1,516,514
Total Other Financing Sources	<u>1,293,061</u>	<u>1,522,114</u>	<u>1,516,514</u>
<b>Net Change in Fund Balance</b>	<u>\$ (1,990,214)</u>	<u>\$ (2,522,648)</u>	(257,313)
FUND BALANCE - Beginning of Year			<u>7,821,827</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 7,564,514</u>

**CITY OF URBANA**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL RESERVE FUND  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Investment income	\$ 75,000	\$ 82,000	\$ 161,791
Total Revenues	<u>75,000</u>	<u>82,000</u>	<u>161,791</u>
<b>EXPENDITURES</b>			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 75,000</u>	<u>\$ 82,000</u>	161,791
<b>FUND BALANCE - Beginning of Year</b>			<u>5,313,361</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 5,475,152</u>

**CITY OF URBANA**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY  
AND RELATED RATIOS  
Five Most Recent Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Total pension liability</b>					
Service cost	\$ 1,112,513	\$ 1,089,547	\$ 1,065,320	\$ 1,102,255	\$ 1,015,914
Interest	3,785,492	4,201,414	4,346,036	4,564,742	4,613,194
Differences between expected and actual experience	1,297,327	(662,826)	275,732	(60,305)	881,107
Changes of assumptions	2,034,739	69,408	(214,733)	(1,831,679)	1,770,413
Benefit payments, including refunds of member contributions	<u>(2,429,671)</u>	<u>(2,616,681)</u>	<u>(2,731,713)</u>	<u>(2,883,199)</u>	<u>(3,288,433)</u>
<b>Net change in total pension liability</b>	5,800,400	2,080,862	2,740,642	891,814	4,992,195
<b>Total pension liability - beginning</b>	<u>51,131,800</u>	<u>56,932,200</u>	<u>59,013,062</u>	<u>61,753,704</u>	<u>62,645,518</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 56,932,200</u>	<u>\$ 59,013,062</u>	<u>\$ 61,753,704</u>	<u>\$ 62,645,518</u>	<u>\$ 67,637,713</u>
<b>Plan fiduciary net position</b>					
Employer contributions	\$ 1,305,023	\$ 1,269,129	\$ 1,369,797	\$ 1,267,561	\$ 1,231,583
Employee contributions	492,715	458,147	466,761	482,590	496,327
Net investment income	2,897,188	249,334	3,467,889	9,411,497	(3,391,366)
Benefit payments, including refunds of member contributions	(2,429,671)	(2,616,681)	(2,731,713)	(2,883,199)	(3,288,433)
Other (net transfer)	<u>235,392</u>	<u>673,394</u>	<u>426,415</u>	<u>(1,108,494)</u>	<u>1,315,578</u>
<b>Net change in plan fiduciary net position</b>	2,500,647	33,323	2,999,149	7,169,955	(3,636,311)
<b>Plan fiduciary net position - beginning</b>	<u>47,810,846</u>	<u>50,311,493</u>	<u>50,344,816</u>	<u>53,343,965</u>	<u>60,513,920</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 50,311,493</u>	<u>\$ 50,344,816</u>	<u>\$ 53,343,965</u>	<u>\$ 60,513,920</u>	<u>\$ 56,877,609</u>
<b>Employer's net pension liability - ending (a) - (b)</b>	<u>\$ 6,620,707</u>	<u>\$ 8,668,246</u>	<u>\$ 8,409,739</u>	<u>\$ 2,131,598</u>	<u>\$ 10,760,104</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	88.37%	85.31%	86.38%	96.60%	84.09%
<b>Covered payroll</b>	\$ 10,237,128	\$ 9,991,290	\$ 10,372,480	\$ 10,689,380	\$ 10,700,109
<b>Employer's net pension liability as a percentage of covered payroll</b>	64.67%	86.76%	81.08%	19.94%	100.56%

**Notes to Schedule:**

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

Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

**CITY OF URBANA**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
Five Most Recent Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$ 1,264,285	\$ 1,254,906	\$ 1,350,497	\$ 1,264,554	\$ 1,231,583
Contributions in relation to the actuarially determined contribution	<u>(1,305,023)</u>	<u>(1,269,129)</u>	<u>(1,369,797)</u>	<u>(1,267,561)</u>	<u>(1,231,583)</u>
Contribution deficiency (excess)	<u>\$ (40,738)</u>	<u>\$ (14,223)</u>	<u>\$ (19,300)</u>	<u>\$ (3,007)</u>	<u>\$ -</u>
Covered payroll	\$ 10,237,128	\$ 9,991,290	\$ 10,372,480	\$ 10,689,380	\$ 10,700,109
Contributions as a percentage of covered payroll	12.75%	12.70%	13.21%	11.86%	11.51%

**Notes to Schedule:**

The District 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	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	5-year smoothed market, 20% corridor
Inflation	2.75%
Salary increases	3.75% to 14.50%, 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-2014 Employee Mortality Table, adjusted to match current IMRF experience

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 Six Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Total pension liability</b>						
Service cost	\$ 1,202,918	\$ 1,194,543	\$ 1,085,728	\$ 1,053,158	\$ 1,126,879	\$ 1,182,091
Interest	3,084,785	3,228,731	3,541,423	3,485,734	3,919,160	4,093,197
Differences between expected and actual experience	(136,267)	(610,133)	(4,005,503)	4,777,112	-	-
Changes of assumptions	-	1,761,301	1,937,667	(613,367)	186,905	515,012
Benefit payments, including refunds of member contributions	(1,971,517)	(2,209,086)	(2,196,232)	(2,342,051)	(2,679,667)	(2,813,712)
<b>Net change in total pension liability</b>	<u>2,179,919</u>	<u>3,365,356</u>	<u>363,083</u>	<u>6,360,586</u>	<u>2,553,277</u>	<u>2,976,588</u>
<b>Total pension liability - beginning</b>	<u>45,058,874</u>	<u>47,238,793</u>	<u>50,604,149</u>	<u>50,967,232</u>	<u>57,327,818</u>	<u>59,881,095</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 47,238,793</u>	<u>\$ 50,604,149</u>	<u>\$ 50,967,232</u>	<u>\$ 57,327,818</u>	<u>\$ 59,881,095</u>	<u>\$ 62,857,683</u>
<b>Plan fiduciary net position</b>						
Employer contributions	\$ 2,254,203	\$ 1,850,383	\$ 1,396,843	\$ 1,230,207	\$ 1,263,112	\$ 1,035,976
Employee contributions	393,954	416,575	444,105	442,500	452,353	474,021
Contributions - other	-	-	-	-	-	120,990
Net investment income	3,673,877	632,290	861,378	3,356,407	2,659,165	2,227,519
Benefit payments, including refunds of member contributions	(1,971,517)	(2,209,086)	(2,196,232)	(2,342,051)	(2,679,667)	(2,813,712)
Administration	(33,074)	(33,421)	(60,788)	(54,146)	(22,701)	(37,561)
<b>Net change in plan fiduciary net position</b>	<u>4,317,443</u>	<u>656,741</u>	<u>445,306</u>	<u>2,632,917</u>	<u>1,672,262</u>	<u>1,007,233</u>
<b>Plan fiduciary net position - beginning</b>	<u>29,542,951</u>	<u>33,860,394</u>	<u>34,517,135</u>	<u>34,962,441</u>	<u>37,595,358</u>	<u>39,267,620</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 33,860,394</u>	<u>\$ 34,517,135</u>	<u>\$ 34,962,441</u>	<u>\$ 37,595,358</u>	<u>\$ 39,267,620</u>	<u>\$ 40,274,853</u>
<b>City's net pension liability - ending (a) - (b)</b>	<u>\$ 13,378,399</u>	<u>\$ 16,087,014</u>	<u>\$ 16,004,791</u>	<u>\$ 19,732,460</u>	<u>\$ 20,613,475</u>	<u>\$ 22,582,830</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	71.68%	68.21%	68.60%	65.58%	65.58%	64.07%
<b>Covered payroll</b>	\$ 4,124,681	\$ 4,111,495	\$ 4,481,382	\$ 4,597,710	\$ 4,564,608	\$ 4,712,958
<b>City's net pension liability as a percentage of covered payroll</b>	324.35%	391.27%	357.14%	429.18%	451.59%	479.16%

**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.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Actuarially determined contribution	\$ 1,381,577	\$ 1,500,579	\$ 1,524,579	\$ 1,648,164
Contributions in relation to the actuarially determined contribution	1,783,576	1,981,806	1,980,275	2,138,159
Contribution deficiency (excess)	<u>\$ (401,999)</u>	<u>\$ (481,227)</u>	<u>\$ (455,696)</u>	<u>\$ (489,995)</u>
Covered payroll	\$ 3,485,147	\$ 3,547,806	\$ 3,859,220	\$ 3,972,920
Contributions as a percentage of covered payroll	51.18%	55.86%	51.31%	53.82%

**Notes to Schedule:**

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, closed
Remaining amortization period	23 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	2.5% - 4.25%
Investment rate of return	7.00%, including inflation, net of investment expenses
Mortality	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 1,642,577	\$ 1,642,577	\$ 1,619,190	\$ 1,721,661	\$ 1,202,926	\$ 1,376,311
2,254,203	1,850,383	1,396,843	1,230,207	1,263,112	1,035,976
<u>\$ (611,626)</u>	<u>\$ (207,806)</u>	<u>\$ 222,347</u>	<u>\$ 491,454</u>	<u>\$ (60,186)</u>	<u>\$ 340,335</u>
\$ 4,124,681	\$ 4,111,495	\$ 4,481,382	\$ 4,597,710	\$ 4,564,608	\$ 4,712,958
54.65%	45.01%	31.17%	26.76%	27.67%	21.98%

