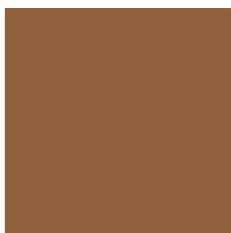
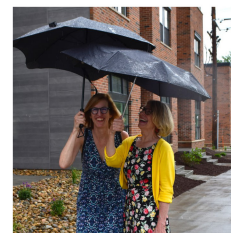




ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Urbana, Illinois

For the Fiscal Year Ended June 30, 2023



CITY OF URBANA, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by:
Finance Department

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Principal Officials	<u>1</u>
Organizational Chart	<u>2</u>
Letter of Transmittal	<u>3</u>
GFOA Certificate of Achievement for Excellence in Financial Reporting	<u>8</u>

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	<u>11</u>
-------------------------------------	---------------------------

MANAGEMENT'S DISCUSSION AND ANALYSIS	<u>14</u>
---	---------------------------

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements	
Statement of Net Position	<u>27</u>
Statement of Activities	<u>29</u>
Fund Financial Statements	
Balance Sheet - Governmental Funds	<u>31</u>
Reconciliation of Total Governmental Fund Balance to the	
Statement of Net Position - Governmental Activities	<u>33</u>
Statement of Revenues, Expenditures and Changes in	
Fund Balances - Governmental Funds	<u>35</u>
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances to the Statement of Activities - Governmental Activities	<u>37</u>
Statement of Net Position - Proprietary Funds	<u>39</u>
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	<u>41</u>
Statement of Cash Flows - Proprietary	<u>42</u>
Statement of Fiduciary Net Position	<u>43</u>
Statement of Changes in Fiduciary Net Position	<u>44</u>
Notes to Financial Statements	<u>45</u>

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	<u>91</u>
Police Pension Fund	<u>92</u>
Firefighters' Pension Fund	<u>93</u>
Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund	<u>94</u>
Police Pension Fund	<u>96</u>
Firefighters' Pension Fund	<u>98</u>

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

REQUIRED SUPPLEMENTARY INFORMATION - Continued

Schedule of Investment Returns	
Police Pension Fund	<u>100</u>
Firefighters' Pension Fund	<u>101</u>
Schedule of Changes in the Employer's Total OPEB Liability	
Retiree Benefit Plan	<u>102</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	<u>104</u>
American Rescue Plan - Special Revenue Fund	<u>105</u>
Motor Fuel Tax - Special Revenue Fund	<u>106</u>

OTHER SUPPLEMENTARY INFORMATION

Schedule of Revenues - Budget and Actual - General Fund	<u>112</u>
Schedule of Expenditures - Budget and Actual - General Fund	<u>113</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Vehicle and Equipment Replacement - Special Revenue Fund	<u>115</u>
Capital Improvement and Replacement - Special Revenue Fund	<u>116</u>
Combining Balance Sheet - Nonmajor Governmental Funds	<u>117</u>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental Funds	<u>118</u>
Combining Balance Sheet - Nonmajor Governmental - Special Revenue Funds	<u>119</u>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental - Special Revenue Funds	<u>121</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Police Special - Special Revenue Fund	<u>123</u>
Farmer's Market - Special Revenue Fund	<u>124</u>
Community Development Special - Special Revenue Fund	<u>125</u>
Community Development Grants - Special Revenue Fund	<u>126</u>
TIF #2 - Special Revenue Fund	<u>127</u>
TIF #4 - Special Revenue Fund	<u>128</u>
Central TIF - Special Revenue Fund	<u>129</u>
Post TIF Closure - Special Revenue Fund	<u>130</u>
Recycling - Special Revenue Fund	<u>131</u>
Cable TV PEG - Special Revenue Fund	<u>132</u>
Arms Programming - Special Revenue Fund	<u>133</u>
General Reserve - Special Revenue Fund	<u>134</u>
Sanitary Sewer - Capital Projects Fund	<u>135</u>

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

OTHER SUPPLEMENTARY INFORMATION - Continued

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	
Parking - Enterprise Fund	<u>136</u>
Combining Statement of Net Position - Internal Service Funds	<u>137</u>
Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds	<u>139</u>
Combining Statement of Cash Flows - Internal Service Funds	<u>140</u>
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual	
Equipment Services - Internal Service Fund	<u>141</u>
Information Technology - Internal Service Fund	<u>142</u>
Combining Statement of Fiduciary Net Position - Pension Trust Funds	<u>143</u>
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds	<u>144</u>
Consolidated Year-End Financial Report	<u>145</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	
Based on an Audit of Financial Statements Performed in Accordance with Governmental	
Auditing Standards	<u>146</u>

STATISTICAL SECTION (Unaudited)

Net Position by Component - Last Ten Fiscal Years	<u>150</u>
Changes in Net Position - Last Ten Fiscal Years	<u>152</u>
Fund Balances of Governmental Funds - Last Ten Fiscal Years	<u>154</u>
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	<u>156</u>
Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years	<u>158</u>
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	<u>160</u>
Principal Property Tax Payers – Current Fiscal Year and Nine Fiscal Years Ago	<u>162</u>
Property Tax Levies and Collections - Last Ten Fiscal Years	<u>163</u>
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	<u>164</u>
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	<u>165</u>
Schedule of Direct and Overlapping Governmental Activities Debt	<u>166</u>
Schedule of Legal Debt Margin	<u>167</u>
Demographic and Economic Statistics - Last Ten Fiscal Years	<u>168</u>
Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago	<u>169</u>
Full-time Equivalent Employees by Function - Last Ten Fiscal Years	<u>170</u>
Operating Indicators by Function - Last Ten Fiscal Years	<u>172</u>
Capital Asset Statistics by Function - Last Ten Fiscal Years	<u>174</u>

INTRODUCTORY SECTION

This section includes miscellaneous data regarding the City of Urbana, Illinois including:

List of Principal Officials

Organizational Chart

Letter of Transmittal

Certificate of Achievement for Excellence in Financial Reporting

CITY OF URBANA, ILLINOIS

Principal Officials

June 30, 2023

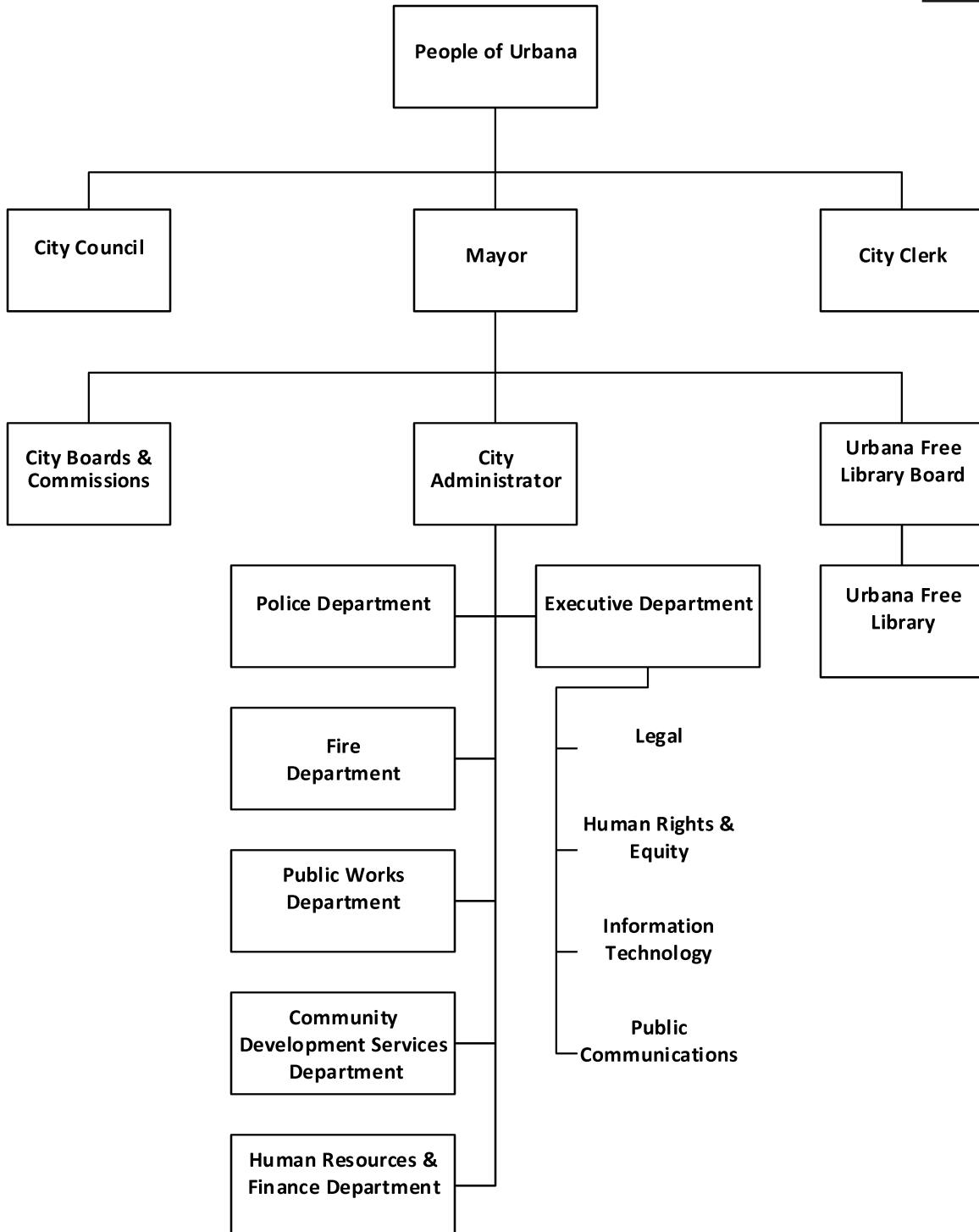
ELECTED OFFICIALS

Mayor	Diane Wolfe Marlin
Aldersperson, Ward 1	Maryalice Wu
Aldersperson, Ward 2	Christopher Evans
Aldersperson, Ward 3	Shirese Hursey
Aldersperson, Ward 4	Jaya Kolisetty
Aldersperson, Ward 5	Chaundra Bishop
Aldersperson, Ward 6	Grace Wilken
Aldersperson, Ward 7	James Quisenberry
City Clerk	Phyllis Clark

APPOINTED OFFICIALS

City Administrator	Carol J. Mitten
Human Resources & Finance Director	Elizabeth Hannan
Interim Police Chief	Rich Surles
Fire Chief	Demond Dade
Community Development Services Director	Kimberly Smith
Public Works Director	Tim Cowan

CITY OF URBANA ORGANIZATIONAL CHART



December 15, 2023

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 ending June 30, 2023.

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 the management of the City of Urbana, and in particular, the City's Human Resources & 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's financial statements have been audited by Lauterbach & Amen, 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, Lauterbach & Amen, LLP, concluded that there was a reasonable basis for rendering an unmodified opinion that the statements are fairly presented in accordance with generally accepted accounting standards. Their letter is located at the front of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A), which immediately follows the independent auditor's report. The MD&A complements this letter of transmittal and should be read in conjunction with it. As a recipient of various federal and state financial assistance programs, the City of Urbana is also required under the Federal Single Audit Act, to have an annual audit of certain major federal grant programs performed. This audit contains information concerning whether grant activity is presented fairly in the general-purpose financial statements, whether internal control is sufficient to provide reasonable assurance that the funds are managed properly, and whether material grant compliance requirements have been met. The auditor's report relative to the Federal Single Audit Act is reported separately.

Profile of the City of Urbana

The City of Urbana, chartered in 1855, is a home-rule municipality located in Champaign County, which is situated in east central Illinois, approximately 135 miles south of Chicago and 45 miles west of the Indiana border. Twelve square miles are within the City boundaries. The University of Illinois is located in both Urbana and Urbana's twin city of Champaign. Urbana's population is 38,336 based upon the 2020 census, and tends to be younger and more diverse than the population of the State as a whole. Residents are also highly educated, with nearly 60% holding a bachelor's degree or higher. About 60% of housing units are in multi-unit structures, which is much higher than for the State as a whole. All of these factors contribute to making Urbana a unique and vibrant community.

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

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

Police: Patrol, Traffic Control, and Criminal Investigation

Fire: Fire Suppression, Fire Prevention, and Emergency Medical Assistance

Public Works: Street Maintenance and Reconstruction, Traffic Maintenance, Street Lighting Maintenance and Reconstruction, Sanitary and Storm Sewer Maintenance and Reconstruction, Arbor Maintenance and Improvement, Parking (on an enterprise basis)

Community Development: Planning and Zoning Enforcement, Building Inspection, Economic Development, and Housing Improvement

Other Services: Library Services, Human Relations

This report includes all funds of the City of Urbana. The Urbana Free Library and the Fire and Police Pension funds are included. There are no other entities in which the primary government is considered financially accountable or other organizations that, if excluded, would cause these statements to be misleading or incomplete. The City also participates in a joint venture with the City of Champaign, the Champaign-Urbana Solid Waste Disposal System (CUSWDS). This joint venture is responsible for overseeing the 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. 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 Human Resources & Finance Department, which are then reviewed by Finance staff, the City Administrator, and the Mayor. The Mayor makes final decisions on the proposed budget, which is then presented to the City Council for review. The City Council reviews the proposed budget in several open meetings, holds a public hearing, and adopts the budget before the beginning of the new fiscal year. The budget is prepared by fund, department, program, and expenditure classification (e.g., supplies and 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.

Budgetary control is maintained through regular financial reports. The budget is prepared by fund, function, and department. The City Finance Director is authorized to transfer budgeted amounts within departments in any fund. However, the City Council must approve revisions that alter the total expenditures of any fund, that move expenditures between personnel line items and other types of expenditures, or that change expenditures for any project by more than 10%. Those revisions must be approved by two-thirds of the members of the City Council. No revisions can be made to increase 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. 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 City of Urbana, like other units of local government, is impacted by national and regional economic factors. Inflation has moderated, and the City expects a long-term average rate of inflation of about 2.5%. High inflation has impacted the City's cost of doing business by increasing the cost of supplies, equipment, and wages. All of which make up the majority of the operating budget.

Unemployment in the Champaign-Urbana Metropolitan Statistical Area (MSA) fell to 4.2% for the month of October. Decreasing from 5.5% in August and 4.8% in September. However, the housing price index, a measure of trends in the cost of housing, continued to climb to 259.68 in the 3rd quarter of 2023. Housing costs are continuing to increase for both homeowners and renters.

The pandemic directly affected the 2020 census, which was taken in the early days of the pandemic and showed a 7% decline in Urbana's population. This affected a variety of state-shared revenues, including income tax, use tax in the General Operating Fund, and motor fuel tax, which helps pay for transportation improvements. The direct impact on state-shared revenues was more than \$600K annually. City Staff are working with the U.S. Census Bureau to facilitate a special census Because we believe that many student residents who were away from campus during the pandemic were not counted.

The presence of the University of Illinois has a significant, stabilizing influence on the local economy. In addition to bringing more than 55,500 students from all 50 states and 126 countries to the Urbana-Champaign area, the University employs nearly 13,000 people, including many residents of the City of Urbana. In addition, visitors to the University contribute to our local economy. Another large employment sector is healthcare, which employs nearly 9,000 people in the metro area.

The University of Illinois' "flash index," which is the most current measure of the state's economic performance, was at 102.6 in November 2023. This is down from 103.7 a year earlier. The relative steadiness of the index is attributed to countervailing factors. State revenue remains strong despite higher than the national average unemployment. State tax revenue from income tax and sales tax are higher compared to last year. However, Corporate receipts were down. Additionally, the unemployment rate in Illinois rose from 4.1% to 4.4%, while the U. S. rate remained at 3.8%

State and local sales tax revenues make up nearly thirty percent of General Fund revenues. Reliance on sales tax as a revenue source can be problematic during economic downturns. However, the City's reserves provide a cushion against these fluctuations, and we are in a better position to weather this due to our efforts in recent years to create a strong foundation for the future.

The City's taxable assessed value increased by about 11% for the 2022 tax levy. The City's property tax rate has remained at \$1.3499, a relatively stable tax rate for the past few years.

Major Initiatives

Major initiatives focus on the Mayor and Council's Strategic Goals, which target the following strategic areas –

- Public Safety and Well-being
- Housing
- Infrastructure
- Economic Recovery and Development

In the area of public safety and well-being, the City has been working with consulting firm BerryDunn to assess the current public safety response model, identify gaps and challenges, and recommend alternative models where appropriate. The City Council awarded \$3.5 million in ARPA funding for projects that address root causes of community violence, while projects intended to increase the availability and affordability of mental health services received \$2.3 million in ARPA funding.

Housing remains a priority. ARPA funding allocations for housing-related efforts were \$4.1 million, which does not include \$1.7 million in HOME ARP funds. The City also worked with a developer to build affordable multifamily housing on two City-owned properties on Lierman Avenue.

Enterprise Zone tax incentives have spurred the construction of 335 new single-family or duplex homes and 36 commercial homes in the City since 2015, resulting in a projected increase of \$43 million in equalized assessed valuation. We continue to grow and diversify our tax base by promoting infill development in existing subdivisions.

The City's continued commitment to improving infrastructure included incorporating an "equity lens" for street projects in the Capital Improvement Plan. This will be extended to other asset types in future years. The City also increased the stormwater utility fee to support much-needed improvements.

Last year, the City began implementing the Facilities Master Plan to systematically improve public facilities. Renovation of the first floor of City Hall is nearly complete and will enhance security for employees and the public; improve customer service areas for Finance, Community Development, and Police; and upgrade signage and wayfinding. Two fire stations located in north and south Urbana are in the design phase, with construction expected to begin in 2024.

On the economic development front, H-Mart, a popular national Asian supermarket chain, purchased a site in Downtown Urbana. This is expected to be a significant draw for the community to Downtown Urbana. Also, the future relocation of Champaign County employees to the County Plaza Building will also increase foot traffic Downtown and patronage of local shops and restaurants. In recent months, several new businesses have opened on Main Street.

The City is preparing for the much-anticipated opening of the Hotel Royer early in 2024. Short-term activities inspired by the Downtown Public Realm Study will be focused on Race Street near the hotel and will take advantage of partnerships with the Urbana Free Library and Cunningham Township.

The Imagine Urbana project to rewrite the City's Comprehensive Plan is well underway. This plan will set forth our community's vision and goals for the future, provide the foundation for land use regulation, and help guide Urbana's growth, development, and quality of life for years to come.

Awards and Acknowledgments

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 ACFR for the fiscal year ended June 30, 2022. To be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR 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 ACFR continues to meet the Certificate of Achievement program requirements, and we plan to submit it to GFOA to determine eligibility for another certificate.

We would like to express our appreciation to staff in the Human Resources & Finance Department for their efficient and dedicated service in helping prepare this report, and staff in other departments that provided assistance. In particular, we want to thank Jing Lin, Staff Accountant; Theresa Hoffman, Financial Services Specialist; Michelle Higar, Financial Services Coordinator; and Alyana Robinson, Financial Analyst for their work. We would also like to commend the Mayor, members of the City Council, City Administrator, and staff throughout the City of Urbana for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,



Elizabeth A. Hannan
HR and Finance Director/CFO



Robert J. Kouzmanoff
Deputy Finance Director



Kristine L. Francisco
Financial Services Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Urbana
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the City's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

December 15, 2023

The Honorable Mayor
Members of the City Council
City of Urbana, Illinois

Report on the Audit of the Financial Statements

Opinion

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, (the City) Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of June 30, 2023, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, and required pension and other post-employment benefit (OPEB) schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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, Illinois' basic financial statements. The other supplementary information and is presented for purposes of additional analysis and are 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, other supplementary information and is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

Management's Discussion and Analysis

June 30, 2023

This Management's Discussion and Analysis (MD&A) provides the reader with a narrative overview and analysis of the overall financial position and results of operations for the year ended June 30, 2023, for the City of Urbana. Please read it in conjunction with the transmittal letter which can be found in the introductory section of this report and the City's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS

- The City's net position increased as a result of this year's operations. Net position of the governmental activities increased by \$6,191,317, or 4.8 percent, from beginning balance of \$127,760,119. Net position of business-type activities decreased by \$754,749, or 12.4 percent, from a beginning balance of \$6,094,518.
- During the year, government-wide revenues primary government totaled \$62,531,793, while expenses totaled \$57,095,225, resulting in an increase to net position of \$5,436,568 from a beginning balance of \$133,854,637.
- The City's net position totaled \$139,291,205 on June 30, 2023, which includes \$108,052,820 net investment in capital assets, \$16,249,704 subject to external restrictions, and \$14,988,681 in unrestricted net position that reflects the implementation of the Governmental Accounting Standards Board (GASB) statement number 68 for pension reporting and statement number 75 for reporting of other post-employment benefits.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$69,723,872. The total Unassigned fund balance of \$31,766,617 or 45.6 percent of the total fund balance amount is available for spending at the City's discretion.
- Beginning balances in capital assets and long-term debt were restated due to the implementation of GASB Statement No. 96; however, the net effect on the Statement of Activities was zero.
- The City has relatively little outstanding debt, with a total of \$1,295,144 outstanding as of the end of 2023.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements can be found in the financial section of this report. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the City's finances, in a matter similar to a private-sector business. The government wide financial statements can be found in the financial section of this report.

Management's Discussion and Analysis

June 30, 2023

USING THIS ANNUAL REPORT - Continued

Government-Wide Financial Statements - Continued

The Statement of Net Position reports information on all of the City's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, is needed to assess the overall health of the City.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. 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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, and urban redevelopment and housing. The business-type activities of the City include 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, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary 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. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the 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 the comparison between governmental funds and governmental activities.

The City maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, American Rescue Plan, Motor Fuel Tax, Vehicle and Equipment Replacement, and Capital Improvement and Replacement Funds, which are considered major funds. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Management's Discussion and Analysis

June 30, 2023

USING THIS ANNUAL REPORT - Continued

Governmental Funds - Continued

The City adopts an annual appropriated budget for all of the governmental funds except for the Police Pension Fund, and Firefighter's Pension Fund. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

Proprietary Funds

The City maintains two proprietary fund types: 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 parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

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 Parking Fund, which is considered to be a major fund of the City. Conversely, the internal service fund is presented in the proprietary fund financial statements in a single column. Individual fund data for the internal service fund is provided elsewhere in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The City's fiduciary funds include the Urbana Police and Firefighters' Pension Funds.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's I.M.R.F., police, and fire employee pension obligations, other post-employment benefit obligations, and budgetary comparison schedules for the General Fund and major special revenue funds.

