COMPREHENSIVE ANNUAL FINANCIAL REPORT
CITY OF URBANA, ILLINOIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

CITY OF URBANA
URBANA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended
June 30, 2016

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

CITY OF URBANA

TABLE OF CONTENTS
As of and for the Year Ended June 30, 2016

	Page(s)
INTRODUCTORY SECTION	
Letter of Transmittal	i - vi
List of Principal Officials	vii
Organizational Chart	viii
Certificate of Achievement for Excellence in Financial Reporting	ix
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1 - 3
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis	4 - 15
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17 - 18
Fund Financial Statements	
Balance Sheet - Governmental Funds	19 - 22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	24 - 25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
Statement of Net Position - Proprietary Fund	27 - 28
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund	29
Statement of Cash Flows - Proprietary Fund	30 - 31
Statement of Fiduciary Net Position - Fiduciary Funds	32
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	33
Index to Notes to Financial Statements	34
Notes to Financial Statements	35 - 85
REQUIRED SUPPLEMENTARY INFORMATION	
General Fund	
Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	86 - 87

CITY OF URBANA

TABLE OF CONTENTS (cont.)
As of and for the Year Ended June 30, 2016

	Page(s)
***REQUIRED SUPPLEMENTARY INFORMATION** (cont.)*	
Special Revenue Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Vehicle Equipment and Replacement Fund	88
Historical Pension and OPEB Information	
Illinois Municipal Retirement Fund - Schedule of Changes in the City's Net Pension Liability and Related Ratios	89
Illinois Municipal Retirement Fund - Schedule of Employer Contributions	90
Police Pension Fund - Schedule of Changes in the City's Net Pension Liability and Related Ratios	91
Police Pension Fund - Schedule of Employer Contributions	92
Firefighters' Pension Fund - Schedule of Changes in the City's Net Pension Liability and Related Ratios	93
Firefighters' Pension Fund - Schedule of Employer Contributions	94
Other Postemployment Benefits - Schedule of Employer Contributions and Schedule of Funding Progress	95
Notes to Required Supplementary Information	96
SUPPLEMENTARY INFORMATION	
Governmental Funds	
Combining Balance Sheet - Nonmajor Governmental Funds	97 - 100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	101 - 104
Schedules of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Budget and Actual	
Social Services Fund	105
Special Community Development Fund	106
HOME Community Development Fund	107
Community Development Block Grant Fund	108
Tax Increment Financing District 1 Fund	109
Tax Increment Financing District 2 Fund	110
Tax Increment Financing District 4 Fund	111
Post TIF 3 Escrow Fund	112
Economic Development Fund	113
Insurance Financing Fund	114

CITY OF URBANA

TABLE OF CONTENTS (cont.)
As of and for the Year Ended June 30, 2016

	Page(s)
***SUPPLEMENTARY INFORMATION** (cont.)*	
Recycling Fund	115
Public Television Fund	116
Police Records Fund	117
Emergency Solutions Fund	118
Sanitary Sewer Construction Fund	119
Boneyard Improvement Fund	120
Capital Improvement and Replacement Fund	121
Motor Fuel Tax Fund	122
Enterprise Fund	
Statement of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual	
Motor Vehicle Parking Fund	123
Internal Service Fund	
Statement of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual	
Equipment Services Fund	124
Fiduciary Funds	
Combining Statement of Fiduciary Net Position - Pension Trust Funds	125
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds	126
STATISTICAL SECTION	
Net Position by Component	127
Change in Net Position	128 - 129
Fund Balance of Governmental Funds	130
Changes in Fund Balance of Governmental Funds	131
Assessed and Actual Value of Taxable Property	132
Direct and Overlapping Property Tax Rates	133
Principal Property Taxpayers	134
Property Tax Levy and Collections	135
Ratio of Outstanding Debt by Type	136
Ratio of Net General Bonded Debt Outstanding	137
Direct and Overlapping Governmental Activities Debt	138

CITY OF URBANA

TABLE OF CONTENTS (cont.)
As of and for the Year Ended June 30, 2016

	Page(s)
STATISTICAL SECTION (cont.)	
Legal Debt Margin Information	139
Revenue Supported Bond Coverage	140 - 141
Demographic and Economic Statistics	142
Principal Employers	143
Number of City Employees by Function (Full-time Equivalents)	144
Operating Indicators by Function	145
Capital Asset Statistics, by Function	146

CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT

December 9, 2016

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, 2016.

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 independent auditors' report is located at the front of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements, in the form of Management's Discussion and Analysis (MD&A), which immediately follows the

independent auditor's report. This MD&A complements this letter of transmittal and should be read in conjunction with it. As a recipient of various federal and state financial assistance programs, the City of Urbana is also required under the Federal Single Audit Act, to have an annual audit of certain major federal grant programs performed. This audit contains information concerning whether grant activity is presented fairly in the general purpose financial statements, whether internal control is sufficient to provide reasonable assurance that the funds are managed properly, and whether material grant compliance requirements have been met. The auditor's report relative to the Federal Single Audit Act is reported separately.

Profile of the 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 42,311 for 2015 and tends to be younger and more diverse than the population of the State as a whole. Residents are also highly educated, with nearly 54% holding a bachelor's degree or higher. Nearly 60% of housing units are in multi-unit structures, which is much higher than for the State as a whole. All of these factors contribute to making Urbana a unique and vibrant community.

The City operates under the mayor/aldermanic form of government. The legislative authority of the City is vested in a seven-member council, each elected from their respective districts. The Mayor is elected at large. Each member and the Mayor serve a four-year term. The Mayor recommends and the City Council approves appointment of department and division heads.

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

Police:	Patrol, Traffic Control, and Criminal Investigation
Fire:	Fire Suppression, Fire Prevention, and Emergency Medical Assistance
Public Works:	Street Maintenance and Reconstruction, Traffic Maintenance, Street Lighting Maintenance and Reconstruction, Sanitary and Storm Sewer Maintenance and Reconstruction, Arbor Maintenance and Improvement, Parking (on enterprise basis)
Community Development:	Planning and Zoning Enforcement, Building Inspection, Economic Development, and Housing Improvement
Other Services:	Library Services, Human Relations

This report includes all funds of the City of Urbana. 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 to be financially accountable for or other organizations for which their exclusion would cause these statements to be misleading or incomplete. The City also participates in a joint venture with the City of Champaign, the Champaign-Urbana Solid Waste Disposal System (CUSWDS). This joint venture is responsible for overseeing closeout and long-term maintenance of the old regional landfill site. Urbana's share of the joint venture (38.2%) is shown as an asset called Investment in Joint Ventures. It is contemplated that the City's investment will remain at the same level. This joint venture does not meet the criteria for inclusion in the City's financial report. However, financial information for the joint venture is included in the notes to the financial statements.

Financial Planning

Finance staff develops a financial forecast annually, which is used for developing a strategy for the budget process. This informs decisions such as requiring departments to make budget reductions, or considering new or enhanced programs or services. The 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 and the Mayor. The Mayor makes final decisions on the proposed budget, which is then presented to the City Council for review. The City Council reviews the proposed budget in several open meetings and holds a public hearing and adopts the budget before the beginning of the new fiscal year. The budget is prepared by fund, department, activity, and expenditure classification (e.g., supplies, services). The level of expenditures cannot exceed budgeted amounts within certain basic expenditure categories within an individual department for the General Fund or for the fund in whole for non-general funds. All funds have balanced annual budgets, prepared on a cash basis, and approved by the City Council, except for pension trust funds. Pension trust funds are managed by appointed Trustees and budgetary control is maintained through an annual actuarial review.

The Finance Director is authorized to transfer amounts within basic expenditure categories of personnel, supplies, services, and capital with the approval of the Mayor. This budgetary control is maintained through 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 more than 44,000 students from every state as well as more than 100 foreign countries to the Urbana-Champaign area, the University employs more than 10,000, including many residents of the City of Urbana.

The University of Illinois "Flash Index," which is the most current measure of the State's economic performance, is at 104.3 for November, 2016. An index over 100 indicates growth. In addition, the local unemployment rate was at 4.9% in September. 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 weak in FY2016, with State and Home Rule sales tax decreasing by about 1% on an annualized basis. Use tax, which includes sales from large online retailers increased by about 10% on an annualized basis, which may reflect increasing online sales. Reliance on sales tax as a revenue source can be problematic during economic downturns. However, the City's healthy reserves provide a cushion against these fluctuations.

The City's taxable assessed value decreased marginally, by 0.14%, in 2015. The decrease was largely due to legislated changes in exemptions for veterans. Without that change in exemptions, assessed value would have increased by 0.6%. Despite decreases in assessments, the City has maintained a relatively stable tax rate for the past few years. City staff anticipates that growth will be a healthy 3.89% for 2016, when assessments are finalized. Based on building permits for uncompleted construction, driven in part by the City's enterprise zone, the City expects a more substantial increase in 2017.

Major Initiatives

Significant initiatives for the City in fiscal year 2016 were:

a) The Appellate Court ruled the State law which grants hospitals property tax relief in exchange for "charity care" unconstitutional. This decision was appealed to the State Supreme Court, and the City continues to aggressively pursue this issue. This law has adversely affected Urbana which has two regional hospitals. Urbana, with 3% of the region's population absorbed 83% of the tax loss. This not only raised the taxes for every property owner, but drove Urbana's tax rate 25% above that in the adjacent city of Champaign—clearly an unsustainable situation for Urbana.

b) A new State authorized Enterprise Zone took effect in January, 2016. The program includes substantial incentives for new residential, commercial, and industrial construction, which will help to grow the tax base.

c) The construction value of building permits issued in FY2016 was over $60M for the second year in a row. This will translate into a larger tax base in the future.

d) The City continued to use Tax Increment Financing District funds to incentivize redevelopment in several areas, including Downtown Urbana.

e) Work continued on extending Olympian Drive across the north side of Urbana and Champaign to tie into the existing North Lincoln Avenue. Once improvements to North Lincoln are complete, this section of road will be opened, linking the north sides of Champaign and Urbana to increase ease of access and encourage industrial development in north Urbana.

f) Replacement of existing concrete pavement on Winsor Road from west of Race Street to east of Philo Road was completed. Windsor Road is an important arterial street connecting the south sides of Urbana and Champaign. City staff continues to work with the contractor to identify the cause of cracking and address those issues.

g) Construction is expected to begin in 2017 on a segment of Green Street in Urbana, which is part of the MCORE (Multimodal Corridor Enhancement) project. In late 2014, the City of Urbana, along with the City of Champaign, the University of Illinois, and the Champaign-Urbana Mass Transit District were awarded a $15.7 million federal grant to rebuild infrastructure in the core of the community. The MCORE project will have a transformative impact on the core of our community, including improvements on Green Street from Wright to Race in the City of Urbana.

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, 2015. 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 are submitting it to GFOA to determine eligibility for another certificate.

I would like to express my appreciation to the staff of the Finance Department for their efficient and dedicated service in helping prepare this report. In particular, I want to thank Sophie Pham, City Accountant for her work. I would also like to commend the Mayor, members of the City Council, all officials, officers and staff throughout the City of Urbana for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Elizabeth A. Hannan
Finance Director

CITY OF URBANA

LIST OF PRINCIPAL OFFICIALS

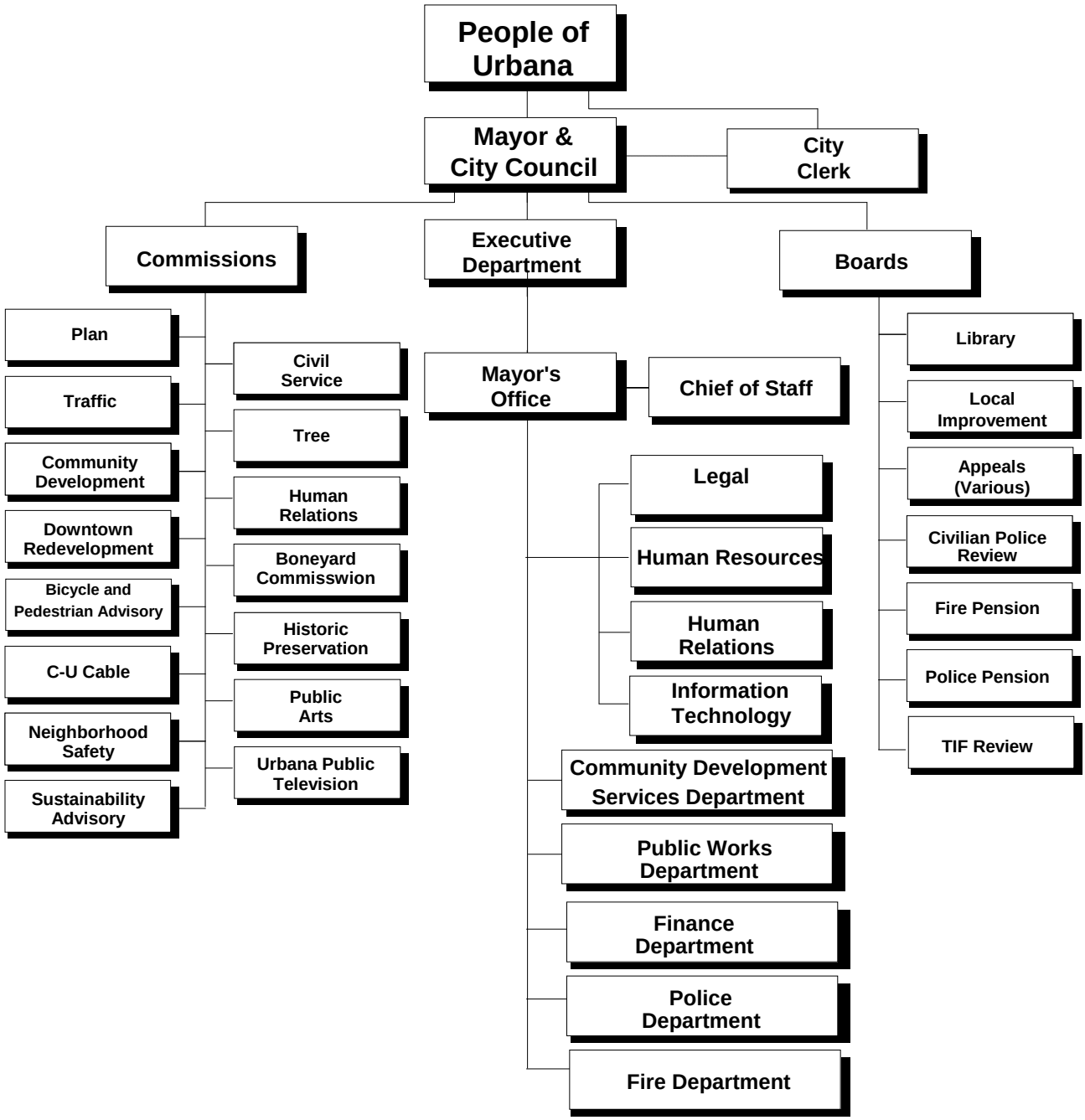
Elected Officials

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

Appointed Officials

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

Organizational Chart



City of Urbana
Organization Chart
Structure And Major Service Functions

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

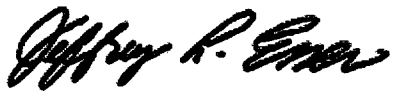
Presented to

City of Urbana

Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015



Executive Director/CEO

BAKER TILLY

Baker Tilly Virchow Krause, LLP
1301 W 22nd St, Ste 400
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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Urbana, Illinois, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Urbana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Urbana Free Library, the City Urbana Police Pension Fund, and the City of Urbana Firefighters' Pension Fund were not audited in accordance with *Government Auditing Standards.*

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Urbana, Illinois, as of June 30, 2016 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 and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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 9, 2016 on our consideration of the City of Urbana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Urbana's internal control over financial reporting and compliance.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
December 9, 2016

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, 2016. 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 $110.5 million (net position). Of this amount $6.0 million is unrestricted and may be used to meet the government's ongoing obligation to citizens and creditors.
- In total, net position increased by $1.4 million. This represents a 1% increase from 2015 and occurred because revenues exceeded expenses by nearly $1.4 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $37.6 million, an increase of $4.8 million in comparison with the prior year. Approximately $28.6 million is available for spending at the government's discretion (unrestricted fund balance).
- General revenues accounted for $32.6 million in revenue or 73% of all governmental revenues. Program specific revenues in the form of charges for services and fees and grants accounted for $12.0 million or 27% of total governmental revenues of $44.6 million.
- The City had $43.9 million in expenses related to government activities. However, only $12.0 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 $15.6 million, or 56% 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 $5.4 million to $40.9 million. This is primarily due to increased net pension liabilities in the Fire Pension Fund. Fire Pension liabilities increased by $4.2 million due to a difference between projected and actual earnings on pension plan investments ($2.6 million) and changes in actuarial assumptions ($2.1 million), among other factors.
- The City has relatively little outstanding debt, with a total of $8.0 million outstanding as of the end of 2016.

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.

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.

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

The City maintains 4 major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Vehicle and Equipment Replacement Fund, Capital Improvement and Replacement Fund, and 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 Citys various functions.

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

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

Fiduciary funds

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

Notes to basic financial statements

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

Other information

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

Government-Wide Financial Analysis

Table 1
Condensed Statements of Net Position
(in millions of dollars)

	Governmental Activities		Business Type Activities		Total	
	2016	*2015*	*2016*	*2015*	*2016*	*2015*
Assets						
Current and other assets	$ 44.9	$ 41.2	$ 2.5	$ 2.6	$ 47.4	$ 43.8
Capital assets	97.6	98.0	5.9	5.8	103.5	103.8
Total assets	142.5	139.2	8.4	8.4	150.9	147.6
Deferred outflows of resources						
Deferred outflows related to pensions	15.4	7.7	0.1	0.1	15.5	7.8
Total deferred outflows of resources	15.4	7.7	0.1	0.1	15.5	7.8
Liabilities						
Long-term liabilities	43.6	37.8	0.1	0.1	43.7	37.9
Other liabilities	4.2	4.8	0.3	0.2	4.5	5.0
Total liabilities	47.8	42.6	0.4	0.3	48.2	42.9
Deferred inflows of resources						
Property taxes levied for future periods	2.9	2.9	-	-	2.9	2.9
Deferred inflows related to pensions	4.8	0.5	-	-	4.8	0.5
Total deferred inflows of resources	7.7	3.4	-	-	7.7	3.4
Net position						
Net investment in capital assets	90.1	90.7	5.9	5.8	96.0	96.5
Restricted	8.5	8.2	-	-	8.5	8.2
Unrestricted	3.8	2.0	2.2	2.4	6.0	4.4
Total net position	$ 102.4	$ 100.9	$ 8.1	$ 8.2	$ 110.5	$ 109.1

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 $1.4 million from $109.1 million to $110.5 million. The City's total assets/deferred outflows of resources equal $166.4 million. The City's total liabilities/deferred inflows of resources equal $55.9 million.

The increase in net position is primarily driven by the fact that the County distributed $1.5 million from the TIF 3 surplus to the City, which increased cash and investments in governmental activities.