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

	2014	2015	2016	2017	2018	2019
<b>Total pension liability</b>						
Service cost	\$ 1,214,058	\$ 1,196,507	\$ 1,168,377	\$ 1,041,804	\$ 1,114,730	\$ 1,130,620
Interest	2,893,786	3,002,629	3,275,512	3,451,343	3,776,268	3,940,224
Differences between expected and actual experience	(521,056)	(17,671)	(686,638)	1,990,332	24,188	(569,017)
Changes of assumptions	-	685,724	2,156,908	552,401	-	-
Benefit payments, including refunds of member contributions	(1,991,181)	(2,072,600)	(2,201,873)	(2,265,954)	(2,526,718)	(2,614,717)
<b>Net change in total pension liability</b>	<b>1,595,607</b>	<b>2,794,589</b>	<b>3,712,286</b>	<b>4,769,926</b>	<b>2,388,468</b>	<b>1,887,110</b>
<b>Total pension liability - beginning</b>	<b>42,335,397</b>	<b>43,931,004</b>	<b>46,725,593</b>	<b>50,437,879</b>	<b>55,207,805</b>	<b>57,596,273</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 43,931,004</b>	<b>\$ 46,725,593</b>	<b>\$ 50,437,879</b>	<b>\$ 55,207,805</b>	<b>\$ 57,596,273</b>	<b>\$ 59,483,383</b>
<b>Plan fiduciary net position</b>						
Employer contributions	\$ 1,517,629	\$ 1,236,008	\$ 1,038,747	\$ 972,622	\$ 966,759	\$ 759,718
Employee contributions	350,475	374,389	402,718	402,966	400,438	420,573
Net investment income	5,208,327	1,954,325	313,386	5,327,069	4,060,887	2,896,940
Benefit payments, including refunds of member contributions	(1,991,181)	(2,072,600)	(2,201,873)	(2,265,954)	(2,526,718)	(2,614,717)
Administration	(37,219)	(36,908)	(43,824)	(36,152)	(16,556)	(29,067)
<b>Net change in plan fiduciary net position</b>	<b>5,048,031</b>	<b>1,455,214</b>	<b>(490,846)</b>	<b>4,400,551</b>	<b>2,884,810</b>	<b>1,433,447</b>
<b>Plan fiduciary net position - beginning</b>	<b>35,692,771</b>	<b>40,740,802</b>	<b>42,196,016</b>	<b>41,705,170</b>	<b>46,105,721</b>	<b>48,990,531</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 40,740,802</b>	<b>\$ 42,196,016</b>	<b>\$ 41,705,170</b>	<b>\$ 46,105,721</b>	<b>\$ 48,990,531</b>	<b>\$ 50,423,978</b>
<b>Employer's net pension liability - ending (a) - (b)</b>	<b>\$ 3,190,202</b>	<b>\$ 4,529,577</b>	<b>\$ 8,732,709</b>	<b>\$ 9,102,084</b>	<b>\$ 8,605,742</b>	<b>\$ 9,059,405</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	92.74%	90.31%	82.69%	83.51%	85.06%	84.77%
<b>Covered payroll</b>	\$ 3,777,788	\$ 3,942,216	\$ 4,063,754	\$ 4,237,345	\$ 4,235,199	\$ 4,372,843
<b>City's net pension liability as a percentage of covered payroll</b>	84.45%	114.90%	214.89%	214.81%	203.20%	207.17%

**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.



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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Actuarially determined contribution	\$ 1,133,720	\$ 1,220,290	\$ 1,182,977	\$ 1,245,665
Contributions in relation to the actuarially determined contribution	1,372,080	1,463,810	1,403,306	1,482,369
Cotribution deficiency (excess)	<u>\$ (238,360)</u>	<u>\$ (243,520)</u>	<u>\$ (220,329)</u>	<u>\$ (236,704)</u>
Covered payroll	\$ 3,319,469	\$ 3,414,250	\$ 2,645,435	\$ 3,872,621
Contributions as a percentage of covered payroll	41.33%	42.87%	53.05%	38.28%

**Notes to Schedule:**

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage of payroll, closed
Remaining amortization period	23 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	4.25% - 7.19%
Investment rate of return	7.00%, including inflation, net of investment expenses
Mortality	RP-2014 Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as appropriate

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 1,179,662	\$ 1,179,662	\$ 1,117,736	\$ 1,082,119	\$ 764,329	\$ 864,245
<u>1,517,629</u>	<u>1,236,008</u>	<u>1,038,747</u>	<u>972,622</u>	<u>966,759</u>	<u>759,718</u>
<u>\$ (337,967)</u>	<u>\$ (56,346)</u>	<u>\$ 78,989</u>	<u>\$ 109,497</u>	<u>\$ (202,430)</u>	<u>\$ 104,527</u>
\$ 3,777,788	\$ 3,942,216	\$ 4,063,754	\$ 4,237,345	\$ 4,235,199	\$ 4,372,843
40.17%	31.35%	25.56%	22.95%	22.83%	17.37%

**CITY OF URBANA**  
**RETIREE HEALTH INSURANCE PLAN**  
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
Two Most Recent Fiscal Years

	<u>2018</u>	<u>2019</u>
<b>Total OPEB liability</b>		
Service cost	\$ 392,809	\$ 386,933
Interest	133,193	126,229
Differences between expected and actual experience	-	(751,658)
Changes of assumptions	(153,548)	1,205,600
Benefit payments, including refunds of member contributions	<u>(72,969)</u>	<u>(74,425)</u>
<b>Net change in total OPEB liability</b>	299,485	892,679
<b>Total OPEB liability - beginning</b>	<u>3,363,815</u>	<u>3,663,300</u>
<b>Total OPEB liability - ending</b>	<u>\$ 3,663,300</u>	<u>\$ 4,555,979</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	0.00%	0.00%
<b>Covered payroll</b>	\$ 21,766,391	\$ 19,368,542
<b>City's total OPEB liability as a percentage of covered payroll</b>	16.83%	23.52%

**Notes to Schedule:**

The City implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

The information presented above includes the total OPEB liability for the City and Library.

# CITY OF URBANA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2019

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### ***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**



Special Revenue

TIF #2	TIF #4	Central TIF	Post TIF Closure	Recycling	Cable TV PEG	Arms Programming
\$ 874,137	\$ 1,695,900	\$ 36,959	\$ 82,936	\$ 727,474	\$ 130,979	\$ 128,688
1,062,275	1,042,755	121,144	-	-	-	-
-	-	-	-	70,441	-	-
50,000	-	-	-	137,137	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,986,412</u>	<u>\$ 2,738,655</u>	<u>\$ 158,103</u>	<u>\$ 82,936</u>	<u>\$ 935,052</u>	<u>\$ 130,979</u>	<u>\$ 128,688</u>
\$ -	\$ 70,497	\$ 44,298	\$ -	\$ 45,629	\$ 3,064	\$ 1,593
2,715	1,083	-	-	11,407	2,038	1,442
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,715</u>	<u>71,580</u>	<u>44,298</u>	<u>-</u>	<u>57,036</u>	<u>5,102</u>	<u>3,035</u>
524,104	420,800	53,473	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	123,954	-	-
<u>524,104</u>	<u>420,800</u>	<u>53,473</u>	<u>-</u>	<u>123,954</u>	<u>-</u>	<u>-</u>
1,459,593	2,246,275	60,332	82,936	-	-	-
-	-	-	-	-	-	60,888
-	-	-	-	754,062	-	-
-	-	-	-	-	-	64,765
-	-	-	-	-	-	-
-	-	-	-	-	125,877	-
<u>1,459,593</u>	<u>2,246,275</u>	<u>60,332</u>	<u>82,936</u>	<u>754,062</u>	<u>125,877</u>	<u>125,653</u>
<u>\$ 1,986,412</u>	<u>\$ 2,738,655</u>	<u>\$ 158,103</u>	<u>\$ 82,936</u>	<u>\$ 935,052</u>	<u>\$ 130,979</u>	<u>\$ 128,688</u>

**CITY OF URBANA**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
As of June 30, 2019

	<u>Capital Projects</u>	Total Nonmajor Governmental Funds
	<u>Sanitary Sewer</u>	<u>Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ 1,125,024	\$ 5,140,813
Receivables		
Property tax receivable	-	2,226,174
Other taxes	260,792	331,233
Accounts receivable	-	233,592
Grants receivable	-	<u>461,753</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,385,816</u>	<u>\$ 8,393,565</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
Liabilities		
Accounts payable	\$ 32,149	\$ 590,428
Accrued salaries and taxes	-	25,880
Due to other funds	-	279,043
Unearned revenues	<u>73,130</u>	<u>73,130</u>
Total Liabilities	<u>105,279</u>	<u>968,481</u>
Deferred Inflows of Resources		
Property taxes levied for future periods	-	998,377
Unavailable revenues for grants	-	54,810
Unavailable for intergovernmental	-	<u>123,954</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>1,177,141</u>
Fund Balances		
Restricted for urban housing and development	-	3,849,136
Restricted for public safety	-	60,888
Restricted for highways and streets	-	754,062
Committed for capital projects	1,280,537	1,280,537
Assigned for public safety	-	123,402
Assigned for urban housing and development	-	266,203
Assigned for public television	-	125,877
Unassigned fund balance	-	<u>(212,162)</u>
Total Fund Balances	<u>1,280,537</u>	<u>6,247,943</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 1,385,816</u>	<u>\$ 8,393,565</u>



**CITY OF URBANA**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2019

	Special Revenue			
	Police Special	Farmer's Market	Community Development Special	Community Development Grants
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	10,013	15,500	(278,567)	1,064,204
Licenses, fines, and service charges	12,058	101,972	-	-
Investment income	2,721	2,554	2,121	-
Miscellaneous revenues	-	-	11,816	-
<b>Total Revenues</b>	<u>24,792</u>	<u>120,026</u>	<u>(264,630)</u>	<u>1,064,204</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public safety	52,750	-	-	-
Highways and streets	-	-	-	-
Urban redevelopment and housing	-	94,479	296,854	1,055,047
Capital Outlay	6,070	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<u>58,820</u>	<u>94,479</u>	<u>296,854</u>	<u>1,055,047</u>
Excess (deficiency) of revenues over expenditures	<u>(34,028)</u>	<u>25,547</u>	<u>(561,484)</u>	<u>9,157</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	238,735	-
Transfers out	(24,417)	-	(25,665)	(238,735)
<b>Total Other Financing Sources (Uses)</b>	<u>(24,417)</u>	<u>-</u>	<u>213,070</u>	<u>(238,735)</u>
<b>Net Change in Fund Balances</b>	(58,445)	25,547	(348,414)	(229,578)
FUND BALANCES - Beginning of Year	<u>117,082</u>	<u>82,904</u>	<u>506,166</u>	<u>17,416</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 58,637</u>	<u>\$ 108,451</u>	<u>\$ 157,752</u>	<u>\$ (212,162)</u>

