

CITY OF EAST MOLINE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended April 30, 2013

CITY OF EAST MOLINE, ILLINOIS

April 30, 2013

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CITY OF EAST MOLINE
OFFICE OF THE CITY ADMINISTRATOR

October 21, 2013

To the Honorable Mayor John Thodos,
Members of the City Council and Citizens

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of East Moline for the fiscal year ended April 30, 2013. This is the thirteenth Comprehensive Annual Financial Report (CAFR) completed in compliance with the Governmental Accounting Standards Board Statement #34 (GASB 34). This is the fourth year the City has had to follow the guidelines of GASB Statements #43 and #45 which requires the reporting of Other Post Employment Benefits (OPEB).

State law requires that all local governments publish a complete set of financial statements at the end of each fiscal year presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to this requirement, this report is published for the fiscal year ended April 30, 2013.

Responsibility for completeness and reliability of the information contained in this report rests with the City. Since the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City of East Moline's financial statements have been audited by Carpentier, Mitchell, Goddard & Co., LLC, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of East Moline for the fiscal year ended April 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended April 30, 2013, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City of East Moline

The City of East Moline, incorporated in 1903, is one of the original "Quad Cities", located in Rock Island County, along the Mississippi River. The City encompasses approximately 9 square miles. The cities of East Moline, Moline, Rock Island, Illinois and the Iowa municipalities of Davenport and Bettendorf form the major portion of the Davenport-Rock Island Standard Statistical Area, DRIM-SMSA. The economy of the area has traditionally been centered on agriculture and the manufacturing of farm and construction equipment.

The City of East Moline, a non-home rule community, operates as a statutory Mayor-City Council form of government. The legislative authority of the City of East Moline is vested in a seven member elected council, consisting of one alderman from each of seven wards, elected on a staggered basis. The Mayor, Treasurer and City Clerk are elected in a City-wide election every four years. The Mayor appoints a City Administrator, with the consent of the City Council, who is the Chief Administrative Officer of the City. Responsibility for the day-to-day operations of the City rests with the City Administrator.

The City of East Moline provides many municipal services including fire and police protection, streets, refuse collection, parks, general administration, a public library and water and sewer services.

The City of East Moline is required to adopt a final budget within 90 days after the end of the fiscal year. It is the intent of the budget document to provide authorization to the City Administrator and department directors to make expenditures during the fiscal year provided; however, no capital expenditure item shall be made without first obtaining approval by the City Council. No departmental total within the budget shall be exceeded without first obtaining approval from the City Council.

Economic Condition and Outlook

The economic condition and outlook for East Moline has substantially improved since the early 1980's. With layoffs and an overall decline in the farm economy, unemployment reached a high of 12.9% in 1985. Since that time unemployment rates steadily declined to the point that the average unemployment rate for East Moline during fiscal year 2001 was 4.4%. During April, 2008 the unemployment rate in East Moline was 4.3%. Due to the current economic downturn the unemployment rate increased to 9.6% during fiscal 2010 however it has been declining and was 7.8% during fiscal year 2013.

The purchasers of the vacant JI Case property are moving forward in their mixed use development plan. The City designated this area as a tax increment financing district during fiscal year 2012.

Major Initiatives

In preparing the 2013 budget, the City identified several major programs and initiatives which would better meet the needs of our citizens, and ensure a healthy economic outlook for all segments of our business and manufacturing community. These efforts included the following successes:

- ❖ The City has reflected for the fifth year, an Other Post Employment Benefits (OPEB) liability. The City's actuarial accrued liability at April 30, 2013 is \$42,889,114. When GASB 43 and 45 was first announced the City prepared an actuarial study of our potential OPEB liability and in 2006 our projected actuarial accrued liability was \$50,395,600. The reduction of approximately \$7,500,000, from 2006 to 2013 according to our actuary, was largely attributed to our employees cost of insurance, during employment and after, increasing from 10% to 18% of the COBRA rate.
- ❖ The City completed approximately \$10,000,000 of improvements at the Waste Water processing plant. These expenditures qualify for the American Recovery and Reinvestment Act benefits. This will allow the City to repay these funds over 20 years at a low interest rate of 1.25% and 25% of the qualifying expenditures will be forgiven.

Long-Term Financial Planning

Prior to April 30, 2012, the City did not have a comprehensive capital improvement plan. Major equipment purchases and improvements had been scheduled on an as needed basis. As such, the City had fallen behind on replacement of critical equipment leading to higher maintenance costs and possible interruptions to critical services.

City staff has developed a five year capital plan for Fiscal Year Ending April 30, 2013 through Fiscal Year Ending April 30, 2017. The plan does include long range projections of revenues, operational expenditures, capital expenditures, and fund balances. Use of the plan will allow equipment and projects to be funded prior to critical need.

Pension and Other Post Employment Benefits The City of East Moline sponsors a single-employer defined benefit pension plan for its police officers and firefighters. Each year, an independent actuary engaged by the City, calculates the amount of the annual contribution that the City must make to each respective pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. The City directs the actuary to calculate the annual required contribution, using the same guidelines as the Illinois Department of Insurance. As a result of the City's conservative funding policy, the City has succeeded in funding 63.4% of the Police Pension Fund and 78.0% of the Firefighter's Pension Fund, as of April 30, 2013. The percent of funding of the Police Pension Fund and the Firefighter's Pension Fund increased compared to April 30, 2012 funding percentages of 63.0% and 76.4%, respectively. The remaining

unfunded amount is being systematically funded over 28 years as part of the annual required contribution calculated by the actuary.

The City also provides pension benefits for its non-public safety employees. These benefits are provided through a state-wide plan managed by the Illinois Municipal Retirement Fund (IMRF). The City has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF.

The City has implemented GASB 43 and GASB 45, relating to the accounting and reporting of post employment benefits. The City of East Moline does offer retirees, and their families, health insurance if the employee had 20 years of service with the City and was eligible to retirement benefits from their respective pension plan.

Additional information of the City's pension arrangements and other post-employment benefits can be found in Notes #9, #10 and #11.

Awards

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 East Moline for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2012. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. The CAFR must satisfy both U. S. generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

Acknowledgment

I would like to thank Mr. James Taylor, CPA of Carpentier, Mitchell, Goddard and Company, LLC and the Finance Department staff for their assistance in the preparation of our annual report.

Also to the Mayor and City Council I extend thanks and appreciation for their support. It is their strong financial commitment to the citizens of the City of East Moline that has enabled the City to grow and prosper financially.

Respectfully submitted,



Cole O'Donnell
City Administrator



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

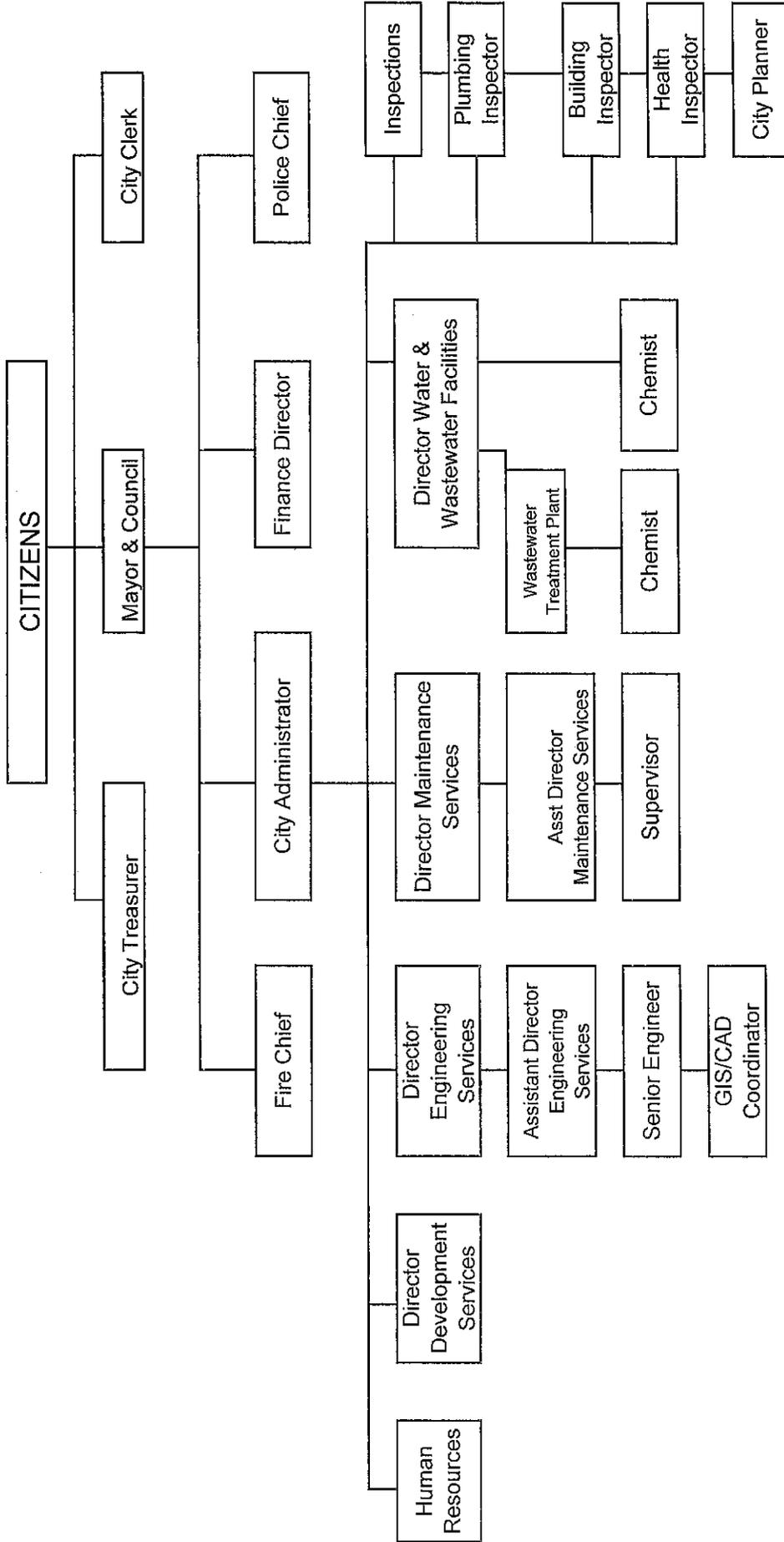
**City of East Moline
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2012

Executive Director/CEO

City of East Moline
Organizational Chart 2013



CITY OF EAST MOLINE

PRINCIPAL CITY OFFICIALS

LEGISLATIVE

John Thodos

Mayor

30-Apr-17

Term Expiration

Date Of

Elected Officials

Helen Heiland	1st Ward Alderman	30-Apr-17
Gary Almblade	2nd Ward Alderman	30-Apr-15
Jeff Stulir	3rd Ward Alderman	30-Apr-17
Ed DeJaynes	4th Ward Alderman	30-Apr-15
Humberto Aguilar	5th Ward Alderman	30-Apr-17
Robert Cheffer	6th Ward Alderman	30-Apr-15
Gary Westbrook	7th Ward Alderman	30-Apr-17
Aretta D. Holmes	City Clerk	30-Apr-17

Administration

Cole O'Donnell City Administrator

Departments

Clayton Lee	City Attorney
Megan M. Petersen	Finance
Timothy Kammler	City Engineer
Victor Moreno	Chief Of Police
Robert DeFrance	Fire Chief
Dave Lambrecht	Maintenance Services
Leath Drake	Water Filtration
Leath Drake	Wastewater
Cynthia K. Coe	Library



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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the City Council
City of East Moline, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of East Moline, Illinois, as of and for the year ended April 30, 2013, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of East Moline, Illinois as of April 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 17, budgetary comparison information on pages 87 through 94, and the pension plans and other postemployment benefit plan schedules of funding progress and schedules of employer contributions on pages 95 through 98 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of East Moline, Illinois' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, capital asset schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, capital asset schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, capital asset schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2013, on our consideration of the City of East Moline, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of East Moline, Illinois' internal control over financial reporting and compliance.

Carpentier, Mitchell, Goddard & Company, L.L.C.

Moline, Illinois
October 21, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended April 30, 2013

The City of East Moline's discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Our discussion and analysis of the City of East Moline's financial performance provides an overview of the City's financial activities for the fiscal year ended April 30, 2013. Please read it in conjunction with the transmittal letter on page i and the City's financial statements, which begin on page 18.

Financial Highlights

- The City's net assets increased from \$54,631,264 in 2012 to \$59,081,830 on April 30, 2013, an increase of \$4,450,566 (8.15%) from current year operations.
- The Governmental activities net assets increased by \$1,818,050 (7.04%) from current year operations to \$27,652,176 on April 30, 2013.
- The total revenues of all governmental activity programs decreased by \$5,589,349 (22.39%). The expenses decreased by \$79,864 (0.46%) from fiscal year 2012.
- The City's General Fund balance increased by \$1,138,074 from the fiscal year 2012.
- The City's General Fund actual revenues were over budgeted amounts by \$527,812 and the actual expenditures were under the budgeted amounts by \$252,221.
- The City's capital assets (net of depreciation) increased by \$520,897 from \$75,702,840 in fiscal year 2012.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 18 - 20) 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 start on page 21. 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. An additional part of the basic financial statements are the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

Our analysis of the City as a whole begins on page 8. One of the most important questions asked about the City's finances is, "Is the City of East Moline in a better financial position at the end of this fiscal year, compared to last year?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes in them. You can think of the City's net position, which is the difference between assets and liabilities, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. A person will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we have divided the City into two kinds of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including the general administration, garbage, streets, fire, police, parks and the library. Sales taxes, utility taxes, property taxes, income taxes and fines finance the large part of these activities.
- **Business-type activities** – The City of East Moline charges a fee to customers to help it cover all of the cost of the services provided. The City water, sewer and drainage system is reported in this section.

Reporting of the City's Most Significant Funds

Fund Financial Statements

Our analysis of the City's major funds begins on page 14. The Fund financial statements begin on page 21 and provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond requirements.

- **Governmental Funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the "modified accrual basis" of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are

more or fewer financial resources that can be spent in the near future to finance City programs. We describe the relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

- **Proprietary Funds** – When the City charges customers for the service it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City of East Moline’s proprietary fund is the same as the business type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

The City as Trustee

Reporting the City’s Fiduciary Responsibilities

The City of East Moline is the fiduciary for the Police Pension Fund and the Firefighter’s Pension Fund. The basic fiduciary fund financial statements can be found on pages 41 – 42 of this report. We have excluded these pension funds from the City’s other financial statements because the City cannot use these assets to finance its operations. It is the responsibility of the City for ensuring that these assets are used for their intended purposes.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43 – 86 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning budgetary information beginning on page 87.

The combining statements in connection with non-major governmental funds, enterprise funds and internal service funds are presented immediately following the required supplementary information concerning budgetary comparisons. Combining and individual fund statements and schedules can be found on pages 99 – 125 of this report.

Infrastructure Assets

Historically, a government’s largest group of assets (infrastructure assets – i.e. roads, storm sewers, and water and sewer mains) have not been reported nor depreciated in governmental financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the Governmental Activities column of the Government-wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third

year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City has chosen to depreciate assets over their useful life. If a road project is considered maintenance – recurring costs that does not extend the life of the road’s original useful life or expand its capacity – the cost of the project will be expensed. An “overlay” of a road will be considered maintenance whereas a “rebuild” of a road will be capitalized.

GOVERNMENT-WIDE STATEMENT

Statement of Net Position

Net assets may serve over time as a useful indicator of a government’s financial position. The City of East Moline’s assets exceeded liabilities by \$59,081,830 at the end of the most recent fiscal year.

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The City as a Whole

The condensed Statement of Net Position as of April 30, 2013 and 2012 is as follows:

	Governmental Activities			% Change
	2013	2012	Difference	
Current and other assets	\$ 22,383,752	\$ 21,950,449	\$ 433,303	1.97%
Capital assets	<u>\$ 26,381,830</u>	<u>\$ 25,088,254</u>	<u>\$ 1,293,576</u>	<u>5.16%</u>
Total Assets	\$ 48,765,582	\$ 47,038,703	\$ 1,726,879	3.67%
Long Term Liabilities	\$ 11,192,343	\$ 11,598,736	\$ (406,393)	(3.50%)
Other Liabilities	<u>\$ 9,921,063</u>	<u>\$ 9,605,841</u>	<u>\$ 315,222</u>	<u>3.28%</u>
Total Liabilities	\$ 21,113,406	\$ 21,204,577	\$ (91,171)	(0.43%)
Net Position				
Net investment in capital assets	\$ 19,055,456	\$ 16,611,439	\$ 2,444,017	14.71%
Restricted	\$ 2,909,625	\$ 4,550,569	\$ (1,640,944)	(36.06%)
Unrestricted	<u>\$ 5,687,095</u>	<u>\$ 4,672,118</u>	<u>\$ 1,014,977</u>	<u>21.72%</u>
Total Net Position	\$ 27,652,176	\$ 25,834,126	\$ 1,818,050	7.04%

This summary reflects an increase of 7.04% for Governmental Activities.

	Business-type Activities			% Change
	2013	2012	Difference	
Current and other assets	\$ 11,009,077	\$ 9,999,553	\$ 1,009,524	10.10%
Capital assets	<u>\$ 49,841,907</u>	<u>\$ 50,614,586</u>	<u>\$ (772,679)</u>	<u>(1.53%)</u>
Total Assets	\$ 60,850,984	\$ 60,614,139	\$ 236,845	0.39%
Long Term Liabilities	\$ 27,086,859	\$ 29,090,612	\$ (2,003,753)	(6.89%)
Other Liabilities	<u>\$ 2,334,471</u>	<u>\$ 2,726,389</u>	<u>\$ (391,918)</u>	<u>(14.37%)</u>
Total Liabilities	\$ 29,421,330	\$ 31,817,001	\$ (2,395,671)	(7.53%)
Net Position				
Net investment in capital assets	\$ 22,455,852	\$ 21,364,312	\$ 1,091,540	5.11%
Restricted	\$ 1,146,806	\$ 1,162,505	\$ (15,699)	(1.35%)
Unrestricted	<u>\$ 7,826,996</u>	<u>\$ 6,270,321</u>	<u>\$ 1,556,675</u>	<u>24.83%</u>
Total Net Position	\$ 31,429,654	\$ 28,797,138	\$ 2,632,516	9.14%

This summary reflects an increase of 9.14% for Business-type Activities.

Total Government

	2013	2012	Difference	% Change
Current and other assets	\$ 33,392,829	\$ 31,950,002	\$ 1,442,827	4.52%
Capital assets	<u>\$ 76,223,737</u>	<u>\$ 75,702,840</u>	<u>\$ 520,897</u>	<u>0.69%</u>
Total Assets	\$ 109,616,566	\$ 107,652,842	\$ 1,963,724	1.82%
Long Term Liabilities	\$ 38,279,202	\$ 40,689,348	\$ (2,410,146)	(5.92%)
Other Liabilities	<u>\$ 12,255,534</u>	<u>\$ 12,332,230</u>	<u>\$ (76,696)</u>	<u>(0.62%)</u>
Total Liabilities	\$ 50,534,736	\$ 53,021,578	\$ (2,486,842)	(4.69%)
Net Position				
Net investment in capital assets	\$ 41,511,308	\$ 37,975,751	\$ 3,535,557	9.31%
Restricted	\$ 4,056,431	\$ 5,713,074	\$ (1,656,643)	(29.00%)
Unrestricted	<u>\$ 13,514,091</u>	<u>\$ 10,942,439</u>	<u>\$ 2,571,652</u>	<u>23.50%</u>
Total Net Position	\$ 59,081,830	\$ 54,631,264	\$ 4,450,566	8.15%

This summary reflects an increase in the total government activities of 8.15%.

A portion of the City of East Moline's net position (6.87%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$13,514,091) may be used to meet the government's ongoing obligations to citizens and creditors.

For more detailed information, see the Statement of Net Position (page 18).

Normal Impacts

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

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

Borrowing For Capital – which will increase current assets and long term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase invested in capital assets, net of debt.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase invested in capital assets, net of debt.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and invested in capital assets, net of debt.

CURRENT YEAR IMPACTS

At the end of the fiscal year, the City of East Moline is able to report positive balances in the government as a whole, as well as for its separate governmental activities and business-type activities.

The net position increased by \$4,450,566 (8.15%) from current year operations while last fiscal year the net assets increased by \$10,247,702 (22.95%). For the current year, the governmental activities total revenues exceeded total expenses by \$2,209,907 before transfers and the business-type activities total revenues exceeded total expenses by \$2,240,659 before transfers.