A portion of the net position of the governmental activities is restricted for various purposes, including urban housing and development, public safety, and capital projects. The unrestricted combined balance, for both governmental and business type activities, of $6.0 million may be used to meet the ongoing City obligations to their citizens and creditors. All net position categories show positive balances at year end.

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

	Governmental Activities		Business Type Activities		Total	
	2016	*2015*	*2016*	*2015*	*2016*	*2015*
Revenues						
Program revenues						
Charges for services	$ 8.7	$ 8.7	$ 1.3	$ 1.3	$ 10.0	$ 10.0
Operating grants and contributions	2.0	2.8	-	-	2.0	2.8
Capital grants and contributions	1.3	2.0	-	-	1.3	2.0
General revenues						
Property taxes	8.8	7.2	-	-	8.8	7.2
Other taxes	12.2	11.7	-	-	12.2	11.7
Intergovernmental	10.8	10.6	-	-	10.8	10.6
Other general revenues	0.8	1.6	0.1	0.1	0.9	1.7
Total revenues	44.6	44.6	1.4	1.4	46.0	46.0
Expenses						
General government	4.9	5.1	-	-	4.9	5.1
Public safety	18.9	17.5	-	-	18.9	17.5
Highways and streets	14.3	11.9	-	-	14.3	11.9
Urban redevelopment and housing	5.7	4.8	-	-	5.7	4.8
Interest and fiscal charges	0.1	0.1	-	-	0.1	0.1
Motor vehicle parking	-	-	0.7	0.7	0.7	0.7
Total expenses	43.9	39.4	0.7	0.7	44.6	40.1
Transfers	0.8	0.8	(0.8)	(0.8)	-	-
Change in net position	1.5	6.0	(0.1)	(0.1)	1.4	5.9
Net position, beginning of year	100.9	94.9	8.2	8.3	109.1	103.2
Net position, end of year	$ 102.4	$ 100.9	$ 8.1	$ 8.2	$ 110.5	$ 109.1

Normal Impacts

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

Revenues

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

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

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

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

Expenses

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

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

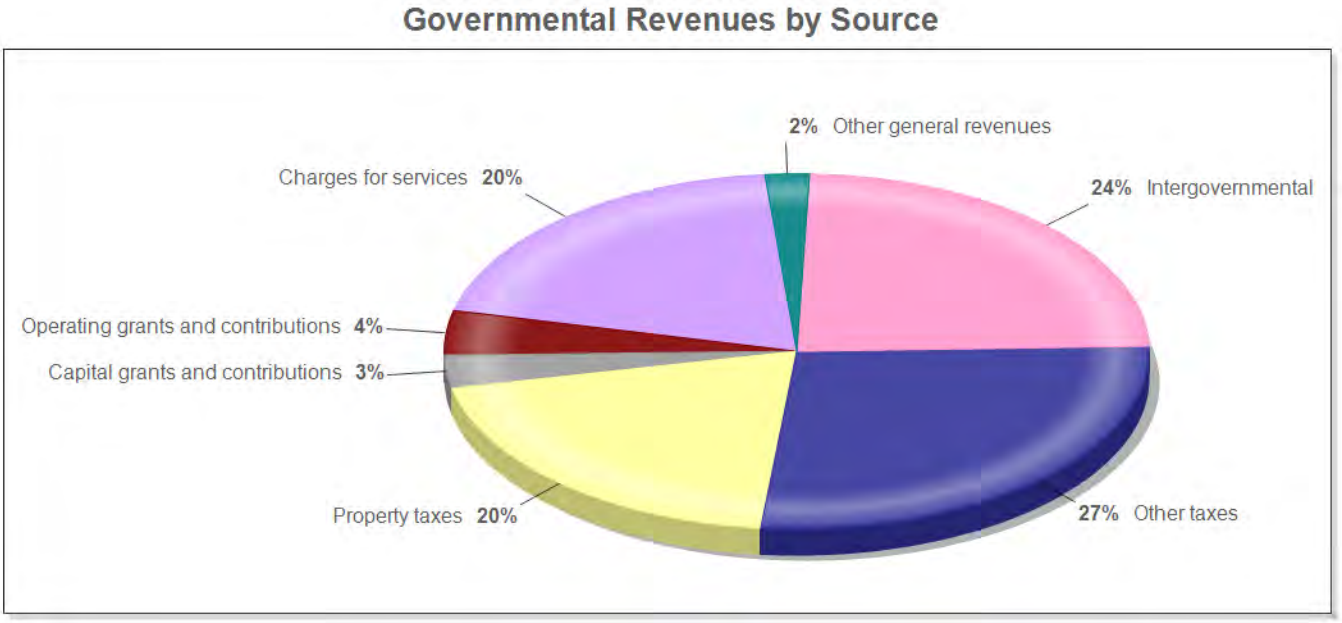
Salary increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the City to strive to approach a competitive salary range position in the marketplace.

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

Current Year Impacts

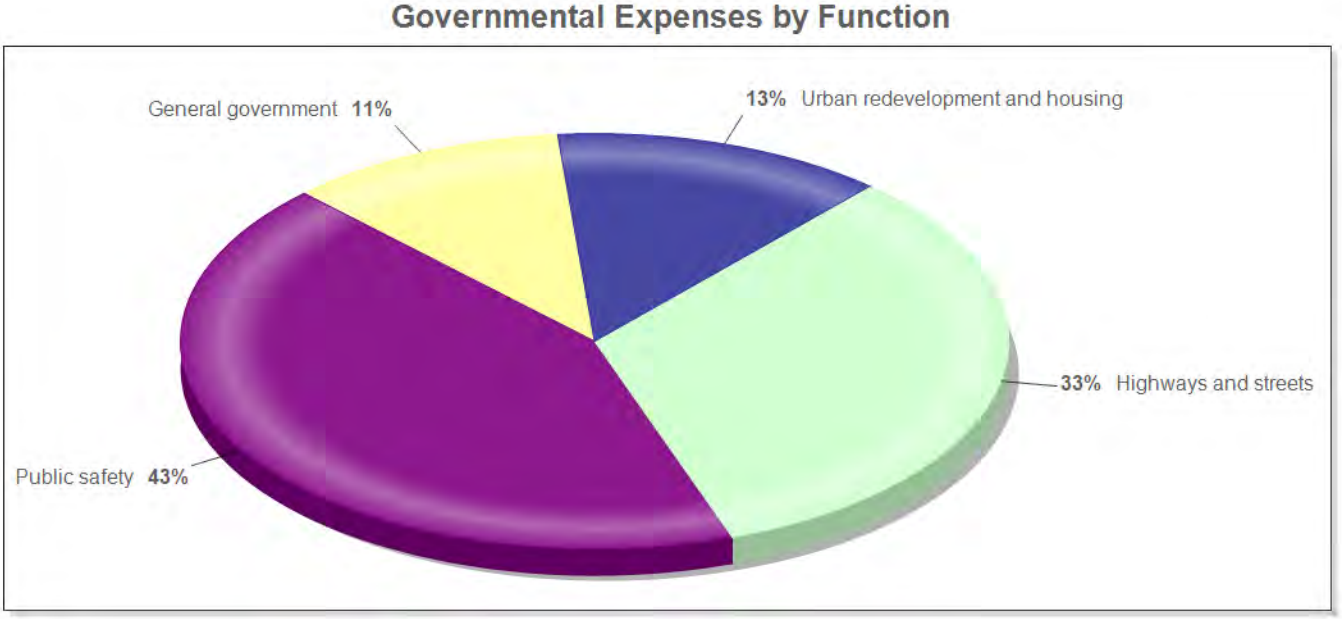
Governmental activities experienced a minimal change in revenue, remaining at $44.6 million. Expenses increased by $4.5 million to $43.9 million, which did not exceed revenue and resulted in an increase of $1.5 million in the City's governmental activities net position.

Governmental Activities



Revenues

Revenues remained relatively stable. This is largely due to increased property tax revenue from the $1.5 million distribution of TIF 3 surplus. Without that payment, revenues would have decreased.



Expenses

The City's overall expenses in governmental activities for the current fiscal year decreased by $4.5 million over the previous year. Expenses in public safety, public works, and community development activities all went up significantly. The increase of $1.4 million in public safety expenses is almost entirely related to pension obligations. The increase of $2.5 million in highways and streets is related to an increase in depreciation expense related to completed construction projects and removal of assets that were improperly included in the past. Community Development activities increased due to expenses related to a grant from the Illinois Housing Development Authority and demolition of the Hanford Inn.

Financial Analysis of the City's Funds

The fund balance in governmental funds increased from $32.7 million to $37.6 million, an increase of $4.8 million or 14.8%. Most of this increase is in the General Operating Fund, where revenues exceeded expenditures by $4.5 million. The City received a one-time TIF surplus distribution in the amount of $1.5 million from the County in fiscal year 2016.

The Vehicle and Equipment Replacement Fund had an increase of $1.4 million in fund balance. Purchase of some equipment was deferred to the next year. The City also increased the annual contribution from the General Fund to this fund to make sure an adequate level of funding was maintained for future replacement of equipment.

The fund balance in the Capital Replacement and Improvement Fund decreased by $1 million largely because of delayed payments from the State of Illinois.

General Fund Budgetary Highlights

General Fund revenues of $32.2 million exceeded budget by $0.2 million due to sales and utility tax revenues being higher than expected. Expenditures were about $1.5 million below budget, largely because expenditures in general government and public works were significantly below the final budget. Some variance in personnel costs in public works is related to turnover in staff positions. In general government, the amount budgeted for a large workers' compensation claim was not spent because it remained unsettled at the end of the fiscal year

Capital Assets and Debt Administration

Capital assets

By the end of 2016, the City had compiled a total investment of $165.0 million ($103.5 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.

Table 3
Capital Assets (net of depreciation)
(in millions of dollars)

	Governmental Activities		Business Type Activities		Total	
	2016	*2015*	*2016*	*2015*	*2016*	*2015*
Land	$ 7.6	$ 7.1	$ 3.8	$ 3.8	$ 11.4	$ 10.9
Construction in progress	6.5	14.0	0.4	0.1	6.9	14.1
Buildings and improvements	5.4	5.5	1.6	1.8	7.0	7.3
Infrastructure	74.1	67.1	-	-	74.1	67.1
Equipment	4.0	4.4	0.1	0.1	4.1	4.5
Total	$ 97.6	$ 98.1	$ 5.9	$ 5.8	$ 103.5	$ 103.9

Debt Administration

The debt administration discussion covers two types of debt reported by the City's financial statements. The City's governmental activities include the general obligation bond issuance for the Boneyard improvement project as well as the general obligation bond issuance for the Windsor Road improvement project. Overall, the City's governmental activities report a total debt of $8.0 million. The City began the fiscal year with a balance of $7.9 million in debt, reduced debt by $1.1 million, and issued $0.3 million in loans, leaving a June 30, 2016 debt balance of $8.0 million. The City's business type activities include a revenue note related to the motor vehicle parking system. More detailed information about debt administration can be found in Note III of the basic financial statements.

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

	Governmental Activities		Business Type Activities		Total	
	2016	*2015*	*2016*	*2015*	*2016*	*2015*
General obligation bonds	$ 7.6	$ 8.7	$ -	$ -	$ 7.6	$ 8.7
Revenue note	-	-	0.1	0.1	0.1	0.1
Loans payable	0.3	-	-	-	0.3	-
Total	$ 7.9	$ 8.7	$ 0.1	$ 0.1	$ 8.0	$ 8.8

Factors Bearing on the City's Future

The Appellate Court ruled the State law which grants hospitals property tax relief in exchange for "charity care" unconstitutional. However, the City has yet to see additional revenue from these properties because this decision was appealed to the State Supreme Court. The City will continue to aggressively pursue this issue. This law has had a significant adverse impact on the City of Urbana, which is home to two regional hospitals. The largest, Carle, serves a region of 1.2 million people in 25 counties in Illinois and Indiana. As of the last decennial census, Urbana, with a population of 41,250 accounts for 3% of the region's population. However, 83% of Carle's property is located in Urbana, which means that 3% of the population is shouldering 83% of the tax loss. Before the exemption, Carle accounted for 11% of the City's assessed value. The result is a shift in the overall tax burden to other taxpayers, which has driven the tax rate 25% above the adjacent City of Champaign, putting Urbana at a competitive disadvantage. This situation is not sustainable for the City.

The State's budget crisis has the potential to have a significant impact on the City's finances. The potential for a reduction in State-shared revenues or new limitations on the ability of local governments to raise revenues as the State struggles to balance its budget is concerning. Any move by the State that reduced local government revenues would be a significant hardship at a time when the City is already struggling to deal with the decline in assessed value resulting from the hospital property tax exemption.

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.

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, 2016

	Governmental Activities	Business-Type Activities	Totals	Component Unit - Urbana Free Library
ASSETS				
Cash and investments	$ 34,267,125	$ 2,491,430	$ 36,758,555	$ 1,680,110
Receivables				
Property taxes	3,657,557	-	3,657,557	1,421,404
Other taxes	1,013,228	-	1,013,228	-
Accrued interest	45,206	-	45,206	145
Accounts	912,452	18,673	931,125	-
Due from other governments	4,702,356	-	4,702,356	17,969
Grants	121,065	-	121,065	-
Internal balances	(4,328)	4,328	-	-
Prepaid items	103,180	-	103,180	8,988
Inventory	107,649	-	107,649	-
Restricted assets				
Cash and investments	-	-	-	224,787
Investment in joint venture	60,802	-	60,802	-
Capital Assets				
Land	7,621,483	3,765,739	11,387,222	480,732
Construction in progress	6,538,194	381,372	6,919,566	-
Other capital assets, net of depreciation	83,422,691	1,760,032	85,182,723	8,600,525
Total Assets	142,568,660	8,421,574	150,990,234	12,434,660
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	15,422,203	75,361	15,497,564	-
Total Deferred Outflows of Resources	15,422,203	75,361	15,497,564	-
LIABILITIES				
Accounts payable	1,353,014	101,692	1,454,706	24,940
Claims payable	464,290	-	464,290	-
Accrued interest	38,002	2,384	40,386	-
Accrued salaries and taxes	293,970	2,170	296,140	63,293
Unearned revenue	2,064,498	145,969	2,210,467	11,760
Noncurrent Liabilities				
Due within one year	2,852,620	24,339	2,876,959	196,673
Due in more than one year	40,758,113	114,102	40,872,215	98,712
Total Liabilities	47,824,507	390,656	48,215,163	395,378
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for future periods	2,944,939	-	2,944,939	1,197,534
Deferred inflows related to pensions	4,789,002	6,699	4,795,701	-
Total Deferred Inflows of Resources	7,733,941	6,699	7,740,640	1,197,534
NET POSITION				
Net investment in capital assets	90,099,260	5,882,804	95,982,064	9,081,257
Restricted for				
Public safety	55,801	-	55,801	-
Urban redevelopment and housing	5,223,811	-	5,223,811	-
Capital projects	2,189,473	-	2,189,473	-
Highways and streets	1,031,603	-	1,031,603	-
Trust	-	-	-	224,787
Unrestricted	3,832,467	2,216,776	6,049,243	1,535,704
TOTAL NET POSITION	$ 102,432,415	$ 8,099,580	$ 110,531,995	$ 10,841,748

See accompanying notes to financial statements.

CITY OF URBANA

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	$ 4,850,531	$ 247,272	$ -	$ -
Public safety	18,898,858	3,346,281	-	37,874
Highways and streets	14,347,632	3,546,936	891,059	1,207,318
Urban redevelopment & housing	5,652,512	1,550,889	1,150,010	-
Interest and fiscal charges	122,285	-	-	-
Total Governmental Activities	43,871,818	8,691,378	2,041,069	1,245,192
Business-type Activities				
Motor Vehicle Parking	681,189	1,357,375	-	-
Total Business-type Activities	681,189	1,357,375	-	-
Total Primary Government	$ 44,553,007	$ 10,048,753	$ 2,041,069	$ 1,245,192
Component Unit				
Urbana Free Library	$ 3,411,299	$ 205,377	$ 83,730	$ -

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
- Gain on disposal of assets

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	Urbana Free Library
$ (4,603,259)	$ -	$ (4,603,259)	$ -
(15,514,703)	-	(15,514,703)	-
(8,702,319)	-	(8,702,319)	-
(2,951,613)	-	(2,951,613)	-
(122,285)	-	(122,285)	-
(31,894,179)	-	(31,894,179)	-
-	676,186	676,186	-
-	676,186	676,186	-
(31,894,179)	676,186	(31,217,993)	-
-	-	-	(3,122,192)
8,777,632	-	8,777,632	2,961,331
6,132,725	-	6,132,725	-
1,014,691	-	1,014,691	-
1,277,418	-	1,277,418	-
3,791,771	-	3,791,771	-
6,144,289	-	6,144,289	-
213,601	-	213,601	88,246
4,131,774	-	4,131,774	-
296,912	-	296,912	31,798
745,174	65,873	811,047	2,333
25,563	-	25,563	62,443
57,993	-	57,993	-
32,609,543	65,873	32,675,416	3,146,151
800,753	(800,753)	-	-
33,410,296	(734,880)	32,675,416	3,146,151
1,516,117	(58,694)	1,457,423	23,959
100,916,298	8,158,274	109,074,572	10,817,789
$ 102,432,415	$ 8,099,580	$ 110,531,995	$ 10,841,748

See accompanying notes to financial statements.

CITY OF URBANA

BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2016

	General	Vehicle and Equipment Replacement	Capital Improvement and Replacement	Motor Fuel Tax
ASSETS				
Cash and investments	$ 12,475,779	$ 6,687,200	$ 3,255,797	$ 2,041,003
Receivables				
Property taxes	2,108,630	-	-	-
Other taxes	461,957	-	74,395	-
Accounts	60,545	-	442,720	-
Accrued interest	45,206	-	-	-
Due from other governments	3,507,679	-	714,866	479,811
Grants	-	-	-	-
Due from other funds	69,832	-	-	-
Prepaid items	103,180	-	-	-
TOTAL ASSETS	$ 18,832,808	$ 6,687,200	$ 4,487,778	$ 2,520,814

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
$ 9,702,935	$ 34,162,714
1,548,927	3,657,557
476,876	1,013,228
179,562	682,827
-	45,206
-	4,702,356
350,690	350,690
-	69,832
-	103,180
$ 12,258,990	$ 44,787,590

See accompanying notes to financial statements.