Special Revenue

<u>TIF #2</u>	<u>TIF #4</u>	<u>Central TIF</u>	<u>Post TIF Closure</u>	<u>Recycling</u>	<u>Cable TV PEG</u>	<u>Arms Programming</u>
\$ 1,290,936	\$ 1,020,110	\$ 82,385	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	146,105
-	-	-	-	1,429,339	137,782	-
35,509	56,106	(2,324)	3,159	18,241	4,277	3,935
-	-	679	-	(7)	-	-
<u>1,326,445</u>	<u>1,076,216</u>	<u>80,740</u>	<u>3,159</u>	<u>1,447,573</u>	<u>142,059</u>	<u>150,040</u>
-	-	-	-	-	177,877	176,033
-	-	-	-	-	-	-
-	-	-	-	1,023,063	-	-
286,537	579,163	244,907	-	-	-	-
-	154,159	1,423	-	348,459	-	-
880,000	-	-	-	-	-	-
51,409	-	-	-	-	-	-
<u>1,217,946</u>	<u>733,322</u>	<u>246,330</u>	<u>-</u>	<u>1,371,522</u>	<u>177,877</u>	<u>176,033</u>
<u>108,499</u>	<u>342,894</u>	<u>(165,590)</u>	<u>3,159</u>	<u>76,051</u>	<u>(35,818)</u>	<u>(25,993)</u>
-	-	222,737	-	-	-	30,284
(254,828)	-	-	-	(147,004)	(4,234)	(2,810)
<u>(254,828)</u>	<u>-</u>	<u>222,737</u>	<u>-</u>	<u>(147,004)</u>	<u>(4,234)</u>	<u>27,474</u>
(146,329)	342,894	57,147	3,159	(70,953)	(40,052)	1,481
<u>1,605,922</u>	<u>1,903,381</u>	<u>3,185</u>	<u>79,777</u>	<u>825,015</u>	<u>165,929</u>	<u>124,172</u>
<u>\$ 1,459,593</u>	<u>\$ 2,246,275</u>	<u>\$ 60,332</u>	<u>\$ 82,936</u>	<u>\$ 754,062</u>	<u>\$ 125,877</u>	<u>\$ 125,653</u>

**CITY OF URBANA**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2019

	Capital Projects	Total Nonmajor Governmental Funds
	Sanitary Sewer	Funds
<b>REVENUES</b>		
Property taxes	\$ -	\$ 2,393,431
Other taxes	1,321,740	1,321,740
Intergovernmental	-	957,255
Licenses, fines, and service charges	-	1,681,151
Investment income	32,241	158,540
Miscellaneous revenues	6,369	18,857
Total Revenues	1,360,350	6,530,974
<b>EXPENDITURES</b>		
Current		
General government	-	353,910
Public safety	-	52,750
Highways and streets	136,406	1,159,469
Urban redevelopment and housing	-	2,556,987
Capital Outlay	168,829	678,940
Debt Service		
Principal	-	880,000
Interest and fiscal charges	-	51,409
Total Expenditures	305,235	5,733,465
Excess (deficiency) of revenues over expenditures	1,055,115	797,509
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	491,756
Transfers out	(821,734)	(1,519,427)
Total Other Financing Sources (Uses)	(821,734)	(1,027,671)
<b>Net Change in Fund Balances</b>	233,381	(230,162)
FUND BALANCES - Beginning of Year	1,047,156	6,478,105
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ 1,280,537	\$ 6,247,943

## CITY OF URBANA

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - POLICE SPECIAL FUND For the Year Ended June 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Intergovernmental	\$ 45,000	\$ 20,819	\$ 10,013
Licenses, fines, and service charges	10,000	10,000	12,058
Investment income	-	1,000	2,721
Total Revenues	<u>55,000</u>	<u>31,819</u>	<u>24,792</u>
<b>EXPENDITURES</b>			
Public Safety - Police			
Personnel services	36,328	41,328	22,948
Materials and supplies	2,500	3,333	3,333
Contractual services	17,787	24,792	26,469
Total public safety - police	<u>56,615</u>	<u>69,453</u>	<u>52,750</u>
Capital Outlay	<u>20,263</u>	<u>26,119</u>	<u>6,070</u>
Total Expenditures	<u>76,878</u>	<u>95,572</u>	<u>58,820</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,878)</u>	<u>(63,753)</u>	<u>(34,028)</u>
<b>OTHER FINANCING USES</b>			
Transfers out	-	(30,017)	(24,417)
Total Other Financing Uses	<u>-</u>	<u>(30,017)</u>	<u>(24,417)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (21,878)</u>	<u>\$ (93,770)</u>	(58,445)
<b>FUND BALANCE - Beginning of Year</b>			<u>117,082</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 58,637</u>

## CITY OF URBANA

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FARMER'S MARKET FUND For the Year Ended June 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 15,500	\$ 15,500
Licenses, fines, and service charges	90,000	100,000	101,972
Investment income	500	1,000	2,554
Total Revenues	<u>90,500</u>	<u>116,500</u>	<u>120,026</u>
<b>EXPENDITURES</b>			
Urban Redevelopment and Housing			
Personnel services	62,865	64,356	53,617
Contractual services	<u>64,892</u>	<u>45,570</u>	<u>40,862</u>
Total urban redevelopment and housing	<u>127,757</u>	<u>109,926</u>	<u>94,479</u>
Total Expenditures	<u>127,757</u>	<u>109,926</u>	<u>94,479</u>
<b>Net Change in Fund Balance</b>	<u>\$ (37,257)</u>	<u>\$ 6,574</u>	25,547
<b>FUND BALANCE - Beginning of Year</b>			<u>82,904</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 108,451</u>

## CITY OF URBANA

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT SPECIAL FUND For the Year Ended June 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Intergovernmental	\$ 96,000	\$ 50,000	\$ (278,567)
Investment income	360	1,000	2,121
Miscellaneous revenues	10,000	12,000	11,816
Total Revenues	<u>106,360</u>	<u>63,000</u>	<u>(264,630)</u>
<b>EXPENDITURES</b>			
Urban Redevelopment and Housing			
Personnel services	286,268	286,268	235,814
Materials and supplies	1,000	1,000	531
Contractual services	123,000	79,050	60,509
Total urban redevelopment and housing	<u>410,268</u>	<u>366,318</u>	<u>296,854</u>
Total Expenditures	<u>410,268</u>	<u>366,318</u>	<u>296,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(303,908)</u>	<u>(303,318)</u>	<u>(561,484)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	311,436	311,436	238,735
Transfers out	<u>(25,665)</u>	<u>(25,665)</u>	<u>(25,665)</u>
Total Other Financing Sources (Uses)	<u>285,771</u>	<u>285,771</u>	<u>213,070</u>
<b>Net Change in Fund Balance</b>	<u>\$ (18,137)</u>	<u>\$ (17,547)</u>	(348,414)
<b>FUND BALANCE - Beginning of Year</b>			<u>506,166</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 157,752</u>

## CITY OF URBANA

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT GRANTS FUND For the Year Ended June 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Intergovernmental	\$ 1,918,659	\$ 1,376,875	\$ 1,064,204
Total Revenues	1,918,659	1,376,875	1,064,204
<b>EXPENDITURES</b>			
Urban Redevelopment and Housing			
Contractual services	1,732,223	1,559,037	1,055,047
Total urban redevelopment and housing	1,732,223	1,559,037	1,055,047
Total Expenditures	1,732,223	1,559,037	1,055,047
Excess (deficiency) of revenues over (under) expenditures	186,436	(182,162)	9,157
<b>OTHER FINANCING USES</b>			
Transfers out	(311,436)	(311,436)	(238,735)
Total Other Financing Uses	(311,436)	(311,436)	(238,735)
<b>Net Change in Fund Balance</b>	<b>\$ (125,000)</b>	<b>\$ (493,598)</b>	<b>(229,578)</b>
<b>FUND BALANCE - Beginning of Year</b>			<b>17,416</b>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>			<b>\$ (212,162)</b>

**CITY OF URBANA**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - TIF #2 FUND  
For the Year Ended June 30, 2019

	Budgeted Amounts		
	Original	Final	Actual
<b>REVENUES</b>			
Property taxes	\$ 1,275,015	\$ 1,275,015	\$ 1,290,936
Investment income	<u>15,000</u>	<u>19,000</u>	<u>35,509</u>
Total Revenues	<u>1,290,015</u>	<u>1,294,015</u>	<u>1,326,445</u>
<b>EXPENDITURES</b>			
Urban Redevelopment and Housing			
Personnel services	111,607	111,607	110,969
Contractual services	<u>313,897</u>	<u>306,397</u>	<u>175,568</u>
Total urban redevelopment and housing	<u>425,504</u>	<u>418,004</u>	<u>286,537</u>
Debt Service			
Principal	880,000	880,000	880,000
Interest and fiscal charges	<u>45,117</u>	<u>51,409</u>	<u>51,409</u>
Total debt service	<u>925,117</u>	<u>931,409</u>	<u>931,409</u>
Total Expenditures	<u>1,350,621</u>	<u>1,349,413</u>	<u>1,217,946</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,606)</u>	<u>(55,398)</u>	<u>108,499</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(282,563)</u>	<u>(1,030,042)</u>	<u>(254,828)</u>
Total Other Financing Uses	<u>(282,563)</u>	<u>(1,030,042)</u>	<u>(254,828)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (343,169)</u>	<u>\$ (1,085,440)</u>	(146,329)
<b>FUND BALANCE - Beginning of Year</b>			<u>1,605,922</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,459,593</u>



## CITY OF URBANA

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TIF #4 FUND For the Year Ended June 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Property taxes	\$ 977,739	\$ 977,739	\$ 1,020,110
Investment income	15,000	18,000	56,106
Total Revenues	992,739	995,739	1,076,216
<b>EXPENDITURES</b>			
Urban Redevelopment and Housing			
Personnel services	152,203	152,203	139,089
Contractual services	615,145	615,145	440,074
Total urban redevelopment and housing	767,348	767,348	579,163
Capital Outlay	185,000	185,000	154,159
Total Expenditures	952,348	952,348	733,322
<b>Net Change in Fund Balance</b>	\$ 40,391	\$ 43,391	342,894
<b>FUND BALANCE - Beginning of Year</b>			1,903,381
<b>FUND BALANCE - END OF YEAR</b>			\$ 2,246,275

## CITY OF URBANA

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CENTRAL TIF FUND For the Year Ended June 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Property taxes	\$ 5,450	\$ 5,450	\$ 82,385
Investment income	1,000	100	(2,324)
Miscellaneous revenues	-	-	679
Total Revenues	<u>6,450</u>	<u>5,550</u>	<u>80,740</u>
<b>EXPENDITURES</b>			
Urban Redevelopment and Housing			
Contractual services	<u>178,971</u>	<u>905,650</u>	<u>244,907</u>
Total urban redevelopment and housing	<u>178,971</u>	<u>905,650</u>	<u>244,907</u>
Capital Outlay	<u>80,000</u>	<u>81,500</u>	<u>1,423</u>
Total Expenditures	<u>258,971</u>	<u>987,150</u>	<u>246,330</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(252,521)</u>	<u>(981,600)</u>	<u>(165,590)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>252,521</u>	<u>1,000,000</u>	<u>222,737</u>
Total Other Financing Sources	<u>252,521</u>	<u>1,000,000</u>	<u>222,737</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 18,400</u>	57,147
<b>FUND BALANCE - Beginning of Year</b>			<u>3,185</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 60,332</u>