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CHANGES IN NET ASSETS

The following chart shows the revenue and expenses of the City's activities:

CITY OF EAST MOLINE						
Changes In Net Position						
	Governmental		Business-type		Total	
	Activities		Activities		2013	2012
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues						
Charges for services	\$3,111,495	\$6,960,430	\$0	\$0	\$3,111,495	\$6,960,430
Water Treatment	\$0	\$0	\$4,875,257	\$4,615,887	\$4,875,257	\$4,615,887
Wastewater Treatment	\$0	\$0	\$5,558,488	\$5,618,251	\$5,558,488	\$5,618,251
Drainage	\$0	\$0	\$898,294	\$885,943	\$898,294	\$885,943
Development Loans	\$0	\$0	\$4,369	\$2,580	\$4,369	\$2,580
Operating grants and contributions	\$157,258	\$218,705	\$0	\$0	\$157,258	\$218,705
Capital grants and contributions	\$1,689,279	\$3,951,882	\$1,504,657	\$2,189,511	\$3,193,936	\$6,141,393
General Revenues						
Property taxes	\$6,703,171	\$6,238,391	\$0	\$0	\$6,703,171	\$6,238,391
Utility taxes	\$1,583,274	\$1,379,783	\$0	\$0	\$1,583,274	\$1,379,783
Sales taxes	\$464,784	\$465,511	\$0	\$0	\$464,784	\$465,511
Other taxes	\$1,357	\$2,281	\$0	\$0	\$1,357	\$2,281
Intergovernmental	\$5,603,973	\$5,705,069	\$0	\$0	\$5,603,973	\$5,705,069
Investment earnings	\$15,921	\$36,407	\$5,255	\$8,666	\$21,176	\$45,073
Gain on Sale of Assets	\$38,598	\$0	\$1,041	\$665	\$39,639	\$665
Total Revenues	\$19,369,110	\$24,958,459	\$12,847,361	\$13,321,503	\$32,216,471	\$38,279,962
Expenses						
General government	\$704,666	\$1,005,490	\$0	\$0	\$704,666	\$1,005,490
Public safety	\$10,345,647	\$10,283,348	\$0	\$0	\$10,345,647	\$10,283,348
Public works	\$3,752,338	\$3,316,560	\$0	\$0	\$3,752,338	\$3,316,560
Recreation and culture	\$1,613,717	\$1,559,238	\$0	\$0	\$1,613,717	\$1,559,238
Economic development	\$479,794	\$737,784	\$0	\$0	\$479,794	\$737,784
Interest on long term debt	\$263,041	\$336,647	\$0	\$0	\$263,041	\$336,647
Water Treatment	\$0	\$0	\$4,806,188	\$4,889,671	\$4,806,188	\$4,889,671
Wastewater Treatment	\$0	\$0	\$5,073,341	\$5,204,720	\$5,073,341	\$5,204,720
Drainage	\$0	\$0	\$706,973	\$694,496	\$706,973	\$694,496
Development loans	\$0	\$0	\$20,200	\$4,306	\$20,200	\$4,306
Total Expenses	\$17,159,203	\$17,239,067	\$10,606,702	\$10,793,193	\$27,765,905	\$28,032,260
Increase (Decrease) in net position before transfers	\$2,209,907	\$7,719,392	\$2,240,659	\$2,528,310	\$4,450,566	\$10,247,702
Transfers	(\$391,857)	\$27,702	\$391,857	(\$27,702)	\$0	\$0
Increase (Decrease) in net position	\$1,818,050	\$7,747,094	\$2,632,516	\$2,500,608	\$4,450,466	\$10,247,702
Net position on May 1, 2012	\$25,834,126	\$18,354,568	\$28,797,138	\$26,296,530	\$54,631,264	\$44,651,098
Prior Period Adjustment	\$0	(\$267,536)	\$0	\$0	\$0	(\$267,536)
Net Position - Ending	\$27,652,176	\$25,834,126	\$31,429,654	\$28,797,138	\$59,081,830	\$54,631,264

Normal Impacts

There are eight basic impacts on revenues and expenses as reflected below:

Revenues

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

Increase/Decrease in City approved rates – while certain tax rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fees, building fees, tax levy amounts, etc)

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – certain revenues (state shared revenues, etc.), may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market Impacts on Investment income – the City's investment portfolio is managed using a favorable money market rate we receive by using our local bank for the bulk of our business. Downward forces on interest rates can have a negative affect on the money market rate we receive.

Expenses

Introduction of New Programs – within the functional expense categories (General government, Public safety, Public works, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel – changes in service demand may cause the City Council to consider increasing/decreasing authorized staffing. Staffing costs (salary and related benefits) represent 80% of the City's operating costs.

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

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

CURRENT YEAR IMPACTS

Governmental Activities

Governmental Activities increased the City's net assets by \$2,209,907 before transfers out of \$391,857. Key elements contributing to this net change are as follows:

Revenues

For the fiscal year ended April 30, 2013, total revenues from governmental activities decreased by \$5,589,349 (22.39%). Charges for Services decreased by \$3,848,935 (55.30%) and capital grants & contributions decreased by \$2,262,603 (57.25%) during fiscal year 2013. The majority of these decreases were due to the one-time jurisdictional transfer of 3 streets from the State of Illinois Department of Transportation to the City during fiscal year 2012.

Taxes received from various sources continue to play an important role in the City's revenue structure. Property taxes increased \$464,780 (7.45%). The increase in property taxes was due to an increase in the tax levy with assessed valuations staying consistent with the prior year. Intergovernmental revenues decreased \$101,096 (1.77%) which consisted of a 10.46% decrease in income tax, a 4.62% increase in the City's portion of the State sales tax and a 2.09% increase in replacement taxes received.

Expenses

For fiscal year ending April 30, 2013 governmental activity expenses decreased \$79,864 (0.46%). General Government, Economic development, and Interest on long term debt expenses decreased during the fiscal year by 29.92%, 34.97%, and 21.86%, respectively. However, Public Safety, Public Works, and Recreation and culture expenses increased by 0.61%, 13.14% and 3.49%, respectively. The increase in public safety expenses is mostly due to an increase in the City's contribution to the Firefighter's pension plan. An increase in street projects resulted in the increased public works expenses.

Business-type Activities

Business-type activities increased the City of East Moline's net position by \$2,240,659, resulting in a 7.78% increase in the Net Position for Business-type activities. Key elements contributing to this net change are as follows:

Revenues

Total revenue for the business-type activities decreased \$474,142 from \$13,321,503 in FY12 to \$12,847,361 in FY13. Under charges for services, revenue from water, sewer, and drainage billings increased by \$211,958. This was due to water and sewer rate increases adopted by the City Council as part of a 5 year plan to increase rates. Revenue from capital grants and contributions decreased \$684,854. The decrease in capital grants and contributions is the result of a grant the City obtained in FY12 for improvements to the City's water and wastewater treatment plants that was not continued in FY13.

Expenses

Total expenses for the business-type activities at the end of the fiscal year were \$10,606,702 which is a decrease of \$186,491 from fiscal year 2012. The slight decrease in expenses is due to better control of the expenses.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as the useful measure of a government's net resources available for spending at the end of the fiscal year. As of April 30, 2013 the Governmental Funds (presented on pages 21-22) reported a combined fund balance of \$6,691,349, which is a 3.70% decrease from the beginning of the year of \$6,948,802. Of the total fund balance, the unassigned portion is (\$4,300,277). The unassigned balance indicates the amount available for continuing City services. Total assigned fund balance of the governmental funds as of April 30, 2013 was \$4,795,998 while total restricted fund balance was \$4,762,098. Note

17 in the footnotes to the financial statements show detail of the assignments and restrictions on the fund balance of the governmental funds.

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's total fund balance increased by \$1,138,074 from the prior year.

The City of East Moline has two other major funds – the Motor Fuel Tax Fund and the Tax Increment Financing Fund – The Quarter (The Quarter TIF). The Motor Fuel Tax fund saw a decrease of \$1,316,155 in its fund balance and The Quarter TIF fund saw a reduction of \$184,664. Revenues for the Motor Fuel Tax fund decreased \$2,480,340 and expenditures increased \$2,636,657. The decrease in revenues is due to the jurisdictional transfer of 3 streets from the State of Illinois to the City in fiscal year 2012. The increase in expenditures is due to more street projects completed in fiscal year 2013. In The Quarter TIF Fund, revenue decreased by \$45,898 and expenditures decreased \$21,938. The decrease in expenditures was due to better control of the expenditures. The decrease in revenues was due to a decrease in property tax collections.

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General Fund Budgetary Highlights

General Fund	Fiscal Year Ended April 30, 2013		Percent of Actual to Final Budget
	Original and Final Budget	Actual	
Revenues			
Taxes	\$ 6,153,578	\$ 6,295,136	102.30%
Licenses and Permits	232,300	222,332	95.71%
Intergovernmental Revenue	5,226,578	5,796,829	110.91%
Investment Income	101,400	11,262	11.11%
Fees and Reimbursements:			
Landfill Host Fees	300,000	210,123	70.04%
Other Revenue	805,600	1,097,684	136.26%
Total Revenues	\$ 12,819,456	\$ 13,633,366	106.35%
Expenditures			
	\$ 11,976,349	\$ 11,724,128	97.89%
Excess of Revenues over Expenditures	\$ 843,107	\$ 1,909,238	
Transfers	(460,955)	(771,164)	
Net Change in Fund Balance	\$ 382,152	\$ 1,138,074	

The General Fund actual revenues exceeded the original and final budgeted revenue by \$813,910 for FY13. While most of the revenue categories came in more than the budgeted amounts, investment income, licenses and permits, and landfill host fees were under the budgeted amounts by 189,983.

The General Corporate Fund total actual expenditures were \$252,221 less than the original and final budgeted amount.

Capital Asset and Debt Administration

Capital Assets

The City of East Moline's investment in capital assets for its governmental and business-type activities as of April 30, 2013, amounted to \$76,223,737 (net of depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads and highways. The total increase in the City of East Moline's investment in capital assets (net of depreciation) for the current fiscal year was \$520,897, comprised by an increase of \$1,293,576 in the governmental activities and a decrease of \$772,679 in the business-type activities.

Major capital asset events during the current fiscal year included the following:

- Completed an \$8,000,000 construction project at the Wastewater Treatment Plant.
- Started major street, water and sewer improvements on Kennedy Drive
- Completed \$900,000 in improvements to Jacobs Park.

Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$1,888,637	\$2,146,137	\$484,013	\$484,013	\$2,372,650	\$2,630,150
Construct In Progress	2,053,852	224,334	518,829	9,946,826	2,572,681	10,171,160
Improvements other than buildings	1,355,458	516,434	0	0	1,355,458	516,434
Building and System	3,491,047	3,653,568	48,135,660	39,413,811	51,626,707	43,067,379
Vehicles and equipment	1,589,298	1,890,377	703,405	769,936	2,292,703	2,660,313
Books	292,870	297,227	0	0	292,870	297,227
Infrastructure	<u>15,710,668</u>	<u>16,360,177</u>	<u>0</u>	<u>0</u>	<u>15,710,668</u>	<u>16,360,177</u>
Totals	\$26,381,830	\$25,088,254	\$49,841,907	\$50,614,586	\$76,223,737	\$75,702,840

Additional information on the City of East Moline's capital assets can be found in Note 6 on pages 60-62 of this report.

Debt

At year-end, the City had \$41,127,788 in outstanding notes, bonds, net pension obligations and other post employment benefit obligations compared to \$43,266,335 in the prior year. That is a decrease of \$2,138,547 (4.94%).

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Note Payable	\$131,123	\$165,503	\$6,493,320	\$5,772,869	\$6,624,443	\$5,938,372
General Obligation Bonds	7,195,251	8,311,312	20,892,735	23,477,405	28,087,986	31,788,717
Compensated Absences	41,351	53,042	30,198	31,337	71,549	84,379
Net pension obligation	445,761	772,431	0	0	445,761	772,431
OPEB Obligations	<u>4,639,925</u>	<u>3,515,870</u>	<u>1,258,124</u>	<u>1,166,566</u>	<u>5,898,049</u>	<u>4,682,436</u>
Totals	\$12,453,411	\$12,818,158	\$28,674,377	\$30,448,177	\$41,127,788	\$43,266,335

At the end of the fiscal year the City of East Moline has total bonded debt outstanding of \$28,087,986. The City borrowed over \$8,000,000 of Illinois Environmental Protection State Revolving Loan monies. With the American Recovery and Reinvestment Act, 25% of the proceeds (approximately \$2,000,000) were forgiven and the remaining approximately \$6,000,000 is being repaid at a 1.25 percent rate of interest.

The City of East Moline's bond rating is Aa3 rating from Moody's Investor Services and the City has been able to purchase bond insurance at a very reasonable rate upgrading our bonds to an AAA rating.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8.625% of its total equalized assessed valuation. The current debt limitation is \$22,314,731 which is significantly in excess of the City of East Moline's existing general obligation debt, debt certificates and installment contracts, totaling \$1,590,202. Additional information on the City of East Moline's debt can be found in note 7 on pages 62 – 71 of this report.

Economic Factors and the Next Years Budgets and Rates.

The City Council has adopted a 5-year rate increase schedule that was effective September 21, 2010, for water and sewer users. The increase the first year was 9% for water and 0% for sewer with varying increases in the following 4 years.

The City Council approved changing the City's fiscal year to a December 31 year end rather than an April 30 year end. Our next fiscal year will be a short 8 month year covering the time period of May 1, 2013 to December 31, 2013.

The City anticipates that tax revenues will remain steady during the 8 month fiscal year ending December 31, 2013.

The City continues to experience declines or stagnant growth in major revenue sources coupled with increases in uncontrollable expenditures such as police and fire pensions, health care coverage, liability insurance, and workers compensation. In an effort to confront these challenges, the City is reducing the number of employees by not filling vacant positions.

All of these factors were considered in preparing the City of East Moline's budget for the December 31, 2013 fiscal year.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. As in the past, the City of East Moline plans on placing the entire Comprehensive Annual Financial Report on the City's web page (www.eastmoline.com). If anyone has any questions about this report or needs additional information, please write Megan Petersen, Finance Director, City of East Moline, 915 – 16th Avenue, East Moline, IL 61244.

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF NET POSITION
April 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 13,687,999	\$ 6,126,146	\$ 19,814,145
Investments	1,121,752	243,590	1,365,342
Receivables, net of allowance for uncollectibles	8,606,533	3,039,707	11,646,240
Internal balances	(1,206,593)	1,206,593	-
Deferred charges	174,061	266,796	440,857
Temporarily restricted assets:			
Cash	-	126,245	126,245
Capital assets:			
Land and construction in progress	3,942,489	1,002,842	4,945,331
Other capital assets, net of depreciation	22,439,341	48,839,065	71,278,406
 Total assets	 <u>\$ 48,765,582</u>	 <u>\$ 60,850,984</u>	 <u>\$ 109,616,566</u>
LIABILITIES			
Accounts payable and other current liabilities	\$ 1,906,574	\$ 558,466	\$ 2,465,040
Accrued interest payable	69,289	188,487	257,776
Unearned revenue	6,684,132	-	6,684,132
Noncurrent liabilities:			
Due within one year	1,261,068	1,587,518	2,848,586
Due in more than one year	11,192,343	27,086,859	38,279,202
 Total liabilities	 <u>\$ 21,113,406</u>	 <u>\$ 29,421,330</u>	 <u>\$ 50,534,736</u>
NET POSITION			
Net investment in capital assets	\$ 19,055,456	\$ 22,455,852	\$ 41,511,308
Restricted for:			
Maintenance of roadways	2,886,907	-	2,886,907
Capital projects	22,718	126,245	148,963
Economic development loans	-	607,791	607,791
Housing rehabilitation	-	412,770	412,770
Unrestricted	5,687,095	7,826,996	13,514,091
 Total net position	 <u>\$ 27,652,176</u>	 <u>\$ 31,429,654</u>	 <u>\$ 59,081,830</u>

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

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2013

Program Revenues

FUNCTION/PROGRAMS	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions
Governmental activities:				
General government	\$ 704,666	\$ 270,404	\$ -	\$ -
Public safety	10,345,647	757,901	44,804	-
Public works	3,752,338	1,368,281	15,977	1,132,532
Recreation and culture	1,613,717	680,590	22,509	556,747
Economic development	479,794	34,319	73,968	-
Interest on long-term debt	263,041	-	-	-
Total governmental activities	<u>\$ 17,159,203</u>	<u>\$ 3,111,495</u>	<u>\$ 157,258</u>	<u>\$ 1,689,279</u>
Business-Type activities:				
Water treatment	\$ 4,806,188	\$ 4,875,257	\$ -	\$ 205,873
Wastewater treatment	5,073,341	5,558,488	-	8,824
Drainage	706,973	898,294	-	1,289,960
Development loans	20,200	4,369	-	-
Total business-type activities	<u>\$ 10,606,702</u>	<u>\$ 11,336,408</u>	<u>\$ -</u>	<u>\$ 1,504,657</u>
Total government	<u>\$ 27,765,905</u>	<u>\$ 14,447,903</u>	<u>\$ 157,258</u>	<u>\$ 3,193,936</u>

General revenues:
Property taxes
Utility taxes
Admissions taxes
Non home rule sales tax
Unrestricted investment earnings
Unrestricted intergovernmental revenues
Gain on sale of capital assets
Transfers

Total general revenues and transfers

Change in net position

NET POSITION, Beginning

NET POSITION, Ending

**Net (Expense) Revenue and
Changes in Net Assets**

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (434,262)	\$ -	\$ (434,262)
(9,542,942)	-	(9,542,942)
(1,235,548)	-	(1,235,548)
(353,871)	-	(353,871)
(371,507)	-	(371,507)
(263,041)	-	(263,041)
<u>\$ (12,201,171)</u>	<u>\$ -</u>	<u>\$ (12,201,171)</u>
\$ -	\$ 274,942	\$ 274,942
-	493,971	493,971
-	1,481,281	1,481,281
-	(15,831)	(15,831)
<u>\$ -</u>	<u>\$ 2,234,363</u>	<u>\$ 2,234,363</u>
<u>\$ (12,201,171)</u>	<u>\$ 2,234,363</u>	<u>\$ (9,966,808)</u>
\$ 6,703,171	\$ -	\$ 6,703,171
1,583,274	-	1,583,274
1,357	-	1,357
464,784	-	464,784
15,921	5,255	21,176
5,603,973	-	5,603,973
38,598	1,041	39,639
(391,857)	391,857	-
<u>\$ 14,019,221</u>	<u>\$ 398,153</u>	<u>\$ 14,417,374</u>
\$ 1,818,050	\$ 2,632,516	\$ 4,450,566
25,834,126	28,797,138	54,631,264
<u>\$ 27,652,176</u>	<u>\$ 31,429,654</u>	<u>\$ 59,081,830</u>

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

CITY OF EAST MOLINE, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2013

	General Fund	Motor Fuel Tax Fund
ASSETS		
Cash	\$ 5,143,769	\$ 2,971,754
Investments	22,131	481,066
Receivables	6,255,779	36,634
Advances to other funds	692,771	-
	\$ 12,114,450	\$ 3,489,454
 LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 331,423	\$ 602,547
Fund cash deficit	-	-
Accrued liabilities	174,818	-
Unearned revenue	5,206,443	-
Advances from other funds	403,554	-
	\$ 6,116,238	\$ 602,547
 FUND BALANCES		
Nonspendable	\$ 692,771	\$ -
Restricted	714,072	2,886,907
Committed	-	-
Assigned	3,570,434	-
Unassigned	1,020,935	-
	\$ 5,998,212	\$ 2,886,907
Total fund balances	\$ 5,998,212	\$ 2,886,907
Total liabilities & fund balances	\$ 12,114,450	\$ 3,489,454

<u>Tax Increment Financing Fund - The Quarter</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 2,060,590	\$ 10,176,113
-	618,555	1,121,752
185,829	2,125,584	8,603,826
<u>175,544</u>	<u>565,215</u>	<u>1,433,530</u>
<u>\$ 361,373</u>	<u>\$ 5,369,944</u>	<u>\$ 21,335,221</u>
\$ 79	\$ 182,562	\$ 1,116,611
1,560,732	1,902,317	3,463,049
-	22,158	196,976
185,829	1,942,750	7,335,022
<u>996,005</u>	<u>1,132,655</u>	<u>2,532,214</u>
<u>\$ 2,742,645</u>	<u>\$ 5,182,442</u>	<u>\$ 14,643,872</u>
\$ 175,544	\$ 565,215	\$ 1,433,530
-	1,161,119	4,762,098
-	-	-
-	1,225,564	4,795,998
<u>(2,556,816)</u>	<u>(2,764,396)</u>	<u>(4,300,277)</u>
<u>\$ (2,381,272)</u>	<u>\$ 187,502</u>	<u>\$ 6,691,349</u>
<u>\$ 361,373</u>	<u>\$ 5,369,944</u>	<u>\$ 21,335,221</u>

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CITY OF EAST MOLINE, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
 April 30, 2013

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

Total fund balance - governmental funds	\$ 6,691,349
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	26,360,472
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	650,890
Internal service funds are used by management to charge the costs of insurance and motor pool to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	6,298,104
Net pension obligation is not reported in governmental funds.	(445,761)
Net other postemployment benefits obligation is not reported in governmental funds.	(4,639,925)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(7,262,953)</u>
Net position of governmental activities	<u>\$ 27,652,176</u>

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

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended April 30, 2013

	General Fund	Motor Fuel Tax Fund
REVENUES		
Taxes	\$ 6,295,136	\$ -
Licenses, permits and fees	432,455	-
Intergovernmental	5,796,829	636,661
Charges for services and rents	414,212	-
Special assessments	2,388	-
Investment income	11,262	2,302
Fines	262,922	-
Grant	44,804	1,184,244
Miscellaneous	77,260	-
Total revenues	\$ 13,337,268	\$ 1,823,207
EXPENDITURES		
Current:		
General government	\$ 460,013	\$ -
Public safety	9,546,615	-
Public works	1,095,732	973,619
Recreation and culture	478,736	-
Economic development	102,991	-
Capital expenditures	40,041	1,924,551
Debt service:		
Principal	-	260,000
Interest	-	11,950
Total expenditures	\$ 11,724,128	\$ 3,170,120
Excess (deficiency) of revenues over (under) expenditures	\$ 1,613,140	\$ (1,346,913)
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	\$ 296,098	\$ -
Transfers in	97,948	30,758
Transfers out	(869,112)	-
Total other financing sources (uses)	\$ (475,066)	\$ 30,758
Net change in fund balances	\$ 1,138,074	\$ (1,316,155)
FUND BALANCES – Beginning	4,860,138	4,203,062
FUND BALANCES – Ending	\$ 5,998,212	\$ 2,886,907