CITY OF URBANA

BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2016

	General	Vehicle and Equipment Replacement	Capital Improvement and Replacement	Motor Fuel Tax
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ 315,200	$ 15,752	$ 305,822	$ 51,690
Claims payable	464,290	-	-	-
Accrued salaries and taxes	274,278	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	379,068	1,230	909,027	385,225
Total Liabilities	1,432,836	16,982	1,214,849	436,915
Deferred Inflows of Resources				
Property taxes levied for future periods	1,702,466	-	-	-
Unavailable revenues for grants	-	-	-	-
Total Deferred Inflows of Resources	1,702,466	-	-	-
Fund Balances (Deficit)				
Nonspendable for prepaid items	103,180	-	-	-
Restricted for urban housing and development	-	-	-	-
Restricted for capital projects	-	-	537,466	2,083,899
Restricted for public safety	-	-	-	-
Restricted for highways and streets	-	-	-	-
Committed for capital projects	-	-	-	-
Assigned for public safety	-	6,670,218	-	-
Assigned for urban housing and development	-	-	-	-
Assigned for social services	-	-	-	-
Assigned for workers' compensation	-	-	-	-
Assigned for public television	-	-	-	-
Assigned for capital projects	-	-	2,735,463	-
Unassigned	15,594,326	-	-	-
Total Fund Balances (Deficit)	15,697,506	6,670,218	3,272,929	2,083,899
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 18,832,808	$ 6,687,200	$ 4,487,778	$ 2,520,814

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
$ 636,315	$ 1,324,779
-	464,290
15,655	289,933
69,832	69,832
389,948	2,064,498
1,111,750	4,213,332
1,242,473	2,944,939
36,009	36,009
1,278,482	2,980,948
-	103,180
5,223,811	5,223,811
-	2,621,365
55,801	55,801
1,031,603	1,031,603
714,341	714,341
32,366	6,702,584
115,658	115,658
36,109	36,109
2,730,288	2,730,288
24,436	24,436
-	2,735,463
(95,655)	15,498,671
9,868,758	37,593,310
$ 12,258,990	$ 44,787,590

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, 2016

Total Fund Balances - Governmental Funds	$	37,593,310
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.		97,501,560
Deferred outflows of resources related to pensions do not related to current financial resources and are not included in the Governmental Funds Balance Sheet.		15,196,650
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.		36,009
An asset is reported in the statement of net position for the equity interest in the Champaign-Urbana Waste Disposal System joint venture.		60,802
Internal service funds are reported in the statement of net position as governmental activities.		127,225
A liability is reported in the statement of net position for the net obligation relating to post employment benefits.		(665,319)
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(4,769,339)
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		(7,565,000)
Loan payable		(350,000)
Compensated absences		(1,681,470)
Accrued interest		(38,002)
Landfill post-closure monitoring		(57,300)
Net pension liabilities		(32,956,711)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	102,432,415

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, 2016

	General	Vehicle and Equipment Replacement	Capital Improvement and Replacement	Motor Fuel Tax
REVENUES				
Property taxes	$ 5,695,297	$ -	$ -	$ -
Other taxes	10,030,236	-	-	-
Intergovernmental	12,965,712	37,874	1,645,370	1,361,958
Licenses, fines, and service charges	3,300,082	160,046	1,449,824	-
Investment income	217,979	154,393	71,894	56,089
Miscellaneous	3,087	-	12,741	-
Total Revenues	32,212,393	352,313	3,179,829	1,418,047
EXPENDITURES				
Current				
General government	3,985,956	-	-	-
Public safety	15,622,512	311,038	-	-
Highways and streets	6,369,501	-	468,713	-
Urban redevelopment and housing	1,777,968	-	-	-
Capital Outlay	-	384,231	4,021,192	1,235,421
Debt Service				
Principal	-	-	265,000	-
Interest and fiscal charges	-	-	40,274	-
Total Expenditures	27,755,937	695,269	4,795,179	1,235,421
Excess (deficiency) of revenues over expenditures	4,456,456	(342,956)	(1,615,350)	182,626
OTHER FINANCING SOURCES (USES)				
Issuance of loans	-	350,000	-	-
Transfers in	2,415,811	1,378,118	1,298,996	-
Transfers out	(2,718,681)	-	(709,414)	-
Total Other Financing Sources (Uses)	(302,870)	1,728,118	589,582	-
Net Change in Fund Balances	4,153,586	1,385,162	(1,025,768)	182,626
FUND BALANCES - Beginning of Year	11,543,920	5,285,056	4,298,697	1,901,273
FUND BALANCES - END OF YEAR	$ 15,697,506	$ 6,670,218	$ 3,272,929	$ 2,083,899

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
$ 3,082,335	$ 8,777,632
1,277,418	11,307,654
1,911,563	17,922,477
1,537,201	6,447,153
242,935	743,290
9,735	25,563
8,061,187	45,223,769
211,157	4,197,113
112,644	16,046,194
1,229,145	8,067,359
3,755,877	5,533,845
811,187	6,452,031
840,000	1,105,000
88,017	128,291
7,048,027	41,529,833
1,013,160	3,693,936
-	350,000
621,820	5,714,745
(1,485,897)	(4,913,992)
(864,077)	1,150,753
149,083	4,844,689
9,719,675	32,748,621
$ 9,868,758	$ 37,593,310

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, 2016

Net change in fund balances - total governmental funds	$	4,844,689
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		6,452,031
Some items reported as capital outlay were not capitalized		(1,673,693)
Depreciation is reported in the government-wide financial statements		(4,912,948)
Net book value of assets retired		(319,440)
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		(452,239)
Intergovernmental		(134,827)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position		
Loans issued		(350,000)
Principal repaid		1,105,000
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		(286,142)
Accrued interest on debt		6,006
Other post employment benefits obligation		(117,769)
Net pension liability		(6,008,888)
Landfill post-closure monitoring		28,650
Deferred outflows of resources due to pensions		7,615,096
Deferred inflows of resources due to pensions		(4,267,096)
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.		7,969
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.		(20,282)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	1,516,117

See accompanying notes to financial statements.

CITY OF URBANA

STATEMENT OF NET POSITION
PROPRIETARY FUND
As of June 30, 2016

	Business-type Activities - Enterprise Fund	
	Motor Vehicle Parking	Governmental Activities - Internal Service Fund
ASSETS		
Current Assets		
Cash and investments	$ 2,491,430	$ 104,411
Accounts receivable	18,673	-
Inventories	-	107,649
Total Current Assets	2,510,103	212,060
Noncurrent Assets		
Capital Assets		
Land	3,765,739	-
Construction in progress	381,372	-
Parking improvements	7,666,949	-
Equipment	413,394	265,446
Less: Accumulated depreciation	(6,320,311)	(184,638)
Total Noncurrent Assets	5,907,143	80,808
Total Assets	8,417,246	292,868
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	75,361	225,553
Total Deferred Outflows of Resources	75,361	225,553

See accompanying notes to financial statements.

CITY OF URBANA

STATEMENT OF NET POSITION
PROPRIETARY FUND
As of June 30, 2016

	Business-type Activities - Enterprise Fund	
	Motor Vehicle Parking	Governmental Activities - Internal Service Fund
LIABILITIES		
Current Liabilities		
Accounts payable	101,692	28,235
Accrued interest	2,384	-
Accrued salaries and taxes	2,170	4,037
Unearned revenues	145,969	-
Revenue note payable - current portion	24,339	-
Total Current Liabilities	276,554	32,272
Noncurrent Liabilities		
Net pension liability	114,102	334,933
Total Noncurrent Liabilities	114,102	334,933
Total Liabilities	390,656	367,205
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources	6,699	19,663
Total Deferred Inflows of Resources	6,699	19,663
NET POSITION		
Net investment in capital assets	5,882,804	80,808
Unrestricted	2,212,448	50,745
TOTAL NET POSITION	$ 8,095,252	$ 131,553
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.	4,328	(4,328)
Net Position Business-type Activities	$ 8,099,580	
Net internal service funds reported in the statement of net position as governmental activities		$ 127,225

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, 2016

	Business-type Activities - Enterprise Fund	
	Motor Vehicle Parking	Governmental Activities - Internal Service Fund
OPERATING REVENUES		
Parking meters	$ 1,081,947	$ -
Parking rentals	275,428	-
Charges for services	-	928,004
Total Operating Revenues	1,357,375	928,004
OPERATING EXPENSES		
Personnel	204,887	436,336
Supplies	55,541	11,451
Contractual services	211,374	133,471
Equipment parts	-	204,135
Fuel	-	155,155
Depreciation	203,518	11,665
Total Operating Expenses	675,320	952,213
Operating Income	682,055	(24,209)
NONOPERATING REVENUES (EXPENSES)		
Investment income	65,873	1,884
Interest expense	(3,826)	-
Total Nonoperating Revenues (Expenses)	62,047	1,884
Income Before Transfers	744,102	(22,325)
TRANSFERS		
Transfers out	(800,753)	-
Total Transfers	(800,753)	-
Change in Net Position	(56,651)	(22,325)
NET POSITION - Beginning of Year	8,151,903	153,878
NET POSITION- END OF YEAR	$ 8,095,252	$ 131,553
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	(2,043)	
Change in Net Position of Business-type Activities	$ (58,694)	

See accompanying notes to financial statements.

CITY OF URBANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2016

	Motor Vehicle Parking	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from customers	$ 1,385,129	$ 928,004
Paid to suppliers for goods and services	(256,626)	(530,762)
Paid to employees for services	(202,976)	(404,691)
Net Cash Flows From Operating Activities	925,527	(7,449)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments sold and matured	775,998	-
Investment income	65,873	1,884
Net Cash Flows From Investing Activities	841,871	1,884
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers	(800,753)	-
Net Cash Flows From Noncapital Financing Activities	(800,753)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal repayments on note	(18,174)	-
Interest repayments on note	(3,826)	-
Acquisition and construction of capital assets	(191,104)	-
Net Cash Flows From Capital and Related Financing Activities	(213,104)	-
Net Change in Cash and Cash Equivalents	753,541	(5,565)
CASH AND CASH EQUIVALENTS - Beginning of Year	43,746	109,976
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 797,287	$ 104,411

See accompanying notes to financial statements.

CITY OF URBANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2016

	Motor Vehicle Parking	Governmental Activities - Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	$ 682,055	$ (24,209)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities		
Depreciation	203,518	11,665
Changes in assets, deferred outflows of resources, and liabilities		
Accounts receivable	55,682	-
Inventory	-	4,847
Deferred outflows related to pensions	(27,189)	(112,294)
Accounts payable	10,289	(31,397)
Accrued salaries	(5,320)	(7,563)
Unearned revenue	(27,928)	-
Net pension liability	27,721	131,839
Deferred inflows related to pensions	6,699	19,663
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 925,527	$ (7,449)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS		
Cash and investments - statement of net position	$ 2,491,430	$ 104,411
Less: Investments	(1,694,143)	-
CASH AND CASH EQUIVALENTS	$ 797,287	$ 104,411
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
None		

See accompanying notes to financial statements.

CITY OF URBANA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
As of June 30, 2016

	Pension Trusts
ASSETS	
Cash	$ 1,687,954
Investments	
Certificates of deposit	2,379,788
Money market funds	85,112
U.S. Government and agency securities	19,787,493
Mutual funds	41,951,295
Domestic common stocks	5,594,839
Corporate bonds	4,478,143
Municipal bonds	683,519
Receivables	
Accrued interest	101,943
Total Assets	76,750,086
LIABILITIES	
Accounts payable	82,475
Total Liabilities	82,475
NET POSITION	
Restricted for pensions	$ 76,667,611

See accompanying notes to financial statements.

CITY OF URBANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2016

	Pension Trusts
ADDITIONS	
Contributions	
Employer contributions	$ 2,435,590
Employee contributions	846,823
Total Contributions	3,282,413
Investment income	
Investment income	2,320,813
Net appreciation in fair value of investments	(939,820)
Investment expense	(206,229)
Total Investment Income	1,174,764
Total Additions	4,457,177
DEDUCTIONS	
Benefits	4,395,192
Transfers and refunds of service credits	2,913
Administrative costs	104,612
Total Deductions	4,502,717
Change in Net Position	(45,540)
NET POSITION - Beginning of Year	76,713,151
NET POSITION - END OF YEAR	$ 76,667,611

See accompanying notes to financial statements.

CITY OF URBANA

INDEX TO NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2016

NOTE			Page
I	Summary of Significant Accounting Policies		35
	A.	Reporting Entity	35
	B.	Government-Wide and Fund Financial Statements	37
	C.	Measurement Focus, Basis of Accounting, and Financial Statement Presentation	40
	D.	Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity	41
		1. Deposits and Investments	41
		2. Receivables	43
		3. Inventories and Prepaid Items	44
		4. Restricted Assets	44
		5. Capital Assets	44
		6. Deferred Outflows of Resources	45
		7. Compensated Absences	45
		8. Long-Term Obligations	45
		9. Deferred Inflows of Resources	46
		10. Equity Classifications	46
II	Stewardship, Compliance, and Accountability		48
	A.	Deficit Balances	48
III	Detailed Notes on All Funds		48
	A.	Deposits and Investments	48
	B.	Receivables	54
	C.	Capital Assets	56
	D.	Interfund Receivables/Payables and Transfers	58
	E.	Long-Term Obligations	60
	F.	Closure and Postclosure Care Cost	63
	G.	Net Position	63
	H.	Component Unit	64
IV	Other Information		67
	A.	Employees' Retirement System	67
	B.	Risk Management	80
	C.	Commitments and Contingencies	81
	D.	Joint Ventures	81
	E.	Other Postemployment Benefits	82
	F.	Tax Increment Financing District	84
	G.	Effect of New Accounting Standards on Current-Period Financial Statements	85

See accompanying notes to financial statements.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

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

A. *REPORTING ENTITY* (cont.)

Pension Trust Funds

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

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

Discretely Presented Component Unit

Urbana Free Library

The government-wide financial statements include the Urbana Free Library (Library) as a component unit. The Library is a legally separate organization. The board of the Library is appointed by the Mayor and confirmed by the City Council. The economic resources received and held by the Library are entirely for the direct benefit of the residents of the City of Urbana and statutes provide for circumstances whereby the City can impose its will on the Library. See Note III.H. 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, 2016. Separately issued financial statements of the Urbana Free Library may be obtained from the Library's office.

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In February 2015, the GASB issued statement No. 72 - *Fair Value Measurement and Application*. The objective of this statement is to provide guidance for determining a fair value measurement for financial reporting purposes as well as to provide guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This standard was implemented effective July 1, 2015.

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.

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

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

Fund Financial Statements (cont.)

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

a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and

b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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

The City reports the following major governmental funds:

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

The City reports the following major enterprise fund:

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

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

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

Fund Financial Statements (cont.)

The City reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

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

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

Sanitary Sewer Construction	Boneyard Improvement

In addition, the City reports the following fund types:

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

Equipment Services

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

Firefighters' Pension
Police Pension

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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.

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (cont.)

1. Deposits and Investments (cont.)

Interest Rate Risk

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

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

Firefighters' Pension Fund and Police Pension Fund - The investment policies establish a goal that the fixed income portion be structured such that maturity dates are staggered so as to avoid an undue concentration of assets in a given time period. The policy also requires diversification of the portfolio so that the impact of a potential drop in interest rates in a particular type of security will be minimized, setting desired minimum and maximum levels for each category of investment.

Credit Risk

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

Concentration of Credit Risk

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

Custodial Credit Risk - Deposits

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

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 2015 attaches as an enforceable lien on January 1, 2015, 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 2016 tax levy, which attached as an enforceable lien on the property as of January 1, 2016, has not been recorded as a receivable as of June 30, 2016, as the tax has not yet been levied by the City and will not be levied until December 2016, and therefore, the levy is not measurable at June 30, 2016.

Tax bills for levy year 2015 are prepared by the Champaign County Clerk and issued on or about May 1, 2016 and August 1, 2016, and are payable in two installments, on or about June 1, 2016 and September 1, 2016 or within 30 days of the tax bills being issued.

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 2015 property tax levy is recognized as a receivable and deferred inflows of resources in fiscal 2016. As the taxes become available to finance current expenditures, they are recognized as revenues. At June 30, 2016, the property taxes receivable and deferred inflows of resources consisted of the estimated amount collectible from the 2015 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 estimated fair value at the date of donation.

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

D. *Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity* (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

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

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

Fund Financial Statements

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

6. Deferred Outflows of Resources

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

7. Compensated Absences

City employees are granted vacation pay and sick leave in various amounts. Sick leave and vacation benefits may be accumulated; however, upon death or retirement, employees are eligible to receive only a portion of accumulated time. Such amounts are accrued when incurred in the government-wide and proprietary statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In prior years, the General Fund has been used to liquidate the accumulated absences for governmental funds. There were no accumulated amounts for the proprietary funds at June 30, 2016.

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, 2016, are determined on the basis of current salary rates and include salary related payments.

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, net other post-employment benefit obligation, landfill post-closure monitoring liabilities and net pension liabilities.

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

9. Deferred Inflows of Resources

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

10. Equity Classifications

Government-Wide Statements

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

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

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 $15,594,326.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. DEFICIT BALANCES

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

As of June 30, 2016, the following individual funds held a deficit balance:

Fund	Amount
Special Community Development	$ (34,707)
Community Development Block Grant	(12,227)
Emergency Solutions	(48,721)

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

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

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

A. DEPOSITS AND INVESTMENTS (cont.)

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

	Carrying Value	Statement Balances	Associated Risks
Deposits	$ 8,815,845	$ 9,099,113	Custodial credit risk - deposits
Non-negotiable certificates of deposit	11,184,718	11,295,973	Custodial credit risk - deposits
Money market mutual funds - bond funds	85,112	85,112	Credit risk, interest rate risk
Mutual funds - other than bonds	41,951,295	41,951,295	N/A
Illinois Funds	1,998,032	1,996,778	Credit risk
IMET (Convenience Fund)	501,494	501,494	Credit risk
IMET (1-3 Year Fund)	3,519,738	3,519,738	Credit risk, interest rate risk
U.S. Treasury obligations	14,519,215	14,519,215	Interest rate risk, custodial credit risk - investments
U.S. Agency obligations (implicitly guaranteed)	20,012,961	20,012,961	Credit risk, interest rate risk, concentration of credit risk, custodial credit risk - investments
U.S. Agency obligations (explicitly guaranteed)	58,456	58,456	Interest rate risk, custodial credit risk - investments
Municipal bonds	683,519	683,519	Credit risk, interest rate risk, concentration of credit risk, custodial credit risk - investments
Corporate bonds	4,478,143	4,478,143	Credit risk, interest rate risk, concentration of credit risk, custodial credit risk - investments
Corporate stock	5,594,839	5,594,839	Concentration of credit risk, custodial credit risk - investments
Cash on hand	3,331	-	N/A
Total Deposits and Investments	$113,406,698	$113,796,636	

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

A. DEPOSITS AND INVESTMENTS (cont.)

Reconciliation to financial statements	
Per statement of net position	
Unrestricted cash and investments	$ 36,758,555
Per statement of net position - fiduciary funds	
Cash	1,687,954
Certificates of deposit	2,379,788
Money market funds	85,112
U.S. Government and agency securities	19,787,493
Mutual funds	41,951,295
Domestic common stocks	5,594,839
Corporate bonds	4,478,143
Municipal bonds	683,519
Total Deposits and Investments	$113,406,698

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

Custodial Credit Risk

Deposits

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

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

Investments

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

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

Credit Risk

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

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

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk (cont.)

As of June 30, 2016, the City's investments were rated as follows:

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

As of June 30, 2016, the Police Pension Fund's investments were rated as follows:

Investment Type	Moody's Investors Services
U.S. Agency obligations (implicitly guaranteed)	Aaa
Municipal bonds	Aa3 - Aaa
Corporate bonds	Baa2 - Aaa

As of June 30, 2016, the Firefighters' Pension Fund's investments were rated as follows:

Investment Type	Moody's Investors Services
U.S. Agency obligations (implicitly guaranteed)	Aaa
Municipal bonds	A2
Corporate bonds	Baa2 - 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.