## CITY OF URBANA

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - POST TIF CLOSURE FUND For the Year Ended June 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Investment income	\$ -	\$ 1,070	\$ 3,159
Total Revenues	-	1,070	3,159
<b>EXPENDITURES</b>			
Urban Redevelopment and Housing			
Contractual services	-	80,917	-
Total urban redevelopment and housing	-	80,917	-
Total Expenditures	-	80,917	-
<b>Net Change in Fund Balance</b>	\$ -	\$ (79,847)	3,159
<b>FUND BALANCE - Beginning of Year</b>			79,777
<b>FUND BALANCE - END OF YEAR</b>			\$ 82,936

**CITY OF URBANA**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - RECYCLING FUND  
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Licenses, fines, and service charges	\$ 1,344,775	\$ 1,429,312	\$ 1,429,339
Investment income	7,500	8,000	18,241
Miscellaneous revenues	50	50	(7)
Total Revenues	1,352,325	1,437,362	1,447,573
<b>EXPENDITURES</b>			
Highways and Streets			
Personnel services	440,582	450,167	418,382
Materials and supplies	96,445	96,445	45,771
Other services and charges	30,000	30,000	-
Contractual services	589,308	585,910	558,910
Total highways and streets	1,156,335	1,162,522	1,023,063
Capital Outlay	24,050	388,499	348,459
Total Expenditures	1,180,385	1,551,021	1,371,522
Excess (deficiency) of revenues over (under) expenditures	171,940	(113,659)	76,051
<b>OTHER FINANCING USES</b>			
Transfers out	(147,004)	(147,004)	(147,004)
Total Other Financing Uses	(147,004)	(147,004)	(147,004)
<b>Net Change in Fund Balance</b>	<b>\$ 24,936</b>	<b>\$ (260,663)</b>	<b>(70,953)</b>
<b>FUND BALANCE - Beginning of Year</b>			<b>825,015</b>
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 754,062</b>

## CITY OF URBANA

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CABLE TV PEG FUND For the Year Ended June 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Licenses, fines, and service charges	\$ 151,000	\$ 151,000	\$ 137,782
Investment income	700	700	4,277
Total Revenues	<u>151,700</u>	<u>151,700</u>	<u>142,059</u>
<b>EXPENDITURES</b>			
General Government			
Personnel services	145,926	145,926	132,020
Materials and supplies	6,500	8,125	7,001
Contractual services	<u>44,469</u>	<u>44,469</u>	<u>38,856</u>
Total general government	<u>196,895</u>	<u>198,520</u>	<u>177,877</u>
Total Expenditures	<u>196,895</u>	<u>198,520</u>	<u>177,877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(45,195)</u>	<u>(46,820)</u>	<u>(35,818)</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(4,234)</u>	<u>(4,234)</u>	<u>(4,234)</u>
Total Other Financing Uses	<u>(4,234)</u>	<u>(4,234)</u>	<u>(4,234)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (49,429)</u>	<u>\$ (51,054)</u>	(40,052)
<b>FUND BALANCE - Beginning of Year</b>			<u>165,929</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 125,877</u>

## CITY OF URBANA

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ARMS PROGRAMMING FUND For the Year Ended June 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Intergovernmental	\$ 146,109	\$ 146,109	\$ 146,105
Investment income	800	800	3,935
Total Revenues	<u>146,909</u>	<u>146,909</u>	<u>150,040</u>
<b>EXPENDITURES</b>			
General Government			
Personnel services	124,841	128,841	127,843
Contractual services	<u>48,742</u>	<u>48,742</u>	<u>48,190</u>
Total general government	<u>173,583</u>	<u>177,583</u>	<u>176,033</u>
Total Expenditures	<u>173,583</u>	<u>177,583</u>	<u>176,033</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,674)</u>	<u>(30,674)</u>	<u>(25,993)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	30,284	30,284	30,284
Transfers out	<u>(2,810)</u>	<u>(2,810)</u>	<u>(2,810)</u>
Total Other Financing Sources (Uses)	<u>27,474</u>	<u>27,474</u>	<u>27,474</u>
<b>Net Change in Fund Balance</b>	<u>\$ 800</u>	<u>\$ (3,200)</u>	1,481
<b>FUND BALANCE - Beginning of Year</b>			<u>124,172</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 125,653</u>

## CITY OF URBANA

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SANITARY SEWER FUND For the Year Ended June 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Sewer benefit taxes	\$ 1,435,291	\$ 1,435,291	\$ 1,321,740
Investment income	6,365	10,021	32,241
Miscellaneous revenues	3,500	6,370	6,369
Total Revenues	<u>1,445,156</u>	<u>1,451,682</u>	<u>1,360,350</u>
<b>EXPENDITURES</b>			
Highways and Streets			
Contractual services	<u>214,534</u>	<u>151,243</u>	<u>136,406</u>
Total highways and streets	<u>214,534</u>	<u>151,243</u>	<u>136,406</u>
Capital Outlay	<u>400,000</u>	<u>287,259</u>	<u>168,829</u>
Total Expenditures	<u>614,534</u>	<u>438,502</u>	<u>305,235</u>
Excess of revenues over expenditures	<u>830,622</u>	<u>1,013,180</u>	<u>1,055,115</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(821,734)</u>	<u>(821,734)</u>	<u>(821,734)</u>
Total Other Financing Uses	<u>(821,734)</u>	<u>(821,734)</u>	<u>(821,734)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 8,888</u>	<u>\$ 191,446</u>	233,381
<b>FUND BALANCE - Beginning of Year</b>			<u>1,047,156</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,280,537</u>

## 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, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Intergovernmental	\$ 1,516,778	\$ 1,371,846	\$ 1,342,768
Licenses, fines, and service charges	1,556,162	1,556,162	1,572,644
Investment income	20,500	49,717	182,329
Miscellaneous revenues	15,000	527,359	525,607
Total Revenues	<u>3,108,440</u>	<u>3,505,084</u>	<u>3,623,348</u>
<b>EXPENDITURES</b>			
Highways and Streets			
Materials and supplies	-	407	-
Contractual services	646,889	1,264,764	596,845
Total highways and streets	<u>646,889</u>	<u>1,265,171</u>	<u>596,845</u>
Capital Outlay	1,806,947	1,090,302	1,102,286
Debt Service			
Principal	275,000	275,000	275,000
Interest and fiscal charges	32,694	32,694	17,275
Total debt service	<u>307,694</u>	<u>307,694</u>	<u>292,275</u>
Total Expenditures	<u>2,761,530</u>	<u>2,663,167</u>	<u>1,991,406</u>
Excess (deficiency) of revenues over (under) expenditures	<u>346,910</u>	<u>841,917</u>	<u>1,631,942</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	770,412	787,412	787,412
Transfers out	(610,868)	(610,868)	(610,868)
Total Other Financing Sources (Uses)	<u>159,544</u>	<u>176,544</u>	<u>176,544</u>
<b>Net Change in Fund Balance</b>	<u>\$ 506,454</u>	<u>\$ 1,018,461</u>	1,808,486
<b>FUND BALANCE - Beginning of Year</b>			<u>4,955,629</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 6,764,115</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, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>REVENUES</b>			
Intergovernmental	\$ 1,224,188	\$ 1,924,588	\$ 1,533,932
Investment income	15,000	23,500	94,328
Total Revenues	<u>1,239,188</u>	<u>1,948,088</u>	<u>1,628,260</u>
<b>EXPENDITURES</b>			
Highways and Streets			
Contractual services	-	36,000	-
Total highways and streets	-	<u>36,000</u>	-
Capital Outlay	<u>1,390,000</u>	<u>52,713</u>	<u>288,002</u>
Total Expenditures	<u>1,390,000</u>	<u>88,713</u>	<u>288,002</u>
<b>Net Change in Fund Balance</b>	<u>\$ (150,812)</u>	<u>\$ 1,859,375</u>	1,340,258
<b>FUND BALANCE - Beginning of Year</b>			<u>2,456,537</u>
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 3,796,795</u>

## CITY OF URBANA

### SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL PARKING FUND

For the Year Ended June 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>OPERATING REVENUES</b>			
Parking meters	\$ 1,235,000	\$ 1,200,000	\$ 1,292,848
Parking rentals	<u>227,000</u>	<u>227,000</u>	<u>236,467</u>
Total Operating Revenues	<u>1,462,000</u>	<u>1,427,000</u>	<u>1,529,315</u>
<b>OPERATING EXPENSES</b>			
Personnel	189,000	212,972	201,690
Supplies	71,177	63,177	20,793
Contractual services	402,508	456,405	311,800
Depreciation	<u>-</u>	<u>-</u>	<u>205,966</u>
Total Operating Expenses	<u>662,685</u>	<u>732,554</u>	<u>740,249</u>
Operating Income (Loss)	<u>799,315</u>	<u>694,446</u>	<u>789,066</u>
<b>NON-OPERATING REVENUES</b>			
Investment income	<u>22,000</u>	<u>22,000</u>	<u>54,762</u>
Total Non-Operating Revenues	<u>22,000</u>	<u>22,000</u>	<u>54,762</u>
Net Income Before Transfers	<u>821,315</u>	<u>716,446</u>	<u>843,828</u>
<b>TRANSFERS</b>			
Transfers out	<u>(942,620)</u>	<u>(942,620)</u>	<u>(942,620)</u>
Net Transfers	<u>(942,620)</u>	<u>(942,620)</u>	<u>(942,620)</u>
Change in net position	<u>\$ (121,305)</u>	<u>\$ (226,174)</u>	(98,792)
NET POSITION - Beginning of Year			<u>7,727,749</u>
NET POSITION - END OF YEAR			<u>\$ 7,628,957</u>