CITY OF URBANA, ILLINOIS

Management's Discussion and Analysis

June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table represents the net position as of June 30, 2023. Net position serves over time as a useful indicator of a government's financial position. The following tables show that assets/deferred outflows exceeded liabilities/deferred inflows by \$139,291,205.

	Net Position					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 91,113,487	92,923,018	1,937,649	2,296,988	93,051,136	95,220,006
Capital Assets	104,551,868	102,636,198	4,796,096	5,534,050	109,347,964	108,170,248
Total Assets	195,665,355	195,559,216	6,733,745	7,831,038	202,399,100	203,390,254
Deferred Outflows	17,551,196	13,994,179	133,599	35,339	17,684,795	14,029,518
Total Assets/Deferred Outflows	213,216,551	209,553,395	6,867,344	7,866,377	220,083,895	217,419,772
Long-Term Liabilities	54,149,228	45,789,345	166,881	39,068	54,316,109	45,828,413
Other Liabilities	7,508,821	4,952,411	192,649	300,117	7,701,470	5,252,528
Total Liabilities	61,658,049	50,741,756	359,530	339,185	62,017,579	51,080,941
Deferred Inflows	17,607,066	31,051,520	1,168,045	1,432,674	18,775,111	32,484,194
Total Liabilities/Deferred Inflows	79,265,115	81,793,276	1,527,575	1,771,859	80,792,690	83,565,135
Net Position						
Net Investment in Capital Assets	103,256,724	101,796,198	4,796,096	5,534,050	108,052,820	107,330,248
Restricted	16,249,704	15,901,240	—	—	16,249,704	15,901,240
Unrestricted	14,445,008	10,062,681	543,673	560,468	14,988,681	10,623,149
Total Net Position	133,951,436	127,760,119	5,339,769	6,094,518	139,291,205	133,854,637

A large portion of the City's net position, \$108,052,820, reflects its investment in capital assets (for example, land, construction in progress, buildings and improvements, land improvements, equipment, vehicles, infrastructure, leased assets, and subscription assets), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$16,249,704 of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$14,988,681 represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF URBANA, ILLINOIS

Management's Discussion and Analysis

June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position					
	Governmental		Business-Type			
	Activities		Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues						
Charges for Services	\$ 12,300,095	9,969,367	1,343,217	1,226,060	13,643,312	11,195,427
Operating Grants/Contrib.	2,462,381	1,402,387	—	—	2,462,381	1,402,387
Capital Grants/Contrib.	2,912,075	2,896,237	—	—	2,912,075	2,896,237
General Revenues						
Property Tax	8,021,982	8,786,105	—	—	8,021,982	8,786,105
Home Rule Sales Tax	8,398,348	7,765,950	—	—	8,398,348	7,765,950
State Income Tax	5,947,192	6,087,208	—	—	5,947,192	6,087,208
State Sales Tax	7,444,702	6,810,486	—	—	7,444,702	6,810,486
Other Taxes	7,900,715	7,819,879	—	—	7,900,715	7,819,879
Other General Revenues	5,754,126	(53,732)	46,960	23,880	5,801,086	(29,852)
Total Revenues	61,141,616	51,483,887	1,390,177	1,249,940	62,531,793	52,733,827
Expenses						
General Government	9,177,277	3,027,994	—	—	9,177,277	3,027,994
Public Safety	28,190,232	23,784,874	—	—	28,190,232	23,784,874
Highways and Streets	13,277,849	9,775,299	—	—	13,277,849	9,775,299
Urban Redevelopment and Housing	5,782,615	4,836,739	—	—	5,782,615	4,836,739
Interest	25,526	24,292	—	—	25,526	24,292
Parking	—	—	641,726	769,266	641,726	769,266
Total Expenses	56,453,499	41,449,198	641,726	769,266	57,095,225	42,218,464
Change in Net Position						
Before Transfers	4,688,117	10,034,689	748,451	480,674	5,436,568	10,515,363
Transfers	1,503,200	1,021,167	(1,503,200)	(1,021,167)	—	—
Change in Net Position	6,191,317	11,055,856	(754,749)	(540,493)	5,436,568	10,515,363
Net Position - Beginning	127,760,119	116,704,263	6,094,518	6,635,011	133,854,637	123,339,274
Net Position - Ending	133,951,436	127,760,119	5,339,769	6,094,518	139,291,205	133,854,637

Management's Discussion and Analysis

June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Net position of the City's governmental activities increased by 4.8 percent (\$133,951,436 in 2023 compared to \$127,760,119 in 2022). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$14,445,008 at June 30, 2023.

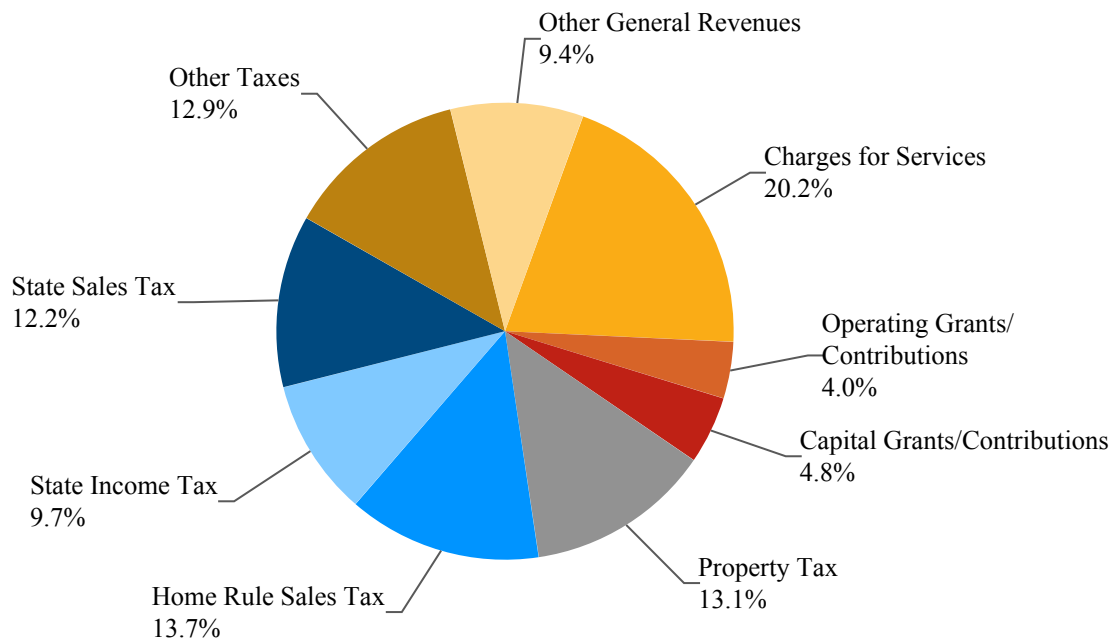
Net position of business-type activities decreased by 12.4 percent (\$5,339,769 in 2023 compared to \$6,094,518 in 2022).

Governmental Activities

Revenues for governmental activities totaled \$61,141,616, while the cost of all governmental functions totaled \$56,453,499. This results in a surplus of \$4,688,117 prior to transfers in of \$1,503,200. In 2022, revenues of \$51,483,887 exceeded expenses of \$41,449,198, resulting in a surplus of \$10,034,689 prior to transfers in of \$1,021,167. 2023 revenues increased by \$9,657,729 from the prior year. This was primarily due to an increase in grants for capital outlays and an increase in sales taxes, charges for service, and other taxes and revenues. Expenses increased by \$15,004,301 mainly due to an increase in public safety and infrastructure expenses. Public safety pension expense increased in 2022 and decreased in 2023 based on the actuarial valuation for each fund.

The following table graphically depicts the major revenue sources of the City. It depicts very clearly the reliance of intergovernmental revenues to fund governmental activities.

Revenue by Source - Governmental Activities



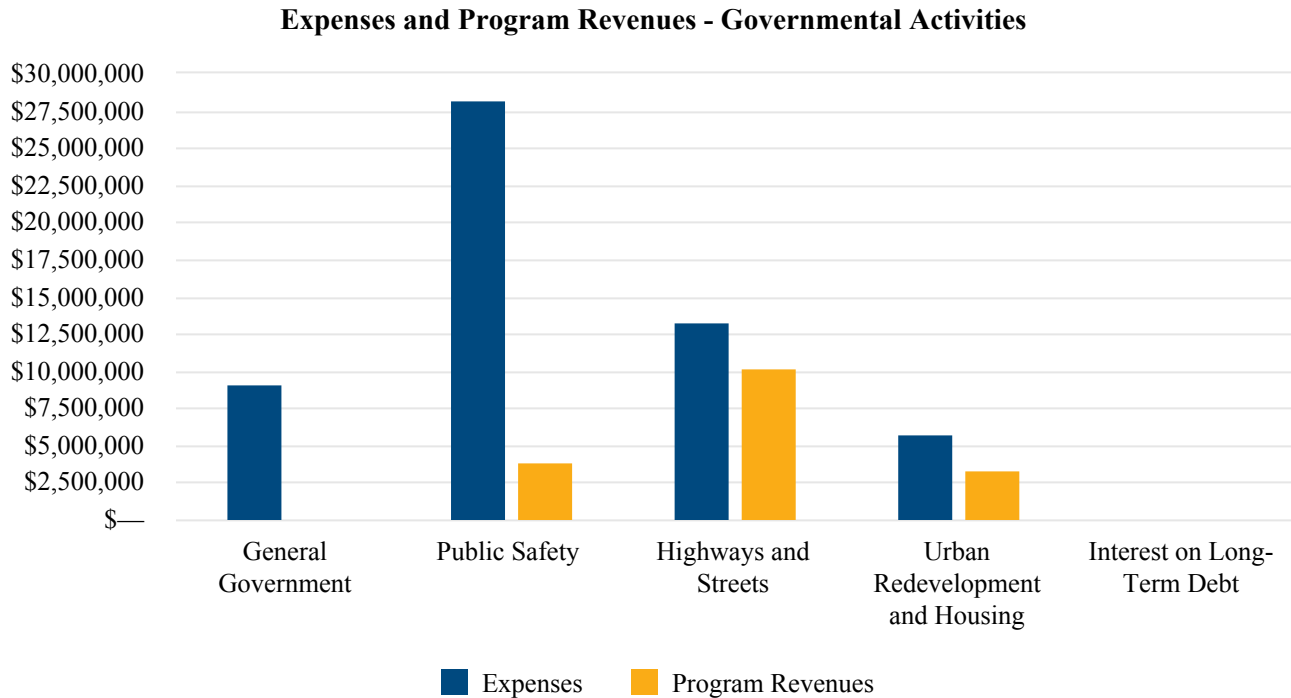
Management's Discussion and Analysis

June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Governmental Activities - Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.



As depicted in the chart above, general government, public safety, highways and streets, and urban redevelopment and housing expenses far exceed any directly allocated revenues. Unlike the Parking Fund that is supported by user fees, these activities are substantially tax supported.

Business-Type Activities

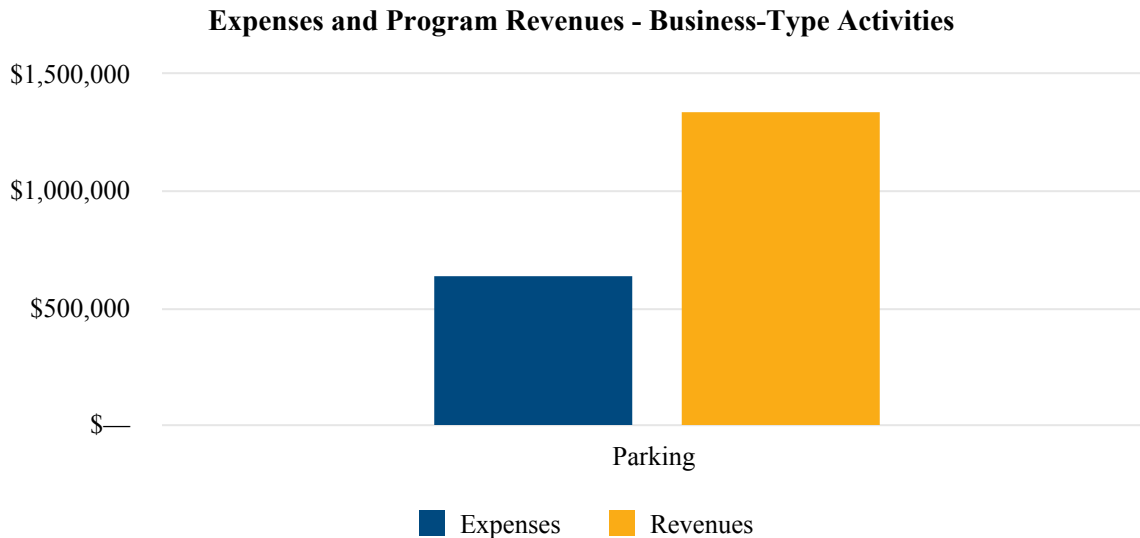
Business-type activities posted total revenues of \$1,390,177, while the cost of all business-type activities totaled \$641,726. This results in a surplus of \$748,451 prior to transfers out of \$1,503,200. In 2022, revenues of \$1,249,940 exceeded expenses of \$769,266, resulting in a surplus of \$480,674, prior to transfers out of \$1,021,167. The increase in revenues in the current year is due to an increase in parking activity and related revenues as parking activity increased as COVID restrictions eased. Parking expenses decreased due to decreased inter-fund transfers for contractual services.

Management's Discussion and Analysis

June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Business-Type Activities - Continued



The above graph compares program revenues to expenses for the parking operations.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's governmental funds reported combining ending fund balances of \$69,723,872, which is \$7,852,850, or 12.7%, higher than last year's total of \$61,871,022. Of the \$69,723,872 total, \$31,766,617, or 45.6 percent, constitutes unassigned fund balance.

The General Fund is the chief operating fund of the City. The General Fund reported a fund balance of \$33,895,632, an increase for the year of \$7,765,652, or 29.7 percent from a beginning balance of \$26,129,980. The increase in fund balance in the current year is due to revenues exceeding expenditures by \$4.87 million. This is due to a relatively high number of vacant positions during this period. In comparison, the 2022 fund balance increased by \$3.23 million due primarily to lower expenditures and net transfers.

Unassigned fund balance in the General Fund was \$32,005,648, which represents 94.4 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 86.0 percent of total General Fund expenditures.

Management's Discussion and Analysis

June 30, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS - Continued

Governmental Funds - Continued

The American Rescue Plan Fund reported an increase of \$297,620. This increase is due to unrealized investment income of this amount. \$12.974 million in total was received in American Rescue Plan funds in fiscal year 2022; however, revenue in this fund is only recorded as earned to the extent American Rescue Plan expenditures are incurred or expended. American Rescue Plan funds received of \$12.974 million less expenses incurred or earned of \$3,644,032 are recorded as a deferred inflow of \$9.282 million on the governmental funds balance sheet.

The Motor Fuel Tax Fund reported a decrease of \$1,760,030 from a beginning fund balance of \$6,698,607. This fund records the motor fuel taxes received from the State of Illinois. The decrease is due to revenues of \$2.2 million being less than capital outlay of \$3.95 million and is related to the timing of capital projects.

The Vehicle and Equipment Replacement Fund reported an increase of \$304,850 from a beginning fund balance of \$5,850,057. This increase is due to charges for services and investment income exceeding capital outlay expenditures.

The Capital Improvement and Replacement Fund reported a decrease of \$826,021 from a beginning fund balance of \$9,024,266. This decrease is due to net transfers into the fund of \$0.262 million being less than expenditures net of revenues of \$1.08 million due to the timing of capital projects.

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, 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 enterprise fund of the City. Fees from parking activities (parking meter income and lot rentals) provide the primary source of revenue for this fund. Fund expenditures are related to expenses incurred to maintain parking infrastructure.

The internal service funds are also presented separately in the proprietary fund financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

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

The City intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The Parking Fund reported a deficit of \$754,749 and ended the current fiscal year with a net position of \$5,339,769. Prior year's operations resulted in a deficit of \$540,493. Unrestricted net position in the Parking Fund totaled \$543,673 at June 30, 2023. The decrease in net position in the current year is due to transfers out to other funds exceeding revenues less expenditures. Parking fund revenues have been impacted by COVID but are trending upward since the lows seen during the pandemic.

CITY OF URBANA, ILLINOIS

Management's Discussion and Analysis

June 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

The City Council made several budget amendment to the General Fund during the year. General Fund actual revenues for the year totaled \$42,098,128, compared to budgeted revenues of \$41,331,192. Revenues for intergovernmental, licenses and permits, investment income, and miscellaneous came in higher than budgeted.

General Fund actual expenditures for the year were \$4,864,197 lower than budgeted (\$37,213,748 actual compared to \$42,077,945 budgeted) as general government, public safety, highways and streets, and urban redevelopment and housing expenditures came in under budget by \$1,391,616, \$1,833,471, \$1,312,859, and \$477,829 respectively.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business type activities as of June 30, 2023 was \$109,347,964 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, infrastructure, equipment, leased assets, and subscription assets.

	Capital Assets - Net of Depreciation and Amortization					
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Land	\$ 8,909,328	8,926,248	3,765,739	3,765,739	12,675,067	12,691,987
Construction in Progress	14,512,027	12,489,761	—	674,328	14,512,027	13,164,089
Buildings and Improvements	5,529,851	5,766,377	926,646	989,030	6,456,497	6,755,407
Infrastructure	66,202,204	67,417,621	103,711	104,953	66,305,915	67,522,574
Equipment	8,641,619	8,036,191	—	—	8,641,619	8,036,191
Leased Assets	532,083	—	—	—	532,083	—
Subscription Assets	224,756	345,975	—	—	224,756	345,975
Totals	104,551,868	102,982,173	4,796,096	5,534,050	109,347,964	108,516,223

This year's major additions included:

Construction in Progress	\$ 7,983,471
Buildings and Improvements	13,079
Equipment	1,881,404
Leased Assets	558,687
	<u>10,436,641</u>

Additional information on the City's capital assets can be found in Note 3 of this report.

CITY OF URBANA, ILLINOIS

Management's Discussion and Analysis

June 30, 2023

DEBT ADMINISTRATION

As of June 30, 2023, the City had total outstanding debt of \$1,295,144 as compared to \$1,185,975 the previous year, an increase of \$109,169. The following is a comparative statement of outstanding debt:

		Long-Term Debt Outstanding					
		Governmental		Business-Type		Totals	
		Activities		Activities			
		2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$	300,000	595,000	—	—	300,000	595,000
Loans Payable		227,500	245,000	—	—	227,500	245,000
Leases Payable		536,733	—	—	—	536,733	—
Subscriptions Payable		230,911	345,975	—	—	230,911	345,975
		1,295,144	1,185,975	—	—	1,295,144	1,185,975

Additional information on the City's long-term debt can be found in Note 3 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2023-24 budget, including a desire to address Mayor/Council Strategic Goals that include public safety and well-being, housing, infrastructure, and economic recovery and development. Thoughtful deployment of American Rescue Plan funds made it possible to begin to make significant progress on these goals. The City has not increased tax rates, and has maintained a stable property tax rate of \$1.3499. The City is seeing very positive signs that many of the adverse impacts on local businesses related to the pandemic are generally over.

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:

Shaennon Clark, Deputy Finance Director
City of Urbana
400 S. Vine Street
Urbana, Illinois 61801

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements

- Fund Financial Statements

 - Governmental Funds

 - Proprietary Funds

 - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF URBANA, ILLINOIS

Statement of Net Position

June 30, 2023

See Following Page

CITY OF URBANA, ILLINOIS

Statement of Net Position

June 30, 2023

	Governmental Activities	Business-Type Activities	Totals	Component Unit The Urbana Free Library
ASSETS				
Current Assets				
Cash and Investments	\$ 78,607,072	708,418	79,315,490	3,556,282
Receivables - Net of Allowances	6,248,595	1,229,231	7,477,826	3,063,112
Due from Other Governments	5,833,528	—	5,833,528	—
Prepays and Inventories	338,651	—	338,651	—
Total Current Assets	91,027,846	1,937,649	92,965,495	6,619,394
Noncurrent Assets				
Capital Assets				
Nondepreciable	23,421,355	3,765,739	27,187,094	669,054
Depreciable and Amortizable	170,804,189	8,831,368	179,635,557	11,525,442
Accumulated Depreciation and Amortization	(89,673,676)	(7,801,011)	(97,474,687)	(4,017,230)
Total Capital Assets	104,551,868	4,796,096	109,347,964	8,177,266
Other Assets				
Investment in Joint Venture	85,641	—	85,641	—
Total Noncurrent Assets	104,637,509	4,796,096	109,433,605	8,177,266
Total Assets	195,665,355	6,733,745	202,399,100	14,796,660
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	7,341,953	119,718	7,461,671	—
Deferred Items - Police Pension	5,280,281	—	5,280,281	—
Deferred Items - Firefighters' Pension	2,717,910	—	2,717,910	—
Deferred Items - RBP	2,211,052	13,881	2,224,933	53,981
Total Deferred Outflows of Resources	17,551,196	133,599	17,684,795	53,981
Total Assets and Deferred Outflows of Resources	213,216,551	6,867,344	220,083,895	14,850,641

The notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business-Type Activities	Totals	Component Unit The Urbana Free Library
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 4,591,932	9,911	4,601,843	144,938
Accrued Payroll	1,093,056	8,210	1,101,266	45,127
Claims Payable	978,055	—	978,055	—
Unearned Revenue	845,778	174,528	1,020,306	—
Current Portion of Long-Term Liabilities	2,024,497	—	2,024,497	125,109
Total Current Liabilities	9,533,318	192,649	9,725,967	315,174
Noncurrent Liabilities				
Net Pension Liability - IMRF	7,946,764	129,580	8,076,344	—
Net Pension Liability - Police Pension	28,249,509	—	28,249,509	—
Net Pension Liability - Firefighters' Pension	9,196,889	—	9,196,889	—
Total OPEB Liability - RBP	5,941,519	37,301	5,978,820	145,057
Loans Payable	210,000	—	210,000	—
Leases Payable	468,899	—	468,899	—
Subscriptions Payable	111,151	—	111,151	—
Total Noncurrent Liabilities	52,124,731	166,881	52,291,612	145,057
Total Liabilities	61,658,049	359,530	62,017,579	460,231
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	3,673,207	—	3,673,207	1,744,450
Grants	9,282,272	—	9,282,272	—
Leases	—	1,156,659	1,156,659	—
Deferred Items - IMRF	60,125	980	61,105	—
Deferred Items - Police Pension	1,222,978	—	1,222,978	—
Deferred Items - Firefighters' Pension	1,711,001	—	1,711,001	—
Deferred Items - RBP	1,657,483	10,406	1,667,889	40,466
Total Deferred Inflows of Resources	17,607,066	1,168,045	18,775,111	1,784,916
Total Liabilities and Deferred Inflows of Resources	79,265,115	1,527,575	80,792,690	2,245,147
NET POSITION				
Net Investment in Capital Assets	103,256,724	4,796,096	108,052,820	8,177,266
Restricted				
Urban Housing and Development	9,142,502	—	9,142,502	—
Capital Projects	4,938,577	—	4,938,577	—
Public Safety	263,128	—	263,128	—
Highways and Streets	1,633,562	—	1,633,562	—
American Rescue Plan	271,935	—	271,935	—
Trust	—	—	—	447,419
Unrestricted	14,445,008	543,673	14,988,681	3,980,809
Total Net Position	133,951,436	5,339,769	139,291,205	12,605,494

The notes to the financial statements are an integral part of this statement.