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

A. DEPOSITS AND INVESTMENTS (cont.)

Concentration of Credit Risk (cont.)

At June 30, 2016, the City's investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
Federal Home Loan Bank	U.S. Agency obligation (implicitly guaranteed)	7.47%

As of June 30, 2016, the Police Pension Fund and Firefighters' Pension Fund had no investments with concentration of credit risk.

Interest Rate Risk

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

As of June 30, 2016, the City's investments were as follows:

		Maturity (In Years)			
Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	Greater than 10
IMET (1-3 Year Fund)	$ 3,519,738	$ -	$ 3,519,738	$ -	$ -
U.S. Treasury obligations	4,061,607	853,221	3,208,386	-	-
U.S. Agency obligations	10,741,531	844,207	4,565,140	3,106,899	2,225,285
Totals	$ 18,322,876	$ 1,697,428	$ 11,293,264	$ 3,106,899	$ 2,225,285

Police Pension Fund

		Maturity (In Years)			
Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	Greater than 10
U.S. Treasury obligations	$ 5,988,506	$ -	$ 3,426,946	$ 1,906,560	$ 655,000
U.S. Agency obligations	2,064,105	1,656,470	358,652	48,983	-
Municipal bonds	364,286	-	142,711	66,328	155,247
Corporate bonds	3,359,959	132,780	1,260,985	1,426,571	539,623
Totals	$ 11,776,856	$ 1,789,250	$ 5,189,294	$ 3,448,442	$ 1,349,870

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

A. *DEPOSITS AND INVESTMENTS* (cont.)

Interest Rate Risk (cont.)

Firefighters' Pension Fund

		Maturity (In Years)			
Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	Greater than 10
U.S. Treasury obligations	$ 4,469,102	$ 244,305	$ 1,170,060	$ 3,054,737	$ -
U.S. Agency obligations	7,265,780	304,957	2,761,745	2,047,818	2,151,260
Municipal bonds	319,233	-	-	319,233	-
Corporate bonds	1,118,184	45,173	507,043	565,968	-
Money market mutual funds	85,112	85,112	-	-	-
Totals	$ 13,257,411	$ 679,547	$ 4,438,848	$ 5,987,756	$ 2,151,260

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, 2016, 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	$ -	$ 4,061,607	$ -	$ 4,061,607
U.S. Agency obligations	-	10,741,532	-	10,741,532
IMET (1-3 Year Fund)	-	3,519,738	-	3,519,738
Illinois Funds	-	1,998,032	-	1,998,032
Totals	$ -	$ 20,320,909	$ -	$ 20,320,909

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

A. DEPOSITS AND INVESTMENTS (cont.)

Police Pension Fund

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury obligations	$ -	$ 5,988,506	$ -	$ 5,988,506
U.S. Agency obligations	-	2,064,105	-	2,064,105
Corporate stock	5,594,839	-	-	5,594,839
Corporate bonds	-	3,359,959	-	3,359,959
Municipal bonds	-	364,286	-	364,286
Mutual funds - other than bonds	16,434,370	-	-	16,434,370
Totals	$ 22,029,209	$ 11,776,856	$ -	$ 33,806,065

Firefighters' Pension Fund

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury obligations	$ -	$ 4,469,102	$ -	$ 4,469,102
U.S. Agency obligations	-	7,265,780	-	7,265,780
Corporate bonds	-	1,118,184	-	1,118,184
Municipal bonds	-	319,233	-	319,233
Mutual funds - other than bonds	25,516,925	-	-	25,516,925
Money market mutual funds - bond funds	-	85,112	-	85,112
Totals	$ 25,516,925	$ 13,257,411	$ -	$ 38,774,336

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

B. RECEIVABLES

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

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

B. RECEIVABLES (cont.)

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

	Unearned	Unavailable
Property taxes receivable for subsequent year	$ 2,944,939	$ -
License fees	1,838,704	-
Grants	5,485	36,009
Stormwater fees	220,309	-
Total Unearned/Unavailable Revenue for Governmental Funds	$ 5,009,437	$ 36,009
Unearned revenue included in liabilities	$ 2,064,498	
Unearned revenue included in deferred inflows	2,944,939	
Total Unearned Revenue for Governmental Funds	$ 5,009,437	

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

C. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 7,062,603	$ 826,915	$ 268,035	$ 7,621,483
Construction in progress	13,965,105	5,532,717	12,959,628	6,538,194
Total Capital Assets Not Being Depreciated	21,027,708	6,359,632	13,227,663	14,159,677
Capital assets being depreciated				
Building and improvements	9,398,486	118,995	-	9,517,481
Infrastructure	105,956,692	10,585,142	46,584	116,495,250
Equipment	12,396,076	674,197	425,682	12,644,591
Total Capital Assets Being Depreciated	127,751,254	11,378,334	472,266	138,657,322
Total Capital Assets	148,778,962	17,737,966	13,699,929	152,816,999
Less: Accumulated depreciation for				
Building and improvements	$ (3,937,041)	$ (211,913)	$ -	$ (4,148,954)
Infrastructure	(38,828,643)	(3,608,260)	2,329	(42,434,574)
Equipment	(7,965,195)	(1,104,440)	418,532	(8,651,103)
Total Accumulated Depreciation	(50,730,879)	(4,924,613)	420,861	(55,234,631)
Net Capital Assets Being Depreciated	77,020,375	6,453,721	51,405	83,422,691
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 98,048,083	$12,813,353	$13,279,068	$ 97,582,368

Depreciation expense was charged to functions as follows:

Governmental Activities	
Public safety	$ 558,820
Highways and streets	4,179,777
General government	161,757
Urban redevelopment and housing	24,259
Total Governmental Activities Depreciation Expense	$ 4,924,613

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

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	$ 3,765,739	$ -	$ -	$ 3,765,739
Construction in progress	114,102	267,270	-	381,372
Total Capital Assets Not Being depreciated	3,879,841	267,270	-	4,147,111
Capital assets being depreciated				
Buildings and improvements	7,666,949	-	-	7,666,949
Equipment	413,394	-	-	413,394
Total Capital Assets Being Depreciated	8,080,343	-	-	8,080,343
Total Capital Assets	11,960,184	267,270	-	12,227,454
Less: Accumulated depreciation for				
Buildings and improvements	(5,831,372)	(183,367)	-	(6,014,739)
Equipment	(285,421)	(20,151)	-	(305,572)
Total Accumulated Depreciation	(6,116,793)	(203,518)	-	(6,320,311)
Net Capital Assets Being Depreciated	$ 1,963,550	$ (203,518)	$ -	$ 1,760,032
Business-type Capital Assets, Net of Accumulated Depreciation	$ 5,843,391	$ 63,752	$ -	$ 5,907,143

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	$ 69,832
Total - Fund Financial Statements		69,832
Less: Interfund receivables created with internal service fund eliminations		(4,328)
Less: Government-wide eliminations		(69,832)
Total Internal Balances - Government-Wide Statement of Net Position		$ (4,328)

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.

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	$ 601,469
General	Nonmajor Governmental	1,013,589
General	Motor Vehicle Parking	800,753
Vehicle Equipment and Replacement	General	1,309,818
Vehicle Equipment and Replacement	Capital Improvement and Replacement	68,300
Capital Improvement and Replacement	General	1,178,400
Capital Improvement and Replacement	Nonmajor Governmental	120,596
Nonmajor Governmental	General	230,463
Nonmajor Governmental	Capital Improvement and Replacement	39,645
Nonmajor Governmental	Nonmajor Governmental	351,712
Total - Fund Financial Statements		5,714,745
Less: Government-wide eliminations		(4,913,992)
Total Transfers - Government-Wide Statement of Activities		$ 800,753

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.

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

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	$ 8,670,000	$ -	$ 1,105,000	$ 7,565,000	$ 1,125,000
Loans payable	-	350,000	-	350,000	17,500
Sub-totals	8,670,000	350,000	1,105,000	7,915,000	1,142,500
Other Liabilities					
Compensated absences	1,395,328	2,266,570	1,980,428	1,681,470	1,681,470
Landfill post-closure monitoring	85,950	-	28,650	57,300	28,650
Other postemployment benefits	547,550	215,678	97,909	665,319	-
Net pension liability - IMRF	6,534,326	3,271,765	1,251,947	8,554,144	-
Net pension liability - Police	16,087,014	1,314,620	1,396,843	16,004,791	-
Net pension liability - Fire	4,529,577	5,241,879	1,038,747	8,732,709	-
Total Other Liabilities	29,179,745	12,310,512	5,794,524	35,695,733	1,710,120
Total Governmental Activities Long-Term Liabilities	$ 37,849,745	$ 12,660,512	$ 6,899,524	$ 43,610,733	$ 2,852,620
Business-type Activities					
Bonds and Notes Payable					
Alternative revenue note	$ 42,513	$ -	$ 18,174	$ 24,339	$ 24,339
Sub-totals	42,513	-	18,174	24,339	24,339
Other Liabilities					
Net pension liability	86,381	44,903	17,182	114,102	-
Total Other Liabilities	86,381	44,903	17,182	114,102	-
Total Business-type Activities Long-Term Liabilities	$ 128,894	$ 44,903	$ 35,356	$ 138,441	$ 24,339

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

General Obligation Debt

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

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

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance June 30, 2016
Series 2012 General Obligation Bonds	December 20, 2012	January 1, 2022	1.43%	$ 7,800,000	$ 5,315,000
Series 2015 General Obligation Bonds	July 1, 2014	January 1, 2024	1.92%	2,800,000	2,250,000
Total Governmental Activities - General Obligation Debt					$ 7,565,000

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt Principal	Interest
2017	$ 1,125,000	$ 115,549
2018	1,135,000	101,163
2019	1,155,000	85,958
2020	1,165,000	69,662
2021	1,185,000	52,260
2022-2024	1,800,000	55,791
Totals	$ 7,565,000	$ 480,383

Alternative Revenue Debt

Business-type Activities

Motor Vehicle Parking Enterprise Fund	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance June 30, 2016
Tepper Note	December 15, 2001	January 15, 2017	9.00%	$ 177,335	$ 24,339
Total Business-type Activities - Alternative Revenue Debt					$ 24,339

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

E. LONG-TERM OBLIGATIONS (cont.)

Alternative Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Alternative Revenue Debt Principal	Interest
2017	$ 24,339	$ 2,191
Totals	$ 24,339	$ 2,191

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 Equipment and Replacement Fund.

Loans Payable at June 30, 2016 consist of the following:

Governmental Activities Loans Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	BalanceJune 30, 2016
Fire truck revolving loan payable	November 16, 2015	November 1, 2035	0%	$ 350,000	$ 350,000
Total Governmental Activities Loans Payable					$ 350,000

Debt service requirements to maturity are as follows:

Years	Governmental Activities Loans Payable Principal	Interest
2017	$ 17,500	$ -
2018	17,500	-
2019	17,500	-
2020	17,500	-
2021	17,500	-
2022-2026	87,500	-
2027-2031	87,500	-
2032-2036	87,500	-
Totals	$ 350,000	$ -

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

E. LONG-TERM OBLIGATIONS (cont.)

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, $3,322,170 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 $3,147,917 as of the fiscal year-end.

F. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The City completed final closure of the landfill in 1987. The $57,300 reported as landfill postclosure care liability at June 30, 2016, represents the total amount needed by the City for post closure care costs according to state and federal regulations. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

G. NET POSITION

Net position reported on the government wide statement of net position at June 30, 2016, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	$ 7,621,483
Construction in progress	6,538,194
Other capital assets, net of accumulated depreciation	83,422,691
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)	(7,483,108)
Total Net Investment in Capital Assets	$ 90,099,260

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

G. NET POSITION (cont.)

Business-type Activities

Net Investment in Capital Assets	
Land	$ 3,765,739
Construction in progress	381,372
Other capital assets, net of accumulated depreciation	1,760,032
Less: Long-term debt outstanding	(24,339)
Total Net Investment in Capital Assets	$ 5,882,804

H. COMPONENT UNIT

URBANA FREE LIBRARY

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

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

a. Basis of Accounting/Measurement Focus

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

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Deposits - Library	$ 1,738,310	$ 1,738,347	Custodial credit risk - deposits
Deposits - Foundation	136,245	136,245	Custodial credit risk - deposits
Illinois Funds	29,826	29,832	Credit risk
Petty cash	516	-	N/A
Total Deposits and Investments	$ 1,904,897	$ 1,904,424	

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.

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

H. COMPONENT UNIT (cont.)

URBANA FREE LIBRARY (cont.)

b. Deposits and Investments (cont.)

Custodial Credit Risk (cont.)

Investments

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

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

Credit Risk

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

As of June 30, 2016, the Library's investments were rated as follows:

Investment Type	Standard & Poors
Illinois Funds	AAAm

c. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	$ 480,732	$ -	$ -	$ 480,732	N/A
Buildings and improvements	10,551,983	-	-	10,551,983	75
Equipment	663,619	-	-	663,619	5 - 25
Less: Accumulated depreciation	(2,405,086)	(209,991)	-	(2,615,077)	
Totals	$ 9,291,248	$ (209,991)	$ -	$ 9,081,257	

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

H. COMPONENT UNIT (cont.)

URBANA FREE LIBRARY (cont.)

d. Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Mortgage payable	$ 75,000	$ -	$ -	$ 75,000	$ -
Compensated absences	231,700	43,019	78,046	196,673	196,673
Other postemployment benefits obligation	20,311	6,228	2,827	23,712	-
Totals	$ 327,011	$ 49,247	$ 80,873	$ 295,385	$ 196,673

Debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2017	$ -	$ 3,750	$ 3,750
2018	-	3,750	3,750
2019	75,000	3,750	78,750
Totals	$ 75,000	$ 11,250	$ 86,250

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan Descriptions

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

Illinois Municipal Retirement Fund

Plan Description. The City''s defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

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

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit 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 consecutive 48 months within the last 10 years of service, divided by 48. Under *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit 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 *Regular Tier 2*, the pension is increased on January 1 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. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

Plan Membership. At December 31, 2015, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	171
Inactive, non-retired members	121
Active members	177
Total	469

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 2015 was 12.70% of annual covered payroll. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

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

Actuarial Assumptions. The assumptions used to measure the total pension liability in the December 31, 2015 annual actuarial valuation included a 7.47% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

Long-Term Expected Real Rate of Return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and 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:

		Projected Returns/Risk	
Asset Class	Target Allocation	One Year Arithmetic	Ten Year Geometric
Equities	38.00 %	8.85 %	7.39 %
International equities	17.00 %	9.55 %	7.59 %
Fixed income	27.00 %	3.05 %	3.00 %
Real estate	8.00 %	7.20 %	6.00 %
Alternatives	9.00 %		
Private equity		13.15 %	8.15 %
Hedge funds		5.55 %	5.25 %
Commodities		4.40 %	2.75 %
Cash equivalents	1.00 %	2.25 %	2.25 %

Discount Rate. The discount rate used to measure the total pension liability for IMRF was 7.47%. The discount rate calculated using the December 31, 2014 measurement date was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.57% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2015 to arrive at a discount rate of 7.47% used to determine the total pension liability. The year ending December 31, 2084 is the last year in the 2016 to 2115 projection period for which projected benefit payments are fully funded.

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

Discount Rate Sensitivity. The following is a sensitivity analysis of the net pension liability / (asset) to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.47% 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 (6.47%) or 1 percentage point higher (8.47%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	$ 66,605,598	$ 59,013,062	$ 52,810,880
Plan fiduciary net position	50,344,816	50,344,816	50,344,816
Net pension liability	$ 16,260,782	$ 8,668,246	$ 2,466,064

Changes in Net Pension Liability/(Asset). The City's changes in net pension liability/(asset) for the calendar year ended December 31, 2015 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at December 31, 2014	$ 56,932,200	$ 50,311,493	$ 6,620,707
Service cost	1,089,547	-	1,089,547
Interest on total pension liability	4,201,414	-	4,201,414
Differences between expected and actual experience of the total pension liability	(662,826)	-	(662,826)
Change of assumptions	69,408	-	69,408
Benefit payments, including refunds of employee contributions	(2,616,681)	(2,616,681)	-
Contributions - employer	-	1,269,129	(1,269,129)
Contributions - employee	-	458,147	(458,147)
Net investment income	-	249,334	(249,334)
Other (net transfer)	-	673,394	(673,394)
Balances at December 31, 2015	$ 59,013,062	$ 50,344,816	$ 8,668,246

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2016, the City recognized pension expense of $1,844,837. 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	$ 712,879	$ 508,899
Assumption changes	1,171,376	-
Net difference between projected and actual earnings on pension plan investments	3,216,995	-
Contributions subsequent to the measurement date	623,718	-
Total	$ 5,724,968	$ 508,899

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, 2017. The remaining amounts reported as deferred outflows and inflows of resources related to pensions ($4,592,351) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2015	$ 1,450,679
2016	1,450,679
2017	1,029,995
2018	660,998
Total	$ 4,592,351

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.

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police 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 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 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.

Plan Membership. As of July 1, 2015, the Police Pension Plan's membership consisted of:

Retirees and beneficiaries	48
Inactive, non-retired members	2
Active members	54
Total	104

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, 2016 was 31.17% of annual covered payroll.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

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.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed as of June 30, 2016 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	5.25%
Cost-of-living adjustments	Tier 1 - 3.00% Tier 2 - 1.25%

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

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

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, 2016 are as follows:

Asset Class	Target	Long-Term Expected Real Rate of Return
Domestic equity	41%	8.30%
International equity	19%	8.10%
Fixed income	40%	3.00%

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 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	$ 58,395,890	$ 50,967,232	$ 44,903,302
Plan fiduciary net position	34,962,441	34,962,441	34,962,441
Net pension liability	$ 23,433,449	$ 16,004,791	$ 9,940,861

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Changes in Net Pension Liability/(Asset). The City's changes in net pension liability/(asset) for the calendar year ended June 30, 2016 was as follows*:*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at July 1, 2015	$ 50,604,149	$ 34,517,135	$ 16,087,014
Service cost	1,085,728	-	1,085,728
Interest on total pension liability	3,541,423	-	3,541,423
Differences between expected and actual experience of the total pension liability	(4,005,503)	-	(4,005,503)
Change of assumptions	1,937,667	-	1,937,667
Benefit payments, including refunds of employee contributions	(2,196,232)	(2,196,232)	-
Contributions - employer	-	1,396,843	(1,396,843)
Contributions - employee	-	444,105	(444,105)
Net investment income	-	861,378	(861,378)
Administration	-	(60,788)	60,788
Balances at June 30, 2016	$ 50,967,232	$ 34,962,441	$ 16,004,791

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2016, the City recognized pension expense of $2,383,080. 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	$ -	$ 3,704,001
Assumption changes	2,671,503	-
Net difference between projected and actual earnings on pension plan investments	2,275,449	-
Total	$ 4,946,952	$ 3,704,001

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions ($1,242,951) will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2017	$ 541,361
2018	541,361
2019	541,361
2020	(36,492)
2021	(344,640)
Total	$ 1,242,951

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.