**CITY OF URBANA**

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
As of June 30, 2019

	<u>Equipment Services</u>	<u>Information Technology</u>	<u>Totals</u>
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 402,864	\$ 316,580	\$ 719,444
Inventories	122,136	-	122,136
Prepaid items	-	12,042	12,042
Total Current Assets	<u>525,000</u>	<u>328,622</u>	<u>853,622</u>
Noncurrent Assets			
Capital assets			
Equipment	265,446	-	265,446
Less: Accumulated depreciation	<u>(208,016)</u>	<u>-</u>	<u>(208,016)</u>
Total Noncurrent Assets	<u>57,430</u>	<u>-</u>	<u>57,430</u>
Total Assets	<u>582,430</u>	<u>328,622</u>	<u>911,052</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	<u>116,198</u>	<u>236,924</u>	<u>353,122</u>
Total Deferred Outflows of Resources	<u>116,198</u>	<u>236,924</u>	<u>353,122</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	59,985	6,437	66,422
Accrued salaries and taxes	<u>6,238</u>	<u>9,432</u>	<u>15,670</u>
Total Current Liabilities	<u>66,223</u>	<u>15,869</u>	<u>82,092</u>
Noncurrent Liabilities			
Net pension liability	<u>190,626</u>	<u>389,113</u>	<u>579,739</u>
Total Noncurrent Liabilities	<u>190,626</u>	<u>389,113</u>	<u>579,739</u>
Total Liabilities	<u>256,849</u>	<u>404,982</u>	<u>661,831</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	<u>23,897</u>	<u>40,477</u>	<u>64,374</u>
<b>NET POSITION</b>			
Net investment in capital assets	57,430	-	57,430
Unrestricted net position	<u>360,452</u>	<u>120,087</u>	<u>480,539</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 417,882</u></u>	<u><u>\$ 120,087</u></u>	<u><u>\$ 537,969</u></u>

**CITY OF URBANA**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2019

	<u>Equipment Services</u>	<u>Information Technology</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 850,354	\$ 1,025,371	\$ 1,875,725
Total Operating Revenues	<u>850,354</u>	<u>1,025,371</u>	<u>1,875,725</u>
<b>OPERATING EXPENSES</b>			
Personnel	243,013	769,432	1,012,445
Supplies	22,989	21,675	44,664
Contractual services	153,486	100,283	253,769
Equipment parts	165,109	4,147	169,256
Fuel	204,277	-	204,277
Depreciation	5,142	-	5,142
Total Operating Expenses	<u>794,016</u>	<u>895,537</u>	<u>1,689,553</u>
Operating Income	<u>56,338</u>	<u>129,834</u>	<u>186,172</u>
<b>NONOPERATING REVENUES</b>			
Interest on investments	10,769	4,764	15,533
Total Nonoperating Revenues	<u>10,769</u>	<u>4,764</u>	<u>15,533</u>
Income Before Transfers	<u>67,107</u>	<u>134,598</u>	<u>201,705</u>
<b>TRANSFERS</b>			
Transfers out	(6,059)	(14,511)	(20,570)
Total Transfers	<u>(6,059)</u>	<u>(14,511)</u>	<u>(20,570)</u>
Change in net position	61,048	120,087	181,135
NET POSITION - Beginning of Year	<u>356,834</u>	<u>-</u>	<u>356,834</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 417,882</u>	<u>\$ 120,087</u>	<u>\$ 537,969</u>

**CITY OF URBANA**

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2019

	<u>Equipment Services</u>	<u>Information Technology</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ 850,354	\$ 1,025,371	\$ 1,875,725
Paid to suppliers for goods and services	(538,965)	(131,710)	(670,675)
Paid to employees for services	<u>(289,803)</u>	<u>(567,334)</u>	<u>(857,137)</u>
Net Cash Flows From Operating Activities	<u>21,586</u>	<u>326,327</u>	<u>347,913</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>10,769</u>	<u>4,764</u>	<u>15,533</u>
Net Cash Flows From Investing Activities	<u>10,769</u>	<u>4,764</u>	<u>15,533</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers	<u>(6,059)</u>	<u>(14,511)</u>	<u>(20,570)</u>
Net Cash Flows From Noncapital Financing Activities	<u>(6,059)</u>	<u>(14,511)</u>	<u>(20,570)</u>
<b>Net Change in Cash and Cash Equivalents</b>	26,296	316,580	342,876
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>376,568</u>	<u>-</u>	<u>376,568</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 402,864</u>	<u>\$ 316,580</u>	<u>\$ 719,444</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 56,338	\$ 129,834	\$ 186,172
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Depreciation	5,142	-	5,142
Changes in assets and liabilities			
Inventory	(6,169)	-	(6,169)
Prepays	-	(12,042)	(12,042)
Deferred outflows related to pensions	(88,528)	(236,924)	(325,452)
Accounts payable	13,065	6,437	19,502
Accrued salaries	1,156	9,432	10,588
Net pension liability	135,569	389,113	524,682
Deferred inflows related to pensions	<u>(94,987)</u>	<u>40,477</u>	<u>(54,510)</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 21,586</u>	<u>\$ 326,327</u>	<u>\$ 347,913</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
None			

## CITY OF URBANA

### SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL EQUIPMENT SERVICES FUND For the Year Ended June 30, 2019

	Budgeted Amounts		Actual
	Original	Final	
<b>OPERATING REVENUES</b>			
Charges for services	\$ <u>1,061,231</u>	\$ <u>1,061,231</u>	\$ <u>850,354</u>
Total Operating Revenues	<u>1,061,231</u>	<u>1,061,231</u>	<u>850,354</u>
<b>OPERATING EXPENSES</b>			
Personnel	379,106	301,606	243,013
Supplies	16,944	15,944	22,989
Contractual services	146,010	190,673	153,486
Equipment parts	228,310	207,202	165,109
Fuel	224,000	224,000	204,277
Depreciation	<u>-</u>	<u>-</u>	<u>5,142</u>
Total Operating Expenses	<u>994,370</u>	<u>939,425</u>	<u>794,016</u>
Operating Income	<u>66,861</u>	<u>121,806</u>	<u>56,338</u>
<b>NON-OPERATING REVENUES</b>			
Investment income	<u>1,000</u>	<u>1,000</u>	<u>10,769</u>
Total Non-Operating Revenues	<u>1,000</u>	<u>1,000</u>	<u>10,769</u>
Net Income Before Transfers	<u>67,861</u>	<u>122,806</u>	<u>67,107</u>
<b>TRANSFERS</b>			
Transfers out	<u>(6,059)</u>	<u>(6,059)</u>	<u>(6,059)</u>
Net Transfers	<u>(6,059)</u>	<u>(6,059)</u>	<u>(6,059)</u>
Change in net position	\$ <u><u>61,802</u></u>	\$ <u><u>116,747</u></u>	61,048
NET POSITION - Beginning of Year			<u>356,834</u>
NET POSITION - END OF YEAR			\$ <u><u>417,882</u></u>

**CITY OF URBANA**

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL  
 INFORMATION TECHNOLOGY FUND  
 For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ <u>1,076,115</u>	\$ <u>1,125,245</u>	\$ <u>1,025,371</u>
Total Operating Revenues	<u>1,076,115</u>	<u>1,125,245</u>	<u>1,025,371</u>
<b>OPERATING EXPENSES</b>			
Personnel	574,647	574,647	769,432
Supplies	80,666	89,104	21,675
Contractual services	201,359	153,170	100,283
Equipment parts	<u>28,000</u>	<u>10,000</u>	<u>4,147</u>
Total Operating Expenses	<u>884,672</u>	<u>826,921</u>	<u>895,537</u>
Operating Income	<u>191,443</u>	<u>298,324</u>	<u>129,834</u>
<b>NON-OPERATING REVENUES</b>			
Interest on investments	<u>1,500</u>	<u>1,500</u>	<u>4,764</u>
Total Non-Operating Revenues	<u>1,500</u>	<u>1,500</u>	<u>4,764</u>
Net Income Before Transfers	<u>192,943</u>	<u>299,824</u>	<u>134,598</u>
<b>TRANSFERS</b>			
Transfers out	<u>(14,511)</u>	<u>(14,511)</u>	<u>(14,511)</u>
Net Transfers	<u>(14,511)</u>	<u>(14,511)</u>	<u>(14,511)</u>
Change in net position	\$ <u>178,432</u>	\$ <u>285,313</u>	120,087
NET POSITION - Beginning of Year			<u>-</u>
NET POSITION - END OF YEAR			<u>\$ 120,087</u>

**CITY OF URBANA**

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
As of June 30, 2019

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash	\$ 2,243,174	\$ 270,576	\$ 2,513,750
Investments			
Certificates of deposit	-	2,142,042	2,142,042
Money market funds	-	224,356	224,356
U.S. Government and agency securities	9,912,366	9,864,904	19,777,270
Mutual funds	19,005,238	33,412,310	52,417,548
Domestic common stocks	4,861,630	-	4,861,630
Corporate bonds	4,192,974	4,140,436	8,333,410
Municipal bonds	-	315,024	315,024
Receivables			
Accrued interest	<u>70,581</u>	<u>60,560</u>	<u>131,141</u>
Total Assets	<u>40,285,963</u>	<u>50,430,208</u>	<u>90,716,171</u>
<b>LIABILITIES</b>			
Accounts payable	<u>11,110</u>	<u>6,230</u>	<u>17,340</u>
Total Liabilities	<u>11,110</u>	<u>6,230</u>	<u>17,340</u>
<b>NET POSITION</b>			
Restricted for pensions	<u>\$ 40,274,853</u>	<u>\$ 50,423,978</u>	<u>\$ 90,698,831</u>



**CITY OF URBANA**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS

For the Year Ended June 30, 2019

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Totals</u>
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 1,035,976	\$ 759,718	\$ 1,795,694
Employee contributions	474,021	420,573	894,594
Other	<u>120,990</u>	<u>-</u>	<u>120,990</u>
Total Contributions	<u>1,630,987</u>	<u>1,180,291</u>	<u>2,811,278</u>
Investment income			
Interest on investments	894,878	2,223,338	3,118,216
Net appreciation in fair value of investments	<u>1,525,125</u>	<u>749,262</u>	<u>2,274,387</u>
Total Investment Income	2,420,003	2,972,600	5,392,603
Less Investment expense	<u>192,484</u>	<u>75,660</u>	<u>268,144</u>
Net Investment Income	<u>2,227,519</u>	<u>2,896,940</u>	<u>5,124,459</u>
Total Additions	<u>3,858,506</u>	<u>4,077,231</u>	<u>7,935,737</u>
<b>DEDUCTIONS</b>			
Benefits	2,767,790	2,589,359	5,357,149
Refunds of contributions	45,922	25,358	71,280
Administrative costs	<u>37,561</u>	<u>29,067</u>	<u>66,628</u>
Total Deductions	<u>2,851,273</u>	<u>2,643,784</u>	<u>5,495,057</u>
 <b>Change in Net Position</b>	 1,007,233	 1,433,447	 2,440,680
 NET POSITION - Beginning of Year	 <u>39,267,620</u>	 <u>48,990,531</u>	 <u>88,258,151</u>
 <b>NET POSITION - END OF YEAR</b>	 <u>\$ 40,274,853</u>	 <u>\$ 50,423,978</u>	 <u>\$ 90,698,831</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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	129 - 133
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source.	134 - 137
<b>Debt Capacity</b> 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.	138 - 141
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place.	142 - 144
<b>Operating Information</b> 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)