<u>Tax Increment Financing Fund - The Quarter</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 188,372	\$ 2,261,999	\$ 8,745,507
-	-	432,455
-	93,797	6,527,287
-	946,602	1,360,814
-	-	2,388
-	2,357	15,921
-	13,816	276,738
-	669,201	1,898,249
-	104,696	181,956
<u>\$ 188,372</u>	<u>\$ 4,092,468</u>	<u>\$ 19,441,315</u>
\$ -	\$ 1,229	\$ 461,242
-	-	9,546,615
-	971,872	3,041,223
-	934,579	1,413,315
89,057	273,779	465,827
-	885,704	2,850,296
210,000	696,380	1,166,380
73,979	170,970	256,899
<u>\$ 373,036</u>	<u>\$ 3,934,513</u>	<u>\$ 19,201,797</u>
<u>\$ (184,664)</u>	<u>\$ 157,955</u>	<u>\$ 239,518</u>
\$ -	\$ -	\$ 296,098
-	193,000	321,706
-	(245,663)	(1,114,775)
<u>\$ -</u>	<u>\$ (52,663)</u>	<u>\$ (496,971)</u>
\$ (184,664)	\$ 105,292	\$ (257,453)
(2,196,608)	82,210	6,948,802
<u>\$ (2,381,272)</u>	<u>\$ 187,502</u>	<u>\$ 6,691,349</u>

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CITY OF EAST MOLINE, ILLINOIS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2013

Amounts reported for governmental activities in the statements of activities are different because:

Net change in fund balance - total governmental funds	\$ (257,453)
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. This is the amount by which capital outlays exceeded depreciation in the current period.	1,558,106
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(110,803)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(257,498)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,166,380
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(40,178)
The change in net pension obligation is not reported in governmental funds.	326,670
Changes in net other postemployment benefits obligations are reported only in the statement of activities.	(1,124,055)
Internal service funds are used by management to charge the costs of insurance and motor pool to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.	556,881
Change in net position of governmental activities	<u>\$ 1,818,050</u>

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

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
April 30, 2013

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
ASSETS			
Current assets:			
Cash	\$ 944,942	\$ 591,572	\$ 2,689,327
Investments	-	-	-
Receivables (net of allowance for uncollectibles)	308,665	731,142	391,875
Other assets	-	3,000	-
Total current assets	<u>\$ 1,253,607</u>	<u>\$ 1,325,714</u>	<u>\$ 3,081,202</u>
Noncurrent assets:			
Restricted cash and investments:			
Capital Project:			
Cash	\$ -	\$ 14,090	\$ -
Total restricted assets	<u>\$ -</u>	<u>\$ 14,090</u>	<u>\$ -</u>
Unamortized bond issue costs	\$ 34,993	\$ 103,057	\$ 31,943
Advances to other funds	<u>\$ 1,573,646</u>	<u>\$ 1,171,235</u>	<u>\$ 937,971</u>
Capital assets:			
Land	\$ -	\$ 484,013	\$ -
Buildings and system	9,061,815	27,720,563	12,572,049
Equipment and vehicles	106,203	698,658	204,797
Construction in progress	-	244,056	-
Less accumulated depreciation	<u>(1,703,811)</u>	<u>(15,580,028)</u>	<u>(1,136,911)</u>
Total capital assets (net of accumulated depreciation)	<u>\$ 7,464,207</u>	<u>\$ 13,567,262</u>	<u>\$ 11,639,935</u>
Total noncurrent assets	<u>\$ 9,072,846</u>	<u>\$ 14,855,644</u>	<u>\$ 12,609,849</u>
Total assets	<u>\$ 10,326,453</u>	<u>\$ 16,181,358</u>	<u>\$ 15,691,051</u>

Enterprise Funds				Governmental Activities
Treatment				
Sewer Collection Fund	Drainage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 949,120	\$ 543,251	\$ 407,934	\$ 6,126,146	\$ 6,974,935
-	-	243,590	243,590	-
1,484,158	111,830	9,037	3,036,707	2,707
-	-	-	3,000	-
<u>\$ 2,433,278</u>	<u>\$ 655,081</u>	<u>\$ 660,561</u>	<u>\$ 9,409,443</u>	<u>\$ 6,977,642</u>
\$ 112,155	\$ -	\$ -	\$ 126,245	\$ -
\$ 112,155	\$ -	\$ -	\$ 126,245	\$ -
\$ 90,227	\$ 6,576	\$ -	\$ 266,796	\$ -
\$ 782,162	\$ -	\$ 360,000	\$ 4,825,014	\$ 2,000
\$ -	\$ -	\$ -	\$ 484,013	\$ -
24,786,121	6,101,957	-	80,242,505	-
842,467	-	-	1,852,125	1,059,804
75,261	199,512	-	518,829	-
(12,962,771)	(1,872,044)	-	(33,255,565)	(1,038,446)
\$ 12,741,078	\$ 4,429,425	\$ -	\$ 49,841,907	\$ 21,358
\$ 13,725,622	\$ 4,436,001	\$ 360,000	\$ 55,059,962	\$ 23,358
\$ 16,158,900	\$ 5,091,082	\$ 1,020,561	\$ 64,469,405	\$ 7,001,000

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CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
April 30, 2013

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 82,438	\$ 49,947	\$ 46,562
Accrued salaries	18,463	22,466	23,373
Accrued interest payable	28,853	53,994	26,338
Compensated absences	-	17,561	-
Other accrued liabilities	-	-	-
Loan payable - current	-	-	144,543
General obligation bonds - current	97,518	564,757	89,015
Total current liabilities	<u>\$ 227,272</u>	<u>\$ 708,725</u>	<u>\$ 329,831</u>
Noncurrent liabilities:			
Loan payable	\$ -	\$ -	\$ 6,216,681
General obligation bonds payable (net of unamortized discounts)	2,625,472	7,141,419	2,396,559
Other postemployment benefit obligations	343,008	248,902	362,061
Advances from other funds	634,353	1,574,801	579,044
Total noncurrent liabilities	<u>\$ 3,602,833</u>	<u>\$ 8,965,122</u>	<u>\$ 9,554,345</u>
Total liabilities	<u>\$ 3,830,105</u>	<u>\$ 9,673,847</u>	<u>\$ 9,884,176</u>

Enterprise Funds				Governmental Activities
Treatment				
Sewer Collection Fund	Drainage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 160,324	\$ 130,379	\$ -	\$ 469,650	\$ 328,597
17,584	6,930	-	88,816	8,843
72,922	6,380	-	188,487	-
10,221	2,416	-	30,198	-
-	-	-	-	255,547
-	31,502	-	176,045	-
<u>440,493</u>	<u>189,492</u>	<u>-</u>	<u>1,381,275</u>	<u>-</u>
<u>\$ 701,544</u>	<u>\$ 367,099</u>	<u>\$ -</u>	<u>\$ 2,334,471</u>	<u>\$ 592,987</u>
\$ -	\$ 100,594	\$ -	\$ 6,317,275	\$ -
6,785,519	562,491	-	19,511,460	-
304,153	-	-	1,258,124	-
<u>940,132</u>	<u>-</u>	<u>-</u>	<u>3,728,330</u>	<u>-</u>
<u>\$ 8,029,804</u>	<u>\$ 663,085</u>	<u>\$ -</u>	<u>\$ 30,815,189</u>	<u>\$ -</u>
<u>\$ 8,731,348</u>	<u>\$ 1,030,184</u>	<u>\$ -</u>	<u>\$ 33,149,660</u>	<u>\$ 592,987</u>

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
April 30, 2013

NET POSITION	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
Net investment in capital assets	\$ 4,741,217	\$ 5,861,086	\$ 2,793,137
Restricted for:			
Capital project	-	14,090	-
Economic development loans	-	-	-
Housing rehabilitation	-	-	-
Unrestricted	1,755,131	632,335	3,013,738
Total net position	\$ 6,496,348	\$ 6,507,511	\$ 5,806,875

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Net position of business-type activities

<u>Enterprise Funds</u>				<u>Governmental Activities</u>
<u>Treatment</u>				
<u>Sewer Collection Fund</u>	<u>Drainage Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 5,515,066	\$ 3,545,346	\$ -	\$ 22,455,852	\$ 21,358
112,155	-	-	126,245	-
-	-	607,791	607,791	-
-	-	412,770	412,770	-
<u>1,800,331</u>	<u>515,552</u>	<u>-</u>	<u>7,717,087</u>	<u>6,386,655</u>
<u>\$ 7,427,552</u>	<u>\$ 4,060,898</u>	<u>\$ 1,020,561</u>	<u>\$ 31,319,745</u>	<u>\$ 6,408,013</u>
			<u>109,909</u>	
			<u>\$ 31,429,654</u>	

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

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended April 30, 2013

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
OPERATING REVENUES			
Charges for services	\$ 2,177,468	\$ 2,695,174	\$ 2,211,165
Interest income	-	-	-
Other	-	2,615	-
Total operating revenues	<u>\$ 2,177,468</u>	<u>\$ 2,697,789</u>	<u>\$ 2,211,165</u>
OPERATING EXPENSES			
Pumping	\$ 2,067,546	\$ -	\$ 2,151,933
Distribution and collection	-	971,636	-
Engineering	-	182,511	-
Administration and claims	-	466,377	-
Travel and motor vehicles	-	-	-
Depreciation	215,436	604,568	82,642
Total operating expenses	<u>\$ 2,282,982</u>	<u>\$ 2,225,092</u>	<u>\$ 2,234,575</u>
OPERATING INCOME (LOSS)	<u>\$ (105,514)</u>	<u>\$ 472,697</u>	<u>\$ (23,410)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	\$ -	\$ 539	\$ 4,023
Gain (Loss) on sale of capital assets	-	1,041	-
Interest expense	(101,427)	(196,687)	(237,970)
Total nonoperating revenues (expenses)	<u>\$ (101,427)</u>	<u>\$ (195,107)</u>	<u>\$ (233,947)</u>

Enterprise Funds				Governmental Activities
Treatment				
Sewer Collection Fund	Drainage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 3,309,390	\$ 897,334	\$ -	\$ 11,290,531	\$ 3,784,643
-	-	869	869	-
37,933	960	3,500	45,008	20,089
<u>\$ 3,347,323</u>	<u>\$ 898,294</u>	<u>\$ 4,369</u>	<u>\$ 11,336,408</u>	<u>\$ 3,804,732</u>
\$ -	\$ -	\$ -	\$ 4,219,479	\$ -
1,029,661	458,817	-	2,460,114	-
421,123	-	-	603,634	-
416,544	-	20,200	903,121	2,968,297
-	-	-	-	604,018
555,664	191,425	-	1,649,735	7,030
<u>\$ 2,422,992</u>	<u>\$ 650,242</u>	<u>\$ 20,200</u>	<u>\$ 9,836,083</u>	<u>\$ 3,579,345</u>
\$ 924,331	\$ 248,052	\$ (15,831)	\$ 1,500,325	\$ 225,387
\$ 179	\$ -	\$ 514	\$ 5,255	\$ 10,770
-	-	-	1,041	-
(258,292)	(56,731)	-	(851,107)	-
<u>\$ (258,113)</u>	<u>\$ (56,731)</u>	<u>\$ 514</u>	<u>\$ (844,811)</u>	<u>\$ 10,770</u>

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CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended April 30, 2013

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ (206,941)	\$ 277,590	\$ (257,357)
Capital Grants and Contributions	-	205,873	-
TRANSFERS IN	198,904	165,797	10,393,852
TRANSFERS OUT	(50,000)	(307,170)	(6,265,838)
CHANGE IN NET POSITION	\$ (58,037)	\$ 342,090	\$ 3,870,657
TOTAL NET POSITION, Beginning	6,554,385	6,165,421	1,936,218
TOTAL NET POSITION, Ending	<u>\$ 6,496,348</u>	<u>\$ 6,507,511</u>	<u>\$ 5,806,875</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Change in net position of business-type activities

Enterprise Funds				Governmental Activities
Treatment				
Sewer Collection Fund	Drainage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 666,218	\$ 191,321	\$ (15,317)	\$ 655,514	\$ 236,157
8,824	1,289,960	-	1,504,657	-
6,380,430	220,818	-	17,359,801	401,212
(10,332,601)	(12,335)	-	(16,967,944)	-
\$ (3,277,129)	\$ 1,689,764	\$ (15,317)	\$ 2,552,028	\$ 637,369
10,704,681	2,371,134	1,035,878		5,770,644
<u>\$ 7,427,552</u>	<u>\$ 4,060,898</u>	<u>\$ 1,020,561</u>		<u>\$ 6,408,013</u>
			80,488	
			<u>\$ 2,632,516</u>	

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

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended April 30, 2013

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,172,302	\$ 2,552,379	\$ 2,223,966
Receipts from interfund services provided	-	-	-
Other receipts	-	2,615	-
Payments to suppliers	(1,021,762)	(483,926)	(815,359)
Payments to employees	(657,852)	(760,641)	(898,231)
Payments for interfund services use	(347,076)	(360,016)	(420,342)
Net cash provided (used) by operating activities	<u>\$ 145,612</u>	<u>\$ 950,411</u>	<u>\$ 90,034</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	\$ 198,904	\$ 165,797	\$ 181,562
Transfers to other funds	(50,000)	(307,170)	(50,000)
Advances to other funds	-	-	-
Advances from other funds	-	-	-
Net cash provided (used) by noncapital financing activities	<u>\$ 148,904</u>	<u>\$ (141,373)</u>	<u>\$ 131,562</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received for sale of vehicles and equipment	\$ -	\$ 1,041	\$ -
Acquisition and construction of capital assets	-	(244,056)	(28,986)
Capital grants and contributions	-	205,873	-
Proceeds from long-term debt issuance	-	-	-
Principal paid on long-term debt	(95,464)	(549,043)	(87,142)
Interest paid on long-term debt	(103,440)	(201,186)	(94,421)
Net cash used by capital and related financing activities	<u>\$ (198,904)</u>	<u>\$ (787,371)</u>	<u>\$ (210,549)</u>

Enterprise Funds				Governmental Activities
Treatment				
Sewer Collection Fund	Drainage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 3,103,228	\$ 882,128	\$ 10,689	\$ 10,944,692	\$ -
-	-	-	-	3,784,643
37,933	960	3,500	45,008	19,748
(1,644,514)	(4,785)	(21,500)	(3,991,846)	(3,450,796)
(586,659)	(207,689)	-	(3,111,072)	(231,197)
(320,358)	(114,800)	-	(1,562,592)	(30,000)
<u>\$ 589,630</u>	<u>\$ 555,814</u>	<u>\$ (7,311)</u>	<u>\$ 2,324,190</u>	<u>\$ 92,398</u>
\$ 164,592	\$ 220,818	\$ -	\$ 931,673	\$ 401,212
(120,311)	(12,335)	-	(539,816)	-
(5,700)	-	-	(5,700)	-
-	-	79,682	79,682	-
<u>\$ 38,581</u>	<u>\$ 208,483</u>	<u>\$ 79,682</u>	<u>\$ 465,839</u>	<u>\$ 401,212</u>
\$ -	\$ -	\$ -	\$ 1,041	\$ -
(340,725)	(263,289)	-	(877,056)	-
8,824	1,289,960	-	1,504,657	-
605,604	-	-	605,604	-
(426,938)	(1,443,540)	-	(2,602,127)	-
(264,043)	(63,900)	-	(726,990)	-
<u>\$ (417,278)</u>	<u>\$ (480,769)</u>	<u>\$ -</u>	<u>\$ (2,094,871)</u>	<u>\$ -</u>

(Continued)

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended April 30, 2013

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	\$ -	\$ 539	\$ 4,023
Proceeds from (purchase of) investments	-	333	-
Net cash provided (used) by investing activities	\$ -	\$ 872	\$ 4,023
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 95,612	\$ 22,539	\$ 15,070
CASH AND CASH EQUIVALENTS - Beginning	849,330	583,123	2,674,257
CASH AND CASH EQUIVALENTS - Ending	<u>\$ 944,942</u>	<u>\$ 605,662</u>	<u>\$ 2,689,327</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (105,514)	\$ 472,697	\$ (23,410)
Adjustments to reconcile operating operating income (loss) to net cash provided by operating activities:			
Depreciation expense	215,436	604,568	82,642
Amortization expense	(453)	21,249	(413)
(Increase) decrease in receivables	(5,166)	(142,796)	12,801
Increase (decrease) in accounts payable	(7,238)	(8,641)	1,222
Increase (decrease) in accrued liabilities, excluding accrued interest	(2,540)	(2,682)	(5,150)
Increase (decrease) in other postemployment benefit obligation	51,087	6,016	22,342
Net cash provided (used) by operating activities	<u>\$ 145,612</u>	<u>\$ 950,411</u>	<u>\$ 90,034</u>
Schedule of non-cash capital and related financing activities:			
Transfer of capital assets	\$ -	\$ -	\$ 10,212,290
Accrued interest on note payable	\$ -	\$ -	\$ (145,386)
Transfer of note payable	\$ -	\$ -	\$ (6,215,838)

Enterprise Funds				Governmental Activities
Treatment				
Sewer Collection Fund	Drainage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 179	\$ -	\$ 514	\$ 5,255	\$ 10,770
250	-	(165,850)	(165,267)	-
\$ 429	\$ -	\$ (165,336)	\$ (160,012)	\$ 10,770
\$ 211,362	\$ 283,528	\$ (92,965)	\$ 535,146	\$ 504,380
849,913	259,723	500,899	5,717,245	6,470,555
<u>\$ 1,061,275</u>	<u>\$ 543,251</u>	<u>\$ 407,934</u>	<u>\$ 6,252,391</u>	<u>\$ 6,974,935</u>
\$ 924,331	\$ 248,052	\$ (15,831)	\$ 1,500,325	\$ 225,387
555,664	191,425	-	1,649,735	7,030
9,560	1,080	-	31,023	-
(206,162)	(15,206)	9,820	(346,709)	(341)
(710,469)	128,215	(1,300)	(598,211)	31,273
4,593	2,248	-	(3,531)	(170,951)
12,113	-	-	91,558	-
<u>\$ 589,630</u>	<u>\$ 555,814</u>	<u>\$ (7,311)</u>	<u>\$ 2,324,190</u>	<u>\$ 92,398</u>
<u>\$(10,212,290)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 6,215,838</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
April 30, 2013

ASSETS	Employee Retirement Funds
Cash	\$ 12,768,425
Receivables:	
Accrued interest	72,756
Other	71,582
Investments:	
U.S. Government securities	6,726,373
Mutual funds	20,276,187
Other assets	4,636
Total assets	\$ 39,919,959
LIABILITIES	
Other accrued liabilities	\$ 2,652
NET POSITION HELD IN TRUST FOR PENSION BENEFITS (A schedule of funding progress is presented on page 96)	\$ 39,917,307

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

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended April 30, 2013

	<u>Employee Retirement Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 1,797,634
Employee	512,928
Total contributions	<u>\$ 2,310,562</u>
Investment income:	
Net increase in fair value of investments	\$ 2,031,087
Interest	592,867
Dividends and capital gains	832,744
Total	<u>\$ 3,456,698</u>
Less investment expense	<u>85,558</u>
Net investment income	<u>\$ 3,371,140</u>
Total additions	<u>\$ 5,681,702</u>
 DEDUCTIONS	
Benefits	\$ 2,879,521
Administrative expense	57,685
Total deductions	<u>\$ 2,937,206</u>
CHANGE IN NET POSITION	<u>\$ 2,744,496</u>
 NET POSITION HELD IN TRUST FOR PENSION BENEFITS	
Beginning	<u>37,172,811</u>
Ending	<u>\$ 39,917,307</u>

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

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CITY OF EAST MOLINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

April 30, 2013

**NOTE 1 – NATURE OF OPERATIONS, REPORTING ENTITY AND
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

NATURE OF OPERATIONS -

The City of East Moline provides a broad range of services to citizens, including general government, public safety, economic development, streets, sanitation and health, cultural and park facilities and social services. It also operates the water and sewer utilities.

FINANCIAL REPORTING ENTITY -

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the City is financially accountable. The City has also considered all other potential organizations for which the nature and significance of their relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and 1) the ability of the City to impose its will on that organization or 2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the City.

In addition, the Codification sets forth additional criteria to determine whether certain organizations for which the City is not financially accountable should be reported as component units based on the nature and significance of their relationship with the City. These criteria include 1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the City, its component units, or its constituents, 2) the City being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the separate organization and 3) the economic resources received or held by an individual organization that the City is entitled to, or has the ability to otherwise access, are significant to the City.

Based on the aforementioned criteria, the City of East Moline has determined that the following component unit should be blended with activities of the City as follows:

- Special Revenue Fund - Library Fund.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS -

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

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

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

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The motor fuel tax fund accounts for revenue and expenditures related to projects financed by the state gasoline tax as collected and distributed by the State of Illinois.

The tax increment financing fund – The Quarter accounts for revenue and expenditures related to the development of the Quarter TIF district.

The City reports the following major proprietary fund:

The water plant fund accounts for the revenue and expenses related to the water plant.

The water distribution fund accounts for the revenue and expenses related to providing water service to the general public.

The sewer plant fund accounts for the revenue and expenses related to the sewer plant.

The sewer collection fund accounts for the revenue and expenses related to providing sewer service to the general public.