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.

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at $106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a 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, 2015, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	49
Inactive, non-retired members	4
Active members	55
Total	108

Contributions. Participants contribute a fixed percentage of their base salary to the plans. At June 30, 2016, 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, 2016 was 25.56% of annual covered payroll.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of June 30,2016, 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 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.

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed as of June 30, 2016 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	5.25%
Cost-of-living adjustments	Tier 1 - 3.00% Tier 2 - 1.25%

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	35%	1.00%
Equity	65%	6.50%

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.

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

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	$ 57,445,993	$ 50,437,879	$ 44,689,166
Plan fiduciary net position	41,705,170	41,705,170	41,705,170
Net pension liability	$ 15,740,823	$ 8,732,709	$ 2,983,996

Changes in Net Pension Liability/(Asset). The City's changes in net pension liability/(asset) for the calendar year ended June 30, 2016 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at July 1, 2015	$ 46,725,593	$ 42,196,016	$ 4,529,577
Service cost	1,168,377	-	1,168,377
Interest on total pension liability	3,275,512	-	3,275,512
Differences between expected and actual experience of the total pension liability	(686,638)	-	(686,638)
Change of assumptions	2,156,908	-	2,156,908
Benefit payments, including refunds of employee contributions	(2,201,873)	(2,201,873)	-
Contributions - employer	-	1,038,747	(1,038,747)
Contributions - employee	-	402,718	(402,718)
Net investment income	-	313,386	(313,386)
Administration	-	(43,824)	43,824
Balances at June 30, 2016	$ 50,437,879	$ 41,705,170	$ 8,732,709

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Firefighters' Pension (cont.)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2016, the City recognized pension expense of $2,236,192. 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	$ -	$ 582,801
Assumption changes	2,208,859	-
Net difference between projected and actual earnings on pension plan investments	2,616,785	-
Total	$ 4,825,644	$ 582,801

The amounts reported as deferred outflows and inflows of resources related to pensions ($4,242,843) will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2017	$ 1,076,772
2018	1,076,772
2019	1,076,772
2020	767,482
2021	245,045
Total	$ 4,242,843

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.

NOTE IV - OTHER INFORMATION (cont.)

B. *RISK MANAGEMENT* (cont.)

Self Insurance (cont.)

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.

Claims Liability

	Prior Year	Current Year
Unpaid claims - Beginning of Year	$ 193,441	$ 567,741
Current year claims and changes in estimates	722,336	216,805
Claim payments	(348,036)	(320,256)
Unpaid Claims - End of Year	$ 567,741	$ 464,290

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, 2016. 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.

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES (cont.)

Champaign-Urbana Waste Disposal System (cont.)

The governing body is made up of the Mayor of Urbana and the City Manager of Champaign, each with equal voting rights in respect to the system's operations. The annual budget is approved by both City Councils. The City made $21,070 in payments to the system in fiscal year 2016. The City believes that the system's future revenues will approximate future expenses.

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

E. OTHER POSTEMPLOYMENT BENEFITS

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

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

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

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Annual required contribution	$	213,435
Interest on net OPEB obligation		13,461
Adjustment to annual required contribution		(11,218)
Annual OPEB cost		215,678
Contributions made		(97,909)
Increase in net OPEB obligation		117,769
Net OPEB Obligation - Beginning of Year		547,550
Net OPEB Obligation - End of Year	$	665,319

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2014	$ 217,107	50%	$ 429,781
June 30, 2015	215,678	45%	547,550
June 30, 2016	215,678	45%	665,319

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

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

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

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

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

In the June 30, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 6% after 4 years. Both rates include a 3% inflation assumption. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at June 30, 2016, was 30 years.

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.

NOTE IV - OTHER INFORMATION (cont.)

G. Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- Statement No. 75*, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- Statement No. 77*, Tax Abatement Disclosures*
- Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*
- Statement No. 79, *Certain External Investment Pools and Pool Participants*
- Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*
- Statement No. 81, *Irrevocable Split-Interest Agreements*
- Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*

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, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Property taxes	$ 4,187,748	$ 5,626,931	$ 5,695,297
Local sales and use taxes	5,299,000	5,218,300	5,223,774
Utility taxes	2,853,500	2,756,643	2,944,800
Telecommunication taxes	844,100	923,000	846,971
Hotel/motel taxes	1,178,000	1,090,000	1,014,691
State income tax	4,081,275	4,331,300	4,131,774
Personal property replacement tax	244,987	300,817	213,601
State sales and use taxes	5,991,685	6,028,000	6,144,289
Other intergovernmental	2,493,698	2,431,249	2,476,048
Licenses, fines, and service charges	2,807,757	3,231,595	3,300,082
Investment income	13,000	81,100	217,979
Miscellaneous revenues	-	2,972	3,087
Total Revenues	29,994,750	32,021,907	32,212,393
EXPENDITURES			
GENERAL GOVERNMENT			
Executive			
Personnel services	1,823,055	1,855,643	1,834,161
Materials and supplies	7,327	7,295	4,466
Other services and charges	1,090,281	1,255,372	784,148
Total executive	2,920,663	3,118,310	2,622,775
Finance			
Personnel services	911,490	889,367	880,823
Materials and supplies	47,412	48,412	35,465
Other services and charges	621,103	254,301	171,621
Total finance	1,580,005	1,192,080	1,087,909
City Clerk			
Personnel services	205,724	205,724	205,289
Materials and supplies	2,880	2,880	1,596
Other services and charges	27,280	27,280	19,086
Total city clerk	235,884	235,884	225,971
Legislative			
Personnel services	48,097	48,097	47,522
Materials and supplies	750	750	-
Other services and charges	6,500	6,500	1,779
Total legislative	55,347	55,347	49,301
Total General government	4,791,899	4,601,621	3,985,956

CITY OF URBANA

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the year ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
PUBLIC SAFETY			
Police			
Personnel services	$ 7,806,835	$ 7,354,368	$ 7,226,907
Materials and services	111,264	111,264	103,005
Other services and charges	1,213,660	1,204,884	1,074,822
Total police	9,131,759	8,670,516	8,404,734
Fire			
Personnel services	6,691,418	6,519,196	6,523,752
Materials and supplies	76,780	76,780	70,737
Other services and charges	652,748	620,390	623,289
Total fire	7,420,946	7,216,366	7,217,778
Total Public Safety	16,552,705	15,886,882	15,622,512
HIGHWAYS AND STREETS			
Personnel services	4,777,339	4,758,254	4,542,901
Materials and supplies	558,580	555,130	450,859
Other services and charges	1,588,657	1,549,982	1,373,913
Contractual services	12,610	10,110	1,828
Total Highways and Streets	6,937,186	6,873,476	6,369,501
URBAN REDEVELOPMENT AND HOUSING			
Personnel services	1,411,646	1,414,471	1,352,212
Materials and supplies	32,720	31,915	10,409
Other services and charges	412,787	459,932	415,347
Contractual services	500	-	-
Total Urban redevelopment and housing	1,857,653	1,906,318	1,777,968
Total Expenditures	30,139,443	29,268,297	27,755,937
Excess (deficiency) of revenues over (under) expenditures	(144,693)	2,753,610	4,456,456
OTHER FINANCING SOURCES (USES)			
Transfers in	2,243,943	2,412,429	2,415,811
Transfers out	(2,729,705)	(2,728,277)	(2,718,681)
Total Other Financing Sources (Uses)	(485,762)	(315,848)	(302,870)
Net Change in Fund Balance	$ (630,455)	$ 2,437,762	4,153,586
FUND BALANCE - Beginning of Year			11,543,920
FUND BALANCE - END OF YEAR			$ 15,697,506

See Auditors' Report and Notes to Required Supplementary Information

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - VEHICLE AND EQUIPMENT REPLACEMENT FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Intergovernmental	$ -	$ 37,875	$ 37,874
Licenses, fines, and service charges	130,000	120,580	160,046
Investment income	500	48,750	154,393
Total Revenues	130,500	207,205	352,313
EXPENDITURES			
Public Safety - Police			
Personnel services	60,000	60,000	10,000
Materials and services	588,498	506,556	168,734
Contractual services	94,206	58,848	53,849
Total public safety - police	742,704	625,404	232,583
Public Safety - Fire			
Materials and supplies	138,602	208,171	65,899
Contractual services	21,633	21,633	12,556
Total public safety - fire	160,235	229,804	78,455
Capital Outlay	889,726	958,579	384,231
Total Expenditures	1,792,665	1,813,787	695,269
Excess (deficiency) of revenues over (under) expenditures	(1,662,165)	(1,606,582)	(342,956)
OTHER FINANCING SOURCES			
Proceeds of capital leases	-	350,000	350,000
Transfers in	1,528,118	1,378,118	1,378,118
Total Other Financing Sources	1,528,118	1,728,118	1,728,118
Net Change in Fund Balance	$ (134,047)	$ 121,536	1,385,162
FUND BALANCE - Beginning of Year			5,285,056
FUND BALANCE - END OF YEAR			$ 6,670,218

See Auditors' Report and Notes to Required Supplementary Information

CITY OF URBANA

ILLINOIS MUNICIPAL RETIREMENT FUND

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS

Last two fiscal years

	2015	2016
Total pension liability		
Service cost	$ 1,112,513	$ 1,089,547
Interest	3,785,492	4,201,414
Differences between expected and actual experience	1,297,327	(662,826)
Changes of assumptions	2,034,739	69,408
Benefit payments, including refunds of member contributions	(2,429,671)	(2,616,681)
Net change in total pension liability	5,800,400	2,080,862
Total pension liability - beginning	51,131,800	56,932,200
Total pension liability - ending (a)	$ 56,932,200	$ 59,013,062
Plan fiduciary net position		
Employer contributions	$ 1,305,023	$ 1,269,129
Employee contributions	492,715	458,147
Net investment income	2,897,188	249,334
Benefit payments, including refunds of member contributions	(2,429,671)	(2,616,681)
Other (net transfer)	235,392	673,394
Net change in plan fiduciary net position	2,500,647	33,323
Plan fiduciary net position - beginning	47,810,846	50,311,493
Plan fiduciary net position - ending (b)	$ 50,311,493	$ 50,344,816
Employer's net pension liability - ending (a) - (b)	$ 6,620,707	$ 8,668,246
Plan fiduciary net position as a percentage of the total pension liability	88.37%	85.31%
Covered-employee payroll	$ 10,237,128	$ 9,991,290
Employer's net pension liability as a percentage of covered-employee payroll	64.67%	86.76%

Notes to Schedule:

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

CITY OF URBANA

ILLINOIS MUNICIPAL RETIREMENT FUND

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last two fiscal years

	2015	2016
Actuarially determined contribution	$ 1,264,285	$ 1,254,906
Contributions in relation to the actuarially determined contribution	(1,305,023)	(1,269,129)
Contribution deficiency (excess)	$ (40,738)	$ (14,223)
Covered-employee payroll	$ 10,237,128	$ 9,991,290
Contributions as a percentage of covered-employee payroll	12.75%	12.70%

Notes to Schedule:

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

Valuation date:

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

Methods and assumptions used to determine contribution rates:

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

Other information:

There were no benefit changes during the year.

CITY OF URBANA

POLICE PENSION FUND

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
Last Three Fiscal Years

	2014	2015	2016
Total pension liability			
Service cost	$ 1,202,918	$ 1,194,543	$ 1,085,728
Interest	3,084,785	3,228,731	3,541,423
Differences between expected and actual experience	(136,267)	(610,133)	(4,005,503)
Changes of assumptions	-	1,761,301	1,937,667
Benefit payments, including refunds of member contributions	(1,971,517)	(2,209,086)	(2,196,232)
Net change in total pension liability	2,179,919	3,365,356	363,083
Total pension liability - beginning	45,058,874	47,238,793	50,604,149
Total pension liability - ending (a)	$ 47,238,793	$ 50,604,149	$ 50,967,232
Plan fiduciary net position			
Employer contributions	$ 2,254,203	$ 1,850,383	$ 1,396,843
Employee contributions	393,954	416,575	444,105
Net investment income	3,673,877	632,290	861,378
Benefit payments, including refunds of member contriutions	(1,971,517)	(2,209,086)	(2,196,232)
Administration	(33,074)	(33,421)	(60,788)
Net change in plan fiduciary net position	4,317,443	656,741	445,306
Plan fiduciary net position - beginning	29,542,951	33,860,394	34,517,135
Plan fiduciary net position - ending (b)	$ 33,860,394	$ 34,517,135	$ 34,962,441
City's net pension liability - ending (a) - (b)	$ 13,378,399	$ 16,087,014	$ 16,004,791
Plan fiduciary net position as a percentage of the total pension liability	71.68%	68.21%	68.60%
Covered-employee payroll	$ 4,124,681	$ 4,111,495	$ 4,481,382
City's net pension liability as a percentage of covered-employee payroll	324.35%	391.27%	357.14%

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution	$ 1,143,288	$ 1,243,507	$ 1,225,637	$ 1,381,577	$ 1,500,579	$ 1,524,579	$ 1,648,164	$ 1,642,577	$ 1,642,577	$ 1,619,190
Contributions in relation to the actuarially determined contribution	1,514,188	1,680,480	1,604,475	1,783,576	1,981,806	1,980,275	2,138,159	2,254,203	1,850,383	1,396,843
Cotnribution deficiency (excess)	$ (370,900)	$ (436,973)	$ (378,838)	$ (401,999)	$ (481,227)	$ (455,696)	$ (489,995)	$ (611,626)	$ (207,806)	$ 222,347
Covered-employee payroll	$ 3,245,524	$ 3,392,030	$ 3,516,159	$ 3,485,147	$ 3,547,806	$ 3,859,220	$ 3,972,920	$ 4,124,681	$ 4,111,495	$ 4,481,382
Contributions as a percentage of covered-employee payroll	46.65%	49.54%	45.63%	51.18%	55.86%	51.31%	53.82%	54.65%	45.01%	31.17%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	17 years
Asset valuation method	Market
Inflation	3.00%
Salary increases	5.25%, including inflation
Investment rate of return	7.00%, including inflation, net of investment expenses
Mortality	RP-2000 CHBCA Mortality Table

CITY OF URBANA

FIREFIGHTERS' PENSION FUND

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
Last Three Fiscal Years

	2014	2015	2016
Total pension liability			
Service cost	$ 1,214,058	$ 1,196,507	$ 1,168,377
Interest	2,893,786	3,002,629	3,275,512
Differences between expected and actual experience	(521,056)	(17,671)	(686,638)
Changes of assumptions	-	685,724	2,156,908
Benefit payments, including refunds of member contributions	(1,991,181)	(2,072,600)	(2,201,873)
Net change in total pension liability	1,595,607	2,794,589	3,712,286
Total pension liability - beginning	42,335,397	43,931,004	46,725,593
Total pension liability - ending (a)	$ 43,931,004	$ 46,725,593	$ 50,437,879
Plan fiduciary net position			
Employer contributions	$ 1,517,629	$ 1,236,008	$ 1,038,747
Employee contributions	350,475	374,389	402,718
Net investment income	5,208,327	1,954,325	313,386
Benefit payments, including refunds of member contriutions	(1,991,181)	(2,072,600)	(2,201,873)
Administration	(37,219)	(36,908)	(43,824)
Net change in plan fiduciary net position	5,048,031	1,455,214	(490,846)
Plan fiduciary net position - beginning	35,692,771	40,740,802	42,196,016
Plan fiduciary net position - ending (b)	$ 40,740,802	$ 42,196,016	$ 41,705,170
Employer's net pension liability - ending (a) - (b)	$ 3,190,202	$ 4,529,577	$ 8,732,709
Plan fiduciary net position as a percentage of the total pension liability	92.74%	90.31%	82.69%
Covered-employee payroll	$ 3,777,788	$ 3,942,216	$ 4,063,754
Employer's net pension liability as a percentage of covered-employee payroll	84.45%	114.90%	214.89%

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

CITY OF URBANA

FIREFIGHTERS' PENSION FUND

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution	$ 795,816	$ 777,163	$ 1,025,535	$ 1,133,720	$ 1,220,290	$ 1,182,977	$ 1,245,665	$ 1,179,662	$ 1,179,662	$ 1,117,736
Contributions in relation to the actuarially determined contribution	980,754	961,372	1,251,695	1,372,080	1,463,810	1,403,306	1,482,369	1,517,629	1,236,008	1,038,747
Cotnribution deficiency (excess)	$ (184,938)	$ (184,209)	$ (226,160)	$ (238,360)	$ (243,520)	$ (220,329)	$ (236,704)	$ (337,967)	$ (56,346)	$ 78,989
Covered-employee payroll	$ 2,780,694	$ 3,012,087	$ 3,249,911	$ 3,319,469	$ 3,414,250	$ 2,645,435	$ 3,872,621	$ 3,777,788	$ 3,942,216	$ 4,063,754
Contributions as a percentage of covered-employee payroll	35.27%	31.92%	38.51%	41.33%	42.87%	53.05%	38.28%	40.17%	31.35%	25.56%

Notes to Schedule:

nd assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	17 years
Asset valuation method	Market
Inflation	0.03
Salary increases	5.25%, including inflation
Investment rate of return	7.00%, including inflation, net of investment expenses
Mortality	RP-2000 CHBCA Mortality Table

CITY OF URBANA

OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS
June 30, 2016

Year Ended	Annual Required Contribution	Percentage Contributed
6/30/16	$ 219,662	46%
6/30/15	219,662	46%
6/30/14	215,185	51%
6/30/13	157,630	71%
6/30/12	125,767	46%
6/30/11	124,072	41%

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

The information presented above includes the Urbana Free Library.