	2010	2011	2012	2013*	2014**	2015	2016	2017***	2018	2019
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 79,853	\$ 81,466	\$ 87,036	\$ 83,380	\$ 86,212	\$ 90,695	\$ 90,099	\$ 90,269	\$ 93,268	\$ 93,517
Restricted	14,164	13,603	9,781	20,107	8,366	8,236	8,501	7,974	8,026	10,639
Unrestricted	21,977	22,085	27,336	25,589	291	1,985	3,832	(415)	(3,155)	(3,851)
<b>TOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<b>\$ 115,994</b>	<b>\$ 117,154</b>	<b>\$ 124,153</b>	<b>\$ 129,076</b>	<b>\$ 94,869</b>	<b>\$ 100,916</b>	<b>\$ 102,432</b>	<b>\$ 97,828</b>	<b>\$ 98,139</b>	<b>\$ 100,305</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 5,458	\$ 5,609	\$ 5,778	\$ 6,248	\$ 5,953	\$ 5,801	\$ 5,883	\$ 6,116	\$ 6,238	\$ 6,080
Unrestricted	3,189	3,048	2,970	2,353	2,295	2,357	2,217	1,866	1,512	1,577
<b>TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b>	<b>\$ 8,647</b>	<b>\$ 8,657</b>	<b>\$ 8,748</b>	<b>\$ 8,601</b>	<b>\$ 8,248</b>	<b>\$ 8,158</b>	<b>\$ 8,100</b>	<b>\$ 7,982</b>	<b>\$ 7,750</b>	<b>\$ 7,657</b>
<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	\$ 85,311	\$ 87,075	\$ 92,814	\$ 89,628	\$ 92,165	\$ 96,496	\$ 95,982	\$ 96,385	\$ 99,506	\$ 99,597
Restricted	14,164	13,603	9,781	20,107	8,366	8,236	8,501	7,974	8,026	10,639
Unrestricted	25,166	25,133	30,306	27,942	2,586	4,342	6,049	1,451	(1,643)	(2,274)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 124,641</b>	<b>\$ 125,811</b>	<b>\$ 132,901</b>	<b>\$ 137,677</b>	<b>\$ 103,117</b>	<b>\$ 109,074</b>	<b>\$ 110,532</b>	<b>\$ 105,810</b>	<b>\$ 105,889</b>	<b>\$ 107,962</b>

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.

\*\*\*Restated due to the implementation of GASB Statement No. 75. Prior years have not been restated.

CITY OF URBANA, ILLINOIS

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

	2010	2011	2012	2013 <sup>a</sup>	2014 <sup>b,e</sup>	2015	2016	2017 <sup>f</sup>	2018	2019
<b>EXPENSES</b>										
Governmental activities										
Public safety	\$ 14,368	\$ 14,644	\$ 15,116	\$ 16,090	\$ 15,967	\$ 17,483	\$ 18,899	\$ 20,289	\$ 21,880	\$ 22,172
Highways and streets	10,956	10,980	10,376	11,527	12,386	11,892	14,348	12,956	10,759	11,247
General government	3,376	3,395	3,457	3,654	4,900	5,093	4,850	5,693	6,926	5,618
Urban redevelopment and housing	5,790	6,647	6,737	5,969	17,507	4,825	5,652	5,100	4,607	4,207
Interest on long-term debt	-	-	-	-	98	136	122	108	93	93
Library Services <sup>d</sup>	3,693	3,582	3,844	-	-					
Total governmental activities expenses	38,183	39,248	39,530	37,240	50,858	39,429	43,871	44,146	44,265	43,337
Business-type activities										
Motor vehicle parking	747	758	698	735	717	675	681	707	736	734
Total business-type activities expenses	747	758	698	735	717	675	681	707	736	734
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 38,930</b>	<b>\$ 40,006</b>	<b>\$ 40,228</b>	<b>\$ 37,975</b>	<b>\$ 51,575</b>	<b>\$ 40,104</b>	<b>\$ 44,552</b>	<b>\$ 44,853</b>	<b>\$ 45,001</b>	<b>\$ 44,071</b>
<b>PROGRAM REVENUES</b>										
Governmental activities										
Charges for services										
Public safety	\$ 2,717	\$ 2,763	\$ 2,883	\$ 2,988	\$ 3,182	\$ 3,796	\$ 3,346	\$ 3,498	\$ 3,191	\$ 3,234
Highways and streets	1,742	1,748	1,783	1,833	3,237	3,414	3,547	3,418	3,471	3,872
Other activities <sup>c,d</sup>	1,217	1,278	1,941	1,071	-	-	-	-	-	-
General government <sup>e</sup>	-	-	-	-	179	200	247	454	296	293
Urban redevelopment and housing <sup>c</sup>	-	-	-	-	1,080	1,308	1,551	1,442	1,259	1,554
Operating grants and contributions	2,200	1,799	1,826	2,430	1,859	2,818	2,041	1,292	2,969	506
Capital grants and contributions	1,998	1,874	6,200	3,890	4,434	2,010	1,245	1,335	3,219	3,058
Total governmental activities program revenues	9,874	9,462	14,633	12,212	13,971	13,546	11,977	11,439	14,405	12,517
Business-type activities program revenues										
Charges for services - motor vehicle parking	1,034	1,107	1,102	1,183	1,121	1,310	1,357	1,421	1,372	1,529
Total business-type activities program revenues	1,034	1,107	1,102	1,183	1,121	1,310	1,357	1,421	1,372	1,529
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 10,908</b>	<b>\$ 10,569</b>	<b>\$ 15,735</b>	<b>\$ 13,395</b>	<b>\$ 15,092</b>	<b>\$ 14,856</b>	<b>\$ 13,334</b>	<b>\$ 12,860</b>	<b>\$ 15,777</b>	<b>\$ 14,046</b>
<b>NET REVENUE (EXPENSE)</b>										
Governmental activities	\$ (28,309)	\$ (29,786)	\$ (24,897)	\$ (25,028)	\$ (36,887)	\$ (25,883)	\$ (31,894)	\$ (32,707)	\$ (29,860)	\$ (30,820)
Business-type activities	287	349	404	448	404	635	676	714	636	795
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b>\$ (28,022)</b>	<b>\$ (29,437)</b>	<b>\$ (24,493)</b>	<b>\$ (24,580)</b>	<b>\$ (36,483)</b>	<b>\$ (25,248)</b>	<b>\$ (31,218)</b>	<b>\$ (31,993)</b>	<b>\$ (29,224)</b>	<b>\$ (30,025)</b>

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)

	2010	2011	2012	2013 <sup>a</sup>	2014 <sup>b, c</sup>	2015	2016	2017 <sup>f</sup>	2018	2019
<b>GENERAL REVENUES AND OTHER</b>										
<b>CHANGES IN NET POSITION</b>										
<b>Governmental activities</b>										
Property taxes	\$ 10,401	\$ 11,614	\$ 10,583	\$ 8,674	\$ 7,901	\$ 7,179	\$ 8,778	\$ 6,695	\$ 6,634	\$ 6,844
Utility taxes	3,694	3,865	3,965	4,093	4,161	3,938	3,792	3,811	3,819	3,699
State and local sales taxes	8,422	9,070	9,791	10,170	10,902	11,494	12,277	12,033	11,694	12,224
Other taxes	1,660	1,801	2,128	2,211	2,332	2,203	2,292	2,296	2,264	2,274
Other intergovernmental	3,859	3,734	4,109	3,874	4,327	4,724	4,642	4,544	4,280	4,923
Investment income	1,152	418	769	(417)	562	458	745	73	137	1,119
Miscellaneous	144	47	44	71	55	1,157	83	80	470	960
Transfers	350	396	508	581	777	777	801	825	873	943
<b>Total governmental activities</b>	<b>29,682</b>	<b>30,945</b>	<b>31,897</b>	<b>29,257</b>	<b>31,017</b>	<b>31,930</b>	<b>33,410</b>	<b>30,357</b>	<b>30,171</b>	<b>32,986</b>
<b>Business-type activities</b>										
Investment income	122	58	94	(14)	54	50	66	5	4	55
Miscellaneous	-	-	100	-	-	3	-	-	-	-
Transfers	(350)	(396)	(508)	(581)	(777)	(777)	(801)	(825)	(873)	(943)
<b>Total business-type activities</b>	<b>(228)</b>	<b>(338)</b>	<b>(314)</b>	<b>(595)</b>	<b>(723)</b>	<b>(724)</b>	<b>(735)</b>	<b>(820)</b>	<b>(869)</b>	<b>(888)</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 29,454</b>	<b>\$ 30,607</b>	<b>\$ 31,583</b>	<b>\$ 28,662</b>	<b>\$ 30,294</b>	<b>\$ 31,206</b>	<b>\$ 32,675</b>	<b>\$ 29,537</b>	<b>\$ 29,302</b>	<b>\$ 32,098</b>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$ 1,373	\$ 1,159	\$ 7,000	\$ 4,229	\$ (5,870)	\$ 6,047	\$ 1,516	\$ (2,350)	\$ 311	\$ 2,166
Business-type activities	59	11	90	(147)	(319)	(89)	(59)	(106)	(233)	(93)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 1,432</b>	<b>\$ 1,170</b>	<b>\$ 7,090</b>	<b>\$ 4,082</b>	<b>\$ (6,189)</b>	<b>\$ 5,958</b>	<b>\$ 1,457</b>	<b>\$ (2,456)</b>	<b>\$ 78</b>	<b>\$ 2,073</b>

Source:

The City of Urbana's Comprehensive Annual Financial Report

<sup>a</sup> Restated

<sup>b</sup> Beginning in fiscal year 2014, replacement taxes, state sales taxes, and state use taxes are presented as intergovernmental revenues.

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

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

<sup>e</sup> 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.