CITY OF URBANA, ILLINOIS

Statement of Activities

For the Fiscal Year Ended June 30, 2023

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 9,177,277	159,194	21,552	—
Public Safety	28,190,232	3,292,501	636,841	1,000
Highways and Streets	13,277,849	7,235,723	13,080	2,911,075
Urban Redevelopment and Housing	5,782,615	1,612,677	1,790,908	—
Interest on Long-Term Debt	25,526	—	—	—
Total Governmental Activities	56,453,499	12,300,095	2,462,381	2,912,075
Business-Type Activities				
Parking	641,726	1,343,217	—	—
Total Primary Government	57,095,225	13,643,312	2,462,381	2,912,075
Component Unit				
The Urbana Free Library	4,402,118	87,995	267,983	—

General Revenues
Taxes
Property Tax
Utility Tax
Home Rule Sales Tax
Hotel and Motel Tax
Telecommunications Tax
Intergovernmental - Unrestricted
State Income Tax
State Sales Tax
State Use Tax
Replacement Tax
Gaming Tax
Other
Investment Income
Miscellaneous
Transfers - Internal Activity

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues			
Primary Government			Component
Governmental	Business-Type		Unit
Activities	Activities	Totals	The Urbana Free Library
(8,996,531)	—	(8,996,531)	—
(24,259,890)	—	(24,259,890)	—
(3,117,971)	—	(3,117,971)	—
(2,379,030)	—	(2,379,030)	—
(25,526)	—	(25,526)	—
(38,778,948)	—	(38,778,948)	—
—	701,491	701,491	—
(38,778,948)	701,491	(38,077,457)	—
—	—	—	(4,046,140)
8,021,982	—	8,021,982	3,741,391
3,319,159	—	3,319,159	—
8,398,348	—	8,398,348	—
1,198,187	—	1,198,187	—
438,489	—	438,489	—
5,947,192	—	5,947,192	—
7,444,702	—	7,444,702	—
1,533,098	—	1,533,098	—
911,258	—	911,258	303,753
500,524	—	500,524	—
3,658,120	—	3,658,120	—
1,771,462	46,960	1,818,422	25,630
324,544	—	324,544	15,414
1,503,200	(1,503,200)	—	—
44,970,265	(1,456,240)	43,514,025	4,086,188
6,191,317	(754,749)	5,436,568	40,048
127,760,119	6,094,518	133,854,637	12,565,446
133,951,436	5,339,769	139,291,205	12,605,494

The notes to the financial statements are an integral part of this statement.

Balance Sheet - Governmental Funds
June 30, 2023

The notes to the financial statements are an integral part of this statement.

Special Revenue		Capital Projects		Nonmajor	Totals
American Rescue Plan	Motor Fuel Tax	Vehicle and Equipment Replacement	Capital Improvement and and Replacement		
10,357,769	5,501,537	6,225,283	8,426,123	16,121,265	78,321,380
—	—	—	—	1,542,869	4,558,595
—	—	—	446,029	381,696	1,337,052
—	21,532	—	55,329	112,396	203,956
—	—	—	—	—	148,992
—	143,803	—	14,444	1,031,567	5,833,528
—	—	—	—	—	423,551
—	—	—	—	—	123,730
10,357,769	5,666,872	6,225,283	8,941,925	19,189,793	90,950,784
803,562	706,763	70,376	426,988	511,254	3,781,314
—	—	—	—	46,384	1,056,284
—	—	—	—	—	978,055
—	21,532	—	316,692	692,747	1,336,410
—	—	—	—	423,551	1,119,370
803,562	728,295	70,376	743,680	1,673,936	8,271,433
—	—	—	—	1,251,281	3,673,207
9,282,272	—	—	—	—	9,282,272
9,282,272	—	—	—	1,251,281	12,955,479
10,085,834	728,295	70,376	743,680	2,925,217	21,226,912
—	—	—	—	—	123,730
271,935	4,938,577	—	—	11,039,192	16,249,704
—	—	6,154,907	8,198,245	5,464,415	21,583,821
—	—	—	—	(239,031)	31,766,617
271,935	4,938,577	6,154,907	8,198,245	16,264,576	69,723,872
10,357,769	5,666,872	6,225,283	8,941,925	19,189,793	90,950,784

The notes to the financial statements are an integral part of this statement.

CITY OF URBANA, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

June 30, 2023

Total Governmental Fund Balances	\$ 69,723,872
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	104,551,868
Less: Internal Service Capital Assets	(104,701)
An asset is reported in the statement of net position for the equity interest in the Champaign-Urbana Waste Disposal System joint venture.	85,641
Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities	490,632
Internal service funds are used by the City to charge the costs of vehicles, equipment, and computer equipment to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position	224,449
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	6,803,981
Deferred Items - Police Pension	4,057,303
Deferred Items - Firefighters' Pension	1,006,909
Deferred Items - RBP	534,493
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,519,403)
Net Pension Liability - IMRF	(7,425,282)
Net Pension Liability - Police Pension	(28,249,509)
Net Pension Liability - Firefighters' Pension	(9,196,889)
Total OPEB Liability - RBP	(5,736,784)
General Obligation Bonds Payable	(300,000)
Loans Payable	(227,500)
Leases Payable	(536,733)
Subscriptions Payable	(230,911)
Net Position of Governmental Activities	133,951,436

The notes to the financial statements are an integral part of this statement.

CITY OF URBANA, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2023**

See Following Page

CITY OF URBANA, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended June 30, 2023

	General
Revenues	
Taxes	\$ 18,350,127
Intergovernmental	16,952,182
Licenses and Permits	1,340,603
Fines, Forfeitures, and Penalties	208,519
Charges for Services	4,212,311
Investment Income	651,127
Miscellaneous	383,259
Total Revenues	<u>42,098,128</u>
Expenditures	
General Government	6,345,477
Public Safety	21,692,150
Highways and Streets	7,185,708
Urban Redevelopment and Housing	1,838,835
Capital Outlay	—
Debt Service	
Principal Retirement	137,018
Interest and Fiscal Charges	14,560
Total Expenditures	<u>37,213,748</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,884,380</u>
Other Financing Sources (Uses)	
Debt Issuance	558,687
Disposal of Capital Assets	—
Transfers In	3,161,855
Transfers Out	(839,270)
	<u>2,881,272</u>
Net Change in Fund Balances	7,765,652
Fund Balances - Beginning	<u>26,129,980</u>
Fund Balances - Ending	<u><u>33,895,632</u></u>

The notes to the financial statements are an integral part of this statement.

Special Revenue		Capital Projects		Nonmajor	Totals
American Rescue Plan	Motor Fuel Tax	Vehicle and Equipment Replacement	Capital Improvement and Replacement		
—	—	—	—	3,026,038	21,376,165
3,656,065	2,057,035	1,000	772,104	1,768,061	25,206,447
—	—	—	—	—	1,340,603
—	—	—	—	34,622	243,141
—	—	1,656,308	1,685,156	3,067,638	10,621,413
297,620	130,785	135,879	202,481	349,338	1,767,230
—	—	—	23,509	91,290	498,058
3,953,685	2,187,820	1,793,187	2,683,250	8,336,987	61,053,057
2,956,829	—	—	—	42,589	9,344,895
—	—	—	—	52,404	21,744,554
—	478,887	—	—	1,639,360	9,303,955
—	—	—	966,441	2,803,539	5,608,815
—	3,468,963	1,691,370	2,499,328	689,590	8,349,251
—	—	17,500	295,000	—	449,518
—	—	—	10,966	—	25,526
2,956,829	3,947,850	1,708,870	3,771,735	5,227,482	54,826,514
996,856	(1,760,030)	84,317	(1,088,485)	3,109,505	6,226,543
—	—	—	—	—	558,687
—	—	100,806	—	60,000	160,806
—	—	119,727	954,270	3,159,327	7,395,179
(699,236)	—	—	(691,806)	(4,258,053)	(6,488,365)
(699,236)	—	220,533	262,464	(1,038,726)	1,626,307
297,620	(1,760,030)	304,850	(826,021)	2,070,779	7,852,850
(25,685)	6,698,607	5,850,057	9,024,266	14,193,797	61,871,022
271,935	4,938,577	6,154,907	8,198,245	16,264,576	69,723,872

The notes to the financial statements are an integral part of this statement.

CITY OF URBANA, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 7,852,850
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlays	10,398,568
Depreciation Expense	(9,388,469)
Disposals - Cost	(550,223)
Disposals - Accumulated Depreciation	533,303
Transfer from Business-Type Activities	581,317

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.	12,242
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A deduction to certain revenues recognized as revenue only in the governmental funds.	84,327
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Internal service funds are used by the City to charge the costs of vehicles, equipment, and computer equipment to individual funds.

The net revenue of certain activities of internal service funds is reported with governmental activities.	(149,069)
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The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Change in Deferred Items - IMRF	14,741,831
Change in Deferred Items - Police Pension	(635,765)
Change in Deferred Items - Firefighters' Pension	(2,123,387)
Change in Deferred Items - RBP	250,291

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.

Change in Compensated Absences Payable	129,451
Change in Net Pension Liability/(Asset) - IMRF	(15,369,641)
Change in Net Pension Liability - Police Pension	(1,052,216)
Change in Net Pension Liability - Firefighters' Pension	1,501,528
Change in Total OPEB Liability - RBP	(516,452)
Issuance of Debt	(558,687)
Retirement of Debt	449,518

Changes in Net Position of Governmental Activities	<u>6,191,317</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF URBANA, ILLINOIS

Statement of Net Position - Proprietary Funds

June 30, 2023

See Following Page

CITY OF URBANA, ILLINOIS

Statement of Net Position - Proprietary Funds

June 30, 2023

	Business-Type Activities Enterprise Parking	Governmental Activities Internal Service
ASSETS		
Current Assets		
Cash and Investments	\$ 708,418	285,692
Receivables - Net of Allowances		
Accounts	27,469	—
Leases	1,201,762	—
Prepays	—	102,223
Inventories	—	112,698
Total Current Assets	1,937,649	500,613
Noncurrent Assets		
Capital Assets		
Nondepreciable	3,765,739	—
Depreciable	8,831,368	256,636
Accumulated Depreciation	(7,801,011)	(151,935)
Total Noncurrent Assets	4,796,096	104,701
Total Assets	6,733,745	605,314
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Items - IMRF	119,718	481,793
Deferred Items - RBP	13,881	76,190
Total Deferred Outflows of Resources	133,599	557,983
Total Assets and Deferred Outflows of Resources	6,867,344	1,163,297

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities Enterprise Parking	Governmental Activities Internal Service
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 9,911	114,799
Accrued Payroll	8,210	36,772
Unearned Revenue	174,528	—
Total Current Liabilities	192,649	151,571
Noncurrent Liabilities		
Net Pension Liability - IMRF	129,580	521,482
Total OPEB Liability - RBP	37,301	204,735
Total Noncurrent Liabilities	166,881	726,217
Total Liabilities	359,530	877,788
DEFERRED INFLOWS OF RESOURCES		
Deferred Items - IMRF	980	3,946
Deferred Items - RBP	10,406	57,114
Leases	1,156,659	—
Total Deferred Inflows of Resources	1,168,045	61,060
Total Liabilities and Deferred Inflows of Resources	1,527,575	938,848
NET POSITION		
Investment in Capital Assets	4,796,096	104,701
Unrestricted	543,673	119,748
Total Net Position	5,339,769	224,449
Total Liabilities, Deferred Inflows of Resources, and Net Position	6,867,344	1,163,297

The notes to the financial statements are an integral part of this statement.

CITY OF URBANA, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended June 30, 2023

	Business-Type Activities Enterprise Parking	Governmental Activities Internal Service
Operating Revenues		
Charges for Services	\$ 1,343,217	—
Interfund Services	—	2,024,148
Total Operating Revenues	1,343,217	2,024,148
Operating Expenses		
Operations		
Salaries and Benefits	227,237	977,321
Materials and Supplies	21,387	610,980
Contractual Services	197,040	570,846
Capital Outlay	—	19,787
Depreciation	196,062	20,369
Total Operating Expenses	641,726	2,199,303
Operating Income (Loss)	701,491	(175,155)
Nonoperating Revenues		
Miscellaneous	—	6,785
Investment Income	46,960	4,232
	46,960	11,017
Income (Loss) Before Transfers	748,451	(164,138)
Transfers In	—	65,609
Transfers Out	(1,503,200)	(50,540)
	(1,503,200)	15,069
Change in Net Position	(754,749)	(149,069)
Net Position - Beginning	6,094,518	373,518
Net Position - Ending	5,339,769	224,449

The notes to the financial statements are an integral part of this statement.

CITY OF URBANA, ILLINOIS

Statement of Cash Flows - Proprietary Funds For the Fiscal Year Ended June 30, 2023

	Business-Type Activities Enterprise Parking	Governmental Activities Internal Service
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 1,586,008	—
Interfund Services Provided	—	2,083,397
Payments to Suppliers	(462,711)	(1,329,586)
Payments to Employees	(227,237)	(977,321)
	896,060	(223,510)
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(39,425)	(15,568)
Cash Flows from Investing Activities		
Investment Income	46,960	4,232
Cash Flows from Noncapital Financing Activities		
Transfers In	—	65,609
Transfers Out	(921,883)	(50,540)
	(921,883)	15,069
Net Change in Cash and Cash Equivalents	(18,288)	(219,777)
Cash and Cash Equivalents - Beginning	726,706	505,469
Cash and Cash Equivalents - Ending	708,418	285,692
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	701,491	(175,155)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities		
Depreciation and Amortization	196,062	20,369
Other Income (Expense)	—	6,785
(Increase) Decrease in Current Assets	242,791	52,464
Increase (Decrease) in Current Liabilities	(244,284)	(127,973)
Net Cash Provided by Operating Activities	896,060	(223,510)
Noncash Capital and Related Financing Activities		
Capital Transfers to Governmental Activities	(581,317)	—

The notes to the financial statements are an integral part of this statement.

CITY OF URBANA, ILLINOIS

Statement of Fiduciary Net Position

June 30, 2023

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,330,059
Investments	
Illinois Firefighters' Pension Investment Fund	59,443,387
Illinois Police Officers' Pension Investment Fund	44,977,395
Due from Municipality	<u>695,819</u>
Total Assets	106,446,660
LIABILITIES	
None	<u>—</u>
NET POSITION	
Net Position Restricted	<u><u>106,446,660</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF URBANA, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2023**

	Pension Trust
Additions	
Contributions - Employer	\$ 3,559,652
Contributions - Plan Members	987,130
Total Contributions	<u>4,546,782</u>
Investment Earnings	
Interest Earned	199,774
Net Change in Fair Value	8,426,060
	<u>8,625,834</u>
Less Investment Expenses	(47,141)
Net Investment Income	<u>8,578,693</u>
Total Additions	<u>13,125,475</u>
Deductions	
Administration	44,930
Benefits and Refunds	7,292,542
	<u>7,337,472</u>
Total Deductions	<u>7,337,472</u>
Change in Fiduciary Net Position	5,788,003
Net Position Restricted for Pensions	
Beginning	<u>100,658,657</u>
Ending	<u><u>106,446,660</u></u>

The notes to the financial statements are an integral part of this statement.

NOTE 1 - 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 government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the City's accounting policies established in GAAP and used by the City are described below.

REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government:	City of Urbana
Discretely Presented Component Unit:	The Urbana Free Library

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the City. Based upon the criteria set forth in the GASB Statement No. 61, all component units that have a significant operational or financial relationship with the City have been included.

Police Pension Employees Retirement System

The City's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). 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 elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining 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 is legally separate from the City, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a pension trust fund.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

REPORTING ENTITY - Continued

Firefighters' Pension Employees Retirement System

The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of those employees and is governed by a five-member pension board, with two members appointed by the City Mayor, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining 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 is legally separate from the City, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria but do not meet the criteria for blending.

The Urbana Free Library

The government-wide financial statements include the The Urbana Free Library (the 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. 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, 2023. Separately issued financial statements of the Urbana Free Library may be obtained from the Library's office.

BASIS OF PRESENTATION

Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general government, public safety, highways and streets, and urban redevelopment and housing are classified as governmental activities. The City's parking services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The City utilizes restricted resources to finance qualifying activities.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, highways and streets, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, public safety, highways and streets, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, fines, permits and charges, etc.).

The City does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City may electively add funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is a primary operating fund of the City or meets the following criteria:

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

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund is the general operating fund of the City. It accounts for all revenues and expenditures of the City which are not accounted for in other funds. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains two major special revenue funds. The American Rescue Plan Fund is used to account for funds held related to the American Rescue Plan federal grant. The Motor Fuel Tax Fund is used to account for the receipts of state-shared motor fuel tax revenue, which is used to pay for eligible transportation improvements. Additionally, the City maintains twelve nonmajor special revenue funds.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains two major capital projects funds. The Vehicle and Equipment Replacement Fund is used to account for the fees, grants, and transfers used to pay for the replacement of public safety vehicles and equipment. The Capital Improvement and Replacement Fund is 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. Additionally, the City maintains one nonmajor capital projects funds.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

Enterprise funds account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains one major enterprise fund. The Parking Fund is used to account for operations of the City's parking lots and garages.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Proprietary Funds - Continued

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. The City maintains two internal service funds. The Equipment Services Fund is used to account for the costs of maintenance for City vehicles and equipment, and charges user departments a fee for those services. The Information Technology Fund is used to account for paying the salaries for IT staff and citywide IT-related expenditures. This fund was created in order to more accurately allocate costs for these services.

The City's internal service funds are presented in the proprietary funds' financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, highways and streets, etc.).

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's Fire Department.

The City's pension trust funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust funds equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, utility taxes, hotel/motel taxes, fines, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary funds and pension trust funds utilize 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

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 City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, 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.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report parking revenues as their major receivables.

Prepays/Inventories

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000, depending on asset class, or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	20 - 75 Years
Infrastructure	15 - 50 Years
Equipment	5 - 20 Years
Leased Assets	7 Years
Subscription Assets	5 - 7 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an consumption/acquisition of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Compensated Absences

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement pursuant to the City’s personnel rules and union contracts.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the 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.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

Notes to the Financial Statements

June 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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.

DEFICIT FUND BALANCE

The following fund had deficit fund balance as of the date of this report:

Fund	Deficit
Community Development Grants	\$ 239,031

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments - Illinois Statutes authorizes the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund.

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is 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 the share price, the price for which the investment could be sold.

City

Deposits. At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$7,492,151 and the bank balances totaled \$8,146,646.

Investments. The City has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Obligations	\$ 26,421,887	11,355,750	15,066,137	—	—
U.S. Agency Obligations	281,506	281,506	—	—	—
Illinois Funds	36,129,667	36,129,667	—	—	—
IMET	8,990,279	8,990,279	—	—	—
Totals	71,823,339	56,757,202	15,066,137	—	—

The City has the following recurring fair value measurements as of June 30, 2023:

- U.S. Treasury Obligations of \$26,421,887 are valued using quoted market prices (Level 1 Inputs).
- U.S. Agency Obligations of \$281,506 are valued using a matrix pricing model (Level 2 Inputs).
- Illinois Funds of \$36,129,667 are measured using the net asset value (NAV) per share as determined by the pool.
- IMET of \$8,990,279 is measured using the net asset value (NAV) per share as determined by the pool.

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City's portfolio is structured such that securities mature to meet cash requirements, thereby avoiding the need to sell securities prior to maturity.

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

City - Continued

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's 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). At year-end, the City's U.S. Agency Obligations ratings are not available, the City's investment in the Illinois Funds was rated AAA by Fitch Ratings, and the investment in IMET was not rated.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy limits 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. At year-end \$746,330 of the bank balance of the deposits was not covered by federal depository or equivalent insurance.

For an investment, this 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's investment policy requires all securities to be insured, registered, or held by the City's agent in the City's name. The City's investments in the Illinois Funds and IMET are not subject to custodial credit risk.

Concentration Risk. This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy requires diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security. At year-end, the City does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Police Pension Fund

The Illinois Police Officers Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report, which can be obtained from IFPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org. The Fund transferred all eligible assets to the Investment Fund on September 1, 2022.

Deposits. The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$647,024 and the bank balances totaled \$647,024.

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Continued

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy limits the exposure to 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. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

Investments. At year-end the Fund has \$44,977,395 invested in IPOPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org.

Investment Policy. IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of the Illinois Pension Code.

Rate of Return. For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.61%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report, which can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org. The Fund transferred all eligible assets to the Investment Fund on December 1, 2021.

Deposits. The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$683,035 and the bank balances totaled \$683,042.

Custodial Credit Risk. For deposits, the Fund's investment policy limits the exposure to 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. At June 30, 2023, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Continued

Investments. At year-end the Fund has \$59,443,387 invested in IFPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org.