See Auditors' Report and Notes to Required Supplementary Information

CITY OF URBANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

BUDGETARY INFORMATION

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

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

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

SUPPLEMENTARY INFORMATION

CITY OF URBANA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of June 30, 2016

	Special Revenue			
	Social Services	Special Community Development	HOME Community Development	Community Development Block Grant
ASSETS				
Cash and investments	$ 50,234	$ -	$ 11,246	$ -
Receivables				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Accounts	-	-	-	-
Grants	-	282,050	33,149	35,491
TOTAL ASSETS	$ 50,234	$ 282,050	$ 44,395	$ 35,491
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ 14,125	$ 4,122	$ 8,803	$ 13,706
Accrued salaries and taxes	-	3,609	-	-
Due to other funds	-	23,833	-	20,378
Unearned revenues	-	285,193	-	-
Total Liabilities	14,125	316,757	8,803	34,084
Deferred Inflows of Resources				
Property taxes levied for future periods	-	-	-	-
Unavailable revenues for grants	-	-	22,375	13,634
Total Deferred Inflows of Resources	-	-	22,375	13,634
Fund Balances (Deficit)				
Restricted for urban housing and development	-	-	13,217	-
Restricted for public safety	-	-	-	-
Restricted for highways and streets	-	-	-	-
Committed for capital projects	-	-	-	-
Assigned for public safety	-	-	-	-
Assigned for urban housing and development	-	-	-	-
Assigned for social services	36,109	-	-	-
Assigned for workers' compensation	-	-	-	-
Assigned for public television	-	-	-	-
Unassigned	-	(34,707)	-	(12,227)
Total Fund Balances (deficit)	36,109	(34,707)	13,217	(12,227)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 50,234	$ 282,050	$ 44,395	$ 35,491

Special Revenue						
Tax Increment Financing District 1	Tax Increment Financing District 2	Tax Increment Financing District 4	Post TIF 3 Escrow	Economic Development	Insurance Financing	Recycling
$ 543,603	$ 2,200,829	$ 2,308,019	$ -	$ 1,795	$ 2,730,288	$ 1,018,567
278,286	760,603	510,038	-	-	-	-
-	-	-	-	-	-	83,075
-	50,000	-	-	129,562	-	-
-	-	-	-	-	-	-
$ 821,889	$ 3,011,432	$ 2,818,057	$ -	$ 131,357	$ 2,730,288	$ 1,101,642
$ 12,406	$ 113,728	$ 68,867	$ -	$ 14,637	$ -	$ 65,268
1,495	627	1,188	-	1,062	-	4,771
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13,901	114,355	70,055	-	15,699	-	70,039
271,431	576,204	394,838	-	-	-	-
-	-	-	-	-	-	-
271,431	576,204	394,838	-	-	-	-
536,557	2,320,873	2,353,164	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,031,603
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	115,658	-	-
-	-	-	-	-	-	-
-	-	-	-	-	2,730,288	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
536,557	2,320,873	2,353,164	-	115,658	2,730,288	1,031,603
$ 821,889	$ 3,011,432	$ 2,818,057	$ -	$ 131,357	$ 2,730,288	$ 1,101,642

CITY OF URBANA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of June 30, 2016

	Special Revenue			Capital Projects
	Public Television	Police Records	Emergency Solutions	Sanitary Sewer Construction
ASSETS				
Cash and investments	$ 26,273	$ 89,233	$ -	$ 722,848
Receivables				
Property taxes	-	-	-	-
Other taxes	-	-	-	393,801
Accounts	-	-	-	-
Grants	-	-	-	-
TOTAL ASSETS	$ 26,273	$ 89,233	$ -	$ 1,116,649
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ -	$ 23,100	$ 297,553
Accrued salaries and taxes	1,837	1,066	-	-
Due to other funds	-	-	25,621	-
Unearned revenues	-	-	-	104,755
Total Liabilities	1,837	1,066	48,721	402,308
Deferred Inflows of Resources				
Property taxes levied for future periods	-	-	-	-
Unavailable revenues for grants	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances (Deficit)				
Restricted for urban housing and development	-	-	-	-
Restricted for public safety	-	55,801	-	-
Restricted for highways and streets	-	-	-	-
Committed for capital projects	-	-	-	714,341
Assigned for public safety	-	32,366	-	-
Assigned for urban housing and development	-	-	-	-
Assigned for social services	-	-	-	-
Assigned for workers' compensation	-	-	-	-
Assigned for public television	24,436	-	-	-
Unassigned	-	-	(48,721)	-
Total Fund Balances (deficit)	24,436	88,167	(48,721)	714,341
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 26,273	$ 89,233	$ -	$ 1,116,649

Capital Projects	
Boneyard Improvement	Total Nonmajor Governmental Funds
$ -	$ 9,702,935
-	1,548,927
-	476,876
-	179,562
-	350,690
$ -	$ 12,258,990
$ -	$ 636,315
-	15,655
-	69,832
-	389,948
-	1,111,750
-	1,242,473
-	36,009
-	1,278,482
-	5,223,811
-	55,801
-	1,031,603
-	714,341
-	32,366
-	115,658
-	36,109
-	2,730,288
-	24,436
-	(95,655)
-	9,868,758
$ -	$ 12,258,990

CITY OF URBANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	Special Revenue			
	Social Services	Special Community Development	HOME Community Development	Community Development Block Grant
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Other taxes	-	-	-	-
Intergovernmental	-	160,114	1,173,505	415,437
Licenses, fines, and service charges	-	34,642	8,025	786
Investment income	1,086	2,401	-	-
Miscellaneous	-	9,735	-	-
Total Revenues	1,086	206,892	1,181,530	416,223
EXPENDITURES				
Current				
General government	65,433	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Urban redevelopment and housing	-	749,022	848,642	98,903
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	65,433	749,022	848,642	98,903
Excess (deficiency) of revenues over expenditures	(64,347)	(542,130)	332,888	317,320
OTHER FINANCING SOURCES (USES)				
Transfers in	65,000	288,342	24,645	-
Transfers out	-	(3,475)	(71,250)	(197,257)
Total Other Financing Sources (Uses)	65,000	284,867	(46,605)	(197,257)
Net Change in Fund Balances	653	(257,263)	286,283	120,063
FUND BALANCES (DEFICIT) - Beginning of Year	35,456	222,556	(273,066)	(132,290)
FUND BALANCES (DEFICIT) - END OF YEAR	$ 36,109	$ (34,707)	$ 13,217	$ (12,227)

Special Revenue						
Tax Increment Financing District 1	Tax Increment Financing District 2	Tax Increment Financing District 4	Post TIF 3 Escrow	Economic Development	Insurance Financing	Recycling
$ 675,281	$ 1,417,256	$ 989,798	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	1,500	-	-
-	-	-	-	105,043	-	1,381,533
12,407	57,671	57,013	12	604	70,143	22,677
-	-	-	-	-	-	-
687,688	1,474,927	1,046,811	12	107,147	70,143	1,404,210
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,152,951
727,598	355,665	827,478	12	99,212	-	-
-	133,141	243,673	-	-	-	-
-	840,000	-	-	-	-	-
-	88,017	-	-	-	-	-
727,598	1,416,823	1,071,151	12	99,212	-	1,152,951
(39,910)	58,104	(24,340)	-	7,935	70,143	251,259
68,370	-	10,000	-	-	-	-
(35,597)	(78,370)	-	-	(120,596)	(100,000)	(105,807)
32,773	(78,370)	10,000	-	(120,596)	(100,000)	(105,807)
(7,137)	(20,266)	(14,340)	-	(112,661)	(29,857)	145,452
543,694	2,341,139	2,367,504	-	228,319	2,760,145	886,151
$ 536,557	$ 2,320,873	$ 2,353,164	$ -	$ 115,658	$ 2,730,288	$ 1,031,603

CITY OF URBANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	Special Revenue			Capital Projects
	Public Television	Police Records	Emergency Solutions	Sanitary Sewer Construction
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Other taxes	-	-	-	1,277,418
Intergovernmental	-	120,978	40,029	-
Licenses, fines, and service charges	1,172	-	-	6,000
Investment income	382	1,845	(144)	16,818
Miscellaneous	-	-	-	-
Total Revenues	1,554	122,823	39,885	1,300,236
EXPENDITURES				
Current				
General government	145,724	-	-	-
Public safety	-	112,644	-	-
Highways and streets	-	-	-	76,194
Urban redevelopment and housing	-	-	49,345	-
Capital Outlay	831	-	-	431,087
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	146,555	112,644	49,345	507,281
Excess (deficiency) of revenues over expenditures	(145,001)	10,179	(9,460)	792,955
OTHER FINANCING SOURCES (USES)				
Transfers in	139,261	26,202	-	-
Transfers out	-	(24,329)	(1,360)	(747,856)
Total Other Financing Sources (Uses)	139,261	1,873	(1,360)	(747,856)
Net Change in Fund Balances	(5,740)	12,052	(10,820)	45,099
FUND BALANCES (DEFICIT) - Beginning of Year	30,176	76,115	(37,901)	669,242
FUND BALANCES (DEFICIT) - END OF YEAR	$ 24,436	$ 88,167	$ (48,721)	$ 714,341

Capital Projects	
Boneyard Improvement	Total Nonmajor Governmental Funds
$ -	$ 3,082,335
-	1,277,418
-	1,911,563
-	1,537,201
20	242,935
-	9,735
20	8,061,187
-	211,157
-	112,644
-	1,229,145
-	3,755,877
2,455	811,187
-	840,000
-	88,017
2,455	7,048,027
(2,435)	1,013,160
-	621,820
-	(1,485,897)
-	(864,077)
(2,435)	149,083
2,435	9,719,675
$ -	$ 9,868,758

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - SOCIAL SERVICES FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Investment income	$ -	$ 500	$ 1,086
Total Revenues	-	500	1,086
EXPENDITURES			
General Government			
Contractual services	70,000	77,998	65,433
Total general government	70,000	77,998	65,433
Total Expenditures	70,000	77,998	65,433
Excess (deficiency) of revenues over (under) expenditures	(70,000)	(77,498)	(64,347)
OTHER FINANCING SOURCES			
Transfers in	70,000	65,000	65,000
Total Other Financing Sources	70,000	65,000	65,000
Net Change in Fund Balance	$ -	$ (12,498)	653
FUND BALANCE - Beginning of Year			35,456
FUND BALANCE - END OF YEAR			$ 36,109

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL COMMUNITY DEVELOPMENT FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Intergovernmental	$ 691,720	$ 366,720	$ 160,114
Licenses, fines, and service charges	150,500	55,338	34,642
Investment income	-	1,855	2,401
Miscellaneous	-	3,476	9,735
Total Revenues	842,220	427,389	206,892
EXPENDITURES			
Urban Redevelopment and Housing			
Personnel services	319,810	318,810	273,182
Materials and supplies	700	200	59
Contractual services	922,979	458,401	475,781
Total urban redevelopment and housing	1,243,489	777,411	749,022
Total Expenditures	1,243,489	777,411	749,022
Excess (deficiency) of revenues over (under) expenditures	(401,269)	(350,022)	(542,130)
OTHER FINANCING SOURCES (USES)			
Transfers in	346,566	337,566	288,342
Transfers out	(3,635)	(3,635)	(3,475)
Total Other Financing Sources (Uses)	342,931	333,931	284,867
Net Change in Fund Balance	$ (58,338)	$ (16,091)	(257,263)
FUND BALANCE - Beginning of Year			222,556
FUND BALANCE (DEFICIT) - END OF YEAR			$ (34,707)

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - HOME COMMUNITY DEVELOPMENT FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Intergovernmental	$ 2,553,084	$ 1,593,457	$ 1,173,505
Licenses, fines, and service charges	185,000	5,000	8,025
Total Revenues	2,738,084	1,598,457	1,181,530
EXPENDITURES			
Urban Redevelopment and Housing			
Personnel services	-	129	130
Materials and supplies	1,419	1,419	1,353
Contractual services	2,649,626	1,270,679	847,159
Total urban redevelopment and housing	2,651,045	1,272,227	848,642
Total Expenditures	2,651,045	1,272,227	848,642
Excess (deficiency) of revenues over (under) expenditures	87,039	326,230	332,888
OTHER FINANCING SOURCES (USES)			
Transfers in	41,000	41,000	24,645
Transfers out	(128,039)	(128,039)	(71,250)
Total Other Financing Sources (Uses)	(87,039)	(87,039)	(46,605)
Net Change in Fund Balance	$ -	$ 239,191	286,283
FUND BALANCE (DEFICIT) - Beginning of Year			(273,066)
FUND BALANCE - END OF YEAR			$ 13,217

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Intergovernmental	$ 375,514	$ 420,000	$ 415,437
Licenses, fines, and service charges	13,000	1,500	786
Total Revenues	388,514	421,500	416,223
EXPENDITURES			
Urban Redevelopment and Housing			
Personnel services	-	435	437
Materials and supplies	160	160	154
Contractual services	283,978	126,545	98,312
Total urban redevelopment and housing	284,138	127,140	98,903
Capital Outlay	132,884	-	-
Total Expenditures	417,022	127,140	98,903
Excess (deficiency) of revenues over (under) expenditures	(28,508)	294,360	317,320
OTHER FINANCING USES			
Transfers out	(198,532)	(189,532)	(197,257)
Total Other Financing Uses	(198,532)	(189,532)	(197,257)
Net Change in Fund Balance	$ (227,040)	$ 104,828	120,063
FUND BALANCE (DEFICIT) - Beginning of Year			(132,290)
FUND BALANCE (DEFICIT) - END OF YEAR			$ (12,227)

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING DISTRICT 1 FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Property taxes	$ 664,833	$ 631,577	$ 675,281
Investment income	500	5,400	12,407
Total Revenues	665,333	636,977	687,688
EXPENDITURES			
Urban Redevelopment and Housing			
Personnel services	102,427	102,427	95,652
Contractual services	927,913	885,709	631,946
Total urban redevelopment and housing	1,030,340	988,136	727,598
Capital Outlay	6,700	6,700	-
Total Expenditures	1,037,040	994,836	727,598
Excess (deficiency) of revenues over (under) expenditures	(371,707)	(357,859)	(39,910)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	91,015	68,370
Transfers out	(37,257)	(35,597)	(35,597)
Total Other Financing Sources (Uses)	(37,257)	55,418	32,773
Net Change in Fund Balance	$ (408,964)	$ (302,441)	(7,137)
FUND BALANCE - Beginning of Year			543,694
FUND BALANCE - END OF YEAR			$ 536,557

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING DISTRICT 2 FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Property taxes	$ 1,370,226	$ 1,425,155	$ 1,417,256
Investment income	500	24,000	57,671
Total Revenues	1,370,726	1,449,155	1,474,927
EXPENDITURES			
Urban Redvelopemnt and Housing			
Personnel services	51,719	51,719	55,625
Contractual services	476,504	871,884	300,040
Total urban redvelopemnt and housing	528,223	923,603	355,665
Debt Service			
Principal	840,000	840,000	840,000
Interest and fiscal charges	88,017	88,017	88,017
Total debt service	928,017	928,017	928,017
Capital Outlay	-	588,774	133,141
Total Expenditures	1,456,240	2,440,394	1,416,823
Excess (deficiency) of revenues over (under) expenditures	(85,514)	(991,239)	58,104
OTHER FINANCING USES			
Transfers out	-	(101,015)	(78,370)
Total Other Financing Uses	-	(101,015)	(78,370)
Net Change in Fund Balance	$ (85,514)	$ (1,092,254)	(20,266)
FUND BALANCE - Beginning of Year			2,341,139
FUND BALANCE - END OF YEAR			$ 2,320,873

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING DISTRICT 4 FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Property taxes	$ 988,475	$ 1,028,304	$ 989,798
Investment income	500	18,000	57,013
Total Revenues	988,975	1,046,304	1,046,811
EXPENDITURES			
Urban Redevelopment and Housing			
Personnel services	146,890	146,890	97,323
Contractual services	573,817	856,090	730,155
Total urban redevelopment and housing	720,707	1,002,980	827,478
Capital Outlay	965,000	1,134,091	243,673
Total Expenditures	1,685,707	2,137,071	1,071,151
Excess (deficiency) of revenues over (under) expenditures	(696,732)	(1,090,767)	(24,340)
OTHER FINANCING SOURCES			
Transfers in	-	10,000	10,000
Total Other Financing Sources	-	10,000	10,000
Net Change in Fund Balance	$ (696,732)	$ (1,080,767)	(14,340)
FUND BALANCE - Beginning of Year			2,367,504
FUND BALANCE - END OF YEAR			$ 2,353,164

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - POST TIF 3 ESCROW FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Investment income	$ -	$ 12	$ 12
Total Revenues	-	12	12
EXPENDITURES			
Urban Redevelopment and Housing			
Distributions to other governments	-	157,056	12
Total urban redevelopment and housing	-	157,056	12
Total Expenditures	-	157,056	12
Net Change in Fund Balance	$ -	$ (157,044)	-
FUND BALANCE - Beginning of Year			-
FUND BALANCE - END OF YEAR			$ -

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Intergovernmental	$ 2,450	$ 4,450	$ 1,500
Licenses, fines, and service charges	78,000	85,300	105,043
Investment income	100	100	604
Total Revenues	80,550	89,850	107,147
EXPENDITURES			
Urban Redevelopment and Housing			
Personnel services	46,085	46,817	38,677
Contractual services	69,922	90,998	60,535
Total urban redevelopment and housing	116,007	137,815	99,212
Total Expenditures	116,007	137,815	99,212
Excess (deficiency) of revenues over (under) expenditures	(35,457)	(47,965)	7,935
OTHER FINANCING USES			
Transfers out	(120,600)	(120,596)	(120,596)
Total Other Financing Uses	(120,600)	(120,596)	(120,596)
Net Change in Fund Balance	$ (156,057)	$ (168,561)	(112,661)
FUND BALANCE - Beginning of Year			228,319
FUND BALANCE - END OF YEAR			$ 115,658

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - INSURANCE FINANCING FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Investment income	$ 25,000	$ 25,000	$ 70,143
Total Revenues	25,000	25,000	70,143
EXPENDITURES			
Total Expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	25,000	25,000	70,143
OTHER FINANCING USES			
Transfers out	-	(100,000)	(100,000)
Total Other Financing Uses	-	(100,000)	(100,000)
Net Change in Fund Balance	$ 25,000	$ (75,000)	(29,857)
FUND BALANCE - Beginning of Year			2,760,145
FUND BALANCE - END OF YEAR			$ 2,730,288

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - RECYCLING FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Licenses, fines, and service charges	$ 1,254,751	$ 1,316,599	$ 1,381,533
Investment income	200	7,100	22,677
Total Revenues	1,254,951	1,323,699	1,404,210
EXPENDITURES			
Highways and Streets			
Personnel services	395,581	395,581	390,010
Materials and supplies	159,173	160,749	82,688
Contractual services	731,601	735,401	680,253
Total highways and streets	1,286,355	1,291,731	1,152,951
Total Expenditures	1,286,355	1,291,731	1,152,951
Excess (deficiency) of revenues over (under) expenditures	(31,404)	31,968	251,259
OTHER FINANCING USES			
Transfers out	(98,130)	(105,807)	(105,807)
Total Other Financing Uses	(98,130)	(105,807)	(105,807)
Net Change in Fund Balance	$ (129,534)	$ (73,839)	145,452
FUND BALANCE - Beginning of Year			886,151
FUND BALANCE - END OF YEAR			$ 1,031,603

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - PUBLIC TELEVISION FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Licenses, fines, and service charges	$ -	$ 1,160	$ 1,172
Investment income	-	100	382
Total Revenues	-	1,260	1,554
EXPENDITURES			
General Government			
Personnel services	135,263	135,263	132,753
Contractual services	20,097	20,097	12,971
Total general government	155,360	155,360	145,724
Capital Outlay	1,500	1,500	831
Total Expenditures	156,860	156,860	146,555
Excess (deficiency) of revenues over (under) expenditures	(156,860)	(155,600)	(145,001)
OTHER FINANCING SOURCES			
Transfers in	148,857	150,000	139,261
Total Other Financing Sources	148,857	150,000	139,261
Net Change in Fund Balance	$ (8,003)	$ (5,600)	(5,740)
FUND BALANCE - Beginning of Year			30,176
FUND BALANCE - END OF YEAR			$ 24,436