The drainage fund accounts for the revenue and expenses related to providing stormwater utility to the general public.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

Additionally, the City reports the following fund types:

Internal service funds account for coverage of insurance for City employees and liability claims against the City and purchase/maintenance of City vehicles and equipment provided to other departments of the City on a cost reimbursement basis.

The pension trust funds account for the activities of the police and firefighter's pension trust funds, which accumulate resources for pension benefit payments to qualified employees.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION -

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, miscellaneous taxes, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports unearned revenue on its financial statements. Unearned revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (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 waterworks and sewerage system fund and of the City's internal service funds are charges to customers for sales and services. 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.

CASH AND INVESTMENTS -

Cash and Cash Equivalents -

For purposes of cash flows, the City considered all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments -

Investments are accounted for at fair value.

INTERFUND RECEIVABLES AND PAYABLES -

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds" (i.e., the non-current interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

RESTRICTED ASSETS -

Certain proceeds of the enterprise fund general obligation alternate bonds are classified as restricted assets on the balance sheet because their use is limited to certain capital projects.

CAPITAL ASSETS -

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, levees, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

Type of Asset	Life in Years
Waterworks and sewerage system	50
Buildings	50
Building improvements	20
Infrastructure	
Streets and drainage	40
Traffic signals	20
Levees	75
Equipment and vehicles	3-20

TAX INCREMENT FINANCING-

Tax increment financing (TIF) is a municipal financing “tool” that is used to renovate declining areas or redevelop blighted areas while improving the tax base of such areas. Through TIF, a municipality works hand-in-hand with private developers to rehabilitate or redevelop a designated area. Then the municipality is allowed to capture the increase in various taxes that result from a redevelopment project to pay for the public costs involved in the project. The City of East Moline has eight officially adopted TIF districts which relate to real estate taxes.

PROPERTY TAXES -

Property taxes are levied in Rock Island County in December, on the assessed valuation as of January 1. The tax levy becomes an enforceable lien against the property on January 1 of the year following the tax levy year. Property taxes levied are collected by the County and distributed to the City in installments due in June, August, September and November.

The 2012 property tax levy is recorded as a receivable. All uncollected taxes relating to prior years’ levies have been written off. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end, if any, are recorded as revenue.

The 2012 taxes are intended to finance the 2014 fiscal year and are not considered available for current operations and are, therefore, shown as deferred revenue. The 2013 tax levy has not been recorded as a receivable at April 30, 2013, as the tax has attached as a lien on property as of January 1, 2013, however, the tax will not be levied until December 2013 and, accordingly, is not measurable at April 30, 2013.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

COMPENSATED ABSENCES -

City employees are entitled to certain compensated absences based on their length of employment. With minor exceptions, compensated absences either vest or accumulate and are accrued when they are earned.

Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is not reported in governmental funds.

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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

FUND EQUITY -

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts which can be used only for specific purposes pursuant to constraints formally imposed by the City Council through a resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts constrained by the City's intent to use them for a specific purpose. The City Council has by resolution authorized the City Administrator and Finance Director to assign fund balance.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

Unassigned: All amounts not included in other spendable classifications. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City's procedure is to pay the expenditure from restricted fund balance and then from less-restrictive classifications - committed, assigned and then unassigned fund balances.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES -

In June 2011, the GASB issued statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous reporting standards did not include guidance for these elements, which are distinct from assets and liabilities. The City made the decision to implement this standard effective May 1, 2012.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION -

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$7,262,953 difference are as follows:

Bonds payable	\$ 7,272,000
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(174,061)
Less: Issuance discount (to be amortized as interest expense)	(29,240)
Less: Deferred charge for refunding (to be amortized as interest expense)	(47,509)
Note Payable	131,123
Accrued interest payable	69,289
Compensated absences	41,351
	\$ 7,262,953

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – (Continued)

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES -

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this \$1,558,106 difference are as follows:

Capital outlay	\$ 2,850,296
Depreciation expense	<u>(1,292,190)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>1,558,106</u>

Another element of that reconciliation states that the “issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$1,166,380 difference are as follows:

Principal repayments:	
General obligation debt	\$ 1,132,000
Note payable	<u>34,380</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>1,166,380</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – (Continued)

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$40,178 difference are as follows:

Compensated absences	\$ 11,473
Accrued interest	9,797
Amortization of issuance costs	(45,509)
Amortization of bond discounts	(4,495)
Amortization of deferred charge on refunding	<u>(11,444)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ (40,178)</u>

NOTE 3 – LEGAL COMPLIANCE AND ACCOUNTABILITY

BUDGETARY PROCEDURES AND BUDGETARY ACCOUNTING -

Annual appropriated budgets are adopted at the department level on a basis consistent with U.S. generally accepted accounting principles. The annual appropriated budget is legally enacted and provides for a legal level of control at the department level. All annual appropriations lapse at the end of the fiscal year.

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

All departments of the City submit requests for appropriations to the City Administrator to be used in preparing a budget. At least 45 days prior to April 30, the City Administrator submits to the governing body a proposed budget for the general, special revenue, debt service, capital projects and enterprise funds for the fiscal year commencing May 1. The budget includes proposed expenditures and transfers to other funds and the means of financing them. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. A final budget must be prepared and adopted no later than April 30.

The administrator is authorized to transfer budgeted amounts within any department; however, transfers between departments or any revisions that alter the total expenditures of any department or any fund must be approved by the governing body. The amounts reflected in the financial statements represent the original budget and the final amended budget. For some departments, the original and final budgets are the same.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – (Continued)

The City does not have a legally adopted annual budget for the following funds:

Economic Development Fund
 Tax Increment Financing Fund River Eagle
 Capital Projects Fund

DEFICIT EQUITY BALANCES -

City funds with deficit fund balances as of April 30, 2013 are as follows:

	<u>Deficit Amount</u>
Special Revenue Funds	
Municipal Swimming Pool Fund	\$ 6,380
Tax Increment Financing	
Great River Industrial Park	1,097,132
Gateway Industrial	232,056
River Eagle	14,858
Kennedy Drive	707,270
The Quarter	2,381,272
Debt Service Fund	383,113

The deficit fund balances in the Tax Increment Financing Funds are anticipated to be recovered through future years' tax increment. The other deficits in the above funds reflect expenditures made in advance of the collection and recognition of the deferred property tax revenue and other revenue. These deficits are not in violation of law and are not expected to be a burden on the resources of any other fund. City management intends to fund these deficits through future tax collections and the recognition of future other revenue.

NOTE 4 – CASH AND INVESTMENTS

Cash and investments as of April 30, 2013 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash	\$19,814,145
Investments	1,365,342
Temporarily restricted assets – cash	126,245
Fiduciary funds:	
Cash	12,768,425
U.S. government agency securities	6,726,373
Mutual funds	20,276,187
Total cash and investments	\$61,076,717

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – (Continued)

Cash and investments as of April 30, 2013 consist of the following:

Cash on hand	\$ 8,052
Deposits with financial institutions	32,700,763
Investments	<u>28,367,902</u>
Total cash and investments	<u>\$61,076,717</u>

The investment and deposit of City monies is governed by the provisions of the Illinois Compiled Statutes and the City's investment policy. In accordance with these provisions, all City monies must be invested in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds, and the Illinois Institutional Investors Trust.

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

The Illinois Institutional Investors Trust (IIIT) is a diversified, open-end, actively managed investment trust organized under the laws of the State of Illinois, including the 1970 Constitution of the State of Illinois, the Intergovernmental Cooperation Act and the Public Funds Investment Act. The Fund was established for the purpose of allowing various public agencies including, but not limited to, counties, townships, cities, towns, villages, school districts, housing authorities and public water supply districts, to jointly invest funds in accordance with the Law of the State of Illinois. Investments in IIIT are valued at the share price, the price for which the investment could be sold.

Fiduciary Funds -

As a unit of local government in the state of Illinois, the East Moline police and fire pension funds are restricted by Illinois Pension Code. Article 3 and 4, respectively, Section 1-113.2 of the Illinois Pension Code contains a list of permitted investments for the police and fire pension funds.

In addition to the above, a pension fund established under Article 3 or 4 that has Net Position of at least \$5,000,000 and has appointed an investment adviser under Section 1-113.5 of the Illinois Pension Code, may through that investment adviser, invest a portion of its assets in common and preferred stocks authorized for investments of trust funds under the laws of the state of Illinois.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – (Continued)

The investment policies of the Police and Fire Pensions promote diversification of investments, and has the following guideline for investing: no more than 45% of the respective Net Position of the pension funds can be invested in common stock, preferred stock, and mutual funds. The investment policies define the strategy which the respective Pension Boards follow for investing. Accordingly, it is the philosophy of the Pension Boards that the asset mix of funds should be as follows:

	Police Pension	Fire Pension
Maximum Equity	45% Market Value	45% Market Value
Minimum Equity	5% Market Value	5% Market Value
Maximum Bonds	84% Market Value	84% Market Value
Minimum Bonds	54% Market Value	54% Market Value
Maximum Annuities	10% Market Value	N/A Market Value
Minimum Annuities	0% Market Value	N/A Market Value
Minimum Cash	3 months cash flow	3 months cash flow

During the year ended April 30, 2013, the City complied with the provisions of these statutes pertaining to the types of investments held and institutions in which deposits were made.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio to maximize yields while maintaining safety of principal.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – (Continued)

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Fiduciary Funds					Investment Maturities (in years)				
	Other Funds	Police	Fire	Total	Less than 1	1-5	6-10	More than 10		
U.S. Treasury bonds	\$ - - -	\$ 2,508,197	\$ - - -	\$ 2,508,197	\$ - - -	\$ 1,208,750	\$ 1,299,447	\$ - - -		
U.S. Treasury strips	- - -	- - -	4,190,376	4,190,376	- - -	4,190,376	- - -	- - -		
U.S. government agency securities	- - -	2,641	25,159	27,800	164	14,398	1,183	12,055		
Illinois Funds-investment pool	1,355,375	- - -	- - -	1,355,375	1,355,375	- - -	- - -	- - -		
Illinois Institutional Investors-investment pool	9,967	- - -	- - -	9,967	9,967	- - -	- - -	- - -		
Mutual funds	- - -	8,741,614	11,534,573	20,276,187	- - -	- - -	- - -	- - -		
Total	\$ 1,365,342	\$ 11,252,452	\$ 15,750,108	\$ 28,367,902	\$ 1,365,506	\$ 5,413,524	\$ 1,300,630	\$ 12,055		

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City limits its exposure to credit risk by investing in securities issued by agencies of the U.S. Government that are explicitly or implicitly guaranteed by the U.S. Government and investing in the Illinois Funds and the Illinois Institutional Investors Trust (IIIT) both “AAA/m” rated funds. However, the investment policy is silent regarding exposure to credit risk. Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization and the actual rating as of year end for each investment type.

Investment Type	Fiduciary Funds				Total	Exempt from Disclosure	Rating as of Year End	
	Other Funds	Police	Fire				AAA	AAA/m
U.S. Treasury bonds	\$ - - -	\$ 2,508,197	\$ - - -	- - -	\$2,508,197	\$ 2,508,197	\$ - - -	\$ - - -
U.S. Treasury strips	- - -	- - -	4,190,376	- - -	4,190,376	4,190,376	- - -	- - -
U.S. government agency securities	- - -	2,641	25,159	- - -	27,800	- - -	27,800	- - -
Illinois Funds-investment pool	1,355,375	- - -	- - -	- - -	1,355,375	- - -	- - -	1,355,375
Illinois Institutional Investors-investment pool	9,967	- - -	- - -	- - -	9,967	- - -	- - -	9,967
Mutual funds	- - -	8,741,614	11,534,573	- - -	20,276,187	20,276,187	- - -	- - -
Total	\$1,365,342	\$11,252,452	\$15,750,108	- - -	\$28,367,902	\$26,974,760	\$ 27,800	\$1,365,342

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – (Continued)

Concentration of Credit Risk

The City had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments or investments by reporting unit (primary government, discretely presented component unit, governmental activities, major fund, nonmajor funds in the aggregate, fiduciary funds, etc.).

Custodial Credit Risk –

Custodial credit risk – deposits. In the case of deposits, this is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The City of East Moline may request collateral for any part of deposits in financial institutions when the City determines it to be in the best interests of safeguarding the funds on deposit.

As of April 30, 2013, the carrying amount of the City's deposits including fiduciary funds, with financial institutions totaled \$32,700,763 with the bank balances totaling \$33,019,332. Bank balances of \$33,019,332 are entirely insured or collateralized with securities held by the City or its agent in the City's name.

Custodial credit risk – investments. 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. As of April 30, 2013, there was no investment custodial risk for the City. The Police and Fire Pensions limit their exposure to custodial risk by utilizing an independent, third party institution, selected by the respective boards, to act as custodian for their securities. The Illinois Funds and the Illinois Institutional Investors Trust are not subject to custodial credit risk.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – RECEIVABLES

Receivables as of year end, including the applicable allowance, are as follows:

Receivables:	General Fund	Motor Fuel Tax Fund	Tax Increment Financing Fund - The Quarter	Water Plant Fund	Water Distribution Fund
Property taxes	\$4,558,219	\$ - - -	\$ 185,829	\$ - - -	\$ - - -
Other taxes	1,650,701	- - -	- - -	- - -	- - -
Accounts	30,724	- - -	- - -	230,160	248,791
Estimated unbilled usage	- - -	- - -	- - -	93,505	97,956
State allotments	- - -	36,634	- - -	- - -	- - -
Notes and loans	- - -	- - -	- - -	- - -	- - -
Accrued interest	- - -	- - -	- - -	- - -	- - -
Grant	1,676	- - -	- - -	- - -	- - -
Other	<u>14,459</u>	<u>- - -</u>	<u>- - -</u>	<u>- - -</u>	<u>404,395</u>
Gross receivables	\$6,255,779	\$ 36,634	\$ 185,829	\$ 323,665	\$ 751,142
Less: allowance for uncollectibles	<u>- - -</u>	<u>- - -</u>	<u>- - -</u>	<u>15,000</u>	<u>20,000</u>
Net total Receivables	<u>\$6,255,779</u>	<u>\$ 36,634</u>	<u>\$ 185,829</u>	<u>\$ 308,665</u>	<u>\$ 731,142</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – (Continued)

	Sewer Plant Fund	Sewer Collection Fund	Drainage Fund	Non-Major and Other Funds	<u>Total</u>
Receivables:					
Property taxes	\$ - - -	\$ - - -	\$ - - -	\$ 1,904,008	\$ 6,648,056
Other taxes	- - -	- - -	- - -	116,058	1,766,759
Accounts	290,956	407,756	91,453	60,896	1,360,736
Estimated unbilled usage	100,414	140,425	35,377	24,948	492,625
State allotments	- - -	- - -	- - -	- - -	36,634
Notes and loans	- - -	457,889	- - -	23,537	481,426
Accrued interest	- - -	- - -	- - -	72,756	72,756
Grant	- - -	492,126	- - -	- - -	493,802
Other	<u>10,505</u>	<u>962</u>	<u>- - -</u>	<u>104,963</u>	<u>535,284</u>
Gross receivables	\$ 401,875	\$ 1,499,158	\$ 126,830	\$ 2,307,166	\$ 11,888,078
Less: allowance for uncollectibles	<u>10,000</u>	<u>15,000</u>	<u>15,000</u>	<u>25,500</u>	<u>100,500</u>
Net total receivables	\$ <u>391,875</u>	\$ <u>1,484,158</u>	\$ <u>111,830</u>	\$ <u>2,281,666</u>	\$ <u>11,787,578</u>

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

Unearned property tax	\$ 6,648,056
Other unearned revenue	<u>686,966</u>
Total unearned revenue for governmental funds	\$ <u>7,335,022</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended April 30, 2013:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,146,137	\$ - - -	\$ 257,500	\$ 1,888,637
Construction in progress	<u>224,334</u>	<u>2,729,517</u>	<u>899,999</u>	<u>2,053,852</u>
 Total capital assets, not being depreciated	 \$ 2,370,471	 \$ 2,729,517	 \$ 1,157,499	 \$ 3,942,489
Capital assets, being depreciated:				
Buildings	\$ 5,567,711	\$ - - -	\$ - - -	\$ 5,567,711
Improvements other than buildings	1,181,504	899,999	- - -	2,081,503
Vehicles and equipment	7,400,061	40,041	- - -	7,440,102
Books	597,326	80,738	84,067	593,997
Infrastructure	<u>24,530,934</u>	<u>- - -</u>	<u>- - -</u>	<u>24,530,934</u>
 Total capital assets, being depreciated	 \$39,277,536	 \$1,020,778	 \$84,067	 \$40,214,247
Less accumulated depreciation for:				
Buildings	\$ 1,914,143	\$ 162,521	\$ - - -	\$ 2,076,664
Improvements other than buildings	665,070	60,975	- - -	726,045
Vehicles and equipment	5,509,684	341,120	- - -	5,850,804
Books	300,099	85,095	84,067	301,127
Infrastructure	<u>8,170,757</u>	<u>649,509</u>	<u>- - -</u>	<u>8,820,266</u>
 Total accumulated depreciation	 \$16,559,753	 \$1,299,220	 \$84,067	 \$17,774,906
 Total capital assets, being depreciated, net	 \$22,717,783	 \$(278,442)	 \$ - - -	 \$22,439,341
 Governmental activities capital assets, net	 \$25,088,254	 \$ 2,451,075	 \$ 1,157,499	 \$26,381,830

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 484,013	\$ - - -	\$ - - -	\$ 484,013
Construction in progress	<u>9,946,826</u>	<u>784,293</u>	<u>10,212,290</u>	<u>518,829</u>
Total capital assets, not being depreciated	\$ <u>10,430,839</u>	\$ <u>784,293</u>	\$ <u>10,212,290</u>	\$ <u>1,002,842</u>
Capital assets, being depreciated:				
Waterworks, Sewerage & Drainage Systems	\$69,785,731	\$ 10,212,290	\$ - - -	\$79,998,021
Vehicles and equipment	<u>2,017,845</u>	<u>92,763</u>	<u>13,999</u>	<u>2,096,609</u>
Total capital assets, being depreciated	\$71,803,576	\$ 10,305,053	\$ 13,999	\$82,094,630
Less accumulated depreciation for:				
Waterworks, Sewerage & Drainage Systems	\$30,371,920	\$ 1,490,441	\$ - - -	\$31,862,361
Vehicles and equipment	<u>1,247,909</u>	<u>159,294</u>	<u>13,999</u>	<u>1,393,204</u>
Total accumulated depreciation	\$31,619,829	\$ 1,649,735	\$ 13,999	\$33,255,565
Total capital assets, being depreciated, net	\$40,183,747	\$ 8,655,318	\$ - - -	\$48,839,065
Business-type activities capital assets, net	\$ <u>50,614,586</u>	\$ <u>9,439,611</u>	\$ <u>10,212,290</u>	\$ <u>49,841,907</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – (Continued)

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General government	\$ 58,581
Public safety	253,721
Public works	749,306
Recreation and culture	216,615
Economic development	13,967
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>7,030</u>
 Total depreciation expense - governmental activities	 <u>\$ 1,299,220</u>

Business-type activities:

Waterworks, Sewerage, and Drainage Systems	\$ <u>1,649,735</u>
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NOTE 7 – LONG-TERM DEBT

As of April 30, 2013, the outstanding long-term debt of the City was as follows:

Note Payable

The City obtained an \$183,713 loan from a bank. The loan has an interest rate of 3.75% and is payable semi-annually on June 15 and January 15 through 2017. It is the intent of the City officials to service this debt from the garbage fund. The annual debt service requirements of this loan are as follows:

<u>For the Year Ending April 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	3.750%	\$ 35,717	\$ 4,646	\$ 40,363
2015	3.750	37,088	3,275	40,363
2016	3.750	38,511	1,852	40,363
2017	3.750	<u>19,807</u>	<u>375</u>	<u>20,182</u>
 Total		 <u>\$ 131,123</u>	 <u>\$ 10,148</u>	 <u>\$ 141,271</u>

The City obtained a \$162,635 loan from a bank. The loan has an interest rate of 3.154% and is payable annually on August 31 through 2017. It is the intent of the City officials to service this debt from the drainage fund. The annual debt service requirements of this loan are as follows:

<u>For the Year Ending April 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	3.154%	\$ 31,502	\$ 4,166	\$ 35,668
2015	3.154	32,496	3,172	35,668
2016	3.154	33,520	2,148	35,668
2017	3.154	<u>34,578</u>	<u>1,090</u>	<u>35,668</u>
 Total		 <u>\$ 132,096</u>	 <u>\$ 10,576</u>	 <u>\$ 142,672</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

The City obtained a \$6,361,224 Illinois Environmental Protection Agency loan. The loan has an interest rate of 1.25% and is payable semi-annually on June 7 and December 7 through 2032. It is the intent of the City officials to service this debt from the sewer plant fund. The annual debt service requirements of this loan are as follows:

For the Year Ending April 30	Interest Rate	Principal	Interest	Total
2014	1.250%	\$ 144,543	\$ 39,758	\$ 184,301
2015	1.250	291,802	76,799	368,601
2016	1.250	295,461	73,140	368,601
2017	1.250	299,165	69,436	368,601
2018	1.250	302,917	65,684	368,601
2019	1.250	306,715	61,886	368,601
2020	1.250	310,561	58,040	368,601
2021	1.250	314,455	54,146	368,601
2022	1.250	318,398	50,203	368,601
2023	1.250	322,390	46,211	368,601
2024	1.250	326,433	42,168	368,601
2025	1.250	330,526	38,075	368,601
2026	1.250	334,670	33,931	368,601
2027	1.250	338,867	29,734	368,601
2028	1.250	343,116	25,485	368,601
2029	1.250	347,418	21,183	368,601
2030	1.250	351,775	16,826	368,601
2031	1.250	356,186	12,416	368,602
2032	1.250	360,652	7,950	368,602
2033	1.250	<u>365,174</u>	<u>3,428</u>	<u>368,602</u>
Total		<u>\$ 6,361,224</u>	<u>\$ 826,499</u>	<u>\$ 7,187,723</u>

General Obligation Bonds

General obligation alternate refunding bonds totaling \$405,000 remain outstanding from the original issue of \$530,000 dated December 20, 2011. It is the intent of the City officials to service this debt from TIF funds.