Investment Policy. IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

Rate of Return. For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.91%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Component Unit - Library

Deposits. At year-end, the carrying amount of the Library's deposits for governmental totaled \$3,340,349 and the bank balances totaled \$3,366,829. In addition, the Library has \$215,933 invested in the Illinois Funds, which has an average maturity of less than one year and is measured at net asset value per share as determined by the pool.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library's investment policy does not specifically address interest rate risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Library's investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds. At year end, the Library's investments in the Illinois Funds are rated AAA by Fitch Ratings.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Library's investment in a single issuer. The Library's investment policy does not specifically address concentration credit risk. At year-end, the Library does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the fund secured, with the collateral held by an independent third party custodian, in the name of the Library. At year-end, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance.

For an investment, this 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's investment policy requires all securities to be held by a third party custodian designated by the Library Director and evidenced by safekeeping receipts and a written custodial agreement. The Library's investments are not subject to custodial credit risk.

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND BALANCES

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages or a result from the time lag between when transactions are recorded in the accounting system and payments between funds are made. The composition of interfund balances are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 423,551
Police Pension	General	500,984
Firefighters' Pension	General	194,835
		<u>1,119,370</u>

INTERFUND TRANSFERS

Interfund transfers for the fiscal year consisted of the following:

Transfer In	Transfer Out	Amount
Governmental Activities	Parking	\$ 581,317 (1)
General	American Rescue Plan	510,501 (2)
General	Capital Improvement and Replacement	612,540 (2)
General	Nonmajor Governmental	1,125,007 (2)
General	Parking	902,251 (2)
General	Equipment Services - Internal Service	6,770 (2)
General	Information Technology - Internal Service	4,786 (2)
Vehicle and Equipment Replacement	Capital Improvement and Replacement	79,266 (2)
Vehicle and Equipment Replacement	Nonmajor Governmental	17,429 (2)
Vehicle and Equipment Replacement	Parking	3,661 (2)
Vehicle and Equipment Replacement	Information Technology - Internal Service	19,371 (2)
Capital Improvement and Replacement	General	839,270 (3)
Capital Improvement and Replacement	American Rescue Plan	115,000 (2)
Nonmajor Governmental	American Rescue Plan	73,735 (2)
Nonmajor Governmental	Nonmajor Governmental	3,085,592 (2)
Information Technology - Internal Service	Nonmajor Governmental	30,025 (2)
Information Technology - Internal Service	Parking	15,971 (2)
Information Technology - Internal Service	Equipment Services - Internal Service	19,613 (2)
		<u>8,042,105</u>

Transfers are used to (1) transfers capital assets between governmental and business-type activities, (2) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LEASES RECEIVABLE

The City is a lessor on the following lease at year end:

Lease	Term Length	Start Date	Payments	Interest Rate
Lincoln Square Lot	17 Years	December 1, 2018	\$114,898 annually	2.18%

Under this lease agreement, the City recognized \$114,898 of lease revenue.

The future principal and interest lease payments as of the year-end were as follows:

Fiscal Year	Business-Type Activities	
	Principal	Interest
2024	\$ 88,700	26,198
2025	90,633	24,265
2026	92,609	22,289
2027	94,628	20,270
2028	96,691	18,207
2029	98,799	16,099
2030	100,952	13,946
2031	103,153	11,745
2032	105,402	9,496
2033	107,700	7,198
2034	110,048	4,850
2035	112,447	2,451
	<u>1,201,762</u>	<u>177,014</u>

PROPERTY TAXES

Property taxes for 2022 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1 during the following year. The County collects such taxes and remits them periodically. Based upon collection histories, the City has provided an allowance for uncollectible property taxes equivalent to 1% of the current year's levy. All uncollected taxes relating to prior years' levies have been written off.

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the fiscal year was as follows:

	Restated Beginning Balances	Increases	Decreases	Transfers In	Ending Balances
Nondepreciable Capital Assets					
Land	\$ 8,926,248	—	16,920	—	8,909,328
Construction in Progress	12,489,761	7,983,471	5,961,205	—	14,512,027
	<u>21,416,009</u>	<u>7,983,471</u>	<u>5,978,125</u>	<u>—</u>	<u>23,421,355</u>
Depreciable and Amortizable Capital Assets					
Buildings and Improvements	11,371,132	30,000	—	—	11,401,132
Infrastructure	133,818,389	5,961,204	—	581,317	140,360,910
Equipment	16,828,809	1,841,979	533,303	—	18,137,485
Leased Assets	—	558,687	—	—	558,687
Subscription Assets	345,975	—	—	—	345,975
	<u>162,364,305</u>	<u>8,391,870</u>	<u>533,303</u>	<u>581,317</u>	<u>170,804,189</u>
Less Accumulated Depreciation and Amortization					
Buildings and Improvements	5,604,755	266,526	—	—	5,871,281
Infrastructure	66,400,768	7,757,938	—	—	74,158,706
Equipment	8,792,618	1,236,551	533,303	—	9,495,866
Leased Assets	—	26,604	—	—	26,604
Subscription Assets	—	121,219	—	—	121,219
	<u>80,798,141</u>	<u>9,408,838</u>	<u>533,303</u>	<u>—</u>	<u>89,673,676</u>
Total Net Depreciable and Amortizable Capital Assets	<u>81,566,164</u>	<u>(1,016,968)</u>	<u>—</u>	<u>581,317</u>	<u>81,130,513</u>
Total Net Capital Assets	<u>102,982,173</u>	<u>6,966,503</u>	<u>5,978,125</u>	<u>581,317</u>	<u>104,551,868</u>

Depreciation and amortization expense was charged to governmental activities as follows:

General Government	\$ 961,051
Public Safety	4,279,724
Highways and Streets	3,973,894
Urban Redevelopment and Housing	173,800
Internal Service	20,369
	<u>9,408,838</u>

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the fiscal year was as follows:

	Beginning Balances	Increases	Decreases	Transfers (Out)	Ending Balances
Nondepreciable Capital Assets					
Land	\$ 3,765,739	—	—	—	3,765,739
Construction in Progress	674,328	—	93,011	(581,317)	—
	<u>4,440,067</u>	<u>—</u>	<u>93,011</u>	<u>(581,317)</u>	<u>3,765,739</u>
Depreciable Capital Assets					
Buildings and Improvements	8,124,944	93,011	—	—	8,217,955
Equipment	573,988	39,425	—	—	613,413
	<u>8,698,932</u>	<u>132,436</u>	<u>—</u>	<u>—</u>	<u>8,831,368</u>
Less Accumulated Depreciation					
Buildings and Improvements	7,135,914	155,395	—	—	7,291,309
Machinery and Equipment	469,035	40,667	—	—	509,702
	<u>7,604,949</u>	<u>196,062</u>	<u>—</u>	<u>—</u>	<u>7,801,011</u>
Total Net Depreciable Capital Assets	<u>1,093,983</u>	<u>(63,626)</u>	<u>—</u>	<u>—</u>	<u>1,030,357</u>
Total Net Capital Assets	<u>5,534,050</u>	<u>(63,626)</u>	<u>93,011</u>	<u>(581,317)</u>	<u>4,796,096</u>

Depreciation expense was charged to business-type activities as follows:

Parking	<u>\$ 196,062</u>
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CITY OF URBANA, ILLINOIS

Notes to the Financial Statements June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Component Unit - Library

Library capital asset activity for the fiscal year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 669,054	—	—	669,054
Depreciable Capital Assets				
Land Improvements	10,856,256	—	—	10,856,256
Buildings	669,186	—	—	669,186
	11,525,442	—	—	11,525,442
Less Accumulated Depreciation				
Land Improvements	3,210,059	168,568	—	3,378,627
Buildings	622,999	15,604	—	638,603
	3,833,058	184,172	—	4,017,230
Total Net Depreciable Capital Assets	7,692,384	(184,172)	—	7,508,212
Total Net Capital Assets	8,361,438	(184,172)	—	8,177,266

Depreciation expense of \$184,172 was charged to culture and recreation function.

LONG-TERM DEBT

Loans Payable

The City enters into loans payable for the acquisition of capital equipment. Loans payable are direct obligations and pledge the full faith and credit of the City. Loans payable currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$350,000 Fire Truck Loan Payable, due in annual installments of \$17,500, interest free through November 1, 2035.				
Vehicle and Equipment Replacement	\$ 245,000	—	17,500	227,500

CITY OF URBANA, ILLINOIS**Notes to the Financial Statements****June 30, 2023****NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued****LONG-TERM DEBT - Continued****General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
\$2,800,000 General Obligation Bonds of 2014, due in annual installments of \$285,000 to \$300,000 plus interest at 0.40% to 2.50% through January 1, 2024.	Capital Improvement and Replacement	\$ 595,000	— 295,000	300,000

Leases Payable

The City has the following leases outstanding at year end:

Lease	Term Length	Start Date	Payments	Interest Rate
Cohen Building	84 Months	March 1, 2023	\$63,703 - \$81,750 annually	2.75%

The future principal and interest lease payments as of the year-end were as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2024	\$ 67,834	13,916
2025	72,024	11,999
2026	76,401	9,963
2027	80,969	7,805
2028	85,739	5,519
2029	90,717	3,099
2030	63,049	652
Totals	536,733	52,953

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Subscriptions Payable

The City has the following subscriptions outstanding at year end:

Subscription	Term Length	Start Date	Payments	Interest Rate
Tyler Technologies	84 Months	April 1, 2018	\$83,299 annually	2.75%
Tyler Technologies	84 Months	April 1, 2019	\$10,642 annually	2.75%
First Due	60 Months	August 15, 2022	\$30,637 - \$37,239 annually	2.75%

The future principal and interest subscription payments as of the year-end were as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2024	\$ 119,760	6,350
2025	41,362	3,057
2026	33,547	1,919
2027	36,242	997
Totals	230,911	12,323

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. "The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed 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 percentage amounts." To date the Illinois General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements
June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity - Continued

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 1,648,854	2,286,886	2,416,337	1,519,403	1,519,403
Net Pension Liability/(Asset) - IMRF	(8,510,097)	16,456,861	—	7,946,764	—
Net Pension Liability - Police Pension	27,197,293	1,052,216	—	28,249,509	—
Net Pension Liability - Firefighters' Pension	10,698,417	—	1,501,528	9,196,889	—
Total OPEB Liability - RBP	5,404,781	536,738	—	5,941,519	—
General Obligation Bonds	595,000	—	295,000	300,000	300,000
Loans Payable	245,000	—	17,500	227,500	17,500
Leases Payable	—	558,687	21,954	536,733	67,834
Subscriptions Payable	345,975	—	115,064	230,911	119,760
	<u>37,625,223</u>	<u>20,891,388</u>	<u>4,367,383</u>	<u>54,149,228</u>	<u>2,024,497</u>
Business-Type Activities					
Net Pension Liability/(Asset) - IMRF	(142,336)	271,916	—	129,580	—
Total OPEB Liability - RBP	39,068	—	1,767	37,301	—
	<u>(103,268)</u>	<u>271,916</u>	<u>1,767</u>	<u>166,881</u>	<u>—</u>
Component Unit - Library					
Compensated Absences	174,741	49,632	99,264	125,109	125,109
Total OPEB Liability - RBP	107,656	37,401	—	145,057	—
	<u>282,397</u>	<u>87,033</u>	<u>99,264</u>	<u>270,166</u>	<u>125,109</u>

For the governmental activities, payments on the compensated absences, the net pension liabilities, the total OPEB liability, the leases payable, and the subscriptions payable are made by the General Fund. The general obligation bonds are liquidated by the TIF #2 Fund and Capital Improvement and Replacement Fund. Payments on the loans payable are being made by the Vehicle and Equipment Replacement Fund.

For business-type activities, the Parking Fund makes payments on the net pension liability and the total OPEB liability.

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities			
	General Obligation Bonds		Loans Payable	
	Principal	Interest	Principal	Interest
2024	\$ 300,000	3,750	17,500	—
2025	—	—	17,500	—
2026	—	—	17,500	—
2027	—	—	17,500	—
2028	—	—	17,500	—
2029	—	—	17,500	—
2030	—	—	17,500	—
2031	—	—	17,500	—
2032	—	—	17,500	—
2033	—	—	17,500	—
2034	—	—	17,500	—
2035	—	—	17,500	—
2036	—	—	17,500	—
Totals	300,000	3,750	227,500	—

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the Board of Trustees itself or by a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The City's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The City's fund balance policy states the unassigned fund balance of the General Fund should be at least 25% of current year operating expenditures.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue		Capital Projects		Nonmajor	Totals
		American Rescue Plan	Motor Fuel Tax	Vehicle and Equipment Replacement	Capital Improvement and Replacement		
Fund Balances							
Nonspendable							
Prepays							
Prepays	\$ 123,730	—	—	—	—	—	123,730
Restricted							
Urban Housing and Development	—	—	—	—	—	9,142,502	9,142,502
Capital Projects	—	—	4,938,577	—	—	—	4,938,577
Public Safety	—	—	—	—	—	263,128	263,128
Highways and Streets	—	—	—	—	—	1,633,562	1,633,562
American Rescue Plan	—	271,935	—	—	—	—	271,935
	—	271,935	4,938,577	—	—	11,039,192	16,249,704
Assigned							
Urban Housing and Development	—	—	—	—	—	179,998	179,998
Capital Projects	—	—	—	—	8,198,245	1,858,462	10,056,707
Public Safety	—	—	—	6,154,907	—	237,599	6,392,506
Workers' Compensation	1,766,254	—	—	—	—	—	1,766,254
Public Television	—	—	—	—	—	118,701	118,701
Property Tax Reserve	—	—	—	—	—	3,069,655	3,069,655
	1,766,254	—	—	6,154,907	8,198,245	5,464,415	21,583,821
Unassigned	32,005,648	—	—	—	—	(239,031)	31,766,617
Total Fund Balances	33,895,632	271,935	4,938,577	6,154,907	8,198,245	16,264,576	69,723,872

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of June 30, 2023:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 104,551,868
Less Capital Related Debt:	
General Obligation Bonds	(300,000)
Loans Payable	(227,500)
Leases Payable	(536,733)
Subscriptions Payable	<u>(230,911)</u>
Net Investment in Capital Assets	<u>103,256,724</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	<u>4,796,096</u>

NET POSITION RESTATEMENT

Beginning balances in capital assets and long-term debt were restated due to the implementation of GASB Statement No. 96; however, the net effect on the Statement of Activities was zero.

NOTE 4 - OTHER INFORMATION

CONTINGENT LIABILITIES

Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

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.

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

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

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

Changes in the balances of claims liabilities during the fiscal year are as follows:

	2023	2022
Claims Payable - Beginning	\$ 1,547,233	1,276,773
Incurred Claims	255,903	756,509
Claims Paid	(825,081)	(486,049)
Claims Payable - Ending	978,055	1,547,233

TAX ABATEMENTS

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

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

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

TAX ABATEMENTS - Continued

Agreement Description	Calculation Method	Developer Commitment	Payments
Five Points NW	80% of property taxes due to incremental value for retail and 50% for non-retail; end at end of CY 2022	Owners must pay property taxes to the County before receiving the rebates	\$ 204,694

The City has entered into property tax abatement agreements with developers and homeowners to stimulate economic development. The developers or homeowners pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid. For the year ended June 30, 2023, the City paid \$428,690 in payments to properties within either the City's enterprise zone residential or enterprise zone commercial areas. These properties also received \$96,447 in township tax abatements.

JOINT VENTURES

Champaign-Urbana Waste Disposal System

The City participates in the Champaign-Urbana Solid Waste Disposal System (CUSWDS) which consists of the cities of Champaign and Urbana. CUSWDS operated a sanitary landfill for the disposal of the solid waste generated in the metropolitan area, with revenues derived primarily from user charges. The co-directors of CUSWDS are the City Manager of the City of Champaign and the Mayor of Urbana, who have equal voting rights with respect to the operations of the landfill. The annual operating budget of the landfill is to be approved by both City Councils.

Effective June 1, 1987, CUSWDS ceased operations, however, it is responsible for management of a closed landfill in perpetuity. Financial participation in CUSWDS is based on the relative populations of Champaign and Urbana. Champaign is responsible for 61.8 percent, and Urbana is responsible for 38.2 percent of the CUSWDS's obligations.

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

JOINT VENTURES - Continued

Champaign-Urbana Waste Disposal System - Continued

Separate financial statements are available for CUSWDS by contacting the City of Urbana, Illinois Finance Department (Lead Agency) at 400 South Vine, Urbana, Illinois 61801. Summary financial information for CUSWDS as of and for the year ended June 30, 2023 is as follows:

Total Assets	\$ 228,663	Total Revenues	70,286
		Total Expenses	38,241
Total Liabilities	4,473		
		Net Income	32,045
Total Fund Balance	224,190		
		Total Fund Balance - Beginning	192,145
Total Liabilities and Fund Balance	228,663	Total Fund Balance - Ending	224,190

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit 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 also a single-employer pension plan. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The Police and Firefighters' Pension Plans also issue separate reports that may be obtained by writing to the City at 400 South Vine Street, Urbana, IL, 61801. The benefits, benefit levels, employee contributions and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amounts recognized for the pension plans are:

	Pension Expense	Net Pension Liability	Deferred Outflows	Deferred Inflows
IMRF	\$ 1,568,170	8,076,344	7,461,671	61,105
Police Pension	4,090,360	28,249,509	5,280,281	1,222,978
Firefighters' Pension	1,779,132	9,196,889	2,717,910	1,711,001
	7,437,662	45,522,742	15,459,862	2,995,084

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight 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 Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten 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 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.

Plan Membership. As of December 31, 2022, the measurement date, the following employees (which includes the Library) were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	240
Inactive Plan Members Entitled to but not yet Receiving Benefits	149
Active Plan Members	<u>155</u>
Total	<u><u>544</u></u>

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued****Illinois Municipal Retirement Fund (IMRF)****Plan Descriptions - Continued**

Contributions. As set by statute, the City's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the fiscal year-ended June 30, 2023, the City's contribution was 8.14% of covered payroll.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liabilities were determined by an actuarial valuation performed, as of December 31, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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.

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period 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 net pension liability of the City calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 16,628,554	8,076,344	1,243,448

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (Asset) (A) - (B)
Balances at December 31, 2021	\$ 74,685,427	83,337,860	(8,652,433)
Changes for the Year:			
Service Cost	911,880	—	911,880
Interest on the Total Pension Liability	5,284,924	—	5,284,924
Difference Between Expected and Actual Experience of the Total Pension Liability	1,105,415	—	1,105,415
Changes of Assumptions	—	—	—
Contributions - Employer	—	991,898	(991,898)
Contributions - Employees	—	477,731	(477,731)
Net Investment Income	—	(11,070,746)	11,070,746
Benefit Payments, Including Refunds of Employee Contributions	(4,491,737)	(4,491,737)	—
Other (Net Transfer)	—	174,559	(174,559)
Net Changes	2,810,482	(13,918,295)	16,728,777
Balances at December 31, 2022	77,495,909	69,419,565	8,076,344

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2023, the City recognized pension expense of \$1,568,170. At June 30, 2023, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,183,952	—	1,183,952
Change in Assumptions	—	(61,105)	(61,105)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	5,903,545	—	5,903,545
Total Pension Expense to be Recognized in Future Periods	7,087,497	(61,105)	7,026,392
Pension Contributions Made			
Subsequent to the Measurement Date	374,174	—	374,174
Total Deferred Amounts Related to IMRF	7,461,671	(61,105)	7,400,566

\$374,174 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2024.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows of Resources
2024	\$ 259,145
2025	1,384,083
2026	1,981,259
2027	3,401,905
2028	—
Thereafter	—
Totals	7,026,392

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At June 30, 2023, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	60
Inactive Plan Members Entitled to but not yet Receiving Benefits	5
Active Plan Members	<u>53</u>
Total	<u><u>118</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit 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 be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued****Police Pension Plan - Continued****Plan Descriptions - Continued**

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 plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the fiscal year-ended June 30, 2023, the City's contribution was 50.18% of covered payroll.

Concentrations. At fiscal year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of June 30, 2023, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.125%
Salary Increases	Service Based
Cost of Living Adjustments	3.25%
Inflation	2.25%

Mortality rates were based on PubS-2010(A) Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate.

Discount Rate

The discount rate used to measure the total pension liability was 7.125%, the same rate as the prior year. 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund'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 pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.125%)	Current Discount Rate (7.125%)	1% Increase (8.125%)
Net Pension Liability	\$ 39,275,198	28,249,509	19,341,189

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at June 30, 2022	\$ 70,943,864	43,746,571	27,197,293
Changes for the Year:			
Service Cost	1,071,373	—	1,071,373
Interest on the Total Pension Liability	4,906,455	—	4,906,455
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	1,312,495	—	1,312,495
Changes of Assumptions	—	—	—
Contributions - Employer	—	2,402,379	(2,402,379)
Contributions - Employees	—	503,039	(503,039)
Net Investment Income	—	3,358,393	(3,358,393)
Benefit Payments, Including Refunds of Employee Contributions	(3,859,275)	(3,859,275)	—
Other (Net Transfer)	—	(25,704)	25,704
Net Changes	3,431,048	2,378,832	1,052,216
Balances at June 30, 2023	74,374,912	46,125,403	28,249,509

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2023, the City recognized pension expense of \$4,090,360. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,853,213	(387,733)	1,465,480
Change in Assumptions	630,596	(835,245)	(204,649)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,796,472	—	2,796,472
Total Deferred Amounts Related to Police Pension	5,280,281	(1,222,978)	4,057,303

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2024	\$ 1,151,806
2025	711,621
2026	2,036,548
2027	(1,713)
2028	159,041
Thereafter	—
Total	4,057,303

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan

Plan Descriptions

Plan Administration. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At June 30, 2023, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	57
Inactive Plan Members Entitled to but not yet Receiving Benefits	6
Active Plan Members	<u>63</u>
Total	<u><u>126</u></u>

Benefits Provided. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit 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 be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued****Firefighters' Pension Plan - Continued****Plan Descriptions - Continued**

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' 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 plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the fiscal year-ended June 30, 2023, the City's contribution was 22.68% of covered payroll.

Concentrations. At fiscal year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of June 30, 2023, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.125%
Salary Increases	Service Based
Cost of Living Adjustments	3.25%
Inflation	2.25%

Mortality rates were based on PubS-2010(A) Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate.