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - POLICE RECORDS FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Intergovernmental	$ 111,208	$ 123,552	$ 120,978
Investment income	10	600	1,845
Total Revenues	111,218	124,152	122,823
EXPENDITURES			
Public Safety - Police			
Personnel services	92,626	104,097	97,315
Contractual services	18,819	18,819	15,329
Total public safety - police	111,445	122,916	112,644
Total Expenditures	111,445	122,916	112,644
Excess (deficiency) of revenues over (under) expenditures	(227)	1,236	10,179
OTHER FINANCING SOURCES (USES)			
Transfers in	22,630	26,202	26,202
Transfers out	(22,403)	(26,024)	(24,329)
Total Other Financing Sources (Uses)	227	178	1,873
Net Change in Fund Balance	$ -	$ 1,414	12,052
FUND BALANCE - Beginning of Year			76,115
FUND BALANCE - END OF YEAR			$ 88,167

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - EMERGENCY SOLUTIONS FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Intergovernmental	$ 51,652	$ 91,681	$ 40,029
Investment income	-	(60)	(144)
Total Revenues	51,652	91,621	39,885
EXPENDITURES			
Urban Redevelopment and Housing			
Contractual services	50,292	50,292	49,345
Public Safety - Police			
Total Expenditures	50,292	50,292	49,345
Excess (deficiency) of revenues over (under) expenditures	1,360	41,329	(9,460)
OTHER FINANCING USES			
Transfers out	(1,360)	(1,360)	(1,360)
Total Other Financing Uses	(1,360)	(1,360)	(1,360)
Net Change in Fund Balance	$ -	$ 39,969	(10,820)
FUND BALANCE (DEFICIT) - Beginning of Year			(37,901)
FUND BALANCE (DEFICIT) - END OF YEAR			$ (48,721)

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - SANITARY SEWER CONSTRUCTION FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Sewer benefit taxes	$ 1,366,000	$ 1,366,000	$ 1,277,418
Licenses, fines, and service charges	3,750	6,000	6,000
Investment income	500	6,000	16,818
Total Revenues	1,370,250	1,378,000	1,300,236
EXPENDITURES			
Highways and Streets			
Contractual services	149,480	114,480	76,194
Total highways and streets	149,480	114,480	76,194
Capital Outlay	400,000	435,000	431,087
Total Expenditures	549,480	549,480	507,281
Excess of revenues over expenditures	820,770	828,520	792,955
OTHER FINANCING USES			
Transfers out	(747,856)	(747,856)	(747,856)
Total Other Financing Uses	(747,856)	(747,856)	(747,856)
Net Change in Fund Balance	$ 72,914	$ 80,664	45,099
FUND BALANCE - Beginning of Year			669,242
FUND BALANCE - END OF YEAR			$ 714,341

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BONEYARD IMPROVEMENT FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Investment income	$ -	$ 20	$ 20
Total Revenues	-	20	20
EXPENDITURES			
Capital Outlay	-	2,455	2,455
Total Expenditures	-	2,455	2,455
Net Change in Fund Balance	$ -	$ (2,435)	(2,435)
FUND BALANCE - Beginning of Year			2,435
FUND BALANCE - END OF YEAR			$ -

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, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Intergovernmental	$ 1,185,000	$ 5,256,064	$ 1,645,370
Licenses, fines, and service charges	1,458,000	2,288,908	1,449,824
Investment income	3,609	23,400	71,894
Miscellaneous	5,000	17,729	12,741
Total Revenues	2,651,609	7,586,101	3,179,829
EXPENDITURES			
Highways and Streets			
Contractual services	539,655	1,029,347	468,713
Total highways and streets	539,655	1,029,347	468,713
Capital Outlay	2,043,000	9,625,494	4,021,192
Debt Service			
Principal	265,000	265,000	265,000
Interest and fiscal charges	41,003	41,003	40,274
Total debt service	306,003	306,003	305,274
Total Expenditures	2,888,658	10,960,844	4,795,179
Excess (deficiency) of revenues over (under) expenditures	(237,049)	(3,374,743)	(1,615,350)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,453,950	1,616,046	1,298,996
Transfers out	(971,217)	(1,037,742)	(709,414)
Total Other Financing Sources (Uses)	482,733	578,304	589,582
Net Change in Fund Balance	$ 245,684	$ (2,796,439)	(1,025,768)
FUND BALANCE - Beginning of Year			4,298,697
FUND BALANCE - END OF YEAR			$ 3,272,929

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, 2016

	Budgeted Amounts		
	Original	Final	Actual
REVENUES			
Intergovernmental	$ 1,854,350	$ 2,191,954	$ 1,361,958
Investment income	2,569	20,000	56,089
Total Revenues	1,856,919	2,211,954	1,418,047
EXPENDITURES			
Capital Outlay	2,240,000	3,593,538	1,235,421
Total Expenditures	2,240,000	3,593,538	1,235,421
Net Change in Fund Balance	$ (383,081)	$ (1,381,584)	182,626
FUND BALANCE - Beginning of Year			1,901,273
FUND BALANCE - END OF YEAR			$ 2,083,899

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
MOTOR VEHICLE PARKING FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
OPERATING REVENUES			
Parking meters	$ 962,825	$ 1,093,560	$ 1,081,947
Parking rentals	307,642	274,614	275,428
Total Operating Revenues	1,270,467	1,368,174	1,357,375
OPERATING EXPENSES			
Personnel	194,224	194,224	204,887
Supplies	69,584	69,434	55,541
Contractural services	377,155	1,325,180	211,374
Depreciation	-	-	203,518
Total Operating Expenses	640,963	1,588,838	675,320
Operating Income (Loss)	629,504	(220,664)	682,055
NON-OPERATING REVENUES (EXPENSES)			
Investment income	-	24,000	65,873
Interest expense	(3,826)	(3,826)	(3,826)
Total Non-Operating Revenues (Expenses)	(3,826)	20,174	62,047
Net Income Before Transfers	625,678	(200,490)	744,102
TRANSFERS			
Transfers out	(800,753)	(800,753)	(800,753)
Net Transfers	(800,753)	(800,753)	(800,753)
Change in net position	$ (175,075)	$ (1,001,243)	(56,651)
NET POSITION - Beginning of Year			8,151,903
NET POSITION - END OF YEAR			$ 8,095,252

CITY OF URBANA

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
EQUIPMENT SERVICES FUND
For the Year Ended June 30, 2016

	Budgeted Amounts		
	Original	Final	Actual
OPERATING REVENUES			
Charges for services	$ 1,226,940	$ 1,058,870	$ 928,004
Total Operating Revenues	1,226,940	1,058,870	928,004
OPERATING EXPENSES			
Personnel	385,180	400,292	436,336
Supplies	56,808	59,948	11,451
Contractural services	137,412	163,912	133,471
Equipment parts	210,000	231,465	204,135
Fuel	375,000	200,000	155,155
Depreciation	-	-	11,665
Total Operating Expenses	1,164,400	1,055,617	952,213
Operating Loss	62,540	3,253	(24,209)
NON-OPERATING REVENUES			
Investment income	50	800	1,884
Total Non-Operating Revenues	50	800	1,884
Change in net position	$ 62,590	$ 4,053	(22,325)
NET POSITION - Beginning of Year			153,878
NET POSITION - END OF YEAR			$ 131,553

CITY OF URBANA

COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS
As of June 30, 2016

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash	$ 1,102,156	$ 585,798	$ 1,687,954
Investments			
Certificates of deposit	-	2,379,788	2,379,788
Money market funds	-	85,112	85,112
U.S. Government and agency securities	8,052,611	11,734,882	19,787,493
Mutual funds	16,434,370	25,516,925	41,951,295
Domestic common stocks	5,594,839	-	5,594,839
Corporate bonds	3,359,959	1,118,184	4,478,143
Municipal bonds	364,286	319,233	683,519
Receivables			
Accrued interest	73,143	28,800	101,943
Total Assets	34,981,364	41,768,722	76,750,086
LIABILITIES			
Accounts payable	18,923	63,552	82,475
Total Liabilities	18,923	63,552	82,475
NET POSITION			
Restricted for pensions	$ 34,962,441	$ 41,705,170	$ 76,667,611

CITY OF URBANA

COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS
For the Year Ended June 30, 2016

	Police Pension	Firefighters' Pension	Totals
ADDITIONS			
Contributions			
Employer contributions	$ 1,396,843	$ 1,038,747	$ 2,435,590
Employee contributions	444,105	402,718	846,823
Total Contributions	1,840,948	1,441,465	3,282,413
Investment income			
Investment income	767,779	1,553,034	2,320,813
Net appreciation in fair value of investments	284,069	(1,223,889)	(939,820)
Total Investment Income	1,051,848	329,145	1,380,993
Less Investment expense	190,470	15,759	206,229
Net Investment Income	861,378	313,386	1,174,764
Total Additions	2,702,326	1,754,851	4,457,177
DEDUCTIONS			
Benefits	2,193,319	2,201,873	4,395,192
Transfers and refunds of service credits	2,913	-	2,913
Administrative costs	60,788	43,824	104,612
Total Deductions	2,257,020	2,245,697	4,502,717
Change in Net Position	445,306	(490,846)	(45,540)
NET POSITION - Beginning of Year	34,517,135	42,196,016	76,713,151
NET POSITION - END OF YEAR	$ 34,962,441	$ 41,705,170	$ 76,667,611

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.

Contents **Page**

Financial Trends 127 - 131

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 132 - 135

These schedules contain information to help the reader assess the City's most significant local revenue source.

Debt Capacity 136 - 141

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.

Demographic and Economic Information 142 - 144

These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place.

Operating Information 145 - 146

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.

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)

	2007	2008	2009	2010	2011	2012	2013*	2014**	2015	2016
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	$ 69,988	$ 74,059	$ 77,101	$ 79,853	$ 81,466	$ 87,036	$ 83,380	$ 86,212	$ 90,695	$ 90,099
Restricted	11,098	11,907	12,905	14,164	13,603	9,781	20,107	8,366	8,236	8,501
Unrestricted	24,519	25,637	24,615	21,977	22,085	27,336	25,589	291	1,985	3,832
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	$ 105,605	$ 111,603	$ 114,621	$ 115,994	$ 117,154	$ 124,153	$ 129,076	$ 94,869	$ 100,916	$ 102,432
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	$ 5,025	$ 4,893	$ 5,017	$ 5,458	$ 5,609	$ 5,778	$ 6,248	$ 5,953	$ 5,801	$ 5,883
Unrestricted	2,425	3,399	3,571	3,189	3,048	2,970	2,353	2,295	2,357	2,217
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	$ 7,450	$ 8,292	$ 8,588	$ 8,647	$ 8,657	$ 8,748	$ 8,601	$ 8,248	$ 8,158	$ 8,100
PRIMARY GOVERNMENT										
Net investment in capital assets	$ 75,013	$ 78,952	$ 82,118	$ 85,311	$ 87,075	$ 92,814	$ 89,628	$ 92,165	$ 96,496	$ 95,982
Restricted	11,098	11,907	12,905	14,164	13,603	9,781	20,107	8,366	8,236	8,501
Unrestricted	26,944	29,036	28,186	25,166	25,133	30,306	27,942	2,586	4,342	6,049
TOTAL PRIMARY GOVERNMENT	$ 113,055	$ 119,895	$ 123,209	$ 124,641	$ 125,811	$ 132,901	$ 137,677	$ 103,117	$ 109,074	$ 110,532

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

* Restated

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

CITY OF URBANA, ILLINOIS

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

	2007	2008	2009	2010	2011	2012	2013 [a]	2014 [b, e]	2015	2016
EXPENSES										
Governmental activities										
Public safety	$ 11,982	$ 12,536	$ 14,151	$ 14,368	$ 14,644	$ 15,116	$ 16,090	$ 15,967	$ 17,483	$ 18,899
Highways and streets	9,411	9,728	10,591	10,956	10,980	10,376	11,527	12,386	11,892	14,348
General government	3,109	3,019	3,264	3,376	3,395	3,457	3,654	4,900	5,093	4,850
Urban redevelopment and housing	5,903	5,480	5,561	5,790	6,647	6,737	5,969	17,507	4,825	5,652
Interest on long-term debt	-	-	-	-	-	-	-	98	136	122
Library Services [d]	3,103	3,298	3,641	3,693	3,582	3,844	-	-		
Total governmental activities expenses	33,508	34,061	37,208	38,183	39,248	39,530	37,240	50,858	39,429	43,871
Business-type activities										
Motor vehicle parking	655	668	715	747	758	698	735	717	675	681
Total business-type activities expenses	655	668	715	747	758	698	735	717	675	681
TOTAL PRIMARY GOVERNMENT EXPENSES	$ 34,163	$ 34,729	$ 37,923	$ 38,930	$ 40,006	$ 40,228	$ 37,975	$ 51,575	$ 40,104	$ 44,552
PROGRAM REVENUES										
Governmental activities										
Charges for services										
Public safety	$ 2,315	$ 3,847	$ 3,089	$ 2,717	$ 2,763	$ 2,883	$ 2,988	$ 3,182	$ 3,796	$ 3,346
Highways and streets	1,559	2,292	1,955	1,742	1,748	1,783	1,833	3,237	3,414	3,547
Other activities [c, d]	1,292	1,938	1,405	1,217	1,278	1,941	1,071	-	-	-
General government [c]	-	-	-	-	-	-	-	179	200	247
Urban redevelopment and housing [c]	-	-	-	-	-	-	-	1,080	1,308	1,551
Operating grants and contributions	1,837	1,720	1,797	2,200	1,799	1,826	2,430	1,859	2,818	2,041
Capital grants and contributions	22	46	252	1,998	1,874	6,200	3,890	4,434	2,010	1,245
Total governmental activities program revenues	7,025	9,843	8,498	9,874	9,462	14,633	12,212	13,971	13,546	11,977
Business-type activities program revenues										
Charges for services - motor vehicle parking	1,076	1,104	1,101	1,034	1,107	1,102	1,183	1,121	1,310	1,357
Total business-type activities program revenues	1,076	1,104	1,101	1,034	1,107	1,102	1,183	1,121	1,310	1,357
TOTAL PRIMARY GOVERNMENT										
PROGRAM REVENUES	$ 8,101	$ 10,947	$ 9,599	$ 10,908	$ 10,569	$ 15,735	$ 13,395	$ 15,092	$ 14,856	$ 13,334
NET REVENUE (EXPENSE)										
Governmental activities	$ (26,483)	$ (24,218)	$ (28,710)	$ (28,309)	$ (29,786)	$ (24,897)	$ (25,028)	$ (36,887)	$ (25,883)	$ (31,894)
Business-type activities	421	436	386	287	349	404	448	404	635	676
TOTAL PRIMARY GOVERNMENT										
NET REVENUE (EXPENSE)	$ (26,062)	$ (23,782)	$ (28,324)	$ (28,022)	$ (29,437)	$ (24,493)	$ (24,580)	$ (36,483)	$ (25,248)	$ (31,218)

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)

	2007	2008	2009	2010	2011	2012	2013 [a]	2014 [b, e]	2015	2016
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities										
Property taxes	$ 9,087	$ 9,430	$ 10,968	$ 10,401	$ 11,614	$ 10,583	$ 8,674	$ 7,901	$ 7,179	$ 8,778
Utility taxes	3,832	3,757	3,832	3,694	3,865	3,965	4,093	4,161	3,938	3,792
State and local sales taxes	8,094	8,836	8,736	8,422	9,070	9,791	10,170	10,902	11,494	12,277
Other taxes	1,551	1,551	1,530	1,660	1,801	2,128	2,211	2,332	2,203	2,292
Other intergovernmental	5,300	5,311	5,422	3,859	3,734	4,109	3,874	4,327	4,724	4,642
Investment income	1,712	1,487	954	1,152	418	769	(417)	562	458	745
Miscellaneous	87	88	86	144	47	44	71	55	1,157	83
Transfers	500	(245)	201	350	396	508	581	777	777	801
Total governmental activities	30,163	30,215	31,729	29,682	30,945	31,897	29,257	31,017	31,930	33,410
Business-type activities										
Investment income	136	161	111	122	58	94	(14)	54	50	66
Miscellaneous	-	-	-	-	-	100	-	-	3	-
Transfers	(500)	245	(201)	(350)	(396)	(508)	(581)	(777)	(777)	(801)
Total business-type activities	(364)	406	(90)	(228)	(338)	(314)	(595)	(723)	(724)	(735)
TOTAL PRIMARY GOVERNMENT	$ 29,799	$ 30,621	$ 31,639	$ 29,454	$ 30,607	$ 31,583	$ 28,662	$ 30,294	$ 31,206	$ 32,675
CHANGE IN NET POSITION										
Governmental activities	$ 3,680	$ 5,997	$ 3,019	$ 1,373	$ 1,159	$ 7,000	$ 4,229	$ (5,870)	$ 6,047	$ 1,516
Business-type activities	57	842	296	59	11	90	(147)	(319)	(89)	(59)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	$ 3,737	$ 6,839	$ 3,315	$ 1,432	$ 1,170	$ 7,090	$ 4,082	$ (6,189)	$ 5,958	$ 1,457

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

[a] Restated

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

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

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

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

CITY OF URBANA, ILLINOIS

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

	2007	2008	2009	2010	2011	2012	2013*	2014	2015	2016
GENERAL FUND										
Nonspendable										
Prepaid items	$ 287	$ 352	$ 324	$ 300	$ 371	$ 390	$ 418	$ 217	$ 182	$ 103
Unrestricted										
Unassigned / unreserved	5,850	6,035	6,904	6,018	4,715	5,830	4,645	8,894	11,362	15,594
TOTAL GENERAL FUND	$ 6,137	$ 6,387	$ 7,228	$ 6,318	$ 5,086	$ 6,220	$ 5,063	$ 9,111	$ 11,544	$ 15,697
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable										
Prepaid items	$ 79	$ 84	$ 36	$ 34	$ 29	$ 28	$ 20	$ 14	$ -	$ -
Restricted										
Library services	1,581	1,733	1,766	1,860	2,080	2,108	2,127	-	-	-
Urban redevelopment and housing	6,620	7,726	8,603	9,443	7,974	5,959	5,875	4,476	5,252	5,224
Public safety	-	-	-	-	-	-	-	20	47	56
Highways and streets	-	-	-	-	-	-	-	-	886	1,032
Capital projects	2,532	2,012	2,177	2,530	3,549	3,823	4,731	3,869	3,367	2,621
Unrestricted										
Committed										
Other purposes	411	346	670	484	205	293	783	-	-	-
Urban redevelopment and housing	2,030	1,884	591	521	683	600	388	-	-	-
Highways and streets	-	-	-	-	473	2,599	3,406	674	-	-
Workers' compensation	3,214	3,521	3,329	3,114	2,820	2,956	2,942	-	-	-
Capital projects	7,916	8,028	7,008	5,298	5,601	4,639	4,529	610	669	714
Assigned										
Public safety	-	-	-	-	-	-	-	5,190	5,314	6,703
Urban redevelopment and housing	-	-	-	-	-	-	-	539	451	116
Social services	-	-	-	-	-	-	-	13	35	36
Workers' compensation	-	-	-	-	-	-	-	2,998	2,760	2,730
Public television	-	-	-	-	-	-	-	27	30	24
Capital projects	-	-	-	-	-	-	-	3,473	2,836	2,736
Unassigned (deficit)	-	-	-	-	-	-	-	(388)	(443)	(96)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	$ 24,383	$ 25,334	$ 24,180	$ 23,284	$ 23,414	$ 23,005	$ 24,801	$ 21,515	$ 21,204	$ 21,896
TOTAL ALL GOVERNMENTAL FUNDS	$ 30,520	$ 31,721	$ 31,408	$ 29,602	$ 28,500	$ 29,225	$ 29,864	$ 30,626	$ 32,748	$ 37,593