Principal is due annually on December 1 and interest is payable semi-annually on June 1 and December 1. The annual debt service requirements on this debt are as follows:

For the Year Ending April 30	Interest Rate	Principal	Interest	Total
2014	2.000%	\$ 130,000	\$ 8,100	\$ 138,100
2015	2.000	140,000	5,500	145,500
2016	2.000	<u>135,000</u>	<u>2,700</u>	<u>137,700</u>
Total		<u>\$ 405,000</u>	<u>\$ 16,300</u>	<u>\$ 421,300</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

General obligation alternate refunding bonds totaling \$555,000 remain outstanding from the original issue of \$1,315,000 dated December 1, 2004. It is the intent of the City officials to service this debt from TIF funds.

Principal is due annually on December 30 and interest is payable semi-annually on June 30 and December 30. The annual debt service requirements are as follows:

For the Year Ending <u>April 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	3.600%	\$ 130,000	\$ 20,415	\$ 150,415
2015	3.600	135,000	15,735	150,735
2016	3.750	145,000	10,875	155,875
2017	3.750	<u>145,000</u>	<u>5,437</u>	<u>150,437</u>
Total		<u>\$ 555,000</u>	<u>\$ 52,462</u>	<u>\$ 607,462</u>

General obligation refunding alternate bonds totaling \$2,255,000 remain outstanding from the original issue of \$2,460,000 dated December 20, 2011. It is the intent of the City officials to service this debt from utility taxes, Water Distribution Fund, and Sewer Collection Fund.

Principal is due annually on January 15. Interest is due semi-annually on July 15 and January 15. The annual debt service requirements on this debt are as follows:

For the Year Ending <u>April 30</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	1.250%	\$ 210,000	\$ 52,047	\$ 262,047
2015	1.550	210,000	49,423	259,423
2016	1.750	215,000	46,167	261,167
2017	2.000	220,000	42,405	262,405
2018	2.150	220,000	38,005	258,005
2019	2.400	225,000	33,275	258,275
2020	2.650	230,000	27,875	257,875
2021	2.800	235,000	21,780	256,780
2022	3.000	240,000	15,200	255,200
2023	3.200	<u>250,000</u>	<u>8,000</u>	<u>258,000</u>
Total		<u>\$ 2,255,000</u>	<u>\$ 334,177</u>	<u>\$ 2,589,177</u>

General obligation alternate bonds totaling \$875,000 remain outstanding from the original issue of \$955,000 dated December 20, 2011. It is the intent of the City officials to service this debt from TIF funds.

Principal is due annually on January 15. Interest is due semi-annually on July 15 and January 15. The annual debt service requirements on this debt are as follows:

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

For the Year Ending <u>April 30</u>	Interest <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	1.250%	\$ 80,000	\$ 21,300	\$ 101,300
2015	1.750	80,000	20,300	100,300
2016	1.750	85,000	18,900	103,900
2017	2.150	85,000	17,413	102,413
2018	2.150	85,000	15,585	100,585
2019	2.650	85,000	13,757	98,757
2020	2.650	90,000	11,505	101,505
2021	3.200	90,000	9,120	99,120
2022	3.200	95,000	6,240	101,240
2023	3.200	<u>100,000</u>	<u>3,200</u>	<u>103,200</u>
Total		<u>\$ 875,000</u>	<u>\$ 137,320</u>	<u>\$ 1,012,320</u>

General obligation refunding alt bonds totaling \$5,495,160 net of \$160,160 unamortized premium are outstanding from the original issue of \$5,725,000 dated December 20, 2011. It is the intent of the City officials to service this debt from the Water Plant Fund, Water Distribution Fund, Sewer Plant Fund and Sewer Collection Fund.

Principal is due annually on January 15. Interest is due semi-annually on July 15 and January 15. The annual debt service requirements on this debt are as follows:

For the Year Ending <u>April 30</u>	Interest <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	2.000%	\$ 400,000	\$ 159,600	\$ 559,600
2015	2.000	395,000	151,600	546,600
2016	2.500	610,000	143,700	753,700
2017	2.500	620,000	128,450	748,450
2018	3.000	630,000	112,950	742,950
2019	3.000	650,000	94,050	744,050
2020	3.500	655,000	74,550	729,550
2021	3.500	675,000	51,625	726,625
2022	4.000	<u>700,000</u>	<u>28,000</u>	<u>728,000</u>
Total		<u>\$ 5,335,000</u>	<u>\$944,525</u>	<u>\$6,279,525</u>

General obligation debt certificates totaling \$751,983 remain outstanding from the original issue of \$2,500,000 dated June 23, 2009. It is the intent of the City officials to service this debt from the Drainage Fund.

Principal and interest are due semi-annually on September 15 and March 15. The annual debt service requirements on this debt are as follows:

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

For the Year Ending <u>April 30</u>	Interest Rate	Principal	Interest	Total
2014	3.75%	\$ 189,492	\$ 26,824	\$ 216,316
2015	3.75	196,766	19,550	216,316
2016	3.75	204,290	12,026	216,316
2017	3.75	<u>161,435</u>	<u>4,157</u>	<u>165,592</u>
Total		<u>\$ 751,983</u>	<u>\$ 62,557</u>	<u>\$814,540</u>

General obligation alternate bonds totaling \$7,771,366 net of \$28,634 unamortized discount are outstanding from the original issue of \$8,000,000 dated December 19, 2007. It is the intent of the City officials to service this debt from the Water Distribution Fund and Sewer Collection Fund.

Principal is due annually on January 15, starting in the year of 2011. Interest is due semi-annually on July 15 and January 15. The annual debt service requirements on this debt are as follows:

For the Year Ending <u>April 30</u>	Interest Rate	Principal	Interest	Total
2014	3.625%	\$ 75,000	\$ 322,270	\$ 397,270
2015	3.625	75,000	319,550	394,550
2016	3.625	110,000	316,833	426,833
2017	3.625	115,000	312,845	427,845
2018	3.700	115,000	308,590	423,590
2019	4.800	120,000	304,220	424,220
2020	4.000	125,000	299,420	424,420
2021	4.000	125,000	294,420	419,420
2022	4.000	130,000	289,420	419,420
2023	4.000	550,000	284,220	834,220
2024	4.050	575,000	262,220	837,220
2025	4.050	605,000	238,933	843,933
2026	4.100	630,000	214,430	844,430
2027	4.150	660,000	188,600	848,600
2028	4.150	690,000	161,210	851,210
2029	4.200	725,000	132,575	857,575
2030	4.300	755,000	102,125	857,125
2031	4.300	790,000	69,660	859,660
2032	4.300	<u>830,000</u>	<u>35,690</u>	<u>865,690</u>
Total		<u>\$ 7,800,000</u>	<u>\$4,457,231</u>	<u>\$12,257,231</u>

General obligation bonds totaling \$575,000 remain outstanding from the original issue of \$1,190,000 dated December 15, 2008. It is the intent of the City officials to service this debt from park and fire funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

Principal is due annually on December 30. Interest is due semi-annually on June 30 and December 30. The annual debt service requirements on this debt are as follows:

For the Year Ending <u>April 30</u>	Interest <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	3.48%	\$ 185,000	\$ 21,308	\$ 206,308
2015	3.70	190,000	14,870	204,870
2016	3.92	<u>200,000</u>	<u>7,840</u>	<u>207,840</u>
Total		<u>\$ 575,000</u>	<u>\$ 44,018</u>	<u>\$ 619,018</u>

General obligation alternate refunding bonds totaling \$270,000 remain outstanding from the original issue of \$1,025,000 dated July 14, 2010. It is the intent of the City officials to service this debt from the Motor Fuel Tax Fund.

Principal is due annually on January 15. Interest is due semi-annually on July 15 and January 15. The annual debt service requirements on this debt are as follows:

For the Year Ending <u>April 30</u>	Interest <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	2.000%	<u>\$ 270,000</u>	<u>\$ 6,750</u>	<u>\$ 276,750</u>

General obligation alternate refunding bonds totaling \$1,435,000 remain outstanding from the original issue of \$1,780,000 dated July 14, 2010. It is the intent of the City officials to service this debt from TIF Funds.

Principal is due annually on January 15 and interest is due semi-annually on July 15 and January 15. The annual debt service requirements on this debt are as follows:

For the Year Ending <u>April 30</u>	Interest <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	2.500%	\$ 135,000	\$ 47,530	\$ 182,530
2015	3.000	150,000	44,155	194,155
2016	3.000	155,000	39,655	194,655
2017	3.050	170,000	35,005	205,005
2018	3.300	185,000	29,820	214,820
2019	3.600	195,000	23,715	218,715
2020	3.700	215,000	16,695	231,695
2021	3.800	<u>230,000</u>	<u>8,740</u>	<u>238,740</u>
Total		<u>\$ 1,435,000</u>	<u>\$ 245,315</u>	<u>\$1,680,315</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

General obligation alternate refunding bonds totaling \$2,255,000 remain outstanding from the original issue of \$2,540,000 dated July 14, 2010. It is the intent of the City officials to service this debt from TIF funds.

Principal is due annually on January 15. Interest is due semi-annually on July 15 and January 15. The annual debt service requirements on this debt are as follows:

For the Year Ending <u>April 30</u>	Interest <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	2.500%	\$ 170,000	\$ 76,962	\$ 246,962
2015	3.000	185,000	72,713	257,713
2016	3.000	205,000	67,162	272,162
2017	3.050	225,000	61,013	286,013
2018	3.300	245,000	54,150	299,150
2019	3.600	270,000	46,065	316,065
2020	3.700	290,000	36,345	326,345
2021	3.800	320,000	25,615	345,615
2022	3.900	<u>345,000</u>	<u>13,455</u>	<u>358,455</u>
Total		<u>\$ 2,255,000</u>	<u>\$ 453,480</u>	<u>\$2,708,480</u>

General obligation alternate refunding bonds totaling \$3,367,296 net of \$12,704 of unamortized discount are outstanding from the original issue of \$4,435,000 dated July 14, 2010. It is the intent of the City officials to service this debt from the Water Distribution and Sewer Collection Funds.

Principal is due annually on January 15. Interest is due semi-annually on July 15 and January 15. The annual debt service requirements on this debt are as follows:

For the Year Ending <u>April 30</u>	Interest <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	2.500%	\$ 470,000	\$ 111,270	\$ 581,270
2015	3.000	490,000	99,520	589,520
2016	3.000	305,000	84,820	389,820
2017	3.050	320,000	75,670	395,670
2018	3.300	330,000	65,910	395,910
2019	3.600	340,000	55,020	395,020
2020	3.700	360,000	42,780	402,780
2021	3.800	375,000	29,460	404,460
2022	3.900	<u>390,000</u>	<u>15,210</u>	<u>405,210</u>
Total		<u>\$ 3,380,000</u>	<u>\$ 579,660</u>	<u>\$3,959,660</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

General obligation alternate bonds totaling \$2,216,696 are outstanding from the original issue of \$2,397,499 dated October 31, 2011. It is the intent of the City officials to service this debt from the Water Distribution Fund.

Principal is due quarterly on June 17, October 27, December 17, and April 27. Interest is due quarterly on June 17, October 27, December 17, and April 27. The annual debt service requirements on this debt are as follows:

For the Year Ending April 30	Interest Rate	Principal	Interest	Total
2014	1.250%	\$ 120,781	\$ 4,066	\$ 124,847
2015	1.250	120,982	3,865	124,847
2016	1.250	121,183	3,664	124,847
2017	1.250	121,390	3,457	124,847
2018	1.250	121,596	3,251	124,847
2019	1.250	121,806	3,041	124,847
2020	1.250	122,019	2,828	124,847
2021	1.250	122,234	2,613	124,847
2022	1.250	122,450	2,397	124,847
2023	1.250	122,672	2,175	124,847
2024	1.250	122,894	1,953	124,847
2025	1.250	123,122	1,725	124,847
2026	1.250	123,350	1,497	124,847
2027	1.250	123,582	1,265	124,847
2028	1.250	123,817	1,030	124,847
2029	1.250	124,055	792	124,847
2030	1.250	124,294	553	124,847
2031	1.250	124,538	309	124,847
2032	1.250	<u>9,931</u>	<u>62</u>	<u>9,993</u>
Total		<u>\$ 2,216,696</u>	<u>\$ 40,543</u>	<u>\$2,257,239</u>

Net Other Postemployment Benefit Obligation

In fiscal year 2009, the City implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This pronouncement required the City to calculate and record a net other postemployment benefit obligation (NOPEBO) at April 30, 2009. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since May 1, 2008.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

Long-term liability activity for the year ended April 30, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 8,404,000	\$ - - -	\$ (1,132,000)	\$ 7,272,000	\$ 1,184,000
Less deferred amounts:					
For issuance discounts	(36,268)	- - -	5,762	(30,506)	- - -
For issuance premiums	2,533	- - -	(1,267)	1,266	- - -
On refunding bonds	<u>(58,953)</u>	<u>- - -</u>	<u>11,444</u>	<u>(47,509)</u>	<u>- - -</u>
Total bonds payable	\$ 8,311,312	\$ - - -	\$ (1,116,061)	\$ 7,195,251	\$ 1,184,000
Note payable	\$ 165,503	\$ - - -	\$ (34,380)	\$ 131,123	\$ 35,717
Compensated absences	53,042	675,675	(687,366)	41,351	41,351
Net pension obligation	772,431	- - -	(326,670)	445,761	- - -
Net other postemployment benefit obligation	<u>3,515,870</u>	<u>2,075,791</u>	<u>(951,736)</u>	<u>4,639,925</u>	<u>- - -</u>
Governmental activity Long-term liabilities	<u>\$12,818,158</u>	<u>\$ 2,751,466</u>	<u>\$ (3,116,213)</u>	<u>\$12,453,411</u>	<u>\$ 1,261,068</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$23,408,266	\$ - - -	\$ (2,571,587)	\$20,836,679	\$ 1,381,275
Less deferred amounts:					
For issuance discounts	(59,343)	- - -	6,682	(52,661)	- - -
For issuance premiums	190,517	- - -	(30,357)	160,160	- - -
On Refunding bonds	<u>(62,035)</u>	<u>- - -</u>	<u>10,592</u>	<u>(51,443)</u>	<u>- - -</u>
Total bonds payable	\$23,477,405	\$ - - -	\$ (2,584,670)	\$20,892,735	\$ 1,381,275
Note payable	\$ 5,772,869	\$750,990	\$ (30,539)	\$ 6,493,320	\$ 176,045
Compensated absences	31,337	266,271	(267,410)	30,198	30,198
Net other postemployment benefit obligation	1,166,566	<u>312,757</u>	<u>(221,199)</u>	1,258,124	<u>- - -</u>
Business-type activity Long-term liabilities	<u>\$30,448,177</u>	<u>\$1,330,018</u>	<u>\$(3,103,818)</u>	<u>\$28,674,377</u>	<u>\$ 1,587,518</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$0 of internal service funds compensated absences are included in the above amounts.

Compensated absences will be paid from the General Fund, Garbage, Library and Pool Special Revenue Funds, and the Water and Sewer Funds.

The General Fund will liquidate the net other postemployment benefit obligation in future years.

Legal Debt Margin

As of April 30, 2013, the general obligation debt issued by the City did not exceed its legal debt margin as shown by the computation that follows:

Assessed valuations, real property	<u>\$258,721,522</u>
Debt limit – 8.625% of total assessed valuation	\$ 22,314,731
General obligation debt, outstanding	<u>1,590,202</u>
Unused legal debt capacity based on 8.625%	<u>\$ 20,724,529</u>

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of April 30, 2013 is as follows:

	Receivable Fund				
	General Fund	Tax Increment Financing Fund – The Quarter	Nonmajor Governmental	Water Plant	Water Distribution
Payable Fund:					
General Fund	\$ - - -	\$ - - -	\$ 328,554	\$ - - -	\$ 75,000
Tax Increment Financing Fund - The Quarter	225,953	- - -	160,052	- - -	- - -
Nonmajor Governmental	463,502	175,544	76,609	- - -	215,000
Water Plant	- - -	- - -	- - -	- - -	634,353
Water Distribution	3,316	- - -	- - -	1,571,485	- - -
Sewer Plant	- - -	- - -	- - -	- - -	246,882
Sewer Collection	- - -	- - -	- - -	2,161	- - -
Total	<u>\$ 692,771</u>	<u>\$ 175,544</u>	<u>\$ 565,215</u>	<u>\$ 1,573,646</u>	<u>\$ 1,171,235</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – (Continued)

	Receivable Fund				Total
	Sewer Plant	Sewer Collection	Nonmajor Enterprise	Internal Service Fund	
Payable Fund:					
General	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ 403,554
Tax Increment Financing Fund					
-The Quarter	- - -	250,000	360,000	- - -	996,005
Nonmajor Governmental	- - -	200,000	- - -	2,000	1,132,655
Water Plant		- - -	- - -	- - -	634,353
Water Distribution	- - -	- - -	- - -	- - -	1,574,801
Sewer Plant		332,162	- - -	- - -	579,044
Sewer Collection	<u>937,971</u>	<u>- - -</u>	<u>- - -</u>	<u>- - -</u>	<u>940,132</u>
Total	<u>\$ 937,971</u>	<u>\$ 782,162</u>	<u>\$ 360,000</u>	<u>\$ 2,000</u>	<u>\$ 6,260,544</u>

Interfund balances are the result of property tax allocations between funds and loans between funds to cover cash shortages.

Interfund transfers:

Transfer In:	Transfer Out			
	General	Nonmajor Governmental	Water Plant	Water Distribution
General	\$ - - -	\$ 85,613	\$ - - -	\$ - - -
Motor Fuel Tax	- - -	- - -	- - -	30,758
Nonmajor Governmental	133,000	60,000	- - -	- - -
Water Plant	- - -	- - -	- - -	198,904
Water Distribution	154,540	- - -	- - -	- - -
Sewer Plant	- - -	- - -	- - -	77,508
Sewer Collection	158,892	5,700	- - -	- - -
Drainage	126,468	94,350	- - -	- - -
Internal Service	<u>296,212</u>	<u>- - -</u>	<u>50,000</u>	<u>- - -</u>
Total	<u>\$869,112</u>	<u>\$ 245,663</u>	<u>\$ 50,000</u>	<u>\$ 307,170</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – (Continued)

	Transfer Out			
	Sewer Plant	Sewer Collection	Drainage	Total
Transfer In:				
General	\$ - - -	\$ - - -	\$ 12,335	\$ 97,948
Motor Fuel Tax	- - -	- - -	- - -	30,758
Nonmajor Governmental	- - -	- - -	- - -	193,000
Water Plant	- - -	- - -	- - -	198,904
Water Distribution	- - -	11,257	- - -	165,797
Sewer Plant	- - -	10,316,344	- - -	10,393,852
Sewer Collection	6,215,838	- - -	- - -	6,380,430
Drainage	- - -	- - -	- - -	220,818
Internal Service	<u>50,000</u>	<u>5,000</u>	<u>- - -</u>	<u>401,212</u>
Total	<u>\$6,265,838</u>	<u>\$10,332,601</u>	<u>\$ 12,335</u>	<u>\$ 18,082,719</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9 – RETIREMENT FUND COMMITMENTS

ILLINOIS MUNICIPAL RETIREMENT -

Plan Description

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

Funding Policy

As set by statute, the City Regular plan members are required to contribute 4.50 percent 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. The employer annual required contribution rate for calendar year 2012 was 11.54 percent. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 -- (Continued)

Annual Pension Cost

The required contribution for calendar year 2012 was \$645,841.

Three-Year Trend Information for the Regular Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
04/30/13	\$ 645,841	100%	\$ - - -
04/30/12	654,206	100%	- - -
04/30/11	635,564	100%	- - -

The IMRF plan is valued as of December 31 of each year. Since the 2013 valuation of IMRF is not computed until December 31, 2013, the annual pension cost (APC) and percentage of APC contributed for the fiscal year ending April 30, 2013 is not available.

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the City Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 79.53 percent funded. The actuarial accrued liability for benefits was \$18,373,646 and the actuarial value of assets was \$14,613,071, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,760,575. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$5,596,544 and the ratio of the UAAL to the covered payroll was 67 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

DEFINED BENEFIT SINGLE-EMPLOYER PENSION PLANS

POLICE PENSION PLAN DESCRIPTIONS AND PROVISIONS -

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The Police Pension Plan does not have a separately issued report. As of April 30, 2013, the Police Pension Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	40
Current employees	
Vested	26
Nonvested	11
Total	<u>77</u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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 as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033. For the year ended April 30, 2013, the City's contribution was 34.63% of covered payroll.

Funded Status and Funding Progress

As of April 30, 2013, the most recent actuarial valuation date, the plan was 63.40 percent funded. The actuarial accrued liability for benefits was \$29,138,883 and the actuarial value of assets was \$18,470,428, resulting in an underfunded actuarial accrued liability (UAAL) of \$10,668,455. The covered payroll (annual payroll of active employees covered by the plan) was \$2,416,472 and the ratio of the UAAL to the covered payroll was 441.5 percent.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 -- (Continued)

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

FIREFIGHTERS' PENSION PLAN DESCRIPTIONS AND PROVISIONS -

Fire sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The Firefighters' Pension Plan does not have a separately issued report. As of April 30, 2013, the Firefighters' Pension Plan's membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	37
Current employees	
Vested	22
Nonvested	13
Total	<u>72</u>

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month of service over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit.