Discount Rate

The discount rate used to measure the total pension liability was 7.125%, the same rate as the prior year.. 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund'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 pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the City calculated using the discount rate as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

		1% Decrease (6.125%)	Current Discount Rate (7.125%)	1% Increase (8.125%)
Net Pension Liability	\$	18,805,594	9,196,889	1,335,372

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at June 30, 2022	\$ 67,610,503	56,912,086	10,698,417
Changes for the Year:			
Service Cost	1,231,533	—	1,231,533
Interest on the Total Pension Liability	4,684,823	—	4,684,823
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(575,446)	—	(575,446)
Changes of Assumptions	—	—	—
Contributions - Employer	—	1,157,273	(1,157,273)
Contributions - Employees	—	484,091	(484,091)
Contributions - Employer Supplemental	—	—	—
Net Investment Income	—	5,220,300	(5,220,300)
Benefit Payments, Including Refunds of Employee Contributions	(3,433,267)	(3,433,267)	—
Other (Net Transfer)	—	(19,226)	19,226
Net Changes	1,907,643	3,409,171	(1,501,528)
Balances at June 30, 2023	69,518,146	60,321,257	9,196,889

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2023, the City recognized pension expense of \$1,779,132. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 483,456	(976,657)	(493,201)
Change in Assumptions	565,374	(734,344)	(168,970)
Net Difference Between Projected and Actual			
Earnings on Pension Plan Investments	1,669,080	—	1,669,080
Total Deferred Amounts Related to Firefighters' Pension	2,717,910	(1,711,001)	1,006,909

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2024	\$ (81,235)
2025	(349,659)
2026	1,994,745
2027	(406,079)
2028	(100,939)
Thereafter	(49,924)
Total	1,006,909

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The City's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the City. RBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

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

Plan Membership. As of June 30, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	54
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>308</u>
Total	<u><u>362</u></u>

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial assumptions and other inputs - Continued.

Inflation	2.50%
Salary Increases	Service Based
Discount Rate	4.13%
Healthcare Cost Trend Rates	Initial rate of 7.25%, grading down to the ultimate trend rate of 4.00% in 2075.
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.

Mortality rates were based on PubG-2010 amount-weighted, below-median income, General Employee, Male and Female tables, with future mortality improvements projected using scale MP-2020.

Change in the Total OPEB Liability

	City	Library	Totals
Balance at June 30, 2022	\$ 5,443,849	107,656	5,551,505
Changes for the Year:			
Service Cost	261,455	6,343	267,798
Interest on the Total OPEB Liability	175,936	28,690	204,626
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience	(664,312)	(16,117)	(680,429)
Changes of Assumptions or Other Inputs	1,029,723	24,983	1,054,706
Benefit Payments	(267,831)	(6,498)	(274,329)
Net Changes	534,971	37,401	572,372
Balance at June 30, 2023	5,978,820	145,057	6,123,877

Notes to the Financial Statements
June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued**OTHER POST-EMPLOYMENT BENEFITS - Continued****Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The discount rate used to measure the total pension liability was 4.13%, while the prior valuation used 4.09%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
City	\$ 6,457,203	5,978,820	5,540,318
Library	156,663	145,057	134,418
Total OPEB Liability	6,613,866	6,123,877	5,674,736

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
City	\$ 4,802,311	5,978,820	6,143,990
Library	116,513	145,057	149,064
Total OPEB Liability	4,918,824	6,123,877	6,293,054

CITY OF URBANA, ILLINOIS

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$542,129, and the Library recognized pension expense of \$36,245. At June 30, 2023, the City and the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	City		Library		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 282,358	(924,035)	6,851	(22,419)	(657,245)
Change in Assumptions	1,942,575	(743,854)	47,130	(18,047)	1,227,804
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	—	—	—	—
Total Deferred Amounts Related to OPEB	2,224,933	(1,667,889)	53,981	(40,466)	570,559

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

Fiscal Year	Net Deferred Outflows of Resources		
	City	Library	Totals
2024	\$ 103,440	2,510	105,950
2025	103,440	2,510	105,950
2026	103,440	2,510	105,950
2027	103,441	2,510	105,951
2028	69,647	1,690	71,337
Thereafter	73,636	1,785	75,421
Total	557,044	13,515	570,559

SUBSEQUENT EVENT

Purchase of Property

On July 5, 2023, the City purchased property located at 1205 Bradley Ave. in the amount of \$268,072.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
 - Retiree Benefit Plan
- Budgetary Comparison Schedules
 - General Fund
 - Major Special Revenue Funds

Notes to the Required Supplementary Information

Budgetary information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF URBANA, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
June 30, 2023**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,264,285	\$ 1,305,023	\$ 40,738	\$ 10,114,209	12.90%
2016	1,254,906	1,269,129	14,223	10,181,885	12.46%
2017	1,350,497	1,369,797	19,300	10,530,930	13.01%
2018	1,264,554	1,267,561	3,007	10,694,745	11.85%
2019	1,231,583	1,231,583	—	9,209,415	13.37%
2020	991,885	991,885	—	8,210,580	12.08%
2021	1,160,217	1,215,870	55,653	8,112,072	14.99%
2022	1,042,601	1,042,601	—	9,956,249	10.47%
2023	885,303	885,303	—	10,880,020	8.14%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF URBANA, ILLINOIS

Police Pension Fund

Schedule of Employer Contributions

June 30, 2023

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 1,642,577	\$ 2,254,203	\$ 611,626	\$ 4,124,681	54.65%
2015	1,642,577	1,850,383	207,806	4,111,495	45.01%
2016	1,619,190	1,396,843	(222,347)	4,481,382	31.17%
2017	1,721,661	1,230,207	(491,454)	4,597,710	26.76%
2018	1,202,926	1,263,112	60,186	4,564,608	27.67%
2019	1,376,311	1,035,976	(340,335)	4,712,958	21.98%
2020	1,610,592	1,721,967	111,375	4,905,703	35.10%
2021	1,840,000	2,382,982	542,982	4,921,419	48.42%
2022	2,148,000	2,344,957	196,957	5,080,598	46.16%
2023	2,508,000	2,402,379	(105,621)	4,787,795	50.18%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	15 Years
Asset Valuation Method	Fair Value
Inflation	2.25%
Salary Increases	Service Based
Investment Rate of Return	7.125%
Retirement Age	Graded by age (11.00% at 50 to 100.00% at age 65)
Mortality	PubS-2010(A) Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

CITY OF URBANA, ILLINOIS

Firefighters' Pension Fund
Schedule of Employer Contributions
June 30, 2023

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 1,179,662	\$ 1,517,629	\$ 337,967	\$ 3,777,788	40.17%
2015	1,179,662	1,236,008	56,346	3,942,216	31.35%
2016	1,117,736	1,038,747	(78,989)	4,063,754	25.56%
2017	1,082,119	972,622	(109,497)	4,237,345	22.95%
2018	764,329	966,759	202,430	4,235,199	22.83%
2019	864,245	759,718	(104,527)	4,372,843	17.37%
2020	1,133,000	1,199,463	66,463	4,586,604	26.15%
2021	1,261,000	1,596,536	335,536	4,571,391	34.92%
2022	1,403,000	1,444,077	41,077	4,860,393	29.71%
2023	1,480,253	1,157,273	(322,980)	5,103,555	22.68%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	15 Years
Asset Valuation Method	Fair Value
Inflation	2.25%
Salary Increases	Service Based
Investment Rate of Return	7.125%
Retirement Age	Graded by age (11.00% at 50 to 100.00% at age 65)
Mortality	PubS-2010(A) Adjusted for Plan Status, Collar, and Illinois Public Pension Data, as Appropriate

CITY OF URBANA, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

June 30, 2023

	12/31/14	12/31/15
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)
Change 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	56,932,200	59,013,062
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,305,023	1,269,129
Contributions - Members	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 Net Position - Beginning	47,810,846	50,311,493
Plan Net Position - Ending	50,311,493	50,344,816
Employer's Net Pension Liability/(Asset)	\$ 6,620,707	8,668,246
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.37%	85.31%
Covered Payroll	\$ 9,904,010	9,991,290
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	66.85%	86.76%

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2014 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2014 and 2017.

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21	12/31/22
1,065,320	1,102,255	1,015,914	1,044,497	959,723	896,042	911,880
4,346,036	4,564,742	4,613,194	4,811,686	4,951,404	5,117,618	5,284,924
275,732	(60,305)	881,107	(84,651)	1,025,447	704,003	1,105,415
(214,733)	(1,831,679)	1,770,413	—	(429,952)	—	—
(2,731,713)	(2,883,199)	(3,288,433)	(3,583,757)	(4,020,242)	(4,344,104)	(4,491,737)
2,740,642	891,814	4,992,195	2,187,775	2,486,380	2,373,559	2,810,482
59,013,062	61,753,704	62,645,518	67,637,713	69,825,488	72,311,868	74,685,427
61,753,704	62,645,518	67,637,713	69,825,488	72,311,868	74,685,427	77,495,909
1,369,797	1,267,561	1,231,583	991,885	1,215,870	1,118,157	991,898
466,761	482,590	496,327	504,605	459,813	432,553	477,731
3,467,889	9,411,497	(3,391,366)	10,813,729	9,473,373	12,637,229	(11,070,746)
(2,731,713)	(2,883,199)	(3,288,433)	(3,583,757)	(4,020,242)	(4,344,104)	(4,491,737)
426,415	(1,108,494)	1,315,578	183,144	605,427	(27,431)	174,559
2,999,149	7,169,955	(3,636,311)	8,909,606	7,734,241	9,816,404	(13,918,295)
50,344,816	53,343,965	60,513,920	56,877,609	65,787,215	73,521,456	83,337,860
53,343,965	60,513,920	56,877,609	65,787,215	73,521,456	83,337,860	69,419,565
8,409,739	2,131,598	10,760,104	4,038,273	(1,209,588)	(8,652,433)	8,076,344
86.38%	96.60%	84.09%	94.22%	101.67%	111.59%	89.58%
10,372,480	10,689,380	10,700,109	10,342,908	9,766,138	9,589,678	10,430,057
81.08%	19.94%	100.56%	39.04%	(12.39%)	(90.23%)	77.43%

CITY OF URBANA, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

June 30, 2023

	6/30/14	6/30/15	6/30/16
Total Pension Liability			
Service Cost	\$ 1,202,918	1,194,543	1,085,728
Interest	3,084,785	3,228,731	3,541,423
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	(136,267)	(610,133)	(4,005,503)
Change 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	47,238,793	50,604,149	50,967,232
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,254,203	1,850,383	1,396,843
Contributions - Members	393,954	416,575	444,105
Contributions - Other	—	—	—
Net Investment Income	3,673,877	632,290	861,378
Benefit Payments, Including Refunds of Member Contributions	(1,971,517)	(2,209,086)	(2,196,232)
Administrative Expenses	(33,074)	(33,421)	(60,788)
Net Change in Plan Fiduciary Net Position	4,317,443	656,741	445,306
Plan Net Position - Beginning	29,542,951	33,860,394	34,517,135
Plan Net Position - Ending	33,860,394	34,517,135	34,962,441
Employer's Net Pension Liability	\$ 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 Payroll	\$ 4,124,681	4,111,495	4,481,382
Employer's Net Pension Liability as a Percentage of Covered Payroll	324.35%	391.27%	357.14%

6/30/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23
1,053,158	1,126,879	1,182,091	1,141,313	1,159,534	1,122,330	1,071,373
3,485,734	3,919,160	4,093,197	4,292,396	4,612,916	4,772,046	4,906,455
—	—	—	392,059	—	—	—
4,777,112	—	—	853,891	(324,629)	(308,508)	1,312,495
(613,367)	186,905	515,012	1,147,654	197,308	(1,206,102)	—
(2,342,051)	(2,679,667)	(2,813,712)	(3,075,475)	(3,193,034)	(3,497,518)	(3,859,275)
6,360,586	2,553,277	2,976,588	4,751,838	2,452,095	882,248	3,431,048
50,967,232	57,327,818	59,881,095	62,857,683	67,609,521	70,061,616	70,943,864
57,327,818	59,881,095	62,857,683	67,609,521	70,061,616	70,943,864	74,374,912
1,230,207	1,263,112	1,035,976	1,721,967	2,382,982	2,344,957	2,402,379
442,500	452,353	474,021	487,632	487,713	497,978	503,039
—	—	120,990	—	—	—	—
3,356,407	2,659,165	2,227,519	1,427,364	9,661,385	(5,640,312)	3,358,393
(2,342,051)	(2,679,667)	(2,813,712)	(3,075,475)	(3,193,034)	(3,497,518)	(3,859,275)
(54,146)	(22,701)	(37,561)	(42,048)	(50,110)	(41,763)	(25,704)
2,632,917	1,672,262	1,007,233	519,440	9,288,936	(6,336,658)	2,378,832
34,962,441	37,595,358	39,267,620	40,274,853	40,794,293	50,083,229	43,746,571
37,595,358	39,267,620	40,274,853	40,794,293	50,083,229	43,746,571	46,125,403
19,732,460	20,613,475	22,582,830	26,815,228	19,978,387	27,197,293	28,249,509
65.58%	65.58%	64.07%	60.34%	71.48%	61.66%	62.02%
4,597,710	4,564,608	4,712,958	4,905,703	4,921,419	5,080,598	4,787,795
429.18%	451.59%	479.16%	546.61%	405.95%	535.32%	590.03%

CITY OF URBANA, ILLINOIS

Firefighter's Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

June 30, 2023

	6/30/14	6/30/15	6/30/16
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	—	—	—
Changes in Assumptions	(521,056)	(17,671)	(686,638)
Changes of Benefit Terms	—	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	43,931,004	46,725,593	50,437,879
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,517,629	1,236,008	1,038,747
Contributions - Members	350,475	374,389	402,718
Contributions - Employer Supplemental	—	—	—
Net Investment Income	5,208,327	1,954,325	313,386
Benefit Payments, Including Refunds of Member Contributions	(1,991,181)	(2,072,600)	(2,201,873)
Administrative Expenses	(37,219)	(36,908)	(43,824)
Net Change in Plan Fiduciary Net Position	5,048,031	1,455,214	(490,846)
Plan Net Position - Beginning	35,692,771	40,740,802	42,196,016
Plan Net Position - Ending	40,740,802	42,196,016	41,705,170
Employer's Net Pension Liability	\$ 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 Payroll	\$ 3,777,788	3,942,216	4,063,754
Employer's Net Pension Liability as a Percentage of Covered Payroll	84.45%	114.90%	214.89%

6/30/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23
1,041,804	1,114,730	1,130,620	1,265,843	1,250,815	1,278,689	1,231,533
3,451,343	3,776,268	3,940,224	4,065,019	4,298,257	4,459,924	4,684,823
—	—	—	276,420	—	—	—
1,990,332	24,188	(569,017)	(105,091)	(514,339)	707,950	(575,446)
552,401	—	—	1,297,258	(10,270)	(1,073,796)	—
(2,265,954)	(2,526,718)	(2,614,717)	(2,823,377)	(3,033,306)	(3,212,876)	(3,433,267)
4,769,926	2,388,468	1,887,110	3,976,072	1,991,157	2,159,891	1,907,643
50,437,879	55,207,805	57,596,273	59,483,383	63,459,455	65,450,612	67,610,503
55,207,805	57,596,273	59,483,383	63,459,455	65,450,612	67,610,503	69,518,146
972,622	966,759	759,718	1,199,463	1,596,536	1,444,077	1,157,273
402,966	400,438	420,573	433,663	432,589	465,719	484,091
—	—	—	—	—	—	—
5,327,069	4,060,887	2,896,940	2,159,668	14,948,105	(7,047,650)	5,220,300
(2,265,954)	(2,526,718)	(2,614,717)	(2,823,377)	(3,033,306)	(3,212,876)	(3,433,267)
(36,152)	(16,556)	(29,067)	(20,866)	(33,213)	(20,424)	(19,226)
4,400,551	2,884,810	1,433,447	948,551	13,910,711	(8,371,154)	3,409,171
41,705,170	46,105,721	48,990,531	50,423,978	51,372,529	65,283,240	56,912,086
46,105,721	48,990,531	50,423,978	51,372,529	65,283,240	56,912,086	60,321,257
9,102,084	8,605,742	9,059,405	12,086,926	167,372	10,698,417	9,196,889
83.51%	85.06%	84.77%	80.95%	99.74%	84.18%	86.77%
4,237,345	4,235,199	4,372,843	4,586,604	4,571,391	4,860,393	5,103,555
214.81%	203.20%	207.17%	263.53%	3.66%	220.11%	180.21%

CITY OF URBANA, ILLINOIS

Police Pension Fund

Schedule of Investment Returns

June 30, 2023

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	11.89%
2015	1.87%
2016	2.60%
2017	7.73%
2018	7.17%
2019	5.81%
2020	3.74%
2021	21.26%
2022	(12.02%)
2023	3.61%

CITY OF URBANA, ILLINOIS

Firefighters' Pension Fund
Schedule of Investment Returns
June 30, 2023

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	14.31%
2015	4.83%
2016	0.70%
2017	13.54%
2018	8.90%
2019	5.98%
2020	4.33%
2021	25.68%
2022	(11.54%)
2023	8.91%

CITY OF URBANA, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

June 30, 2023

	<u>Totals</u> <u>6/30/18</u>
Total OPEB Liability	
Service Cost	\$ 392,809
Interest	133,193
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	—
Change of Assumptions or Other Inputs	(153,548)
Benefit Payments	(72,969)
Other Changes	—
Net Change in Total OPEB Liability	<u>299,485</u>
Total OPEB Liability - Beginning	<u>3,363,815</u>
Total OPEB Liability - Ending	<u><u>3,663,300</u></u>
Employee-Covered Payroll	21,766,391
Total OPEB Liability as a Percentage of Employee-Covered Payroll	16.83%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate from 2018 through 2023.

Totals	Totals	Totals	Totals	6/30/23		
6/30/19	6/30/20	6/30/21	6/30/22	City	Library	Totals
386,933	366,258	272,727	347,851	261,455	6,343	267,798
126,229	134,876	147,281	140,717	175,936	28,690	204,626
—	—	—	—	—	—	—
(751,658)	—	433,812	—	(664,312)	(16,117)	(680,429)
1,205,600	75,532	694,031	(898,224)	1,029,723	24,983	1,054,706
(74,425)	(177,201)	(251,908)	(290,226)	(267,831)	(6,498)	(274,329)
—	—	—	—	—	—	—
892,679	399,465	1,295,943	(699,882)	534,971	37,401	572,372
3,663,300	4,555,979	4,955,444	6,251,387	5,443,849	107,656	5,551,505
4,555,979	4,955,444	6,251,387	5,551,505	5,978,820	145,057	6,123,877
19,368,542	19,961,793	19,741,022	20,538,559	20,052,060	486,499	20,538,559
23.52%	24.82%	31.67%	27.03%	29.82%	29.82%	29.82%

CITY OF URBANA, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 15,936,000	18,399,964	18,350,127
Intergovernmental	14,051,658	16,549,583	16,952,182
Licenses and Permits	1,088,815	1,193,952	1,340,603
Fines, Forfeitures, and Penalties	374,286	252,155	208,519
Charges for Services	4,213,038	4,200,538	4,212,311
Investment Income	120,000	500,000	651,127
Miscellaneous	235,000	235,000	383,259
Total Revenues	36,018,797	41,331,192	42,098,128
Expenditures			
General Government	7,268,322	7,737,093	6,345,477
Public Safety	22,590,557	23,525,621	21,692,150
Highways and Streets	8,373,374	8,498,567	7,185,708
Urban Redevelopment and Housing	2,205,490	2,316,664	1,838,835
Debt Service			
Principal Retirement	—	—	137,018
Interest and Fiscal Charges	—	—	14,560
Total Expenditures	40,437,743	42,077,945	37,213,748
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,418,946)	(746,753)	4,884,380
Other Financing Sources (Uses)			
Debt Issuance	—	—	558,687
Transfers In	4,835,632	4,795,186	3,161,855
Transfers Out	(2,214,037)	(2,199,037)	(839,270)
	2,621,595	2,596,149	2,881,272
Net Change in Fund Balance	(1,797,351)	1,849,396	7,765,652
Fund Balance - Beginning			26,129,980
Fund Balance - Ending			33,895,632

CITY OF URBANA, ILLINOIS

American Rescue Plan - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Federal Grants	\$ —	—	3,656,065
Investment Income	—	230,000	297,620
Total Revenues	—	230,000	3,953,685
Expenditures			
General Government			
Contractual Services	—	8,627,120	2,956,829
Excess (Deficiency) of Revenues Over (Under) Expenditures	—	(8,397,120)	996,856
Other Financing (Uses)			
Transfers Out	(952,931)	(1,012,931)	(699,236)
Net Change in Fund Balance	(952,931)	(9,410,051)	297,620
Fund Balance - Beginning			(25,685)
Fund Balance - Ending			271,935

CITY OF URBANA, ILLINOIS**Motor Fuel Tax - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor Fuel Tax	\$ 1,619,564	1,668,811	1,603,945
Rebuild Funds	453,090	453,090	453,090
Other Intergovernmental	756,800	—	—
Investment Income	100,000	100,000	130,785
Total Revenues	2,929,454	2,221,901	2,187,820
Expenditures			
Highways and Streets			
Contractual Services	1,890,000	680,611	478,887
Capital Outlay	5,232,793	3,969,656	3,468,963
Total Expenditures	7,122,793	4,650,267	3,947,850
Net Change in Fund Balance	(4,193,339)	(2,428,366)	(1,760,030)
Fund Balance - Beginning			6,698,607
Fund Balance - Ending			4,938,577

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - General Fund
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Major Enterprise Fund
- Combining Statements - Internal Service Funds
- Budgetary Comparison Schedules - Internal Service Funds
- Combining Statements - Pension Trust Funds
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

American Rescue Plan Fund

The American Rescue Plan Fund is used to account for funds held related to the American Rescue Plan federal grant.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for the receipts of state-shared motor fuel tax revenue, which is used to pay for eligible transportation improvements.

Police Special Fund

The Police Special fund is used to account for revenues from state and federal asset forfeitures, DUI fines, and cannabis excise tax revenues shared with local governments by the State. This fund is restricted by law for specific Police Department expenditures.

Farmer's Market Fund

The Farmer's Market Fund is used to account for activities related to the City's Market at the Square.