* Restated

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

CITY OF URBANA, ILLINOIS

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

	2007	2008	2009	2010	2011	2012	2013*	2014**	2015	2016
REVENUES										
Property taxes	$ 8,830	$ 9,258	$ 10,560	$ 10,533	$ 11,768	$ 10,522	$ 8,673	$ 7,901	$ 7,179	$ 8,778
Other taxes	13,477	14,143	14,097	13,776	14,736	15,884	16,475	10,863	11,009	11,308
Intergovernmental	8,602	8,598	9,110	9,973	9,188	13,827	12,422	18,595	18,490	17,922
Investment income	1,712	1,479	953	1,152	418	769	(417)	562	458	26
Licenses, fines and service charges	3,723	6,556	4,811	3,761	4,009	4,920	4,023	5,802	6,213	6,447
Miscellaneous	82	93	85	139	45	46	-	56	1,157	743
Total revenues	36,426	40,127	39,616	39,334	40,164	45,968	41,176	43,779	44,506	45,224
EXPENDITURES										
Public safety	12,489	13,113	14,011	14,552	14,899	15,212	16,097	16,422	16,345	16,046
Highways and streets	6,494	6,729	7,716	8,104	7,900	7,132	7,850	8,097	7,826	8,068
General government	3,078	2,942	3,078	3,273	3,349	3,334	3,704	4,895	4,666	4,197
Urban redevelopment and housing	5,886	5,463	5,468	5,755	6,628	6,675	5,946	17,413	4,970	5,534
Library services	2,980	3,118	3,379	3,507	3,427	3,598	-	-	-	-
Debt service										
Principal	-	-	-	-	-	-	-	815	1,115	1,105
Interest and fiscal charges	-	-	-	-	-	-	-	60	141	128
Capital outlay	5,813	7,315	6,479	6,299	5,459	9,800	9,887	13,434	10,898	6,452
Total expenditures	36,740	38,680	40,131	41,490	41,662	45,751	43,484	61,136	45,961	41,530
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(314)	1,447	(515)	(2,156)	(1,498)	217	(2,308)	(17,357)	(1,455)	3,694
OTHER FINANCING SOURCES (USES)										
Transfers in (out)	500	(245)	201	350	396	508	205	777	777	801
Bond proceeds	-	-	-	-	-	-	3,800	4,000	2,800	350
Total other financing sources (uses)	500	(245)	201	350	396	508	4,005	4,777	3,577	1,151
NET CHANGES IN FUND BALANCES	$ 186	$ 1,202	$ (314)	$ (1,806)	$ (1,102)	$ 725	$ 1,697	$ (12,580)	$ 2,122	$ 4,845
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	3.5%	2.6%

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

* Restated

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

CITY OF URBANA, ILLINOIS

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

Levy Year	Residential Property	Commercial Property	Total Taxable Assessed Value (a)	Total Direct Tax Rate (b)	Estimated Actual Taxable Value	Assessed Value as % of Actual Value	Percentage Change
2006	$ 298,445,597	$ 207,230,391	$ 505,675,988	0.01312	$ 1,517,027,964	33%	7.8%
2007	325,902,257	216,421,955	542,324,212	0.01294	1,626,972,636	33%	7.2%
2008	339,924,357	240,170,456	580,094,813	0.01294	1,740,284,439	33%	7.0%
2009	345,226,107	246,662,888	591,888,995	0.01294	1,775,666,985	33%	2.0%
2010	350,754,767	245,020,899	595,775,666	0.01294	1,787,326,998	33%	0.7%
2011	340,386,247	244,199,112	584,585,359	0.01319	1,753,756,077	33%	-1.9%
2012	329,368,177	239,673,992	569,042,169	0.01355	1,707,126,507	33%	-2.7%
2013	326,003,623	194,489,301	520,492,924	0.01355	1,561,478,772	33%	-8.5%
2014	321,888,953	201,494,560	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%

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.

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

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

CITY OF URBANA, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Levy Years
(Tax Rates per $100 Assessed Valuation)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City of Urbana:										
Library	0.4822	0.4752	0.4853	0.4998	0.4927	0.5089	0.5347	0.5608	0.5577	0.5728
General	0.3357	0.3472	0.3312	0.2735	0.2339	0.2454	0.1998	0.1492	0.3081	0.3989
Police Pension	0.2921	0.3034	0.2704	0.2964	0.3266	0.3328	0.3689	0.3928	0.2842	0.2127
Fire Pension	0.1842	0.1684	0.2073	0.2245	0.2410	0.2319	0.2516	0.2522	0.1962	0.1706
Total City of Urbana:	1.2942	1.2942	1.2942	1.2942	1.2942	1.3190	1.3550	1.3550	1.3462	1.3550
School District	4.3377	4.2880	4.3507	4.3178	4.4083	4.5983	4.9537	5.7630	5.8637	5.9828
Champaign County	0.7616	0.7389	0.7426	0.7487	0.7688	0.7841	0.8138	0.8511	0.8636	0.8672
Park District	0.7066	0.6961	0.6962	0.8354	0.8586	0.9526	1.0115	1.1816	1.2013	1.2214
Parkland College	0.4720	0.4688	0.5115	0.5082	0.5064	0.5120	0.5191	0.5253	0.5259	0.5460
Mass Transit	0.2592	0.2544	0.2575	0.2619	0.2725	0.2831	0.2966	0.3198	0.3282	0.3332
Cunningham Town	0.1919	0.1917	0.1875	0.1885	0.1942	0.2030	0.2164	0.2472	0.2488	0.2154
Public Health	0.1060	0.1049	0.1052	0.1071	0.1075	0.1102	0.1163	0.1259	0.1290	0.1307
Forest Preserve	0.0800	0.0779	0.0783	0.0790	0.0817	0.0843	0.0880	0.0931	0.0944	0.0947
Total	8.2092	8.1149	8.2237	8.3408	8.4922	8.8466	9.3704	10.4620	10.6011	10.7464

Source: Champaign County Clerk

CITY OF URBANA, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	At Fiscal Year End June 30, 2016 Equalized Assessed Value	Rank	Percentage of Total City Equalized Assessed Value	At Fiscal Year End June 30, 2007 Equalized Assessed Value	Rank	Percentage of Total City Equalized Assessed Value
The Scion Group (One Illinois) LLC	$ 11,180,350	1	2.14%			
MIMG XLV Town and Country Apartments	8,602,640	2	1.65%	$ 6,216,790	5	1.23%
Tekton Group (Lincoln Melrose)	5,869,600	3	1.12%	6,599,780	4	1.31%
Campus Property Management	4,896,620	4	0.94%	12,958,610	3	2.56%
Amber Apartment LLC	4,364,270	5	0.84%			
Supervalu Inc	4,148,200	6	0.79%	4,291,220	9	0.85%
Carle Foundation	3,827,320	7	0.73%	39,531,730	1	7.82%
Clark Lindsey Village	3,765,360	8	0.72%	4,579,440	7	0.91%
Walmart Property	3,682,380	9	0.70%	4,595,720	6	0.91%
Meijer Inc	3,143,880	10	0.60%			
Provena Covenant / Presence				18,595,180	2	3.68%
Flex-N-Gate				3,980,520	10	0.79%
Urbana Associates (Capstone)				4,309,550	8	0.85%
Total	$ 53,480,620		10.23%	$ 105,658,540		20.91%
Total Urbana EAV	$ 522,642,560			$ 505,675,988		

Source: Champaign County Clerk

CITY OF URBANA, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Levy Years

Tax Levy Year	Total Tax Levy Extended	Collections in Fiscal Year	Levy Collected In Fiscal Year	Percent of Collections Subsequent Years	Total Tax Collections	Percent of Levy Collected
2006	$ 6,544,459	$ 3,347,995	51.16%	3,170,172	$ 6,518,167	99.60%
2007	7,018,760	3,509,185	50.00%	3,498,762	7,007,947	99.85%
2008	7,507,666	3,786,555	50.44%	3,721,111	7,507,666	100.00%
2009	7,660,227	3,869,925	50.52%	3,768,393	7,638,318	99.71%
2010	7,710,529	3,949,073	51.22%	3,735,508	7,684,581	99.66%
2011	7,710,681	4,039,136	52.38%	3,626,140	7,665,276	99.41%
2012	7,710,681	3,574,872	46.36%	3,268,227	6,843,099	88.75%
2013	7,052,679	3,768,460	53.43%	3,248,843	7,017,303	99.50%
2014	7,045,789	3,738,041	53.05%	3,284,566	7,022,607	99.67%
2015	7,081,807	3,719,966	52.53%	-	3,719,966	52.53%

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

	Governmental Activities		Business-Type Activities				
Fiscal Year	General Obligation Bonds	Loans Payable	Parking Bonds	Alternate Revenue Note	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2007	$ -	$ -	$ 780,000	$ 143,102	$ 923,102	0.08%	$ 25
2008	-	-	675,000	133,981	808,981	0.07%	21
2009	-	-	560,000	124,039	684,039	0.05%	17
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

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

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

CITY OF URBANA, ILLINOIS

RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Loans Payable	Total	Percentage of Actual Taxable Value of Property	Per Capita
2007	$ -	$ -	$ -	0.0%	$ -
2008	-	-	-	0.0%	-
2009	-	-	-	0.0%	-
2010	-	-	-	0.0%	-
2011	-	-	-	0.0%	-
2012	-	-	-	0.0%	-
2013	3,800,000	-	3,800,000	0.7%	91
2014	6,985,000	-	6,985,000	1.3%	167
2015	8,670,000	-	8,670,000	1.7%	206
2016	7,565,000	350,000	7,915,000	1.5%	187

Note:

Revenue and special assessment debt not included. Details regarding the City's outstanding debt can be found in the notes to the financial statements. Population can be found in the schedule of Demographic and Economic Statistics on page 142. Information on taxable value can be found in the schedule of Assessed Value and Actual Value of Taxable Property.

CITY OF URBANA, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt (1)
Overlapping debt			
Debt repaid with property taxes			
School District	$ 40,215,000	86%	$ 34,560,113
Champaign County	37,202,490	15%	5,400,078
Forest Preserve	450,000	14%	64,950
Parkland College	60,705,000	11%	6,375,241
C-U Health District	1,057,022	26%	277,487
C-U Mass Transit District	-	23%	-
Urbana Park District	13,227,905	99%	13,139,566
Subtotal, overlapping debt			59,817,435
City of Urbana direct debt			7,915,000
Total direct and overlapping debt			$ 67,732,435

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, 2016

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 form ad valorem property tax receipts, only in excess of the following percentages of the essential value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing amounts."

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

CITY OF URBANA, ILLINOIS

REVENUE SUPPORTED BOND COVERAGE
Last Ten Fiscal Years

Fiscal Year	(1) Revenue	(2) Expense	Available for Debt Service	Principal	Interest
2007	$ 1,211,998	$ 848,705	$ 363,293	$ 103,368	$ 41,826
2008	1,509,482	358,637	1,150,845	114,121	38,939
2009	1,211,586	608,863	602,723	124,942	34,782
2010	1,156,006	791,490	364,516	135,836	28,665
2011	1,164,927	852,367	312,560	146,812	25,487
2012	1,296,430	915,776	380,654	157,875	19,888
2013	1,168,929	1,019,366	149,563	169,034	13,639
2014	1,175,554	1,502,068	(326,514)	15,296	6,703
2015	1,362,919	1,450,809	(87,890)	16,673	5,327
2016	1,423,248	1,272,555	150,693	18,174	3,826

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

(1) Revenues include operating revenues, interest, other income, and operating transfers in.

(2) Total expenses exclusive of interest and depreciation, including transfers out.

(3) Net revenues available for debt service divided by debt service payments.

	Total	(3) Coverage
$	145,194	250%
	153,060	752%
	159,724	377%
	164,501	222%
	172,299	181%
	177,763	214%
	182,673	82%
	21,999	-1484%
	22,000	-400%
	22,000	685%

CITY OF URBANA, ILLINOIS

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	(1) Population	(2) Personal Income *(thousands of dollars)*	(2) Per Capita Personal Income	(1) Median Age	(3) Education Level in Years of Formal Schooling	(4) School Enrollment	(5) Unemployment Rate
2007	37,090	$ 1,206,723	$ 32,535	24.6	13.5	4,088	3.9%
2008	38,130	1,299,852	34,090	24.6	13.5	4,141	5.6%
2009	39,170	1,423,242	36,335	24.0	14.1	4,155	8.7%
2010	40,210	1,440,483	35,824	24.0	14.1	4,206	10.4%
2011	41,440	1,544,303	37,266	24.0	14.1	4,242	8.6%
2012	41,511	1,576,859	37,461	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%

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

	2016			2007		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
University of Illinois	10,349	1	9.4%	10,924	1	17.6%
Carle Group	5,623	2	5.1%	5,018	2	4.3%
Champaign Schools	1,814	3	1.6%	1,378	3	1.4%
Kraft Foods	1,350	4	1.2%	1,340	4	1.1%
Parkland College	950	5	0.9%	1,200	5	1.0%
Champaign County	910	6	0.8%	887	7	0.8%
Urbana Schools	832	7	0.8%	720	8	0.6%
Plastipak	810	8	0.7%			
Presence Covenant Medical Center	774	9	0.7%	1,200	6	1.0%
Christie Clinic	750	10	0.7%			
Solo Cup				700	9	0.6%
Super Value				625	10	0.5%
Total	24,162		22.0%	23,992		28.9%

Sources: Champaign County Economic Development Corporation.

CITY OF URBANA, ILLINOIS

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police safety										
Sworn	55.0	55.0	55.0	55.0	55.0	55.0	54.0	55.0	55.0	55.0
Civilian	21.0	22.0	22.0	22.0	22.0	22.0	22.0	17.8	17.3	17.0
Fire safety										
Sworn	57.0	57.0	57.0	57.0	56.0	57.0	57.0	57.0	57.0	57.0
Civilian	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5
Highways and Streets										
Administration	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0
Maintenance	31.5	32.5	32.5	32.5	29.5	32.5	32.5	32.7	29.0	28.5
Engineering	12.5	12.5	12.5	13.5	13.5	13.5	13.5	13.9	12.3	11.3
Fleet	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.1	4.1
Arbor	13.0	13.0	13.0	13.0	13.0	13.0	13.0	14.8	15.0	15.0
Facilities	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.8	8.8	8.3
Environmental	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
General Government										
Administration	4.5	4.5	4.5	4.5	3.5	3.5	3.5	3.5	3.5	3.5
Legal	4.0	5.0	5.0	5.0	4.0	4.0	4.0	5.0	5.0	5.0
Human resources	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Human relations	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Finance	8.0	8.0	8.0	8.0	8.0	8.0	11.8	12.0	12.0	12.5
Information technology	11.0	11.0	11.0	11.0	11.0	11.0	10.0	10.3	11.3	10.9
City clerk	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Urban Redevelopment and Housing										
Planning	6.5	7.5	7.5	7.5	6.5	7.5	7.5	7.3	7.3	5.8
Economic development	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.8	5.8	5.8
Building safety	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.8	8.8	9.8
Housing	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.0	4.0	3.7
Total	272.0	276.0	276.0	277.0	270.0	275.0	276.8	277.4	273.0	270.1

Source: City Finance Department

CITY OF URBANA, ILLINOIS

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police Department										
Arrests	7,281	7,227	7,442	7,251	6,146	6,170	5,956	6,895	6,830	6,233
Service calls	20,479	21,480	21,967	20,964	20,066	20,646	20,100	20,487	19,397	17,418
Reports written	7,740	6,277	7,163	7,119	7,083	7,304	7,108	7,701	7,411	6,856
Parking tickets issued	46,186	42,772	35,143	33,601	24,436	24,666	22,744	21,823	22,439	16,382
Fire Department										
Fires	*	175	194	172	186	291	258	207	188	217
Overpressure, explosion, overheat	*	7	12	11	8	13	5	13	13	10
Rescue EMS	*	2,126	2,134	2,141	2,285	2,325	2,412	2,713	2,556	2,618
Hazardous condition	*	171	221	217	253	239	248	257	220	223
Service call	*	332	343	434	456	467	560	679	737	598
Good intent	*	478	452	475	434	430	380	486	464	407
False alarm or false call	*	1,111	1,097	1,072	1,004	1,000	1,064	1,065	1,002	1,046
Severe weather or natural disaster	*	6	-	2	4	5	2	5	3	2
Special incident	*	4	3	4	5	2	4	2	3	-
Uncoded	*	75	-	-	-	-	-	-	-	-
Inspections:										
Fire/CD combined	**	**	**	**	**	**	39	-	-	-
Certified housing	**	**	**	**	**	**	18	23	23	42
Commercial	**	**	**	**	**	**	842	1,037	1,056	848
Hotel/Motel	**	**	**	**	**	**	**	**	**	7
Multi family	**	**	**	**	**	**	252	333	355	384
Residential	**	**	**	**	**	**	49	23	31	23
U of I fire inspection	**	**	**	**	**	**	44	70	72	69
Highways and Streets										
Street resurfacing (sq. yard asphalt and concrete)	74,000	41,000	37,550	48,182	62,010	63,248	129,271	137,354	73,142	47,216
Recycling, tons of waste collected (1000's)										
Non-landscape	6.0	6.2	7.8	7.3	8.6	8.8	9.6	0.5	10.0	5.7
Landscape	13.5	14.5	19.0	20.3	16.9	21.9	17.9	17.3	16.5	10
General Government										
Licenses/permits processed	799	810	793	792	833	877	992	1,035	1,044	1,018
Parking rentals and permits	1,947	1,917	1,827	1,837	1,815	1,815	1,762	1,575	1,621	1,542
Urban Redevelopment and Housing										
Permits issued	1,982	1,852	1,642	1,627	1,456	1,513	1,346	1,610	1,417	1,472
Zoning/planning cases	86	59	76	54	51	75	43	85	91	77

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Highways and Streets										
Area City (sq. mi.)	11.6	11.6	11.7	11.9	11.9	11.9	11.9	11.9	11.9	11.9
Miles streets	141.2	141.6	144.6	145.5	145.5	143.8	143.8	143.8	143.8	138.4
Miles sewers	222.1	225.7	235.6	237.3	241.0	241.9	243.0	243.8	244.7	244.3
Street lights	3,469	3,569	3,569	3,619	3,659	3,688	3,651	3,768	3,781	3,791
City trees	12,550	12,580	12,610	12,640	12,670	12,700	11,572	11,479	11,165	10,793

Source: Various city departments.