The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching at least the age of 55, by 3% of the original pension and 3% annually thereafter.

Covered employees are required to contribute 9.455% of their 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 as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded by the year 2033. For the year ended April 30, 2013, the City's contribution was 41.24% of covered payroll.

Funded Status and Funding Progress

As of April 30, 2013, the most recent actuarial valuation date, the plan was 78.0 percent funded. The actuarial accrued liability for benefits was \$27,486,706 and the actuarial value of assets was \$21,446,879, resulting in an underfunded actuarial accrued liability (UAAL) of \$6,039,827. The covered payroll (annual payroll of active employees covered by the plan) was \$2,329,812 and the ratio of the UAAL to the covered payroll was 259.2 percent.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Basis of Plan Accounting -

The plans are reported using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Amounts recognized as receivables should include those due pursuant to formal commitments as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

ANNUAL PENSION COSTS -

Employer contributions have been determined as follows:

	<u>Police Pension</u>	<u>Fire- fighter's Pension</u>
Actuarial Valuation Date	April 30, 2013	April 30, 2013
Actuarial Cost Method	Entry-age normal	Entry-age normal
Asset Valuation Method	Market	Market
Amortization Method	Level Per- centage of payroll	Level Per- centage of payroll
Amortization Period	28 years, closed	28 years, closed

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Significant Actuarial Assumptions:	<u>Police Pension</u>	<u>Fire-fighter's Pension</u>
a. Rate of return on investment of present and future assets	7.00% compounded annually	7.00% compounded annually
b. Projected salary increases - attributable to inflation	5.50% compounded annually	5.50% compounded annually
c. Additional projected salary increases - attributable to seniority/merit	Not available	Not available

Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

	<u>For Fiscal Year</u>	<u>Police Pension</u>	<u>Fire-fighters' Pension</u>
Annual Pension Cost (APC)	2011	\$ 886,899	\$ 728,720
	2012	879,102	720,866
	2013	769,604	701,360
Actual Contribution	2011	\$ 709,342	\$ 434,973
	2012	878,524	535,376
	2013	836,859	960,775
Percentage of APC Contributed	2011	80.00%	59.70%
	2012	99.90%	74.30%
	2013	108.70%	137.00%
NPO	2011	\$ 277,857	\$ 308,506
	2012	278,435	493,996
	2013	211,180	234,581

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

The net pension obligation (asset) has been calculated as follows:

	Police <u>Pension</u>	Fire- fighters' <u>Pension</u>
Annual required contributions	\$ 761,897	\$ 687,686
Interest on net pension obligation	19,490	34,580
Adjustment to annual required contribution	<u>(11,783)</u>	<u>(20,906)</u>
Annual pension cost	\$ 769,604	\$ 701,360
Contributions made	<u>836,859</u>	<u>960,775</u>
Increase (decrease) in net pension obligation	\$ (67,255)	\$ (259,415)
Net pension obligation, beginning of year	<u>278,435</u>	<u>493,996</u>
Net pension obligation, end of year	<u>\$ 211,180</u>	<u>\$ 234,581</u>

Costs to administer the plans are financed through contributions to the plans.

The Police Pension and Firefighter's Pension funds will liquidate its respective net pension obligation in future years.

NOTE 10 – COMBINING FIDUCIARY FUNDS

The following is the combining statements of the City's two pension trust funds:

	Police Pension Trust <u>Fund</u>	Firefighters Pension Trust <u>Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 7,113,376	\$ 5,655,049	\$ 12,768,425
Receivables:			
Accrued interest	58,398	14,358	72,756
Other	46,202	25,380	71,582
Investments:			
U.S. government agency securities	2,510,838	4,215,535	6,726,373
Mutual funds	8,741,614	11,534,573	20,276,187
Other assets	<u>---</u>	<u>4,636</u>	<u>4,636</u>
Total assets	<u>\$18,470,428</u>	<u>\$21,449,531</u>	<u>\$39,919,959</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10 – (Continued)

	Police Pension Trust Fund	Firefighters Pension Trust Fund	Total
LIABILITIES			
Other accrued liabilities	\$ - - -	\$ 2,652	\$ 2,652
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
	\$ <u>18,470,428</u>	\$ <u>21,446,879</u>	\$ <u>39,917,307</u>
ADDITIONS			
Contributions:			
Employer	\$ 836,859	\$ 960,775	\$ 1,797,634
Employee	<u>298,877</u>	<u>214,051</u>	<u>512,928</u>
Total contributions	\$ <u>1,135,736</u>	\$ <u>1,174,826</u>	\$ <u>2,310,562</u>
Investment income:			
Net increase in fair value of investments	\$ 922,270	\$ 1,108,817	\$ 2,031,087
Interest	240,005	352,862	592,867
Dividends and capital gains	<u>319,983</u>	<u>512,761</u>	<u>832,744</u>
Total	\$ 1,482,258	\$ 1,974,440	\$ 3,456,698
Less investment expense	<u>17,348</u>	<u>68,210</u>	<u>85,558</u>
Net investment income	<u>\$ 1,464,910</u>	<u>\$ 1,906,230</u>	<u>\$ 3,371,140</u>
Total additions	\$ <u>2,600,646</u>	\$ <u>3,081,056</u>	\$ <u>5,681,702</u>
DEDUCTIONS			
Benefits	\$ 1,401,753	\$ 1,477,768	\$ 2,879,521
Administrative expense	<u>29,156</u>	<u>28,529</u>	<u>57,685</u>
Total deductions	\$ <u>1,430,909</u>	\$ <u>1,506,297</u>	\$ <u>2,937,206</u>
CHANGE IN NET POSITION	\$ 1,169,737	\$ 1,574,759	\$ 2,744,496
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
Beginning	<u>17,300,691</u>	<u>19,872,120</u>	<u>37,172,811</u>
Ending	\$ <u>18,470,428</u>	\$ <u>21,446,879</u>	\$ <u>39,917,307</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description

In addition to providing the pension benefits described, the City provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan does not issue a stand-alone financial report.

Benefits Provided

The City provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. In order to qualify, an employee must meet both age and years of service requirements.

All health care benefits are provided through the City's self-insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary. The City provides \$4,000 of life insurance coverage at no cost.

Membership

At April 30, 2013, membership consisted of:

Retirees and beneficiaries currently receiving benefits	120
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>154</u>
Total	<u>274</u>
Participating employers	<u>1</u>

Funding Policy

The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. Retirees contribute between \$200 per year to 18% of the actuarially determined premium to the plan and the City contributes the remainder to cover the cost of providing the benefits to the retirees via the self-insured plan (pay as you go). Since the City is self-insured, this amount fluctuates on an annual basis.

Annual OPEB Costs and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the City's annual OPEB obligation:

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – (Continued)

Annual required contribution	\$ 2,298,094
Interest on net OPEB obligation	187,297
Adjustment to annual required obligation	<u>(156,081)</u>
 Annual OPEB cost	 \$ 2,329,310
Contributions made	<u>1,113,697</u>
 Increase in net OPEB obligation	 \$ 1,215,613
Net OPEB obligation, beginning of year	<u>4,682,436</u>
 Net OPEB obligation, end of year	 \$ <u>5,898,049</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2013 are as follows in the table below. 2009 was the transition year of GASB Statement No 45.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
04/30/11	\$ 2,136,339	52.10%	\$ 3,440,695
04/30/12	\$ 2,355,439	47.30%	\$ 4,682,436
04/30/13	\$ 2,329,310	47.80%	\$ 5,898,049

Funded status and funding progress. The funded status of the plan as of April 30, 2013, was as follows:

Actuarial accrued liability (AAL)	\$ 42,889,114
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$ 42,889,114
Funded ratio (Actuarial value of plan assets/AAL)	0%
Covered payroll (Active plan members)	\$ 9,474,005
UAAL as a percentage of covered payroll	453%

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – (Continued)

In the April 30, 2013 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included 4.0% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 8.0% reduced by 0.50% each year to arrive at an ultimate healthcare cost trend rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was \$-0-. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2013 was 30 years.

NOTE 12 – CONTINGENT LIABILITIES

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.

TIF Reimbursable Expenditures to REDEEM -

The City has a potential payable to Revitalize and Develop East Moline, Inc. (REDEEM) for a portion of The Quarter development and a portion of the GRIP development totaling \$875,964. REDEEM has incurred these TIF reimbursable expenditures as of April 30, 2013. Future tax increments will be used to pay off TIF reimbursable expenditures. The City is not liable for the REDEEM TIF reimbursable expenditures as of April 30, 2013 due to the contract stipulations between REDEEM and the City.

Claims -

The City records liabilities resulting from claims when they become probable and reasonably estimable. There are several personal injury and workers compensation lawsuits pending against the City. A liability has been recorded in the Insurance Reserve Fund for certain of these claims. The City Attorney estimates that the remaining claims against the City, not covered by insurance, resulting from such litigation would not materially affect the financial statements of the City.

Tax Increment Agreement -

The City entered into a non-interest bearing promissory note agreement of \$1,800,000 dated October 31, 1995 with a developer, to reimburse the developer for interest cost incurred by the developer relating to the construction, renovation or rehabilitation of the redevelopment project (North Hill TIF). The agreement requires the City to pay \$116,488 for the year ending April 30, 2014. This agreement is a limited obligation payable solely from the tax increment generated by the TIF Project Area over and above that necessary to pay all principal and interest due on the City Alternate Bonds. The total amount paid to date, as of April 30, 2013, was \$1,683,512, leaving an outstanding obligation of \$116,488.

Litigation -

Several lawsuits and claims, arising in the normal course of City operations, were pending at April 30, 2013. In the opinion of the City Attorney, there are adequate legal defenses to these actions, and it is not anticipated that there will be any adverse material effect on the financial position of the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 13 – DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all government employees, permit them to defer a portion of their salary into future years. Participation in the plan is optional. Investments are managed by the plan's trustees under various investment options, or combinations thereof, the choice of which is made by the participants. The assets of the deferred compensation plan are held in trust for the benefit of the employees. Accordingly, the assets are not reported in these financial statements. The City has no liability for losses under the plan.

NOTE 14 – INDUSTRIAL REVENUE BONDS

The City has participated in certain industrial revenue bond issues. Under the terms of the issues and the Illinois State Statutes, the bonds are not to be considered direct or contingent liabilities of the City. Property purchased with the bond proceeds are pledged as collateral for the total payment of the bonds and the bondholders can look only to these sources for repayment. The outstanding balance of industrial revenue bonds as of April 30, 2013 is \$1,120,000.

NOTE 15 – RISK MANAGEMENT

The City has established two self-insurance funds (internal service funds) to meet potential losses from general and auto liability, workers' compensation, property and casualty claims, and medical and other risks. The City carries stop-loss medical coverage of approximately \$75,000 per individual. All claim procedures are performed by an independent claims administrator. There have been no reductions in coverages or payments in excess of coverages in the past three years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims payable include all known claims and an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are estimated by considering the effects of inflation, recent claim settlement trends, including frequency and amount of pay-outs, and other economic and social factors. Changes in the balances of claims payable during the years ended April 30, 2012 and 2013 are as follows:

	<u>Health Insurance</u>		<u>Liability Insurance</u>	
	<u>2012-2013</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2011-2013</u>
Unpaid claims, beginning of year	\$ 226,000	\$ 178,704	\$ 437,996	\$ 581,223
Incurred claims (including IBNRs)	2,089,038	2,191,865	97,735	329,377
Claim payments	(2,114,038)	(2,144,569)	(241,038)	(472,604)
Unpaid claims, end of year	<u>\$ 201,000</u>	<u>\$ 226,000</u>	<u>\$ 294,693</u>	<u>\$ 437,996</u>

Based on experience, \$332,114 of the claims payable as of April 30, 2013 is considered current and due within one year.

NOTES TO FINANCIAL STATEMENTS

NOTE 16 – LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site. The facility was certified closed by the Illinois Environmental Protection Agency March 12, 2002. The minimum three-year post-closure care period began June 1, 2001.

By correspondence from the Illinois Environmental Protection Agency dated May 22, 2003, the City was informed that they were not in compliance with all the conditions of the supplemental permit for closure. The area of noncompliance relates to leaching of contaminants from the landfill onto the adjacent property to the south. To prevent this leaching, the IEPA required that a Leachate Collection System be installed which was completed in 2007. The City continues to collect the leachate and pump the collection tank on a regular basis. Monitoring wells also continue to be monitored by the City and the data provided to the IEPA as required.

Subsequent to year-end, tests from the monitoring wells indicated that despite ongoing mitigation efforts of the leachate collection system, unacceptable levels of contaminants from the old landfill are still getting into the ground water table. In correspondence dated July 9, 2013, IEPA denied East Moline's Supplemental Permit for post-closure care and remedial activities as they were deemed to be non-compliant. With the help of a consultant, the city subsequently prepared and received approval for additional corrective action to consist of verifying the integrity of the leachate collection pipes and evaluating alternate designs to capture additional leachate. The City is continuing to perform regular pumping and testing of the leachate and testing of monitoring well samples, and additional remediation measures will likely be necessary to meet IEPA regulatory requirements in the next few years.

The City's financial statements do not include a contingent liability for possible fines or any remedial costs should the system prove to be noncompliant.

NOTES TO FINANCIAL STATEMENTS

NOTE 17 – FUND BALANCES

In fiscal year 2012, the City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The classifications of fund balances as of April 30, 2013 by opinion unit are as follows:

Fund Balance	General	Motor Fuel Tax	Tax Increment Financing-The Quarter	Nonmajor Governmental	Total
Non-spendable:					
Advances	\$ 692,771	\$ - - -	\$ 175,544	\$ 565,215	\$ 1,433,530
Restricted:					
Tax Increment					
Financing Districts	\$ - - -	\$ - - -	\$ - - -	\$ 518,042	\$ 518,042
Special Service Area	- - -	- - -	- - -	142,304	142,304
Public Benefit	99,387	- - -	- - -	- - -	99,387
Audit	27,679	- - -	- - -	- - -	27,679
Culture/Recreation	4,370	- - -	- - -	- - -	4,370
Road Repairs	- - -	2,886,907	- - -	500,773	3,387,680
Public Safety	483,462	- - -	- - -	- - -	483,462
FICA Expenses	99,174	- - -	- - -	- - -	99,174
Total Restricted	\$ 714,072	\$ 2,886,907	\$ - - -	\$ 1,161,119	\$ 4,762,098
Committed:	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -
Assigned:					
Refuse	\$ - - -	\$ - - -	\$ - - -	\$ 313,924	\$ 313,924
Culture/Recreation	327,804	- - -	- - -	888,922	1,216,726
Capital Improvements & Equipment	1,130,507	- - -	- - -	22,718	1,153,225
Public Safety	1,496,942	- - -	- - -	- - -	1,496,942
Sick Leave	24,889	- - -	- - -	- - -	24,889
OPEB	590,292	- - -	- - -	- - -	590,292
Total Assigned	\$ 3,570,434	\$ - - -	\$ - - -	\$ 1,225,564	\$ 4,795,998
Unassigned:	\$ 1,020,935	\$ - - -	(\$2,556,816)	(\$2,764,396)	(\$ 4,300,277)
Total Fund Balances	\$ 5,998,212	\$ 2,886,907	(\$2,381,272)	\$ 187,502	\$ 6,691,349

REQUIRED SUPPLEMENTARY INFORMATION

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

Budgetary Comparison Schedules for the following:

General Fund

Motor Fuel Tax Fund

Tax Increment Financing Fund – The Quarter

Notes to the Required Supplementary Information

Schedules of Funding Progress – Pension and Other Post Employment Benefit Plans

Schedules of Employer Contributions – Pension and Other Post Employment Benefit Plans

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended April 30, 2013

REVENUES	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Taxes:				
Property	\$ 4,725,578	\$ 4,725,578	\$ 4,717,584	\$ (7,994)
Utility	1,425,000	1,425,000	1,576,195	151,195
Admissions	3,000	3,000	1,357	(1,643)
Licenses and permits	232,300	232,300	222,332	(9,968)
Charges for services and rents	431,800	431,800	414,212	(17,588)
Investment income	101,400	101,400	11,262	(90,138)
Intergovernmental	5,226,578	5,226,578	5,796,829	570,251
Landfill host fees	300,000	300,000	210,123	(89,877)
Fines	287,600	287,600	262,922	(24,678)
Grant	53,000	53,000	44,804	(8,196)
Special assessments	2,500	2,500	2,388	(112)
Miscellaneous	20,700	20,700	77,260	56,560
	<u>\$ 12,809,456</u>	<u>\$ 12,809,456</u>	<u>\$ 13,337,268</u>	<u>\$ 527,812</u>
Total revenues				
	<u>\$ 12,809,456</u>	<u>\$ 12,809,456</u>	<u>\$ 13,337,268</u>	<u>\$ 527,812</u>
EXPENDITURES				
Current				
General Government:				
Administration:				
Salaries	\$ 89,930	\$ 89,930	\$ 89,327	\$ 603
Office	34,800	34,800	44,122	(9,322)
Audit	36,000	36,000	36,000	-
Printing and advertising	10,200	10,200	4,122	6,078
Insurance	51,200	51,200	34,091	17,109
Equipment rent and repairs	11,300	11,300	50,431	(39,131)
Dues and subscriptions	14,600	14,600	8,953	5,647
Professional services	7,500	7,500	18,952	(11,452)
Miscellaneous	5,200	5,200	4,322	878
FICA	10,939	10,939	9,865	1,074
IMRF	12,926	12,926	12,752	174
Executive and legislative:				
Salaries	52,600	52,600	52,808	(208)
Office	2,600	2,600	4,063	(1,463)
Printing and advertising	1,400	1,400	77	1,323
Insurance	7,500	7,500	7,500	-
Dues and subscriptions	300	300	630	(330)
Miscellaneous	17,200	17,200	6,361	10,839
Building and grounds:				
Office	9,200	9,200	15,099	(5,899)
Insurance	7,500	7,500	7,500	-
Repairs and maintenance	35,000	35,000	21,880	13,120
Professional services	57,000	57,000	845	56,155
Utilities	35,000	35,000	30,313	4,687
Miscellaneous	1,000	1,000	-	1,000
	<u>\$ 510,895</u>	<u>\$ 510,895</u>	<u>\$ 460,013</u>	<u>\$ 50,882</u>
Total general government				
	<u>\$ 510,895</u>	<u>\$ 510,895</u>	<u>\$ 460,013</u>	<u>\$ 50,882</u>

(Continued)

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2013

EXPENDITURES (continued)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Public Safety:				
Health:				
Salaries	\$ 61,670	\$ 61,670	\$ 60,531	\$ 1,139
Office	4,600	4,600	2,971	1,629
Insurance	15,000	15,000	15,000	-
Vehicle maintenance	3,925	3,925	3,925	-
Dues and subscriptions	600	600	335	265
Professional services	55,000	55,000	80,711	(25,711)
Miscellaneous	7,600	7,600	2,576	5,024
Legal:				
Salaries	95,300	95,300	92,022	3,278
Office	1,700	1,700	87	1,613
Insurance	7,500	7,500	7,500	-
Professional services	33,000	33,000	72,257	(39,257)
Special projects	15,000	15,000	16,119	(1,119)
Miscellaneous	2,300	2,300	152	2,148
FICA	7,378	7,378	6,653	725
IMRF	8,717	8,717	8,600	117
Crossing Guard	46,900	46,900	47,381	(481)
Emergency Services	5,000	5,000	5,747	(747)
Police Protection:				
Salaries	3,175,975	3,175,975	3,106,077	69,898
Office	68,700	68,700	77,351	(8,651)
Radio User Fees	19,000	19,000	17,563	1,437
Center Station	78,900	78,900	94,113	(15,213)
Insurance	615,000	615,000	615,000	-
Equipment rent and repairs	50,500	50,500	69,170	(18,670)
Dues and subscriptions	3,000	3,000	2,831	169
Training	15,000	15,000	16,980	(1,980)
Vehicle maintenance	81,700	81,700	81,700	-
Grant expenditures	-	-	4,503	(4,503)
Municipies & CORA	-	-	28,926	(28,926)
Records Management	24,000	24,000	27,102	(3,102)
Seizures	-	-	-	-
Pension	836,859	836,859	836,859	-
Miscellaneous	16,200	16,200	38,262	(22,062)
Police and Fire Commission:				
Dues and subscriptions	500	500	375	125
Miscellaneous	500	500	-	500
Special projects	3,000	3,000	3,601	(601)