Community Development Special Fund

The Community Development Special fund is used to account for salaries for grant-funded positions and is reimbursed with grant funds, such as CDBG and HOME.

Community Development Grants Fund

The Community Development Grants Fund is used to account for grant-related expenditures for federal and state grants such as HOME, HOME ARP, Community Development Block Grant, Supportive Housing Program and Emergency Solutions Grants. This fund normally shows a deficit fund balance because funds must be spent on programs before grant funds are disbursed.

INDIVIDUAL FUND DESCRIPTIONS - Continued

SPECIAL REVENUE FUNDS - Continued

Tax Increment Financing #2 Fund

The Tax Increment Financing #2 Fund is used to account for eligible expenses within the TIF 2 redevelopment district. TIF 2 was established in 1986 and ended on 12/31/2022.

Tax Increment Financing #4 Fund

The Tax Increment Financing #4 Fund is used to account for eligible expenses within the TIF 4 redevelopment district. TIF 4 was established in 2001 and will end on 12/31/2025.

Central Tax Increment Financing Fund

The Central Tax Increment Financing Fund is used to account for eligible expenses within the Central TIF redevelopment district. Central TIF was established in FY2017, when TIF 1 was closed and TIF 2 was amended. This TIF will end on 12/31/2040.

Post Tax Increment Financing Closure Fund

The Post Tax Increment Financing Closure Fund is used to account for funds that are committed to projects when various TIFs are closed.

Recycling Fund

The Recycling Fund is used to account for revenues received from recycling taxes, which fund recycling services, yard waste disposal, and other related programs.

Cable TV PEG Fund

The Cable TV PEG Fund is used to account for certain costs of the UPTV program. Revenues come from a share of cable franchise fees. Beginning in FY2021, all staff costs were moved to the General Fund.

Arms Programming Fund

The Arms Programing Fund is used to account for revenues received from government agencies that used the area-wide police records management system managed by the City, and covered all associated costs. This fund will be closed in FY2023 because the replacement police records management system is managed by another agency.

General Reserve Fund

The General Reserve Fund is used to account for funds held related to the ongoing dispute about hospital property taxes, keeping them separate from other reserves.

INDIVIDUAL FUND DESCRIPTIONS - Continued

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for all resources used for the acquisition of capital assets by the City, except those financed by Proprietary Funds.

Vehicle and Equipment Replacement Fund

The Vehicle and Equipment Replacement Fund is used to account for the fees, grants, and transfers used to pay for the replacement of public safety vehicles and equipment.

Capital Improvement and Replacement Fund

The Capital Improvement and Replacement Fund is 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.

Sanitary Sewer Fund

The Sanitary Sewer Fund is used to account for sanitary sewer fee revenues, which are used to fund maintenance and improvement of the sanitary sewer system.

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Parking Fund

The Parking Fund is used to account for operations of the City's parking lots and garages.

INDIVIDUAL FUND DESCRIPTIONS - Continued

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

Equipment Services Fund

The Equipment Services Fund is used to account for the costs of maintenance for City vehicles and equipment, and charges user departments a fee for those services.

Information Technology Fund

The Information Technology Fund is used to account for paying the salaries for IT staff and citywide IT-related expenditures. This fund was created in order to more accurately allocate costs for these services.

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement pensions for the City's sworn police personnel. Resources are contributed by sworn police personnel at rates fixed by State statutes and by the City at an amount determined by an annual actuarial study.

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to sworn officers of the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

CITY OF URBANA, ILLINOIS**General Fund****Schedule of Revenues - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual
Taxes			
Property Tax	\$ 4,843,224	5,056,115	4,995,944
Utility Tax	3,286,999	3,426,109	3,319,159
Home Rule Sales Tax	6,457,317	8,296,732	8,398,348
Hotel and Motel Tax	910,718	1,161,237	1,198,187
Telecommunications Tax	437,742	459,771	438,489
Total Taxes	15,936,000	18,399,964	18,350,127
Intergovernmental			
State Income Tax	5,071,853	5,788,736	5,947,192
State Sales Tax	5,936,811	7,208,406	7,444,702
State Use Tax	1,437,600	1,571,776	1,533,098
Replacement Tax	619,090	866,155	911,258
State Gaming Tax	371,794	500,000	500,524
Other State Taxes	2,200	2,200	2,055
State Grants	21,900	21,900	8,600
Federal Grants	577,010	577,010	591,801
Other Intergovernmental	13,400	13,400	12,952
Total Intergovernmental	14,051,658	16,549,583	16,952,182
Licenses and Permits	1,088,815	1,193,952	1,340,603
Fines, Forfeitures, and Penalties	374,286	252,155	208,519
Charges for Services	4,213,038	4,200,538	4,212,311
Investment Income	120,000	500,000	651,127
Miscellaneous	235,000	235,000	383,259
Total Revenues	36,018,797	41,331,192	42,098,128

CITY OF URBANA, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual
General Government			
City Council			
Salaries and Benefits	\$ 52,752	52,752	52,749
Materials and Supplies	390	390	—
Contractual Services	6,973	6,973	1,260
	60,115	60,115	54,009
City Clerk's Office			
Salaries and Benefits	154,762	154,762	150,411
Materials and Supplies	9,785	9,785	6,954
Contractual Services	17,180	17,180	13,572
	181,727	181,727	170,937
Executive			
Salaries and Benefits	1,575,851	1,479,046	1,180,883
Materials and Supplies	8,065	11,365	7,578
Contractual Services	470,919	591,782	456,674
	2,054,835	2,082,193	1,645,135
Human Resources and Finance			
Salaries and Benefits	2,455,668	2,467,013	2,252,607
Materials and Supplies	38,327	49,148	24,940
Contractual Services	950,675	1,360,936	1,447,824
	3,444,670	3,877,097	3,725,371
Retained Risk			
Materials and Supplies	2,000	2,000	—
Contractual Services	1,524,975	1,533,961	750,025
	1,526,975	1,535,961	750,025
Total General Government	7,268,322	7,737,093	6,345,477

CITY OF URBANA, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual - Continued****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual
Public Safety			
Police			
Salaries and Benefits	\$ 10,131,156	10,694,233	9,893,962
Materials and Supplies	110,733	123,445	112,039
Contractual Services	2,061,325	2,244,419	1,931,981
	12,303,214	13,062,097	11,937,982
Fire			
Salaries and Benefits	8,839,330	8,664,860	8,152,894
Materials and Supplies	195,325	296,809	211,368
Contractual Services	1,252,688	1,501,855	1,389,906
	10,287,343	10,463,524	9,754,168
Total Public Safety	22,590,557	23,525,621	21,692,150
Highways and Streets			
Salaries and Benefits	5,037,864	4,682,864	3,978,776
Materials and Supplies	582,111	664,746	479,294
Contractual Services	2,700,141	3,097,699	2,681,867
Other Services and Charges	53,258	53,258	45,771
Total Highways and Streets	8,373,374	8,498,567	7,185,708
Urban Redevelopment and Housing			
Salaries and Benefits	1,582,719	1,545,058	1,293,023
Materials and Supplies	26,850	22,725	10,508
Contractual Services	595,921	748,881	535,304
Total Urban Redevelopment and Housing	2,205,490	2,316,664	1,838,835
Debt Service			
Principal Retirement	—	—	137,018
Interest and Fiscal Charges	—	—	14,560
Total Debt Service	—	—	151,578
Total Expenditures	40,437,743	42,077,945	37,213,748

CITY OF URBANA, ILLINOIS

Vehicle and Equipment Replacement - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
State Grants	\$ —	—	1,000
Charges for Services	1,340,363	1,656,308	1,656,308
Investment Income	—	105,000	135,879
Total Revenues	1,340,363	1,761,308	1,793,187
Expenditures			
Capital Outlay	1,390,487	2,568,188	1,691,370
Debt Service			
Principal Retirement	18,571	18,571	17,500
Total Expenditures	1,409,058	2,586,759	1,708,870
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,695)	(825,451)	84,317
Other Financing Sources			
Disposals of Capital Assets	—	55,806	100,806
Transfers In	109,727	119,727	119,727
	109,727	175,533	220,533
Net Change in Fund Balance	41,032	(649,918)	304,850
Fund Balance - Beginning			5,850,057
Fund Balance - Ending			6,154,907

CITY OF URBANA, ILLINOIS

Capital Improvement and Replacement - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Motor Fuel Tax	\$ 802,000	648,854	674,056
State Grants	15,000	108,000	98,048
Charges for Services	1,864,068	1,744,237	1,685,156
Investment Income	65,000	160,000	202,481
Miscellaneous	17,750	27,414	23,509
Total Revenues	2,763,818	2,688,505	2,683,250
Expenditures			
Highways and Streets			
Contractual Services	1,804,749	1,621,551	966,441
Capital Outlay	12,190,514	6,151,718	2,499,328
Debt Service			
Principal Retirement	295,000	295,000	295,000
Interest and Fiscal Charges	10,966	10,966	10,966
Total Expenditures	14,301,229	8,079,235	3,771,735
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,537,411)	(5,390,730)	(1,088,485)
Other Financing Sources (Uses)			
Debt Issuance	12,000,000	—	—
Transfers In	969,270	954,270	954,270
Transfers Out	(691,806)	(691,806)	(691,806)
	12,277,464	262,464	262,464
Net Change in Fund Balance	740,053	(5,128,266)	(826,021)
Fund Balance - Beginning			9,024,266
Fund Balance - Ending			8,198,245

CITY OF URBANA, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2023

	Special Revenue	Capital Projects Sanitary Sewer	Totals
ASSETS			
Cash and Investments	\$ 14,344,908	1,776,357	16,121,265
Receivables - Net of Allowances			
Property Taxes	1,542,869	—	1,542,869
Other Taxes	155,149	226,547	381,696
Accounts	112,396	—	112,396
Due from Other Governments	1,031,567	—	1,031,567
Total Assets	17,186,889	2,002,904	19,189,793
LIABILITIES			
Accounts Payable	483,659	27,595	511,254
Accrued Payroll	46,384	—	46,384
Unearned Revenue	575,900	116,847	692,747
Due to Other Funds	423,551	—	423,551
Total Liabilities	1,529,494	144,442	1,673,936
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	1,251,281	—	1,251,281
Total Liabilities and Deferred Inflows of Resources	2,780,775	144,442	2,925,217
FUND BALANCES			
Restricted	11,039,192	—	11,039,192
Assigned	3,605,953	1,858,462	5,464,415
Unassigned	(239,031)	—	(239,031)
Total Fund Balances	14,406,114	1,858,462	16,264,576
Total Liabilities, Deferred Inflows of Resources and Fund Balances	17,186,889	2,002,904	19,189,793

CITY OF URBANA, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2023

	Special Revenue	Capital Projects Sanitary Sewer	Totals
Revenues			
Taxes	\$ 3,026,038	—	3,026,038
Intergovernmental	1,768,061	—	1,768,061
Fines, Forfeitures, and Penalties	34,622	—	34,622
Charges for Services	1,702,567	1,365,071	3,067,638
Investment Income	307,285	42,053	349,338
Miscellaneous	89,060	2,230	91,290
Total Revenues	6,927,633	1,409,354	8,336,987
Expenditures			
General Government	42,589	—	42,589
Public Safety	52,404	—	52,404
Highways and Streets	1,595,384	43,976	1,639,360
Urban Redevelopment and Housing	2,803,539	—	2,803,539
Capital Outlay	446,795	242,795	689,590
Total Expenditures	4,940,711	286,771	5,227,482
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,986,922	1,122,583	3,109,505
Other Financing Sources (Uses)			
Disposal of Capital Assets	60,000	—	60,000
Transfers In	3,159,327	—	3,159,327
Transfers Out	(3,375,479)	(882,574)	(4,258,053)
	(156,152)	(882,574)	(1,038,726)
Net Change in Fund Balances	1,830,770	240,009	2,070,779
Fund Balances - Beginning	12,575,344	1,618,453	14,193,797
Fund Balances - Ending	14,406,114	1,858,462	16,264,576

CITY OF URBANA, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

June 30, 2023

	Police Special	Farmer's Market	Community Development Special	Community Development Grant
ASSETS				
Cash and Investments	\$ 237,230	101,084	110,316	—
Receivables - Net of Allowances				
Property Taxes	—	—	—	—
Other Taxes	—	—	—	—
Accounts	—	—	—	—
Due from Other Governments	14,603	—	—	1,016,964
Total Assets	251,833	101,084	110,316	1,016,964
LIABILITIES				
Accounts Payable	—	17,150	156	407,374
Accrued Payroll	1,381	3,278	10,818	—
Unearned Revenue	—	—	—	425,070
Due to Other Funds	—	—	—	423,551
Total Liabilities	1,381	20,428	10,974	1,255,995
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	—	—	—	—
Total Liabilities and Deferred Inflows of Resources	1,381	20,428	10,974	1,255,995
FUND BALANCES				
Restricted	136,097	—	—	—
Assigned	114,355	80,656	99,342	—
Unassigned	—	—	—	(239,031)
Total Fund Balances	250,452	80,656	99,342	(239,031)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	251,833	101,084	110,316	1,016,964

TIF #2	TIF #4	Central TIF	Post TIF Closure	Recycling	Cable TV PEG	Arms Programming	General Reserve	Totals
—	5,598,804	3,278,728	—	1,572,523	126,142	250,426	3,069,655	14,344,908
—	1,042,140	500,729	—	—	—	—	—	1,542,869
—	—	—	—	155,149	—	—	—	155,149
—	—	—	—	112,396	—	—	—	112,396
—	—	—	—	—	—	—	—	1,031,567
—	6,640,944	3,779,457	—	1,840,068	126,142	250,426	3,069,655	17,186,889
—	—	15,599	—	35,788	7,441	151	—	483,659
—	2,435	8,584	—	19,888	—	—	—	46,384
—	—	—	—	150,830	—	—	—	575,900
—	—	—	—	—	—	—	—	423,551
—	2,435	24,183	—	206,506	7,441	151	—	1,529,494
—	847,222	404,059	—	—	—	—	—	1,251,281
—	849,657	428,242	—	206,506	7,441	151	—	2,780,775
—	5,791,287	3,351,215	—	1,633,562	—	127,031	—	11,039,192
—	—	—	—	—	118,701	123,244	3,069,655	3,605,953
—	—	—	—	—	—	—	—	(239,031)
—	5,791,287	3,351,215	—	1,633,562	118,701	250,275	3,069,655	14,406,114
—	6,640,944	3,779,457	—	1,840,068	126,142	250,426	3,069,655	17,186,889

CITY OF URBANA, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2023

	Police Special	Farmer's Market	Community Development Special	Community Development Grant
Revenues				
Taxes	\$ —	—	—	—
Intergovernmental	58,120	—	—	1,709,941
Fines, Forfeitures, and Penalties	34,622	—	—	—
Charges for Services	—	59,326	—	—
Investment Income	5,239	1,716	—	—
Miscellaneous	—	—	—	81,062
Total Revenues	97,981	61,042	—	1,791,003
Expenditures				
General Government	—	—	—	—
Public Safety	52,404	—	—	—
Highways and Streets	—	—	—	—
Urban Redevelopment and Housing	—	82,906	254,587	1,264,091
Capital Outlay	—	—	—	406,072
Total Expenditures	52,404	82,906	254,587	1,670,163
Excess (Deficiency) of Revenues Over (Under) Expenditures	45,577	(21,864)	(254,587)	120,840
Other Financing Sources (Uses)				
Disposal of Capital Assets	—	—	—	—
Transfers In	—	50,000	257,977	23,735
Transfers Out	(10,000)	(4,384)	—	(257,977)
	(10,000)	45,616	257,977	(234,242)
Net Change in Fund Balances	35,577	23,752	3,390	(113,402)
Fund Balances - Beginning	214,875	56,904	95,952	(125,629)
Fund Balances - Ending	250,452	80,656	99,342	(239,031)

TIF #2	TIF #4	Central TIF	Post TIF Closure	Recycling	Cable TV PEG	Arms Programming	General Reserve	Totals
731,022	1,649,675	645,341	—	—	—	—	—	3,026,038
—	—	—	—	—	—	—	—	1,768,061
—	—	—	—	—	—	—	—	34,622
—	—	—	—	1,588,812	54,429	—	—	1,702,567
22,449	116,766	38,768	1	41,791	3,042	5,719	71,794	307,285
—	—	—	—	(28)	—	8,026	—	89,060
753,471	1,766,441	684,109	1	1,630,575	57,471	13,745	71,794	6,927,633
—	—	—	—	—	26,686	15,903	—	42,589
—	—	—	—	—	—	—	—	52,404
—	—	—	—	1,595,384	—	—	—	1,595,384
192,767	526,072	482,696	420	—	—	—	—	2,803,539
—	—	—	—	—	40,723	—	—	446,795
192,767	526,072	482,696	420	1,595,384	67,409	15,903	—	4,940,711
560,704	1,240,369	201,413	(419)	35,191	(9,938)	(2,158)	71,794	1,986,922
—	—	—	—	60,000	—	—	—	60,000
—	—	2,827,195	420	—	—	—	—	3,159,327
(2,827,529)	—	—	(86)	(275,501)	(2)	—	—	(3,375,479)
(2,827,529)	—	2,827,195	334	(215,501)	(2)	—	—	(156,152)
(2,266,825)	1,240,369	3,028,608	(85)	(180,310)	(9,940)	(2,158)	71,794	1,830,770
2,266,825	4,550,918	322,607	85	1,813,872	128,641	252,433	2,997,861	12,575,344
—	5,791,287	3,351,215	—	1,633,562	118,701	250,275	3,069,655	14,406,114

CITY OF URBANA, ILLINOIS**Police Special - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Other Intergovernmental	\$ 40,000	45,000	58,120
Fines, Forfeitures, and Penalties	50,000	41,000	34,622
Investment Income	—	4,500	5,239
Total Revenues	90,000	90,500	97,981
Expenditures			
Public Safety			
Salaries and Benefits	39,090	39,090	32,180
Materials and Supplies	7,000	7,000	2,204
Contractual Services	55,737	47,488	18,020
Total Expenditures	101,827	93,578	52,404
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,827)	(3,078)	45,577
Other Financing (Uses)			
Transfers Out	—	(10,000)	(10,000)
Net Change in Fund Balance	(11,827)	(13,078)	35,577
Fund Balance - Beginning			214,875
Fund Balance - Ending			250,452

CITY OF URBANA, ILLINOIS

Farmer's Market - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Federal Grants	\$ 11,100	11,100	—
Charges for Services	95,500	95,500	59,326
Investment Income	1,000	1,300	1,716
Total Revenues	107,600	107,900	61,042
Expenditures			
Urban Development and Housing			
Salaries and Benefits	86,577	86,577	70,114
Contractual Services	48,662	48,662	12,792
Total Expenditures	135,239	135,239	82,906
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,639)	(27,339)	(21,864)
Other Financing Sources (Uses)			
Transfers In	50,000	50,000	50,000
Transfers Out	(4,438)	(4,438)	(4,384)
	45,562	45,562	45,616
Net Change in Fund Balance	17,923	18,223	23,752
Fund Balance - Beginning			56,904
Fund Balance - Ending			80,656

CITY OF URBANA, ILLINOIS**Community Development Special - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual
Revenues			
Investment Income	\$ 1,000	1,000	—
Expenditures			
Urban Development and Housing			
Salaries and Benefits	400,834	360,422	236,675
Materials and Supplies	721	721	281
Contractual Services	24,745	24,745	17,631
Total Expenditures	426,300	385,888	254,587
Excess (Deficiency) of Revenues Over (Under) Expenditures	(425,300)	(384,888)	(254,587)
Other Financing Sources			
Transfers In	372,234	447,234	257,977
Net Change in Fund Balance	(53,066)	62,346	3,390
Fund Balance - Beginning			95,952
Fund Balance - Ending			99,342

CITY OF URBANA, ILLINOIS

Community Development Grants - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
State Grants	\$ —	85,953	—
Federal Grants	6,085,533	6,085,533	1,709,941
Miscellaneous	15,000	62,632	81,062
Total Revenues	6,100,533	6,234,118	1,791,003
Expenditures			
Urban Development and Housing			
Contractual Services	5,328,299	8,574,428	1,264,091
Capital Outlay	400,000	465,612	406,072
Total Expenditures	5,728,299	9,040,040	1,670,163
Excess (Deficiency) of Revenues Over (Under) Expenditures	372,234	(2,805,922)	120,840
Other Financing Sources (Uses)			
Transfers In	—	60,000	23,735
Transfers Out	(372,234)	(447,234)	(257,977)
	(372,234)	(387,234)	(234,242)
Net Change in Fund Balance	—	(3,193,156)	(113,402)
Fund Balance - Beginning			(125,629)
Fund Balance - Ending			(239,031)

CITY OF URBANA, ILLINOIS**TIF #2 - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 1,694,222	849,223	731,022
Investment Income	20,000	17,030	22,449
Total Revenues	1,714,222	866,253	753,471
Expenditures			
Urban Development and Housing			
Salaries and Benefits	162,644	36,917	36,917
Contractual Services	205,000	155,850	155,850
Total Expenditures	367,644	192,767	192,767
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,346,578	673,486	560,704
Other Financing (Uses)			
Transfers Out	(500,000)	(2,777,530)	(2,827,529)
Net Change in Fund Balance	846,578	(2,104,044)	(2,266,825)
Fund Balance - Beginning			2,266,825
Fund Balance - Ending			—

CITY OF URBANA, ILLINOIS

TIF #4 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 1,530,105	1,634,152	1,649,675
Investment Income	25,000	95,000	116,766
Total Revenues	1,555,105	1,729,152	1,766,441
Expenditures			
Urban Development and Housing			
Salaries and Benefits	138,110	138,110	92,969
Contractual Services	3,001,345	1,742,778	433,103
Total Expenditures	3,139,455	1,880,888	526,072
Net Change in Fund Balance	(1,584,350)	(151,736)	1,240,369
Fund Balance - Beginning			4,550,918
Fund Balance - Ending			5,791,287