<sup>f</sup> In 2018, GASB Statement No. 75 was implemented, resulting in the restatement of 2017 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)

	2010	2011	2012	2013*	2014	2015	2016	2017	2018	2018
<b>GENERAL FUND</b>										
Nonspendable										
Prepaid items	\$ 300	\$ 371	\$ 390	\$ 418	\$ 217	\$ 182	\$ 103	\$ 101	\$ 131	\$ 81
Unrestricted										
Assigned										
Workers' compensation	-	-	-	-	-	-	-	-	1,825	1,456
Unassigned / unreserved	6,018	4,715	5,830	4,645	8,894	11,362	15,594	9,699	10,645	13,499
<b>TOTAL GENERAL FUND</b>	<b>\$ 6,318</b>	<b>\$ 5,086</b>	<b>\$ 6,220</b>	<b>\$ 5,063</b>	<b>\$ 9,111</b>	<b>\$ 11,544</b>	<b>\$ 15,697</b>	<b>\$ 9,800</b>	<b>\$ 12,601</b>	<b>\$ 15,036</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Nonspendable										
Prepaid items	\$ 34	\$ 29	\$ 28	\$ 20	\$ 14	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Library services	1,860	2,080	2,108	2,127	-	-	-	-	-	-
Urban redevelopment and housing	9,443	7,974	5,959	5,875	4,476	5,252	5,224	4,152	3,674	3,849
Public safety	-	-	-	-	20	47	56	73	91	61
Highways and streets	-	-	-	-	-	886	1,032	767	825	754
Capital projects	2,530	3,549	3,823	4,731	3,869	3,367	2,621	3,339	3,436	5,975
Unrestricted										
Committed										
Other purposes	484	205	293	783	-	-	-	-	-	-
Urban redevelopment and housing	521	683	600	388	-	-	-	-	-	-
Highways and streets	-	473	2,599	3,406	674	-	-	-	-	-
Workers' compensation	3,114	2,820	2,956	2,942	-	-	-	-	-	-
Capital projects	5,298	5,601	4,639	4,529	610	669	714	1,046	1,047	1,280
Assigned										
Public safety	-	-	-	-	5,190	5,314	6,703	7,408	7,972	7,688
Urban redevelopment and housing	-	-	-	-	539	451	116	5,437	525	266
Social services	-	-	-	-	13	35	36	31	-	-
Workers' compensation	-	-	-	-	2,998	2,760	2,730	2,354	-	-
Public television	-	-	-	-	27	30	24	165	166	126
Capital projects	-	-	-	-	3,473	2,836	2,736	4,229	3,976	4,586
Property tax reserve	-	-	-	-	-	-	-	-	5,313	5,475
Unassigned (deficit)	-	-	-	-	(388)	(443)	(96)	(47)	-	(212)
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 23,284</b>	<b>\$ 23,414</b>	<b>\$ 23,005</b>	<b>\$ 24,801</b>	<b>\$ 21,515</b>	<b>\$ 21,204</b>	<b>\$ 21,896</b>	<b>\$ 28,954</b>	<b>\$ 27,025</b>	<b>\$ 29,848</b>
<b>TOTAL ALL GOVERNMENTAL FUNDS</b>	<b>\$ 29,602</b>	<b>\$ 28,500</b>	<b>\$ 29,225</b>	<b>\$ 29,864</b>	<b>\$ 30,626</b>	<b>\$ 32,748</b>	<b>\$ 37,593</b>	<b>\$ 38,754</b>	<b>\$ 39,626</b>	<b>\$ 44,884</b>

\* Restated for the implementation of GASB Statement No. 54

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)

	2010	2011	2012	2013*	2014**	2015	2016	2017	2018	2019
<b>REVENUES</b>										
Property taxes	\$ 10,533	\$ 11,768	\$ 10,522	\$ 8,673	\$ 7,901	\$ 7,179	\$ 8,778	\$ 6,695	\$ 6,634	\$ 6,844
Other taxes	13,776	14,736	15,884	16,475	10,863	11,009	11,308	11,213	11,550	11,544
Intergovernmental	9,973	9,188	13,827	12,422	18,595	18,490	17,922	16,619	16,348	15,444
Investment income	1,152	418	769	(417)	562	458	26	73	136	1,103
Licenses, fines and service charges	3,761	4,009	4,920	4,023	5,802	6,213	6,447	6,199	8,035	8,611
Miscellaneous	139	45	46	-	56	1,157	743	80	470	960
<b>Total revenues</b>	<b>39,334</b>	<b>40,164</b>	<b>45,968</b>	<b>41,176</b>	<b>43,779</b>	<b>44,506</b>	<b>45,224</b>	<b>40,879</b>	<b>43,173</b>	<b>44,506</b>
<b>EXPENDITURES</b>										
Public safety	14,552	14,899	15,212	16,097	16,422	16,345	16,046	16,783	16,782	16,793
Highways and streets	8,104	7,900	7,132	7,850	8,097	7,826	8,068	8,449	8,662	8,777
General government	3,273	3,349	3,334	3,704	4,895	4,666	4,197	4,833	5,270	5,161
Urban redevelopment and housing	5,755	6,628	6,675	5,946	17,413	4,970	5,534	5,061	4,473	4,157
Library services	3,507	3,427	3,598	-	-	-	-	-	-	-
Debt service										
Principal	-	-	-	-	815	1,115	1,105	1,125	1,153	1,173
Interest and fiscal charges	-	-	-	-	60	141	128	114	100	69
Capital outlay	6,299	5,459	9,800	9,887	13,434	10,898	6,452	4,178	6,740	4,082
<b>Total expenditures</b>	<b>41,490</b>	<b>41,662</b>	<b>45,751</b>	<b>43,484</b>	<b>61,136</b>	<b>45,961</b>	<b>41,530</b>	<b>40,543</b>	<b>43,180</b>	<b>40,212</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,156)</b>	<b>(1,498)</b>	<b>217</b>	<b>(2,308)</b>	<b>(17,357)</b>	<b>(1,455)</b>	<b>3,694</b>	<b>336</b>	<b>(7)</b>	<b>4,294</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in (out)	350	396	508	205	777	777	801	825	879	963
Bond proceeds	-	-	-	3,800	4,000	2,800	350	-	-	-
<b>Total other financing sources (uses)</b>	<b>350</b>	<b>396</b>	<b>508</b>	<b>4,005</b>	<b>4,777</b>	<b>3,577</b>	<b>1,151</b>	<b>825</b>	<b>879</b>	<b>963</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>\$ (1,806)</b>	<b>\$ (1,102)</b>	<b>\$ 725</b>	<b>\$ 1,697</b>	<b>\$ (12,580)</b>	<b>\$ 2,122</b>	<b>\$ 4,845</b>	<b>\$ 1,161</b>	<b>\$ 872</b>	<b>\$ 5,257</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>1.8%</b>	<b>3.5%</b>	<b>2.6%</b>	<b>3.4%</b>	<b>3.5%</b>	<b>3.4%</b>

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**

ASSESSSED 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
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	201,494,560	523,383,513	0.01346	1,570,150,539	33%	0.6%
2015	320,668,273	201,974,287	522,642,560	0.01355	1,567,927,680	33%	-0.1%
2016	326,100,413	219,874,042	545,974,455	0.01355	1,637,923,365	33%	4.5%
2017	332,595,033	225,289,479	557,884,512	0.01355	1,673,653,536	33%	2.2%
2018	335,269,779	248,205,284	583,475,063	0.01349	1,750,425,207	33%	4.6%

Source: Champaign County Clerk

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.

<sup>a</sup> County deducts the tax-exempt property from each property category before reporting this data.

<sup>b</sup> 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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
City of Urbana:										
Library	0.4998	0.4927	0.5089	0.5347	0.5608	0.5577	0.5728	0.5694	0.5754	0.5608
General	0.2735	0.2339	0.2454	0.1998	0.1492	0.3081	0.3989	0.4238	0.3895	0.3569
Police Pension	0.2964	0.3266	0.3328	0.3689	0.3928	0.2842	0.2127	0.2031	0.2223	0.2537
Fire Pension	0.2245	0.2410	0.2319	0.2516	0.2522	0.1962	0.1706	0.1587	0.1678	0.1785
Total City of Urbana:	<u>1.2942</u>	<u>1.2942</u>	<u>1.3190</u>	<u>1.3550</u>	<u>1.3550</u>	<u>1.3462</u>	<u>1.3550</u>	<u>1.3550</u>	<u>1.3550</u>	<u>1.3499</u>
School District	4.3178	4.4083	4.5983	4.9537	5.7630	5.8637	5.9828	5.9249	5.9684	5.6722
Champaign County	0.7487	0.7688	0.7841	0.8138	0.8511	0.8636	0.8672	0.8458	0.8481	0.8157
Park District	0.8354	0.8586	0.9526	1.0115	1.1816	1.2013	1.2214	1.2106	1.2255	1.2283
Parkland College	0.5082	0.5064	0.5120	0.5191	0.5253	0.5259	0.5460	0.5436	0.5411	0.5339
Mass Transit	0.2619	0.2725	0.2831	0.2966	0.3198	0.3282	0.3332	0.3235	0.3274	0.3313
Cunningham Town	0.1885	0.1942	0.2030	0.2164	0.2472	0.2488	0.2154	0.2064	0.2020	0.2030
Public Health	0.1071	0.1075	0.1102	0.1163	0.1259	0.1290	0.1307	0.1267	0.1276	0.1040
Forest Preserve	0.0790	0.0817	0.0843	0.0880	0.0931	0.0944	0.0947	0.0928	0.0925	0.0927
Total	<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>	<u><u>10.7464</u></u>	<u><u>10.6293</u></u>	<u><u>10.6876</u></u>	<u><u>10.3310</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, 2019			At Fiscal Year End June 30, 2010		
	Equalized Assessed Value	Rank	Percentage of Total City Equalized Assessed Value	Equalized Assessed Value	Rank	Percentage of Total City Equalized Assessed Value
One Illinois Apartments	\$ 12,515,130	1	2.14%	\$ -	-	-
Bainbridge CC Urbana Apartment	12,106,100	2	2.07%	-	-	-
Clark Lindsey Village	7,168,230	3	1.23%	4,722,490	9	0.80%
MIMG XLV Town& Country	6,526,460	4	1.12%	-	-	-
Supervalu Inc	4,498,700	5	0.77%	-	-	-
Amber Apartments LLC	4,364,270	6	0.75%	-	-	-
Walmart Property	3,993,540	7	0.68%	5,159,630	6	0.90%
Campus Property Management	3,444,840	8	0.59%	11,048,800	3	1.90%
Hunsinger Enterprises Inc	3,425,140	9	0.59%	-	-	-
Meijer Inc	3,409,550	10	0.58%	-	-	-
JSM Management	3,296,620	11	0.56%	-	-	-
Urbana Campus Rental II	3,170,720	12	0.54%	-	-	-
The Pointe at U of I LLC	2,999,700	13	0.51%	-	-	-
EFN Urbana Propeties	2,916,070	14	0.50%	-	-	-
<b>Total</b>	<b>\$ 73,835,070</b>		<b>12.65%</b>	<b>\$ 20,930,920</b>		<b>3.60%</b>
Total Urbana EAV	\$ 583,475,063			\$ 595,775,666		