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2013

EXPENDITURES (continued)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Fire Protection:				
Salaries	\$2,500,712	\$2,500,712	\$ 2,428,539	\$ 72,173
Office	20,500	21,100	19,242	1,858
Training	15,000	20,500	18,982	1,518
Radio User Fees	8,208	8,208	8,373	(165)
Insurance	532,500	532,500	532,500	-
Equipment rent and repairs	75,900	67,800	51,114	16,686
Dues and subscriptions	3,000	4,000	3,471	529
Vehicle maintenance	30,750	30,750	30,750	-
Utilities	16,000	16,000	13,581	2,419
Pension	960,775	960,775	960,775	-
Miscellaneous	5,950	6,950	36,308	(29,358)
Total public safety	<u>\$ 9,529,319</u>	<u>\$ 9,529,319</u>	<u>\$ 9,546,615</u>	<u>\$ (17,296)</u>
Public Works:				
Administration:				
Salaries	\$ 105,900	\$ 105,900	\$ 112,304	\$ (6,404)
Insurance	11,250	11,250	11,250	-
Vehicle maintenance	3,925	3,925	3,925	-
Office	14,700	14,700	13,204	1,496
Dues and subscriptions	1,400	1,400	2,211	(811)
Moving charges	-	-	-	-
Professional services	1,000	1,000	375	625
Inspection:				
Salaries	49,500	49,500	51,887	(2,387)
Office	6,000	6,000	8,211	(2,211)
Vehicle maintenance	7,850	7,850	7,851	(1)
Insurance	22,500	22,500	22,500	-
Dues and subscriptions	800	800	600	200
Light:				
Repairs	45,000	45,000	18,359	26,641
Traffic Lighting	-	-	9,185	(9,185)
Street Lighting	238,300	238,300	240,557	(2,257)
Street & Bridge:				
Salaries	284,725	284,725	164,585	120,140
Office	17,300	17,300	8,643	8,657
Insurance	86,200	86,200	86,200	-
Vehicle Maintenance	91,475	91,475	91,475	-
Professional Services	10,000	10,000	5,531	4,469
Repairs	128,400	128,400	86,459	41,941
Miscellaneous	300	300	1,258	(958)
Utilities	43,000	43,000	30,080	12,920
Salt	85,000	85,000	-	85,000

(Continued)

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2013

EXPENDITURES (continued)	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Public benefit and comfort	\$ 1,100	\$ 1,100	\$ 29	\$ 1,071
Engineering:				
Salaries	30,500	30,500	30,335	165
Office	6,000	6,000	3,792	2,208
Insurance	16,000	16,000	16,000	-
Dues and Subscriptions	300	300	164	136
Vehicle maintenance	3,925	3,925	3,925	-
Professional services	100	100	144	(44)
FICA	31,291	31,291	28,217	3,074
IMRF	36,974	36,974	36,476	498
Total public works	\$1,380,715	\$1,380,715	\$ 1,095,732	\$ 284,983
Recreation & Culture				
Fireworks	\$ 11,500	\$ 11,500	\$ 11,148	\$ 352
Salaries	168,000	168,000	197,041	(29,041)
Office	2,100	2,100	3,840	(1,740)
Insurance	32,000	32,000	32,000	-
Utilities	16,000	16,000	20,563	(4,563)
Vehicle maintenance	49,000	49,000	49,000	-
Repairs and maintenance	42,600	42,600	10,629	31,971
Dues and subscriptions	-	-	34,375	(34,375)
Tourism	3,000	3,000	0	3,000
Fiberoptics	25,000	25,000	42,809	(17,809)
Sponsorship	5,000	5,000	5,000	-
Professional services	3,000	3,000	-	3,000
Miscellaneous	4,900	4,900	7,113	(2,213)
FICA	31,546	31,546	28,446	3,100
IMRF	37,274	37,274	36,772	502
Total recreation and culture	\$ 430,920	\$ 430,920	\$ 478,736	\$ (47,816)
Economic Development:				
Office	\$ -	\$ -	\$ 4,622	\$ (4,622)
Insurance	7,500	7,500	7,500	-
Developer rebate	92,000	92,000	90,869	1,131
Miscellaneous	-	-	-	-
Total economic development	\$ 99,500	\$ 99,500	\$ 102,991	\$ (3,491)

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended April 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Capital expenditures	\$ 25,000	\$ 25,000	\$ 40,041	\$ (15,041)
Total expenditures	<u>\$11,976,349</u>	<u>\$11,976,349</u>	<u>\$11,724,128</u>	<u>\$ 252,221</u>
Excess of revenues over expenditures	<u>\$ 833,107</u>	<u>\$ 833,107</u>	<u>\$ 1,613,140</u>	<u>\$ 780,033</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	\$ 10,000	\$ 10,000	\$ 296,098	\$ 286,098
Transfers in	869,223	869,223	97,948	(771,275)
Transfers out	<u>(1,330,178)</u>	<u>(1,330,178)</u>	<u>(869,112)</u>	<u>461,066</u>
Total other financing sources (uses)	<u>\$ (450,955)</u>	<u>\$ (450,955)</u>	<u>\$ (475,066)</u>	<u>\$ (24,111)</u>
Net change in fund balance	<u>\$ 382,152</u>	<u>\$ 382,152</u>	\$ 1,138,074	<u>\$ 755,922</u>
FUND BALANCE – Beginning			<u>4,860,138</u>	
FUND BALANCE – Ending			<u>\$ 5,998,212</u>	

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MOTOR FUEL TAX FUND
For the Year Ended April 30, 2013

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ 530,000	\$ 636,661	\$ 106,661
Investment income	1,000	2,302	1,302
Grant	-	1,184,244	1,184,244
	<u>\$ 531,000</u>	<u>\$ 1,823,207</u>	<u>\$ 1,292,207</u>
EXPENDITURES			
Current, public works	\$ 406,000	\$ 973,619	\$ (567,619)
Capital expenditures	1,240,000	1,924,551	(684,551)
Debt service:			
Principal	230,594	260,000	(29,406)
Interest	10,598	11,950	(1,352)
	<u>\$ 1,887,192</u>	<u>\$ 3,170,120</u>	<u>\$ (1,282,928)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (1,356,192)	\$ (1,346,913)	\$ 9,279
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ 30,758	\$ 30,758
Net change in fund balance	<u>\$ (1,356,192)</u>	<u>\$ (1,316,155)</u>	<u>\$ 40,037</u>
FUND BALANCE – Beginning		<u>4,203,062</u>	
FUND BALANCE – Ending		<u>\$ 2,886,907</u>	

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND - THE QUARTER
For the Year Ended April 30, 2013

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 235,000	\$ 188,372	\$ (46,628)
EXPENDITURES			
Current:			
Economic development	\$ 121,500	\$ 89,057	\$ 32,443
Debt service:			
Principal	210,000	210,000	-
Interest	73,979	73,979	-
Total expenditures	<u>\$ 405,479</u>	<u>\$ 373,036</u>	<u>\$ 32,443</u>
Deficiency of revenues under expenditures	<u>\$ (170,479)</u>	<u>\$ (184,664)</u>	<u>\$ (14,185)</u>
FUND BALANCE – Beginning		<u>(2,196,608)</u>	
FUND BALANCE – Ending		<u>\$ (2,381,272)</u>	

CITY OF EAST MOLINE, ILLINOIS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
BUDGET COMPARISONS

April 30, 2013

I. BUDGETARY BASIS

Annual appropriated budgets are adopted at the department level on a basis consistent with U.S. generally accepted accounting principles. The annual appropriated budget is legally enacted and provides for a legal level of control at the department level. All annual appropriations lapse at the end of the fiscal year.

II. BUDGETARY INFORMATION

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

All departments of the City submit requests for appropriations to the City Administrator to be used in preparing a budget. At least 45 days prior to April 30, the City Administrator submits to the governing body a proposed budget for the general, special revenue, debt service, capital projects and enterprise funds for the fiscal year commencing May 1. The budget includes proposed expenditures and transfers to other funds and the means of financing them. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. A final budget must be prepared and adopted no later than April 30.

The administrator is authorized to transfer budgeted amounts within any department; however, transfers between departments or any revisions that alter the total expenditures of any department or any fund must be approved by the governing body. The amounts reflected in the financial statements represent the original budget and the final amended budget. For some departments, the original and final budgets are the same.

III. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded appropriations in the following major fund:

	Amount Over <u>Budget</u>
Motor Fuel Tax	\$ 1,282,928

These expenditures were funded by available reserves.

**CITY OF EAST MOLINE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION ON
PENSION AND OTHER POST EMPLOYMENT
BENEFIT PLAN FUNDING PROGRESS**

April 30, 2013

IMRE -

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)--Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (OAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (OAAL) Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$ 14,613,071	\$ 18,373,646	\$ 3,760,575	79.53%	\$5,596,544	67.19%
12/31/11	14,762,996	18,605,055	3,842,059	79.35	5,723,587	67.13
12/31/10	15,026,117	18,436,949	3,410,832	81.50	5,736,136	59.46
12/31/09	13,637,433	16,777,053	3,139,620	81.29	5,536,233	56.71
12/31/08	12,695,849	15,156,137	2,460,288	83.77	5,326,033	46.19
12/31/07	18,395,290	16,388,539	(2,006,751)	122.24	5,051,099	0.00

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$15,316,956. On a market basis, the funded ratio would be 83.36%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with City of East Moline. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

Other Postemployment Benefit Plan -

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)--Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (OAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (OAAL) Percentage of Covered Payroll ((b-a)/c)
2013	04/30/13	\$ - - -	\$42,889,114	\$42,889,114	0.00%	\$9,474,005	453.0%
2012	04/30/11	- - -	37,025,522	37,025,522	0.00	9,642,738	383.0
2011	04/30/11	- - -	37,025,522	37,025,522	0.00	9,584,716	386.0

The City implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009. The information presented for April 30, 2012 was determined as part of the actuarial valuation as of April 30, 2011.

**CITY OF EAST MOLINE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION ON
PENSION AND OTHER POST EMPLOYMENT
BENEFIT PLAN FUNDING PROGRESS**
April 30, 2013

Police Pension Plan -

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)--Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (OAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (OAAL) Percentage of Covered Payroll ((b-a)/c)
4/30/13	\$18,470,428	\$ 29,138,883	\$ 10,668,455	63.40%	\$ 2,416,472	441.50%
4/30/12	17,300,691	27,469,421	10,168,730	63.00	2,438,362	417.00
4/30/11	17,535,413	26,361,157	8,825,744	66.50	2,403,993	367.10
4/30/10	16,305,623	25,282,847	8,977,224	64.50	2,349,868	382.00
4/30/09	14,704,861	24,345,826	9,640,965	60.40	2,289,912	421.00
4/30/08	17,091,500	22,642,974	5,551,474	75.50	2,101,474	264.20

Firefighter's Pension Plan -

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)--Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (OAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (OAAL) Percentage of Covered Payroll ((b-a)/c)
4/30/13	\$21,446,879	\$ 27,486,706	\$ 6,039,827	78.00%	\$ 2,329,812	259.20%
4/30/12	19,872,120	26,012,226	6,140,106	76.40	2,214,190	277.30
4/30/11	20,549,278	25,388,366	4,839,088	80.90	2,163,073	223.70
4/30/10	19,419,749	24,097,113	4,677,364	80.60	2,052,181	227.90
4/30/09	17,391,043	23,154,660	5,763,617	75.10	1,924,102	299.50
4/30/08	20,525,622	21,237,523	711,901	96.60	1,735,636	41.00

**CITY OF EAST MOLINE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION ON
PENSION AND OTHER POST EMPLOYMENT
BENEFIT PLAN EMPLOYER CONTRIBUTIONS
April 30, 2013**

IMRF Trend Information -

Fiscal Year Ended	Annual Required Contribution (ARC)	Total Contributions	Percentage of ARC Contributed
04/30/13	\$ 645,841	\$ 645,841	100%
04/30/12	654,206	654,209	100
04/30/11	635,564	635,564	100

Other Postemployment Benefit Plan -

Fiscal Year Ended	Employer Contributions	Annual Required Contributions (ARC)	Percentage Contributed
04/30/13	\$1,113,697	\$2,298,094	48.5%
04/30/12	1,113,698	2,298,094	48.5
04/30/11	1,113,698	2,096,038	53.1

The City implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009.

Police Pension Plan -

Fiscal Year Ended	Annual Required Contribution (ARC)	Total Contributions	Percentage of ARC Contributed
04/30/13	\$ 761,897	\$ 836,859	109.8%
04/30/12	871,094	878,524	100.9
04/30/11	885,021	709,342	80.0
04/30/10	634,664	548,793	86.4
04/30/09	519,618	533,518	102.6
04/30/08	538,599	582,831	108.2

(Continued)

**CITY OF EAST MOLINE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION ON
PENSION AND OTHER POST EMPLOYMENT
BENEFIT PLAN EMPLOYER CONTRIBUTIONS**

April 30, 2013

Firefighter's Pension Plan -

Fiscal Year Ended	Annual Required Contribution (ARC)	Total Contributions	Percentage of ARC Contributed
04/30/13	\$ 687,686	\$ 960,775	139.7%
04/30/12	711,975	535,376	75.2
04/30/11	728,444	434,973	59.7
04/30/10	421,672	379,195	90.0
04/30/09	365,570	391,894	107.2
04/30/08	400,557	400,557	100.0

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Garbage Fund - Accounts for revenue and expenditures related to refuse collection and disposal.

Library Fund - Accounts for services related to the operation of the City's library.

Municipal Swimming Pool Fund - Accounts for expenditures necessary to operate the City's swimming pool.

Economic Development Fund - Accounts for revenues and expenditures related to the purchase and sale of land for economic development purposes.

Non-Home Rule Sales Tax Fund - Accounts for expenditures related to infrastructure improvements financed by sales tax as collected and distributed by the State of Illinois.

Special Service Area – Downtown - Accounts for revenue and expenditures related to improvements to the Downtown Special Service area.

Tax Increment Financing Funds - Accounts for the revenues and expenditures related to the development of the TIF districts.

CAPITAL PROJECTS FUNDS

Capital Projects Fund – Accounts for the revenues and expenditures related to the City's capital projects.

DEBT SERVICE FUNDS

Debt Service Fund – Accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of some governmental funds.

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**CITY OF EAST MOLINE, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2013**

	<u>Totals</u>	<u>Garbage</u>	<u>Library</u>	<u>Special</u>
				<u>Municipal Swimming Pool</u>
ASSETS				
Cash	\$ 2,060,590	\$ 256,186	\$ 712,089	\$ 34,923
Investments	618,555	-	201,352	-
Receivables	2,125,584	299,582	516,514	-
Advances to other funds	565,215	-	9,005	1,239
Total assets	<u>\$ 5,369,944</u>	<u>\$ 555,768</u>	<u>\$ 1,438,960</u>	<u>\$ 36,162</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 182,562	\$ 30,351	\$ 16,167	\$ 4,386
Fund cash deficit	1,902,317	-	-	-
Accrued liabilities	22,158	6,429	8,352	3,156
Unearned revenue	1,942,750	205,064	516,514	-
Advances from other funds	1,132,655	-	-	35,000
Total liabilities	<u>\$ 5,182,442</u>	<u>\$ 241,844</u>	<u>\$ 541,033</u>	<u>\$ 42,542</u>
FUND BALANCES				
Nonspendable	\$ 565,215	\$ -	\$ 9,005	\$ 1,239
Restricted	1,161,119	-	-	-
Assigned	1,225,564	313,924	888,922	-
Unassigned	(2,764,396)	-	-	(7,619)
Total fund balances	<u>\$ 187,502</u>	<u>\$ 313,924</u>	<u>\$ 897,927</u>	<u>\$ (6,380)</u>
Total liabilities and fund balances	<u>\$ 5,369,944</u>	<u>\$ 555,768</u>	<u>\$ 1,438,960</u>	<u>\$ 36,162</u>

Revenue Funds

<u>Economic Development</u>	<u>Non-Home Rule Sales Tax</u>	<u>Special Service Area - Downtown</u>	<u>Tax Increment Financing</u>		
			<u>North Hill</u>	<u>Downtown</u>	<u>Great River Industrial Park</u>
\$ 23,353	\$ 13,768	\$ 133,393	\$ 686,037	\$ 97,551	\$ -
-	417,203	-	-	-	-
-	116,058	71,009	446,775	52,719	132,638
181,052	-	-	60,436	-	-
<u>\$ 204,405</u>	<u>\$ 547,029</u>	<u>\$ 204,402</u>	<u>\$ 1,193,248</u>	<u>\$ 150,270</u>	<u>\$ 132,638</u>
\$ -	\$ 3,293	\$ 2,089	\$ 116,574	\$ -	\$ 7,112
-	-	-	-	-	715,736
-	4,221	-	-	-	-
-	38,742	60,009	446,775	52,719	132,638
32,218	-	-	175,544	54,000	374,284
<u>\$ 32,218</u>	<u>\$ 46,256</u>	<u>\$ 62,098</u>	<u>\$ 738,893</u>	<u>\$ 106,719</u>	<u>\$ 1,229,770</u>
\$ 181,052	\$ -	\$ -	\$ 60,436	\$ -	\$ -
-	500,773	142,304	393,919	43,551	-
-	-	-	-	-	-
(8,865)	-	-	-	-	(1,097,132)
<u>\$ 172,187</u>	<u>\$ 500,773</u>	<u>\$ 142,304</u>	<u>\$ 454,355</u>	<u>\$ 43,551</u>	<u>\$ (1,097,132)</u>
<u>\$ 204,405</u>	<u>\$ 547,029</u>	<u>\$ 204,402</u>	<u>\$ 1,193,248</u>	<u>\$ 150,270</u>	<u>\$ 132,638</u>

(Continued)

**CITY OF EAST MOLINE, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2013**

	<u>Special Revenue Funds</u>			
	<u>Tax Increment Financing</u>			
	<u>Gateway Industrial Park</u>	<u>River Eagle</u>	<u>Kennedy Drive</u>	<u>Lucky Strike</u>
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ 80,572
Investments	-	-	-	-
Receivables	618	-	188,294	94,771
Advances to other funds	-	-	313,483	-
Total assets	<u>\$ 618</u>	<u>\$ -</u>	<u>\$ 501,777</u>	<u>\$ 175,343</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ 2,590	\$ -	\$ -
Fund cash deficit	170,447	12,268	620,753	-
Accrued liabilities	-	-	-	-
Unearned revenue	618	-	188,294	94,771
Advances from other funds	61,609	-	400,000	-
Total liabilities	<u>\$ 232,674</u>	<u>\$ 14,858</u>	<u>\$ 1,209,047</u>	<u>\$ 94,771</u>
FUND BALANCES				
Nonspendable	\$ -	\$ -	\$ 313,483	\$ -
Restricted	-	-	-	80,572
Assigned	-	-	-	-
Unassigned	(232,056)	(14,858)	(1,020,753)	-
Total fund balances	<u>\$ (232,056)</u>	<u>\$ (14,858)</u>	<u>\$ (707,270)</u>	<u>\$ 80,572</u>
Total liabilities and fund balances	<u>\$ 618</u>	<u>\$ -</u>	<u>\$ 501,777</u>	<u>\$ 175,343</u>

<u>Capital Projects</u>	<u>Debt Service</u>
\$ 22,718	\$ -
-	-
-	206,606
-	-
<u>\$ 22,718</u>	<u>\$ 206,606</u>
\$ -	\$ -
-	383,113
-	-
-	206,606
-	-
<u>\$ -</u>	<u>\$ 589,719</u>
\$ -	\$ -
-	-
22,718	-
-	(383,113)
<u>\$ 22,718</u>	<u>\$ (383,113)</u>
<u>\$ 22,718</u>	<u>\$ 206,606</u>

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended April 30, 2013

	<u>Totals</u>	<u>Garbage</u>	<u>Library</u>	<u>Special</u>
				<u>Municipal Swimming Pool</u>
REVENUES				
Taxes:				
Property	\$ 1,797,215	\$ 153,492	\$ 514,227	\$ -
Sales	464,784	-	-	-
Intergovernmental	93,797	-	93,797	-
Charges for services and rents	946,602	685,379	16,295	241,609
Investment income	2,357	-	1,208	-
Fines	13,816	-	13,816	-
Grant	669,201	15,977	22,509	-
Miscellaneous	104,696	5	73,666	25
Total revenues	<u>\$ 4,092,468</u>	<u>\$ 854,853</u>	<u>\$ 735,518</u>	<u>\$ 241,634</u>
EXPENDITURES				
Current:				
General government	\$ 1,229	\$ -	\$ -	\$ -
Public works	971,872	653,770	-	-
Recreation and culture	934,579	-	583,641	350,938
Economic development	273,779	-	-	-
Capital expenditures	885,704	-	80,738	-
Debt service:				
Principal	696,380	34,380	-	-
Interest	170,970	5,983	-	-
Total expenditures	<u>\$ 3,934,513</u>	<u>\$ 694,133</u>	<u>\$ 664,379</u>	<u>\$ 350,938</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 157,955</u>	<u>\$ 160,720</u>	<u>\$ 71,139</u>	<u>\$ (109,304)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 193,000	\$ -	\$ -	\$ 133,000
Transfers out	(245,663)	(105,000)	-	-
Total other financing sources (uses)	<u>\$ (52,663)</u>	<u>\$ (105,000)</u>	<u>\$ -</u>	<u>\$ 133,000</u>
Net change in fund balances	\$ 105,292	\$ 55,720	\$ 71,139	\$ 23,696
FUND BALANCES – Beginning	<u>82,210</u>	<u>258,204</u>	<u>826,788</u>	<u>(30,076)</u>
FUND BALANCES – Ending	<u>\$ 187,502</u>	<u>\$ 313,924</u>	<u>\$ 897,927</u>	<u>\$ (6,380)</u>