CITY OF URBANA, ILLINOIS

Central TIF - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
Revenues			
Taxes			
Property Tax	\$ 491,446	625,000	645,341
Investment Income	300	50,000	38,768
Total Revenues	491,746	675,000	684,109
Expenditures			
Urban Development and Housing			
Salaries and Benefits	—	133,981	105,611
Contractual Services	6,506,200	764,459	377,085
Total Expenditures	6,506,200	898,440	482,696
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,014,454)	(223,440)	201,413
Other Financing Sources			
Debt Issuance	5,500,000	—	—
Transfers In	500,000	2,777,110	2,827,195
	6,000,000	2,777,110	2,827,195
Net Change in Fund Balance	(14,454)	2,553,670	3,028,608
Fund Balance - Beginning			322,607
Fund Balance - Ending			3,351,215

CITY OF URBANA, ILLINOIS

Post TIF Closure - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
Revenues			
Investment Income	\$ —	—	1
Expenditures			
Urban Development and Housing Contractual Services	—	505	420
Excess (Deficiency) of Revenues Over (Under) Expenditures	—	(505)	(419)
Other Financing Sources (Uses)			
Transfers In	—	420	420
Transfers Out	—	—	(86)
	—	420	334
Net Change in Fund Balance	—	(85)	(85)
Fund Balance - Beginning			85
Fund Balance - Ending			—

CITY OF URBANA, ILLINOIS

Recycling - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
Revenues			
Charges for Services	\$ 1,548,647	1,421,990	1,588,812
Investment Income	10,500	40,000	41,791
Miscellaneous	75	75	(28)
Total Revenues	1,559,222	1,462,065	1,630,575
Expenditures			
Highways and Streets			
Salaries and Benefits	527,022	527,022	463,527
Materials and Supplies	136,516	194,012	96,888
Contractual Services	1,017,497	1,260,397	994,139
Other Services and Charges	24,000	47,835	40,830
Total Expenditures	1,705,035	2,029,266	1,595,384
Excess (Deficiency) of Revenues Over (Under) Expenditures	(145,813)	(567,201)	35,191
Other Financing Sources (Uses)			
Disposal of Capital Assets	—	—	60,000
Transfers Out	(275,527)	(275,527)	(275,501)
	(275,527)	(275,527)	(215,501)
Net Change in Fund Balance	(421,340)	(842,728)	(180,310)
Fund Balance - Beginning			1,813,872
Fund Balance - Ending			1,633,562

CITY OF URBANA, ILLINOIS**Cable TV PEG - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual
Revenues			
Charges for Services	\$ 140,437	60,650	54,429
Investment Income	1,000	3,000	3,042
Total Revenues	141,437	63,650	57,471
Expenditures			
General Government			
Materials and Supplies	15,049	18,396	17,158
Contractual Services	8,628	12,281	9,528
Capital Outlay	96,000	89,000	40,723
Total Expenditures	119,677	119,677	67,409
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,760	(56,027)	(9,938)
Other Financing (Uses)			
Transfers Out	(2)	(2)	(2)
Net Change in Fund Balance	21,758	(56,029)	(9,940)
Fund Balance - Beginning			128,641
Fund Balance - Ending			118,701

CITY OF URBANA, ILLINOIS

Arms Programming - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
Revenues			
Investment Income	\$ —	4,500	5,719
Miscellaneous	—	8,026	8,026
Total Revenues	—	12,526	13,745
Expenditures			
General Government			
Contractual Services	203,578	265,611	15,903
Excess (Deficiency) of Revenues Over (Under) Expenditures	(203,578)	(253,085)	(2,158)
Other Financing (Uses)			
Transfers Out	(40,446)	—	—
Net Change in Fund Balance	(244,024)	(253,085)	(2,158)
Fund Balance - Beginning			252,433
Fund Balance - Ending			250,275

CITY OF URBANA, ILLINOIS

General Reserve - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
Revenues			
Investment Income	\$ —	60,000	71,794
Expenditures			
General Government	—	—	—
Net Change in Fund Balance	—	60,000	71,794
Fund Balance - Beginning			2,997,861
Fund Balance - Ending			3,069,655

CITY OF URBANA, ILLINOIS

Sanitary Sewer - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
Revenues			
Charges for Services	\$ 1,472,068	1,472,068	1,365,071
Investment Income	20,000	35,000	42,053
Miscellaneous	3,500	3,500	2,230
Total Revenues	1,495,568	1,510,568	1,409,354
Expenditures			
Highways and Streets			
Contractual Services	295,000	292,100	43,976
Capital Outlay	1,410,282	701,139	242,795
Total Expenditures	1,705,282	993,239	286,771
Excess (Deficiency) of Revenues Over (Under) Expenditures	(209,714)	517,329	1,122,583
Other Financing (Uses)			
Transfers Out	(882,574)	(882,574)	(882,574)
Net Change in Fund Balance	(1,092,288)	(365,245)	240,009
Fund Balance - Beginning			1,618,453
Fund Balance - Ending			1,858,462

CITY OF URBANA, ILLINOIS

Parking - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
Operating Revenues			
Charges for Services			
Parking Meters	\$ 1,094,134	1,120,000	1,133,331
Parking Rentals	193,905	253,000	209,886
Property Rentals	9,900	—	—
Total Operating Revenues	1,297,939	1,373,000	1,343,217
Operating Expenses			
Operations			
Salaries and Benefits	212,512	212,512	227,237
Materials and Supplies	76,838	63,451	21,387
Contractual Services	435,027	440,496	197,040
Capital Outlay	280,000	300,000	—
Depreciation and Amortization	—	—	196,062
Total Operating Expenses	1,004,377	1,016,459	641,726
Operating Income	293,562	356,541	701,491
Nonoperating Revenues			
Investment Income	25,000	25,000	46,960
Income Before Transfers	318,562	381,541	748,451
Transfers Out	(921,834)	(921,834)	(1,503,200)
Change in Net Position	(603,272)	(540,293)	(754,749)
Net Position - Beginning			6,094,518
Net Position - Ending			5,339,769

CITY OF URBANA, ILLINOIS**Internal Service Funds****Combining Statement of Net Position****June 30, 2023**

	Equipment Services	Information Technology	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 157,090	128,602	285,692
Prepays	—	102,223	102,223
Inventories	112,698	—	112,698
Total Current Assets	269,788	230,825	500,613
Noncurrent Assets			
Capital Assets			
Depreciable	211,669	44,967	256,636
Accumulated Depreciation	(128,105)	(23,830)	(151,935)
Total Noncurrent Assets	83,564	21,137	104,701
Total Assets	353,352	251,962	605,314
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	224,271	257,522	481,793
Deferred Items - RBP	34,847	41,343	76,190
Total Deferred Outflows of Resources	259,118	298,865	557,983
Total Assets and Deferred Outflows of Resources	612,470	550,827	1,163,297

	Equipment Services	Information Technology	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 55,552	59,247	114,799
Accrued Payroll	18,024	18,748	36,772
Total Current Liabilities	73,576	77,995	151,571
Noncurrent Liabilities			
Net Pension Liability - IMRF	242,746	278,736	521,482
Total OPEB Liability - RBP	93,640	111,095	204,735
Total Noncurrent Liabilities	336,386	389,831	726,217
Total Liabilities	409,962	467,826	877,788
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	1,837	2,109	3,946
Deferred Items - RBP	26,122	30,992	57,114
Total Deferred Inflows of Resources	27,959	33,101	61,060
Total Liabilities and Deferred Inflows of Resources	437,921	500,927	938,848
NET POSITION			
Investment in Capital Assets	83,564	21,137	104,701
Unrestricted	90,985	28,763	119,748
Total Net Position	174,549	49,900	224,449
Total Liabilities, Deferred Inflows of Resources, and Net Position	612,470	550,827	1,163,297

CITY OF URBANA, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2023

	Equipment Services	Information Technology	Totals
Operating Revenues			
Interfund Services	\$ 1,048,873	975,275	2,024,148
Operating Expenses			
Operations			
Salaries and Benefits	448,249	529,072	977,321
Materials and Supplies	532,645	78,335	610,980
Contractual Services	224,622	346,224	570,846
Capital Outlay	4,946	14,841	19,787
Depreciation	11,376	8,993	20,369
Total Operating Expenses	1,221,838	977,465	2,199,303
Operating (Loss)	(172,965)	(2,190)	(175,155)
Nonoperating Revenues			
Miscellaneous	—	6,785	6,785
Investment Income	3,679	553	4,232
	3,679	7,338	11,017
Income (Loss) Before Transfers	(169,286)	5,148	(164,138)
Transfers In	—	65,609	65,609
Transfers Out	(26,383)	(24,157)	(50,540)
	(26,383)	41,452	15,069
Change in Net Position	(195,669)	46,600	(149,069)
Net Position - Beginning	370,218	3,300	373,518
Net Position - Ending	174,549	49,900	224,449

CITY OF URBANA, ILLINOIS

Internal Service Funds

Combining Statements of Cash Flows

For the Fiscal Year Ended June 30, 2023

	Equipment Services	Information Technology	Totals
Cash Flows from Operating Activities			
Interfund Services Provided	\$ 1,096,195	987,202	2,083,397
Payments to Suppliers	(842,224)	(487,362)	(1,329,586)
Payments to Employees	(448,249)	(529,072)	(977,321)
	(194,278)	(29,232)	(223,510)
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(15,568)	—	(15,568)
Cash Flows from Investing Activities			
Investment Income	3,679	553	4,232
Cash Flows from Noncapital Financing Activities			
Transfers In	—	65,609	65,609
Transfers Out	(26,383)	(24,157)	(50,540)
	(26,383)	41,452	15,069
Net Change in Cash and Cash Equivalents	(232,550)	12,773	(219,777)
Cash and Cash Equivalents - Beginning	389,640	115,829	505,469
Cash and Cash Equivalents - Ending	157,090	128,602	285,692
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating (Loss)	(172,965)	(2,190)	(175,155)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in)			
Operating Activities			
Depreciation	11,376	8,993	20,369
Other Income (Expense)	—	6,785	6,785
(Increase) Decrease in Current Assets	47,322	5,142	52,464
Increase (Decrease) in Current Liabilities	(80,011)	(47,962)	(127,973)
Net Cash Provided by Operating Activities	(194,278)	(29,232)	(223,510)

CITY OF URBANA, ILLINOIS

Equipment Services - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
Operating Revenues			
Interfund Services	\$ 961,389	961,389	1,048,873
Operating Expenses			
Operations			
Salaries and Benefits	523,798	498,798	448,249
Materials and Supplies	499,663	546,178	532,645
Contractual Services	163,649	217,624	224,622
Capital Outlay	2,583	20,583	4,946
Depreciation	—	—	11,376
Total Operating Expenses	1,189,693	1,283,183	1,221,838
Operating (Loss)	(228,304)	(321,794)	(172,965)
Nonoperating Revenues			
Investment Income	1,000	3,500	3,679
(Loss) Before Transfers	(227,304)	(318,294)	(169,286)
Transfers In	141,552	141,552	—
Transfers Out	(26,434)	(26,434)	(26,383)
	115,118	115,118	(26,383)
Change in Net Position	(112,186)	(203,176)	(195,669)
Net Position - Beginning			370,218
Net Position - Ending			174,549

CITY OF URBANA, ILLINOIS

Information Technology - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
Operating Revenues			
Interfund Services	\$ 971,487	971,487	975,275
Operating Expenses			
Operations			
Salaries and Benefits	516,780	516,780	529,072
Materials and Supplies	104,419	94,419	78,335
Contractual Services	392,666	414,728	346,224
Capital Outlay	18,000	18,000	14,841
Depreciation	—	—	8,993
Total Operating Expenses	1,031,865	1,043,927	977,465
Operating (Loss)	(60,378)	(72,440)	(2,190)
Nonoperating Revenues			
Miscellaneous	—	—	6,785
Investment Income	1,500	500	553
	1,500	500	7,338
Income (Loss) Before Transfers	(58,878)	(71,940)	5,148
Transfers In	65,691	65,691	65,609
Transfers Out	(24,157)	(24,157)	(24,157)
	41,534	41,534	41,452
Change in Net Position	(17,344)	(30,406)	46,600
Net Position - Beginning			3,300
Net Position - Ending			49,900

CITY OF URBANA, ILLINOIS**Pension Trust Funds****Combining Statement of Fiduciary Net Position****June 30, 2023**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 647,024	683,035	1,330,059
Investments			
Illinois Firefighters' Pension Investment Fund	—	59,443,387	59,443,387
Illinois Police Officers' Pension Investment Fund	44,977,395	—	44,977,395
Due from Municipality	500,984	194,835	695,819
Total Assets	46,125,403	60,321,257	106,446,660
LIABILITIES			
None	—	—	—
NET POSITION			
Net Position Restricted for Pensions	46,125,403	60,321,257	106,446,660

CITY OF URBANA, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2023

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 2,402,379	1,157,273	3,559,652
Contributions - Plan Members	503,039	484,091	987,130
Total Contributions	2,905,418	1,641,364	4,546,782
Investment Income			
Interest Earned	118,894	80,880	199,774
Net Change in Fair Value	3,286,640	5,139,420	8,426,060
	3,405,534	5,220,300	8,625,834
Less Investment Expenses	(47,141)	—	(47,141)
Net Investment Income	3,358,393	5,220,300	8,578,693
Total Additions	6,263,811	6,861,664	13,125,475
Deductions			
Administration	25,704	19,226	44,930
Benefits and Refunds	3,859,275	3,433,267	7,292,542
Total Deductions	3,884,979	3,452,493	7,337,472
Change in Fiduciary Net Position	2,378,832	3,409,171	5,788,003
Net Position Restricted for Pensions			
Beginning	43,746,571	56,912,086	100,658,657
Ending	46,125,403	60,321,257	106,446,660

CITY OF URBANA, ILLINOIS

**Consolidated Year-End Financial Report
June 30, 2023**

CSFA #	Program Name	State	Federal	Other	Total
420-00-1769	Installation and/or Replacement of Utilities	\$ 93,000	—	—	93,000
444-80-0496	Emergency Solutions Grant Program	—	71,706	—	71,706
	Other Grant Programs and Activities	—	5,813,984	62,594	5,876,578
	All Other Costs Not Allocated	—	—	55,456,059	55,456,059
	Totals	93,000	5,885,690	55,518,653	61,497,343



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

December 15, 2023

The Honorable Mayor
Members of the City Council
City of Urbana, Illinois

We have audited, in accordance with the 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, the 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 15, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. According, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Urbana, Illinois
December 15, 2023

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

STATISTICAL SECTION (Unaudited)

This part of the annual comprehensive 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.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

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

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF URBANA, ILLINOIS

Net Position by Component - Last Ten Fiscal Years
June 30, 2023 (Unaudited)

See Following Page

CITY OF URBANA, ILLINOIS

Net Position by Component - Last Ten Fiscal Years* (in thousands)

June 30, 2023 (Unaudited)

	2014 (a)	2015	2016
Governmental Activities			
Net Investment in Capital Assets	\$ 86,212	90,695	90,099
Restricted	8,366	8,236	8,501
Unrestricted (Deficit)	291	1,985	3,832
Total Governmental Activities Net Position	94,869	100,916	102,432
Business-Type Activities			
Net Investment in Capital Assets	5,953	5,801	5,883
Unrestricted	2,295	2,357	2,217
Total Business-Type Activities Net Position	8,248	8,158	8,100
Primary Government			
Net Investment in Capital Assets	92,165	96,496	95,982
Restricted	8,366	8,236	8,501
Unrestricted (Deficit)	2,586	4,342	6,049
Total Primary Government Net Position	103,117	109,074	110,532

Source:

The City of Urbana's Annual Comprehensive Financial Report

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

(b) Restated due to the implementation of GASB Statement No. 75. Prior years have not been restated.

*Accrual Basis of Accounting

2017 (b)	2018	2019	2020	2021	2022	2023
90,269	93,268	93,517	94,106	100,224	101,796	103,257
7,974	8,026	10,639	14,113	17,361	15,901	16,250
(415)	(3,155)	(3,851)	(9,933)	(1,576)	10,063	14,445
97,828	98,139	100,305	98,286	116,009	127,760	133,951
6,116	6,238	6,080	5,899	5,722	5,534	4,796
1,866	1,512	1,577	1,369	919	560	544
7,982	7,750	7,657	7,268	6,641	6,095	5,340
96,385	99,506	99,597	100,005	105,946	107,330	108,053
7,974	8,026	10,639	14,113	17,361	15,901	16,250
1,451	(1,643)	(2,274)	(8,564)	(657)	10,623	14,989
105,810	105,889	107,962	105,554	122,650	133,855	139,291

CITY OF URBANA, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years* (in thousands)
June 30, 2023 (Unaudited)

	2014 (b)(d)	2015	2016	2017 (e)	2018	2019	2020	2021	2022 (a)	2023
Expenses										
Governmental Activities										
General Government	\$ 4,900	5,093	4,850	5,693	6,926	5,618	5,427	4,502	3,028	9,177
Public Safety	15,967	17,483	18,899	20,289	21,880	22,172	24,605	19,602	23,785	28,190
Highways and Streets	12,386	11,892	14,348	12,956	10,759	11,247	12,991	8,866	9,775	13,278
Urban Redevelopment and Housing	17,507	4,825	5,652	5,100	4,607	4,207	4,336	4,295	4,837	5,783
Interest on Long-Term Debt	98	136	122	108	93	93	45	44	24	26
Total Governmental Activities Expenses	50,858	39,429	43,871	44,146	44,265	43,337	47,404	37,309	41,449	56,453
Business-Type Activities										
Parking	717	675	681	707	736	734	706	570	769	642
Total Primary Government Expenses	51,575	40,104	44,552	44,853	45,001	44,071	48,110	37,879	42,218	57,095
Program Revenues										
Governmental Activities										
Charges for Services										
General Government (c)	179	200	247	454	296	293	264	553	232	159
Public Safety	3,182	3,796	3,346	3,498	3,191	3,234	3,365	3,299	3,361	3,293
Highways and Streets	3,237	3,414	3,547	3,418	3,471	3,872	4,055	4,312	5,049	7,236
Urban Redevelopment and Housing (c)	1,080	1,308	1,551	1,442	1,259	1,554	1,499	1,187	1,327	1,613
Operating Grants and Contributions	1,859	2,818	2,041	1,292	2,969	506	1,057	4,001	1,402	2,462
Capital Grants and Contributions	4,434	2,010	1,245	1,335	3,219	3,058	3,166	3,786	2,896	2,912
Total Governmental Activities Program Revenues	13,971	13,546	11,977	11,439	14,405	12,517	13,406	17,138	14,268	17,675
Business-Type Activities										
Charges for Services - Parking	1,121	1,310	1,357	1,421	1,372	1,529	1,241	941	1,226	1,343
Total Business-Type Activities Program Revenues	1,121	1,310	1,357	1,421	1,372	1,529	1,241	941	1,226	1,343
Total Primary Government Program Revenues	15,092	14,856	13,334	12,860	15,777	14,046	14,647	18,079	15,494	19,018
Net (Expense) Revenue										
Governmental Activities	(36,887)	(25,883)	(31,894)	(32,707)	(29,860)	(30,820)	(33,998)	(20,171)	(27,181)	(38,779)
Business-Type Activities	404	635	676	714	636	795	535	371	457	701
Total Primary Government Net (Expense) Revenue	(36,483)	(25,248)	(31,218)	(31,993)	(29,224)	(30,025)	(33,463)	(19,800)	(26,724)	(38,077)

	2014 (b)(d)	2015	2016	2017 (e)	2018	2019	2020	2021	2022 (a)	2023
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes	\$ 7,901	7,179	8,778	6,695	6,634	6,844	6,000	8,640	8,786	8,022
Utility Taxes	4,161	3,938	3,792	3,811	3,819	3,699	3,589	3,658	3,481	3,319
State and Local Sales Taxes	10,902	11,494	12,277	12,033	11,694	12,224	13,048	14,292	14,576	15,843
Other Taxes	2,332	2,203	2,292	2,296	2,264	2,274	2,080	1,895	1,430	1,637
Other Intergovernmental	4,327	4,724	4,642	4,544	4,280	4,923	4,627	6,325	9,034	12,550
Investment Income (Loss)	562	458	745	73	137	1,119	1,021	49	(336)	1,771
Miscellaneous	55	1,157	83	80	470	960	645	2,039	245	325
Transfers	777	777	801	825	873	943	969	996	1,021	1,503
Total Governmental Activities	31,017	31,930	33,410	30,357	30,171	32,986	31,979	37,894	38,237	44,970
Business-Type Activities										
Investment Income (Loss)	54	50	66	5	4	55	44	(1)	24	47
Miscellaneous	—	3	—	—	—	—	—	—	—	—
Transfers	(777)	(777)	(801)	(825)	(873)	(943)	(969)	(996)	(1,021)	(1,503)
Total Business-Type Activities	(723)	(724)	(735)	(820)	(869)	(888)	(925)	(997)	(997)	(1,456)
Total Primary Government	30,294	31,206	32,675	29,537	29,302	32,098	31,054	36,897	37,240	43,514
Changes in Net Position										
Governmental Activities	(5,870)	6,047	1,516	(2,350)	311	2,166	(2,019)	17,723	11,056	6,191
Business-Type Activities	(319)	(89)	(59)	(106)	(233)	(93)	(390)	(626)	(540)	(755)
Total Primary Government Changes in Net Position	(6,189)	5,958	1,457	(2,456)	78	2,073	(2,409)	17,097	10,515	5,437

*Accrual Basis of Accounting

Source:

The City of Urbana's Annual Comprehensive 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 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.

(e) In 2018, GASB Statement No. 75 was implemented, resulting in the restatement of 2017 net position. The effects of the restatement are not shown in this schedule.