Source: Champaign County Clerk

**CITY OF URBANA, ILLINOIS**

**PROPERTY TAX LEVY AND COLLECTIONS**  
Last Ten Levy Years

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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
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%	3,284,566	7,022,607	99.67%
2015	7,081,807	3,719,966	52.53%	3,338,651	7,058,617	99.67%
2016	7,397,954	3,945,600	53.33%	3,423,117	7,368,717	99.60%
2017	7,559,335	4,005,524	52.99%	3,440,699	7,446,223	98.50%
2019	7,876,330	1,844,737	23.42%	-	1,844,737	23.42%

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

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Loans Payable	Parking Bonds	Alternate Revenue Note			
2010	\$ -	\$ -	\$ 435,000	\$ 113,203	\$ 548,203	0.04%	\$ 14
2011	-	-	300,000	101,391	401,391	0.03%	10
2012	-	-	155,000	88,516	243,516	0.02%	6
2013	3,800,000	-	-	74,482	3,874,482	0.26%	92
2014	6,985,000	-	-	59,186	7,044,186	0.40%	167
2015	8,670,000	-	-	42,513	8,712,513	0.49%	206
2016	7,565,000	350,000	-	24,339	7,939,339	0.48%	188
2017	6,440,000	332,500	-	-	6,772,500	0.38%	161
2018	5,305,000	315,000	-	-	5,620,000	0.31%	134
2019	4,150,000	297,500	-	-	4,447,500	0.23%	106

Source:

The City of Urbana's Comprehensive Annual Financial Report

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

**CITY OF URBANA, ILLINOIS**

RATIO OF NET GENERAL BONDED DEBT OUTSTANDING  
Last Ten Fiscal Years

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Fiscal Year	General Obligation Bonds	Loans Payable	Total	Percentage of Actual Taxable Value of Property	Per Capita
2010	\$ -	\$ -	\$ -	0.0%	\$ -
2011	-	-	-	0.0%	-
2012	-	-	-	0.0%	-
2013	3,800,000	-	3,800,000	0.7%	91.00
2014	6,985,000	-	6,985,000	1.3%	167
2015	8,670,000	-	8,670,000	1.7%	206
2016	7,565,000	350,000	7,915,000	1.5%	187
2017	5,305,000	315,000	5,620,000	1.2%	161
2018	5,305,000	315,000	5,620,000	1.0%	134
2019	4,150,000	297,500	4,447,500	0.8%	106

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. 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, 2019

<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	\$ 35,826,000	71%	\$ 25,318,571
Champaign County	18,720,000	12%	2,231,943
Forest Preserve	384,826	12%	45,903
Parkland College	52,666,094	12%	6,309,915
C-U Health District	328,860	22%	71,216
C-U Mass Transit District	-	19%	-
Urbana Park District	11,378,493	81%	<u>9,216,274</u>
Subtotal, overlapping debt			43,193,822
City of Urbana direct debt			<u>4,447,500</u>
Total direct and overlapping debt			<u>\$ 47,641,322</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, 2019

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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**

DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Fiscal Years

Year	(1) Population	(2) Personal Income ( <i>thousands of dollars</i> )	(2) Per Capita Personal Income	(1) Median Age	(3) Education Level in Years of Formal Schooling	(4) School Enrollment	(5) Unemployment Rate
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	37,461	24.0	14.1	4,331	8.8%
2013	41,581	1,625,235	38,409	24.0	14.1	4,454	8.5%
2014	41,752	1,638,223	39,237	23.8	14.9	4,494	5.7%
2015	42,044	1,649,680	39,237	23.8	14.9	4,451	4.5%
2016	42,311	1,660,157	39,237	23.9	14.9	4,444	5.2%
2017	42,014	1,800,846	42,863	24.0	15.3	4,604	4.5%
2018	41,889	1,825,523	43,584	24.0	15.3	4,590	4.4%
2019	42,046	1,902,161	45,240	24.0	15.3	4,480	3.8%

Sources:

(1) Estimate by city staff from U.S. Bureau of Census information. Median age and education levels are based on information from 2010-2014 American Community Survey 5-year estimates

(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.

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

(5) Bureau of Labor Statistics, U.S. Department of Labor, 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>	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
University of Illinois	13,934	1	13.2%	11,676	1	7.4%
Carle Group	6,921	2	6.5%	5,668	2	3.6%
Champaign Schools	1,664	3	1.6%	1,351	3	0.9%
Kraft Foods	925	4	0.9%	1,300	4	0.9%
Christie Clinic	916	5	0.9%			
Champaign County	893	6	0.8%	800	10	
Urbana Schools	828	7	0.8%	900	8	0.6%
Fedex	815	8	0.8%			
OSF HealthCare	774	9	0.7%			
Parkland College	741	10	0.7%	1,200	5	0.8%
Plastipak	735	11	0.7%	810	9	0.5%
City of Champaign	630	12	0.6%			
<b>Total</b>	<b>29,776</b>		<b>28.2%</b>	<b>23,705</b>		<b>14.7%</b>

Sources: Champaign County Economic Development Corporation.

**CITY OF URBANA, ILLINOIS**

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

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Public Safety</b>										
Police safety										
Sworn	55.0	55.0	55.0	54.0	55.0	55.0	55.0	57.0	57.0	58.00
Civilian	22.0	22.0	22.0	22.0	17.8	17.3	17.0	15.5	15.25	14.25
Fire safety										
Sworn	57.0	56.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0	57.00
Civilian	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.00
<b>Highways and Streets</b>										
Administration	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.00
Maintenance	32.5	29.5	32.5	32.5	32.7	29.0	28.5	28.45	28.5	27.00
Engineering	13.5	13.5	13.5	13.5	13.9	12.3	11.3	11.7	12.85	11.65
Fleet	4.5	4.5	4.5	4.5	4.5	4.1	4.1	4.1	4.1	4.00
Arbor	13.0	13.0	13.0	13.0	14.8	15.0	15.0	15.0	15.0	15.40
Facilities	9.5	9.5	9.5	9.5	9.8	8.8	8.3	8.3	8.25	5.40
Environmental	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.00
<b>General Government</b>										
Administration	4.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	4.00
Legal	5.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.00
Human resources	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.00
Human relations	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.0	2.5	1.98
Finance	8.0	8.0	8.0	11.8	12.0	12.0	12.5	12.5	12.5	13.00
Information technology	11.0	11.0	11.0	10.0	10.3	11.3	10.9	11.2	10.65	9.33
City clerk	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.00
Public communications										0.50
<b>Urban Redevelopment and Housing</b>										
Planning	7.5	6.5	7.5	7.5	7.3	7.3	5.8	5.8	5.25	5.25
Economic development	4.3	4.3	4.3	4.3	4.8	5.8	5.8	6.0	5.9	5.50
Building safety	8.0	8.0	8.0	8.0	7.8	8.8	9.8	9.8	9.2	8.65
Housing	4.2	4.2	4.2	4.2	4.0	4.0	3.7	3.7	3.5	3.25
<b>Total</b>	<u>277.0</u>	<u>270.0</u>	<u>275.0</u>	<u>276.8</u>	<u>277.4</u>	<u>273.0</u>	<u>270.1</u>	<u>271.9</u>	<u>271.5</u>	<u>264.2</u>

Source: City Finance Department

**CITY OF URBANA, ILLINOIS**

**OPERATING INDICATORS BY FUNCTION**

Last Ten Fiscal Years

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Public Safety</b>										
Police Department										
Arrests	7,251	6,146	6,170	5,956	6,895	6,830	6,233	5,151	5,114	5,515
Service calls	20,964	20,066	20,646	20,100	20,487	19,397	17,418	24,166	23,518	27,550
Reports written	7,119	7,083	7,304	7,108	7,701	7,411	6,856	6,665	6,147	6,624
Parking tickets issued	33,601	24,436	24,666	22,744	21,823	22,439	16,382	22,255	18,720	16,852
Fire Department										
Fires	172	186	291	258	207	188	217	173	165	106
Overpressure, explosion, overhear	11	8	13	5	13	13	10	11	12	15
Rescue EMS	2,141	2,285	2,325	2,412	2,713	2,556	2,618	2,561	2,659	2,703
Hazardous condition	217	253	239	248	257	220	223	192	177	218
Service call	434	456	467	560	679	737	598	617	605	660
Good intent	475	434	430	380	486	464	407	372	400	413
False alarm or false call	1,072	1,004	1,000	1,064	1,065	1,002	1,046	829	887	958
Severe weather or natural disaster	2	4	5	2	5	3	2	-	2	12
Special incident	4	5	2	4	2	3	-	3	4	4
Uncoded	-	-	-	-	-	-	-	-	-	-
Inspections:										
Fire/CD combined	**	**	**	39	-	-	-	-	2	1
Certified housing	**	**	**	18	23	23	42	39	38	39
Commercial	**	**	**	842	1,037	1,056	848	997	796	432
Hotel/Motel	**	**	**	**	**	**	7	0	2	0
Multi family	**	**	**	252	333	355	384	284	205	409
Residential	**	**	**	49	23	31	23	5	5	11
U of I fire inspection	**	**	**	44	70	72	69	61	80	122
<b>Highways and Streets</b>										
Street resurfacing (sq. yard asphalt and concrete)	48,182	62,010	63,248	129,271	137,354	73,142	47,216	70,987	194,921	88,845
Recycling, tons of waste collected (1000's)										
Non-landscape	7.3	8.6	8.8	9.6	0.5	10.0	5.7	5.3	4.7	3.9
Landscape	20.3	16.9	21.9	17.9	17.3	16.5	10	11.8	11.4	12.0
<b>General Government</b>										
Licenses/permits processed	792	833	877	992	1,035	1,044	1,018	939	953	929
Parking rentals and permits	1,837	1,815	1,815	1,762	1,575	1,621	1,542	1,610	1,557	1,373
<b>Urban Redevelopment and Housing</b>										
Permits issued	1,627	1,456	1,513	1,346	1,610	1,417	1,472	1,635	1,662	1,796
Zoning/planning cases	54	51	75	43	85	91	77	84	55	90

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

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<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Highways and Streets										
Area City (sq. mi.)	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	12.0
Miles streets	145.5	145.5	143.8	143.8	143.8	143.8	138.4	145.5	146.7	152.2
Miles sewers	237.3	241.0	241.9	243.0	243.8	244.7	244.3	245.7	249.1	245.7
Street lights	3,619	3,659	3,688	3,651	3,768	3,781	3,791	3,793	3,796	3,805
City trees	12,640	12,670	12,700	11,572	11,479	11,165	10,793	10,750	10,824	10,915

Source: Various city departments.