CITY OF URBANA, ILLINOIS**Fund Balances of Governmental Funds - Last Ten Fiscal Years* (in thousands)**
June 30, 2023 (Unaudited)

	2014	2015	2016
General Fund			
Nonspendable	\$ 418	217	182
Assigned	—	—	—
Unassigned	4,645	8,894	11,362
Total General Fund	5,063	9,111	11,544
All Other Governmental Funds			
Nonspendable	20	14	—
Restricted	12,733	8,365	9,552
Committed	12,048	1,284	669
Assigned	—	12,240	11,426
Unassigned	—	(388)	(443)
Total All Other Governmental Funds	24,801	21,515	21,204
Total Governmental Funds	29,864	30,626	32,748

*Modified Accrual Basis of Accounting

Source:

The City of Urbana's Annual Comprehensive Financial Report

2017	2018	2019	2020	2021	2022	2023
103	101	131	89	101	114	124
—	—	1,825	1,245	794	1,056	1,766
15,594	9,699	10,645	15,117	22,001	24,960	32,006
15,697	9,800	12,601	16,451	22,896	26,130	33,896
—	—	—	—	—	—	—
8,933	8,331	8,026	14,113	17,361	15,901	16,250
714	1,046	1,047	1,590	1,473	—	—
12,345	19,624	17,952	14,637	11,635	19,991	19,818
(96)	(47)	—	(222)	—	(151)	(239)
21,896	28,954	27,025	30,118	30,469	35,741	35,828
37,593	38,754	39,626	46,569	53,365	61,871	69,724

CITY OF URBANA, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years* (in thousands) June 30, 2023 (Unaudited)

	2014 (1)	2015	2016
Revenues			
Taxes	\$ 18,764	18,188	20,086
Intergovernmental	18,595	18,490	17,922
Licenses, Permits, Fines, and Charges	5,802	6,213	6,447
Investment Income (Loss)	562	458	26
Miscellaneous	56	1,157	743
Total Revenues	43,779	44,506	45,224
Expenditures			
General Government	4,895	4,666	4,197
Public Safety	16,422	16,345	16,046
Highways and Streets	8,097	7,826	8,068
Urban Redevelopment and Housing	17,413	4,970	5,534
Capital Outlay	13,434	10,898	6,452
Debt Service			
Principal Retirement	815	1,115	1,105
Interest and Fiscal Charges	60	141	128
Total Expenditures	61,136	45,961	41,530
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,357)	(1,455)	3,694
Other Financing Sources (Uses)			
Debt Issuance	4,000	2,800	350
Disposal of Capital Assets	—	—	—
Transfers In	16,736	4,957	5,715
Transfers Out	(15,959)	(4,180)	(4,914)
	4,777	3,577	1,151
Net Change in Fund Balances	(12,580)	2,122	4,845
Debt Service as a Percentage of Noncapital Expenditures	0.00%	1.80%	3.50%

*Modified Accrual Basis of Accounting

Source:

The City of Urbana's Annual Comprehensive Financial Report

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

2017	2018	2019	2020	2021	2022	2023
17,908	18,184	18,388	17,608	20,533	21,462	21,376
16,619	16,348	15,444	16,584	22,156	20,094	25,206
6,199	8,035	8,611	9,119	9,035	9,988	12,205
73	136	1,103	1,009	50	(330)	1,767
80	470	960	622	1,998	336	498
40,879	43,173	44,506	44,942	53,772	51,550	61,053
4,833	5,270	5,161	7,445	5,033	5,715	9,345
16,783	16,782	16,793	18,650	19,623	20,309	21,745
8,449	8,662	8,777	7,578	7,313	7,403	9,304
5,061	4,473	4,157	4,233	4,537	4,733	5,609
4,178	6,740	4,082	5,070	10,235	4,923	8,349
1,125	1,153	1,173	1,183	1,203	1,223	450
114	100	69	83	49	31	26
40,543	43,180	40,212	44,242	47,993	44,336	54,827
336	(7)	4,294	700	5,779	7,215	6,227
—	—	—	—	—	—	559
—	—	—	—	—	190	161
14,200	7,926	963	985	1,017	8,443	7,395
(13,375)	(7,047)	—	—	—	(7,342)	(6,488)
825	879	963	985	1,017	1,291	1,626
1,161	872	5,257	1,685	6,796	8,506	7,853
2.60%	3.40%	3.50%	3.40%	3.20%	3.22%	1.07%

CITY OF URBANA, ILLINOIS

**Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Tax Levy Years
June 30, 2023 (Unaudited)**

Tax Levy Year	Residential Property	Commercial Property	Total Taxable Assessed Value (a)	Total Direct Tax Rate (b)	Estimated Actual Taxable Value	Assessed Value as Percentage of Actual Value	Percentage Change
2013	\$ 326,003,623	\$ 194,489,301	\$ 520,492,924	1.3550	\$ 1,561,634,935	33.33%	(8.53%)
2014	321,888,953	201,494,560	523,383,513	1.3462	1,570,307,570	33.33%	0.56%
2015	320,668,273	201,974,287	522,642,560	1.3550	1,568,084,488	33.33%	(0.14%)
2016	326,100,413	219,874,042	545,974,455	1.3550	1,638,087,174	33.33%	4.46%
2017	332,595,033	225,289,479	557,884,512	1.3550	1,673,820,918	33.33%	2.18%
2018	335,269,779	248,205,284	583,475,063	1.3499	1,750,600,249	33.33%	4.59%
2019	339,451,579	257,503,200	596,954,779	1.3494	1,791,043,441	33.33%	2.31%
2020	340,021,344	265,344,476	605,365,820	1.3499	1,816,279,088	33.33%	1.41%
2021	359,714,649	264,646,564	624,361,213	1.3499	1,873,270,966	33.33%	3.14%
2022	394,979,368	298,492,886	693,472,254	1.3499	2,080,624,824	33.33%	11.07%

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 Tax Levy Years
June 30, 2023 (Unaudited)**

See Following Page

CITY OF URBANA, ILLINOIS**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
June 30, 2023 (Unaudited)**

	2013	2014	2015
City Direct Rates			
Library	0.5608	0.5577	0.5728
General	0.1492	0.3081	0.3989
Police Pension	0.3928	0.2842	0.2127
Fire Pension	0.2522	0.1962	0.1706
Total Direct Rate as Rounded by City of Urbana	1.3550	1.3462	1.3550
Overlapping Rates			
School District	5.7630	5.8637	5.9828
Champaign County	0.8511	0.8636	0.8672
Park District	1.1816	1.2013	1.2214
Parkland College	0.5253	0.5259	0.5460
Mass Transit	0.3198	0.3282	0.3332
Cunningham Town	0.2472	0.2488	0.2154
Public Health	0.1259	0.1290	0.1307
Forest Preserve	0.0931	0.0944	0.0947
Total Overlapping Rates	9.1070	9.2549	9.3914
Total Direct and Overlapping Rates	10.4620	10.6011	10.7464

Source: Champaign County Clerk

2016	2017	2018	2019	2020	2021	2022
0.5694	0.5754	0.5608	0.5835	0.5807	0.5933	0.5652
0.4238	0.3895	0.3569	0.2885	0.2301	0.1696	0.2990
0.2031	0.2223	0.2537	0.2833	0.3261	0.2179	0.3497
0.1587	0.1678	0.1785	0.1941	0.2130	0.3691	0.1360
1.3550	1.3550	1.3499	1.3494	1.3499	1.3499	1.3499
5.9249	5.9684	5.6722	5.7188	5.8771	5.9026	5.9204
0.8458	0.8481	0.8157	0.8189	0.8327	0.8342	0.8355
1.2106	1.2255	1.2283	1.2407	1.2705	1.2784	1.2877
0.5436	0.5411	0.5339	0.5355	0.5405	0.5378	0.5353
0.3235	0.3274	0.3313	0.3343	0.3428	0.3466	0.3504
0.2064	0.2020	0.2030	0.2056	0.3015	0.3043	0.3037
0.1267	0.1276	0.1040	0.1533	0.1327	0.1338	0.1340
0.0928	0.0925	0.0927	0.0930	0.1089	0.1073	0.1071
9.2743	9.3326	8.9811	9.1001	9.4067	9.4450	9.4741
10.6293	10.6876	10.3310	10.4495	10.7566	10.7949	10.8240

CITY OF URBANA, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
June 30, 2023 (Unaudited)

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Urbana Illinois Propco LLC	\$ 21,753,610	1	3.14%			
Deancurt Urbana LLC	15,129,610	2	2.18%			
Bainbridge CC Urbana APTS	9,450,570	3	1.36%			
Clark Lindsey Holdings LLC	8,947,930	4	1.29%	\$ 4,631,830	5	0.89%
Retreat at Urbana LLC	8,719,440	5	1.26%			
Green Street Realty	7,811,890	6	1.13%			
MIMG XLV Town & Country	6,903,780	7	1.00%	4,356,130	7	0.84%
Supervalu INC	5,409,460	8	0.78%	4,364,270	6	0.84%
Amber Apartments LLC	4,638,020	9	0.67%			
JSM Management	4,305,660	10	0.62%			
The Scion Group LLC				11,496,350	1	2.21%
Town and County Apartments				8,587,720	2	1.65%
Tekton Group				5,887,260	3	1.13%
Campus Property Management				5,238,310	4	1.01%
Walmart Property				3,682,380	8	0.71%
Hunsinger Enterprises Inc				3,152,180	9	0.61%
Meijer Inc				3,143,880	10	0.60%
Total	<u>93,069,970</u>		<u>13.42%</u>	<u>54,540,310</u>		<u>10.48%</u>
Total Urbana EAV	693,472,254			520,492,924		

Source: Champaign County Clerk
City of Urbana 2014 ACFR

CITY OF URBANA, ILLINOIS

**Property Tax Levies and Collections - Last Ten Tax Levy Years
June 30, 2023 (Unaudited)**

Tax Levy Year	Taxes Levied for the Fiscal Year	Collections in Fiscal Year	Levy Collected in Fiscal Year	Percentage of Collections Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy
2013	\$ 7,052,679	\$ 3,768,460	53.43%	\$ 3,248,843	\$ 7,017,303	99.50%
2014	7,045,789	3,738,041	53.05%	3,284,566	7,022,607	99.67%
2015	7,081,807	3,719,966	52.53%	3,338,651	7,058,617	99.67%
2016	7,397,954	3,945,600	53.33%	3,423,117	7,368,717	99.60%
2017	7,559,335	4,005,524	52.99%	3,440,699	7,446,223	98.50%
2018	7,876,330	1,844,737	23.42%	5,801,545	7,646,282	97.08%
2019	8,058,293	1,710,125	21.22%	6,281,725	7,991,850	99.18%
2020	8,171,833	4,177,418	51.12%	3,822,494	7,999,912	97.90%
2021	8,428,252	4,299,677	51.02%	3,563,793	7,863,470	93.30%
2022	9,361,182	4,173,306	44.58%	—	4,173,306	44.58%

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

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
June 30, 2023 (Unaudited)**

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Loans Payable	Leases Payable	Subscriptions Payable	Revenue Note				
					Alternate				
2014	\$ 6,985,000	\$ —	\$ —	—	\$ 59,186	\$ 7,044,186	0.43%	\$ 168.71	
2015	8,670,000	—	—	—	42,513	8,712,513	0.53%	207.22	
2016	7,565,000	350,000	—	—	24,339	7,939,339	0.48%	187.64	
2017	6,440,000	332,500	—	—	—	6,772,500	0.38%	161.20	
2018	5,305,000	315,000	—	—	—	5,620,000	0.31%	134.16	
2019	4,150,000	297,500	—	—	—	4,447,500	0.23%	105.78	
2020	2,985,000	280,000	—	—	—	3,265,000	0.17%	77.34	
2021	1,800,000	262,500	—	—	—	2,062,500	0.12%	53.80	
2022	595,000	245,000	—	—	—	840,000	0.04%	21.72	
2023	300,000	227,500	536,733	230,911	—	1,295,144	0.06%	33.67	

Source:

The City of Urbana's Annual Comprehensive Financial Report

(1) Additional demographic information is available in the Schedule of Demographic and Economic Statistics.

CITY OF URBANA, ILLINOIS

Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years
June 30, 2023 (Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
2014	\$ 6,985,000	\$ —	\$ 6,985,000	1.34%	\$ 167.30
2015	8,670,000	—	8,670,000	1.66%	206.21
2016	7,565,000	—	7,565,000	1.45%	178.80
2017	6,440,000	—	6,440,000	1.18%	153.28
2018	5,305,000	—	5,305,000	0.95%	126.64
2019	4,150,000	—	4,150,000	0.71%	98.70
2020	2,985,000	—	2,985,000	0.50%	70.71
2021	1,800,000	—	1,800,000	0.30%	46.95
2022	595,000	—	595,000	0.10%	15.38
2023	300,000	—	300,000	0.04%	7.80

Note:

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

(1) See the Schedule of Assessed Estimated Actual Value of Taxable Property for property value data.

(2) Refer to the Schedule of Demographic and Economic Statistics for population data.

CITY OF URBANA, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Debt
June 30, 2023 (Unaudited)**

Governmental Unit	Governmental Activities Debt	Estimated Percentage Applicable	Amount Applicable to City (1)
City of Urbana	\$ 1,295,144	100.000%	\$ 1,295,144
Overlapping Debt			
School District	30,772,000	86.206%	26,527,158
Champaign County	45,830,000	14.038%	6,433,798
Forest Preserve	254,997	13.921%	35,498
Parkland College	38,738,794	10.245%	3,968,688
C-U Mass Transit District	236,089	21.954%	51,831
Urbana Park District	14,318,380	98.860%	14,155,082
Total Overlapping Debt	130,150,260		51,172,054
Total Direct and Overlapping Debt	131,445,404		52,467,198

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

Schedule of Legal Debt Margin

June 30, 2023 (Unaudited)

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

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

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

CITY OF URBANA, ILLINOIS

**Demographic and Economic Statistics - Last Ten Fiscal Years
June 30, 2023 (Unaudited)**

Fiscal Year	(1) Population	(2) Personal Income (thousands of dollars)	(2) Per Capita Personal Income	(1) Median Age	(3) School Enrollment	(4) Unemployment Rate
2014	41,752	\$ 1,638,223	\$ 39,237	23.8	4,494	5.7%
2015	42,044	1,649,680	39,237	23.8	4,451	4.5%
2016	42,311	1,660,157	39,237	23.9	4,444	5.2%
2017	42,014	1,800,846	42,863	24.0	4,604	4.5%
2018	41,889	1,825,523	43,584	24.0	4,590	4.4%
2019	42,046	1,902,161	45,240	24.0	4,480	3.8%
2020	42,214	1,961,600	46,468	24.0	4,482	6.2%
2021	38,336	1,787,071	46,616	25.1	4,373	5.6%
2022	38,681	1,932,773	49,967	25.0	4,373	5.1%
2023	38,468	2,128,626	55,335	25.2	4,424	5.7%

(1) U.S. Bureau of Census. 2020 American Community Survey 5- Year Estimates.

<https://www.illinois-demographics.com/urbana-demographics>

(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. U.S. Bureau of Economic Analysis, Per Capita Personal Income in Champaign-Urbana, IL (MSA) [CHAM517PCPI]

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

(4) Bureau of Labor Statistics, U.S. Department of Labor, expressed as a percentage. Rate is for last quarter of fiscal year.

[U.S. Bureau of Labor Statistics \(bls.gov\)](https://www.bls.gov)

CITY OF URBANA, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago June 30, 2023 (Unaudited)

Employer	2023			2014		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
University of Illinois	13,934	1	12.20%	10,820	1	9.30%
Carle Group	6,921	2	6.10%	6,000	2	5.20%
Champaign Schools	1,664	3	1.50%	1,814	3	1.60%
Kraft Foods	925	4	0.80%	1,350	4	1.20%
Christie Clinic	916	5	0.80%	750	9	0.60%
Champaign County	893	6	0.80%	800	8	0.70%
Urbana Schools	828	7	0.70%	962	5	0.80%
Fedex	815	8	0.70%			
OSF HealthCare	774	9	0.70%			
Parkland College	741	10	0.60%	930	6	0.80%
Plastipak				810	7	0.70%
Provena Hospital				700	10	0.60%
Total	<u>28,411</u>		<u>24.90%</u>	<u>24,936</u>		<u>21.50%</u>

Sources: Champaign County Economic Development Corporation.

Notes: These employment figures (including total employment) are based on figures for Champaign County, as total employment for the City of Urbana is not ascertainable. The 2014 data is from the FY14 ACFR.

CITY OF URBANA, ILLINOIS

**Full-time Equivalent City Government Employees by Function - Last Ten Fiscal Years
June 30, 2023 (Unaudited)**

Function	2014	2015	2016
Public Safety			
Police safety			
Sworn	55.0	55.0	55.0
Civilian	17.8	17.3	17.0
Fire safety			
Sworn	57.0	57.0	57.0
Civilian	2.0	2.5	2.5
Highways and Streets			
Administration	5.0	4.0	4.0
Maintenance	32.7	29.0	28.5
Engineering	13.9	12.3	11.3
Fleet	4.5	4.1	4.1
Arbor	14.8	15.0	15.0
Facilities	9.8	8.8	8.3
Environmental	3.0	3.0	3.0
General Government			
Administration	3.5	3.5	3.5
Legal	5.0	5.0	5.0
Human Resources	3.0	3.0	3.0
Human Relations	1.5	1.5	1.5
Finance	12.0	12.0	12.5
Information Technology	10.3	11.3	10.9
City Clerk	3.0	3.0	3.0
Public Communications	—	—	—
Urban Redevelopment and Housing			
Planning	7.3	7.3	5.8
Economic Development	4.8	5.8	5.8
Building Safety	7.8	8.8	9.8
Housing	4.0	4.0	3.7
Totals	277.7	273.2	270.2

Source: City Finance Department

2017	2018	2019	2020	2021	2022	2023
57.0	57.0	58.0	58.0	56.6	56.6	59.1
15.5	15.3	14.3	16.0	17.3	17.7	16.5
57.0	57.0	57.0	57.0	58.0	58.0	64.0
2.5	2.5	2.0	2.0	1.5	1.5	2.0
4.0	4.0	4.0	4.0	4.0	4.0	4.0
28.5	28.5	27.0	26.6	28.4	29.2	30.2
11.7	12.9	11.7	11.7	11.9	11.7	11.7
4.1	4.1	4.0	4.6	4.1	4.1	5.2
15.0	15.0	15.4	9.9	9.9	9.8	9.8
8.3	8.3	5.4	9.7	9.4	8.9	8.8
3.0	3.0	3.0	1.8	0.5	0.5	0.5
3.5	3.5	4.0	5.0	5.5	5.5	6.5
5.0	5.0	5.0	5.0	3.5	4.0	4.0
3.0	3.0	3.0	3.0	4.0	4.0	4.5
2.0	2.5	2.0	2.0	0.5	2.0	2.0
12.5	12.5	13.0	13.0	14.3	14.4	14.3
11.2	10.7	9.3	5.8	5.5	6.1	5.1
3.0	3.0	3.0	3.0	3.0	2.0	2.0
—	—	0.5	2.7	2.2	2.2	2.7
5.8	5.3	5.3	5.7	5.3	6.3	6.3
6.0	5.9	5.5	5.5	5.6	5.9	7.5
9.8	9.2	8.7	6.0	6.2	7.2	5.2
3.7	3.5	3.3	2.9	5.6	5.4	6.4
272.1	271.7	264.4	260.9	262.8	267.0	278.3

CITY OF URBANA, ILLINOIS

Operating Indicators by Function - Last Ten Fiscal Years June 30, 2023 (Unaudited)

Function/Program	2014	2015	2016
Public Safety			
Police Department			
Arrests	6,895	6,830	6,233
Service Calls	20,487	19,397	17,418
Reports Written	7,701	7,411	6,856
Parking Tickets Issued	21,823	22,439	16,382
Fire Department			
Fires	207	188	217
Overpressure, Explosion, Overheat	13	13	10
Rescue EMS	2,713	2,556	2,618
Hazardous Condition	257	220	223
Service Call	679	737	598
Good Intent	486.0	464.0	407.0
False Alarm or False Call	1,065	1,002	1,046
Severe Weather or Natural Disaster	5	3	2
Special Incident	2	3	—
Inspections:			
Fire/CD combined	—	—	—
Certified housing	23	23	42
Commercial	1,037	1,056	848
Hotel/Motel	*	*	7
Residential (Multi family)	356	386	407
U of I Fire Inspection	70	72	69
Highways and Streets			
Street Resurfacing (sq. yard asphalt and concrete)	137,354	73,142	47,216
Recycling, tons of waste collected (1000's)			
Non-Landscape	0.5	10.0	5.7
Landscape	17.3	16.5	10.0
General Government			
Licenses/Permits Processed	1,035	1,044	1,018
Parking Rentals and Permits	1,575	1,621	1,542
Urban Redevelopment and Housing			
Permits Issued	1,610	1,417	1,472
Zoning/Planning Cases	85	91	77

Source: Various City Departments.

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

2017	2018	2019	2020	2021	2022	2023
5,151	5,114	5,515	4,141	2,859	2,693	2,207
24,166	23,518	27,550	26,746	23,164	22,511	24,293
6,665	6,147	6,624	5,924	5,219	5,197	5,204
22,255	18,720	16,852	9,638	7,175	10,144	8,002
173	165	106	141	174	151	167
11	12	15	9	13	5	11
2,561	2,659	2,703	2,799	3,091	3,337	3,761
192	177	218	182	244	203	260
617	605	660	629	632	679	773
372.0	400.0	413.0	332.0	411.0	461.0	498.0
829	887	958	741	906	1,003	1,068
—	2	12	2	6	—	1
3	4	4	4	—	1	2
—	2,000	1,000	—	—	—	—
39	38	39	37	44	38	38
997	796	432	124	25	53	69
—	2	—	—	—	28	—
289	210	420	466	23	842	1,604
61	80	122	69	151	102	119
70,987	194,921	88,845	12,904	11,825	42,723	119,298
5.3	4.7	3.9	3.1	4.0	3.9	3.7
11.8	11.4	12.0	11.1	11.0	11.7	11.1
939	953	929	792	607	782	675
1,610	1,557	1,373	1,007	917	1,042	1,047
1,635	1,662	1,796	1,491	1,476	1,778	1,899
84	55	90	72	84	94	65

CITY OF URBANA, ILLINOIS

Capital Asset Statistics by Function - Last Ten Fiscal Years June 30, 2023 (Unaudited)

Function/Program	2014	2015	2016
Highways and Streets			
Area City (sq. mi.)	11.9	11.9	11.9
Miles Streets	143.8	143.8	138.4
Miles Sewers	243.8	244.7	244.3
Street Lights	3,768	3,781	3,791
City Trees	11,479	11,165	10,793

Source: Public Works Department

2017	2018	2019	2020	2021	2022	2023
11.9	11.9	12.0	12.0	12.0	12.0	12.0
145.5	146.7	152.2	152.0	152.3	143.3	143.3
245.7	249.1	245.7	245.7	246.8	263.3	263.3
3,793	3,796	3,805	3,852	3,866	3,935	3,935
10,750	10,824	10,915	10,915	10,852	10,941	11,504