Revenue Funds					
Economic Development	Non-Home Rule Sales Tax	Special Service Area - Downtown	Tax Increment Financing		
			North Hill	Downtown	Great River Industrial Park
\$ -	\$ -	\$ 59,996	\$ 446,487	\$ 58,151	\$ 135,343
-	464,784	-	-	-	-
-	-	-	-	-	-
3,319	-	-	-	-	-
-	463	132	344	-	-
-	-	-	-	-	-
73,968	26,584	-	-	-	-
-	-	-	-	-	-
<u>\$ 77,287</u>	<u>\$ 491,831</u>	<u>\$ 60,128</u>	<u>\$ 446,831</u>	<u>\$ 58,151</u>	<u>\$ 135,343</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	318,102	-	-	-	-
-	-	-	-	-	-
34,451	-	44,499	117,193	-	59,260
-	49,804	-	-	-	-
-	-	-	125,000	-	125,000
-	-	-	10,041	-	24,665
<u>\$ 34,451</u>	<u>\$ 367,906</u>	<u>\$ 44,499</u>	<u>\$ 252,234</u>	<u>\$ -</u>	<u>\$ 208,925</u>
\$ 42,836	\$ 123,925	\$ 15,629	\$ 194,597	\$ 58,151	\$ (73,582)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(86,366)	(54,297)	-	-	-	-
<u>\$ (86,366)</u>	<u>\$ (54,297)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ (43,530)	\$ 69,628	\$ 15,629	\$ 194,597	\$ 58,151	\$ (73,582)
215,717	431,145	126,675	259,758	(14,600)	(1,023,550)
<u>\$ 172,187</u>	<u>\$ 500,773</u>	<u>\$ 142,304</u>	<u>\$ 454,355</u>	<u>\$ 43,551</u>	<u>\$ (1,097,132)</u>

(Continued)

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended April 30, 2013

	Special Revenue Funds			
	Tax Increment Financing			
	Gateway Industrial Park	River Eagle	Kennedy Drive	Lucky Strike
REVENUES				
Taxes:				
Property	\$ 506	\$ 1,020	\$ 193,621	\$ 27,684
Sales	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services and rents	-	-	-	-
Investment income	-	-	-	-
Fines	-	-	-	-
Grant	-	-	-	-
Miscellaneous	-	31,000	-	-
Total revenues	<u>\$ 506</u>	<u>\$ 32,020</u>	<u>\$ 193,621</u>	<u>\$ 27,684</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public works	-	-	-	-
Recreation and culture	-	-	-	-
Economic development	-	17,226	1,150	-
Capital expenditures	-	-	-	-
Debt service:				
Principal	-	-	150,000	-
Interest	-	-	79,963	-
Total expenditures	<u>\$ -</u>	<u>\$ 17,226</u>	<u>\$ 231,113</u>	<u>\$ -</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 506</u>	<u>\$ 14,794</u>	<u>\$ (37,492)</u>	<u>\$ 27,684</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ 506	\$ 14,794	\$ (37,492)	\$ 27,684
FUND BALANCES – Beginning	<u>(232,562)</u>	<u>(29,652)</u>	<u>(669,778)</u>	<u>52,888</u>
FUND BALANCES – Ending	<u>\$ (232,056)</u>	<u>\$ (14,858)</u>	<u>\$ (707,270)</u>	<u>\$ 80,572</u>

<u>Capital Projects</u>	<u>Debt Service</u>
\$ -	\$ 206,688
-	-
-	-
210	-
-	-
530,163	-
-	-
<u>\$ 530,373</u>	<u>\$ 206,688</u>
\$ -	\$ 1,229
-	-
-	-
-	-
755,162	-
-	262,000
-	50,318
<u>\$ 755,162</u>	<u>\$ 313,547</u>
<u>\$ (224,789)</u>	<u>\$ (106,859)</u>
\$ -	\$ 60,000
-	-
<u>\$ -</u>	<u>\$ 60,000</u>
\$ (224,789)	\$ (46,859)
<u>247,507</u>	<u>(336,254)</u>
<u>\$ 22,718</u>	<u>\$ (383,113)</u>

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GARBAGE FUND

For the Year Ended April 30, 2013

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes:			
Property	\$ 154,138	\$ 153,492	\$ (646)
Charges for services	694,510	685,379	(9,131)
Investment income	2,000	-	(2,000)
Grant	21,500	15,977	(5,523)
Miscellaneous	-	5	5
	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 872,148</u>	<u>\$ 854,853</u>	<u>\$ (17,295)</u>
EXPENDITURES			
Current, public works	\$ 725,700	\$ 653,770	\$ 71,930
Capital expenditures	45,000	-	45,000
Debt Service			
Principal	34,380	34,380	-
Interest	5,983	5,983	-
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 811,063</u>	<u>\$ 694,133</u>	<u>\$ 116,930</u>
Excess of revenues over expenditures	<u>\$ 61,085</u>	<u>\$ 160,720</u>	<u>\$ 99,635</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(60,000)</u>	<u>(105,000)</u>	<u>(45,000)</u>
Net change in fund balance	<u>\$ 1,085</u>	<u>\$ 55,720</u>	<u>\$ 54,635</u>
FUND BALANCE – Beginning		<u>258,204</u>	
FUND BALANCE – Ending		<u>\$ 313,924</u>	

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LIBRARY FUND
For the Year Ended April 30, 2013

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes:			
Property	\$ 516,000	\$ 514,227	\$ (1,773)
Intergovernmental	93,500	93,797	297
Charges for services	16,100	16,295	195
Investment income	9,050	1,208	(7,842)
Fines	18,000	13,816	(4,184)
Grant	19,500	22,509	3,009
Miscellaneous	13,000	73,666	60,666
	<u>\$ 685,150</u>	<u>\$ 735,518</u>	<u>\$ 50,368</u>
EXPENDITURES			
Current, recreation and culture	\$ 594,163	\$ 583,641	\$ 10,522
Capital expenditures	82,000	80,738	1,262
	<u>\$ 676,163</u>	<u>\$ 664,379</u>	<u>\$ 11,784</u>
Excess of revenues over expenditures	<u>\$ 8,987</u>	<u>\$ 71,139</u>	<u>\$ 62,152</u>
FUND BALANCE – Beginning		<u>826,788</u>	
FUND BALANCE – Ending		<u>\$ 897,927</u>	

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MUNICIPAL SWIMMING POOL FUND
For the Year Ended April 30, 2013

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Charges for services and rents	\$ 207,000	\$ 241,609	\$ 34,609
Miscellaneous	-	25	25
	<u>\$ 207,000</u>	<u>\$ 241,634</u>	<u>\$ 34,634</u>
EXPENDITURES			
Current, recreation and culture	\$ 313,700	\$ 350,938	\$ (37,238)
Deficiency of revenues under expenditures	\$ (106,700)	\$ (109,304)	\$ (2,629)
OTHER FINANCING SOURCES (USES)			
Transfers in	108,000	133,000	25,000
Net change in fund balance	<u>\$ 1,300</u>	<u>\$ 23,696</u>	<u>\$ 22,396</u>
FUND BALANCE – Beginning		<u>(30,076)</u>	
FUND BALANCE – Ending		<u>\$ (6,380)</u>	

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NON-HOME RULE SALES TAX FUND
For the Year Ended April 30, 2013

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Sales tax	\$ 448,000	\$ 464,784	\$ 16,784
Grant income	-	26,584	26,584
Investment income	1,000	463	(537)
Total revenues	<u>\$ 449,000</u>	<u>\$ 491,831</u>	<u>\$ 42,831</u>
EXPENDITURES			
Current:			
Public works	\$ 110,000	\$ 318,102	\$ (208,102)
Capital expenditures	75,000	49,804	25,196
Total expenditures	<u>\$ 185,000</u>	<u>\$ 367,906</u>	<u>\$ (182,906)</u>
Excess of revenues over expenditures	\$ 264,000	\$ 123,925	\$ (140,075)
OTHER FINANCING SOURCES (USES)			
Transfers out	(150,000)	(54,297)	(204,297)
Net change in fund balance	<u>\$ 114,000</u>	<u>\$ 69,628</u>	<u>\$ (44,372)</u>
FUND BALANCE – Beginning		<u>431,145</u>	
FUND BALANCE – Ending		<u>\$ 500,773</u>	

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL SERVICE AREA - DOWNTOWN FUND
For the Year Ended April 30, 2013

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 60,000	\$ 59,996	\$ (4)
Investment income	1,000	132	\$ (868)
	<u>\$ 61,000</u>	<u>\$ 60,128</u>	<u>\$ (872)</u>
Total revenues			
EXPENDITURES			
Current:			
Economic development	\$ 60,000	\$ 44,499	\$ 15,501
	<u>\$ 1,000</u>	\$ 15,629	<u>\$ 14,629</u>
Excess of revenues over expenditures			
FUND BALANCE – Beginning		<u>126,675</u>	
FUND BALANCE – Ending		<u>\$ 142,304</u>	

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND - NORTH HILL
For the Year Ended April 30, 2013

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 440,000	\$ 446,487	\$ 6,487
Investment income	500	344	(156)
	<u>\$ 440,500</u>	<u>\$ 446,831</u>	<u>\$ 6,331</u>
EXPENDITURES			
Current:			
Economic development	\$ 117,500	\$ 117,193	\$ 307
Debt service:			
Principal	125,000	125,000	-
Interest	10,041	10,041	-
	<u>\$ 252,541</u>	<u>\$ 252,234</u>	<u>\$ 307</u>
Excess of revenues over expenditures	<u>\$ 187,959</u>	\$ 194,597	<u>\$ 6,638</u>
FUND BALANCE – Beginning		<u>259,758</u>	
FUND BALANCE – Ending		<u>\$ 454,355</u>	

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND - DOWNTOWN
For the Year Ended April 30, 2013

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 56,000	\$ 58,151	\$ 2,151
Miscellaneous	500	-	(500)
	<u>\$ 56,500</u>	<u>\$ 58,151</u>	<u>\$ 1,651</u>
EXPENDITURES			
Current:			
Economic development	\$ 50,500	-	\$ 50,500
	<u>\$ 6,000</u>	\$ 58,151	<u>\$ 52,151</u>
		<u>(14,600)</u>	
FUND BALANCE – Beginning		<u>\$ 43,551</u>	
FUND BALANCE – Ending			

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND - GREAT RIVER INDUSTRIAL PARK
For the Year Ended April 30, 2013

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 137,000	\$ 135,343	\$ (1,657)
EXPENDITURES			
Current:			
Economic development	\$ 50,500	\$ 59,260	(8,760)
Debt service:			
Principal	125,000	125,000	-
Interest	24,665	24,665	-
Total expenditures	<u>\$ 200,165</u>	<u>\$ 208,925</u>	<u>\$ (8,760)</u>
Deficiency of revenues under expenditures	<u>\$ (63,165)</u>	<u>\$ (73,582)</u>	<u>\$ (10,417)</u>
FUND BALANCE – Beginning		<u>(1,023,550)</u>	
FUND BALANCE – Ending		<u>\$ (1,097,132)</u>	

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND - GATEWAY INDUSTRIAL PARK
For the Year Ended April 30, 2013

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 200	\$ 506	\$ 306
 EXPENDITURES			
Current:			
Economic development	<u>50,000</u>	<u>-</u>	<u>50,000</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>\$ (49,800)</u>	\$ 506	<u>\$ 50,306</u>
 FUND BALANCE – Beginning		<u>(232,562)</u>	
 FUND BALANCE – Ending		<u>\$ (232,056)</u>	

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND - KENNEDY DRIVE
For the Year Ended April 30, 2013

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 210,000	\$ 193,621	\$ (16,379)
EXPENDITURES			
Current:			
Economic development	\$ 1,000	\$ 1,150	\$ (150)
Debt service:			
Principal	150,000	150,000	-
Interest	79,963	79,963	-
	<u>230,963</u>	<u>231,113</u>	<u>(150)</u>
Total expenditures	\$ 230,963	\$ 231,113	\$ (150)
Deficiency of revenues under expenditures	<u>\$ (20,963)</u>	\$ (37,492)	<u>\$ (16,529)</u>
FUND BALANCE -- Beginning		<u>(669,778)</u>	
FUND BALANCE -- Ending		<u>\$ (707,270)</u>	

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND - LUCKY STRIKE
For the Year Ended April 30, 2013

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 12,000	\$ 27,684	\$ 15,684
 EXPENDITURES			
Current:			
Economic development	<u>9,600</u>	<u>-</u>	<u>9,600</u>
Excess of revenues over expenditures	<u>\$ 2,400</u>	\$ 27,684	<u>\$ 25,284</u>
 FUND BALANCE – Beginning		<u>52,888</u>	
 FUND BALANCE – Ending		<u>\$ 80,572</u>	

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended April 30, 2013

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 207,176	\$ 206,688	\$ (488)
EXPENDITURES			
Current:			
General government	\$ 800	\$ 1,229	\$ (429)
Debt service:			
Principal	262,000	262,000	-
Interest	50,318	50,318	-
Total expenditures	<u>\$ 313,118</u>	<u>\$ 313,547</u>	<u>\$ (429)</u>
Deficiency of revenues under expenditures	\$ (105,942)	\$ (106,859)	\$ (917)
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (45,942)</u>	<u>\$ (46,859)</u>	<u>\$ (917)</u>
FUND BALANCE – Beginning		<u>(336,254)</u>	
FUND BALANCE – Ending		<u>\$ (383,113)</u>	

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NONMAJOR ENTERPRISE FUNDS

Economic Development Loan Fund - Accounts for the lending of low interest economic development monies to qualifying entities within the private sector.

Housing Rehabilitation Fund - Accounts for the revenue and expenses associated with the issuance and collection of housing rehabilitation loans to local home owners.

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF NET POSITION
BUSINESS-TYPE ACTIVITIES
NONMAJOR ENTERPRISE FUNDS

April 30, 2013

	<u>Economic Development Loan</u>	<u>Housing Rehabilitation</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS			
Current assets:			
Cash	\$ 72,984	\$ 334,950	\$ 407,934
Investments	165,783	77,807	243,590
Receivables, net of allowance for uncollectible amounts	<u>9,024</u>	<u>13</u>	<u>9,037</u>
Total current assets	<u>\$ 247,791</u>	<u>\$ 412,770</u>	<u>\$ 660,561</u>
Long-term receivables, net of allowance for uncollectibles	\$ -	\$ -	\$ -
Advances to other funds	<u>360,000</u>	<u>-</u>	<u>360,000</u>
Total noncurrent assets	<u>\$ 360,000</u>	<u>\$ -</u>	<u>\$ 360,000</u>
Total assets	<u>\$ 607,791</u>	<u>\$ 412,770</u>	<u>\$ 1,020,561</u>
LIABILITIES			
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION			
Restricted	<u>\$ 607,791</u>	<u>\$ 412,770</u>	<u>\$ 1,020,561</u>

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
BUSINESS-TYPE ACTIVITIES
NONMAJOR ENTERPRISE FUNDS
For the Year Ended April 30, 2013

	Economic Development Loan	Housing Rehabilitation	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Interest income	\$ 800	\$ 69	\$ 869
Miscellaneous revenue	2,000	1,500	3,500
Total operating revenues	\$ 2,800	\$ 1,569	\$ 4,369
OPERATING EXPENSES			
Administration and claims	200	20,000	20,200
OPERATING INCOME (LOSS)	\$ 2,600	\$ (18,431)	\$ (15,831)
NONOPERATING REVENUES			
Investment income	\$ 131	\$ 383	\$ 514
Total nonoperating revenues	\$ 131	\$ 383	\$ 514
INCOME (LOSS) BEFORE TRANSFERS	\$ 2,731	\$ (18,048)	\$ (15,317)
TOTAL NET POSITION - Beginning	605,060	430,818	1,035,878
TOTAL NET POSITION - Ending	\$ 607,791	\$ 412,770	\$ 1,020,561

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
NONMAJOR ENTERPRISE FUNDS
For the Year Ended April 30, 2013

	<u>Economic Development Loan</u>	<u>Housing Rehabilitation</u>	<u>Total Nonmajor Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 8,787	\$ 1,902	\$ 10,689
Other receipts	2,000	1,500	3,500
Payments to suppliers	(200)	(21,300)	(21,500)
Net cash provided (used) by operating activities	<u>\$ 10,587</u>	<u>\$ (17,898)</u>	<u>\$ (7,311)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances from other funds	<u>\$ 79,682</u>	<u>\$ -</u>	<u>\$ 79,682</u>
Net cash provided by noncapital financing activities	<u>\$ 79,682</u>	<u>\$ -</u>	<u>\$ 79,682</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	\$ 131	\$ 383	\$ 514
Purchase of investments	(165,783)	(67)	(165,850)
Net cash provided (used) by investing activities	<u>\$ (165,652)</u>	<u>\$ 316</u>	<u>\$ (165,336)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>\$ (75,383)</u>	<u>\$ (17,582)</u>	<u>\$ (92,965)</u>
CASH AND CASH EQUIVALENTS - Beginning	<u>148,367</u>	<u>352,532</u>	<u>500,899</u>
CASH AND CASH EQUIVALENTS - Ending	<u>\$ 72,984</u>	<u>\$ 334,950</u>	<u>\$ 407,934</u>
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ 2,600	\$ (18,431)	\$ (15,831)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
(Increase) decrease in receivables	7,987	1,833	9,820
Increase (decrease) in payables	-	(1,300)	(1,300)
Net cash provided (used) by operating activities	<u>\$ 10,587</u>	<u>\$ (17,898)</u>	<u>\$ (7,311)</u>

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis.

Employees Insurance Fund - Accounts for costs related to the coverage of insurance for the City employees. Revenue is from charges to user departments.

Insurance Reserve Fund - Accounts for costs related to the coverage of insurance for liability claims against the City. Revenue is primarily from property taxes transferred from other funds.

Motor Pool Fund - Provides for the purchase and maintenance of vehicles and equipment used in the operation of City Services. Revenue is from charges to user departments. Expenses include cost of labor, materials, supplies, maintenance and services.

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
 April 30, 2013

	<u>Employee Insurance</u>	<u>Insurance Reserve Fund</u>	<u>Motor Pool Fund</u>	<u>Total Internal Service Funds</u>
ASSETS				
Current assets:				
Cash	\$ 5,655,748	\$ 1,015,656	\$ 303,531	\$ 6,974,935
Accounts Receivable	-	2,707	-	2,707
Advances to other funds	2,000	-	-	2,000
	<u>\$ 5,657,748</u>	<u>\$ 1,018,363</u>	<u>\$ 303,531</u>	<u>\$ 6,979,642</u>
Noncurrent assets:				
Capital assets:				
Vehicles and equipment	\$ -	\$ -	\$ 1,059,804	\$ 1,059,804
Less accumulated depreciation	-	-	(1,038,446)	(1,038,446)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,358</u>	<u>\$ 21,358</u>
Total capital assets, net of accumulated depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,358</u>	<u>\$ 21,358</u>
Total assets	<u>\$ 5,657,748</u>	<u>\$ 1,018,363</u>	<u>\$ 324,889</u>	<u>\$ 7,001,000</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 240,485	\$ 39,146	\$ 48,966	\$ 328,597
Accrued salaries	-	2,862	5,981	8,843
Other accrued liabilities	-	255,547	-	255,547
	<u>\$ 240,485</u>	<u>\$ 297,555</u>	<u>\$ 54,947</u>	<u>\$ 592,987</u>
Total liabilities	<u>\$ 240,485</u>	<u>\$ 297,555</u>	<u>\$ 54,947</u>	<u>\$ 592,987</u>
NET POSITION				
Net investment in capital assets	\$ -	\$ -	\$ 21,358	\$ 21,358
Unrestricted	5,417,263	720,808	248,584	6,386,655
	<u>\$ 5,417,263</u>	<u>\$ 720,808</u>	<u>\$ 269,942</u>	<u>\$ 6,408,013</u>
Total net position	<u>\$ 5,417,263</u>	<u>\$ 720,808</u>	<u>\$ 269,942</u>	<u>\$ 6,408,013</u>

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
For the Year Ended April 30, 2013

	<u>Employee Insurance</u>	<u>Insurance Reserve Fund</u>	<u>Motor Pool Fund</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES				
Charges for services	\$ 3,091,201	\$ -	\$ 693,442	\$ 3,784,643
Other revenues	649	19,440	-	20,089
Total operating revenues	<u>\$ 3,091,850</u>	<u>\$ 19,440</u>	<u>\$ 693,442</u>	<u>\$ 3,804,732</u>
OPERATING EXPENSES				
Administration and claims	\$ 2,647,930	\$ 320,367	\$ -	\$ 2,968,297
Travel and motor vehicles	-	-	604,018	604,018
Depreciation	-	-	7,030	7,030
Total operating expenses	<u>\$ 2,647,930</u>	<u>\$ 320,367</u>	<u>\$ 611,048</u>	<u>\$ 3,579,345</u>
OPERATING INCOME (LOSS)	<u>\$ 443,920</u>	<u>\$ (300,927)</u>	<u>\$ 82,394</u>	<u>\$ 225,387</u>
NONOPERATING REVENUES				
Investment income	\$ 9,253	\$ 1,345	\$ 172	\$ 10,770
INCOME (LOSS) BEFORE TRANSFERS	<u>\$ 453,173</u>	<u>\$ (299,582)</u>	<u>\$ 82,566</u>	<u>\$ 236,157</u>
TRANSFERS IN	<u>-</u>	<u>377,544</u>	<u>23,668</u>	<u>401,212</u>
CHANGES IN NET POSITION	<u>\$ 453,173</u>	<u>\$ 77,962</u>	<u>\$ 106,234</u>	<u>\$ 637,369</u>
TOTAL NET POSITION - Beginning	<u>4,964,090</u>	<u>642,846</u>	<u>163,708</u>	<u>5,770,644</u>
TOTAL NET POSITION - Ending	<u>\$ 5,417,263</u>	<u>\$ 720,808</u>	<u>\$ 269,942</u>	<u>\$ 6,408,013</u>

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
GOVERNMENTAL ACTIVITIES
INTERNAL SERVICE FUNDS
For the Year Ended April 30, 2013

	<u>Employee Insurance</u>	<u>Insurance Reserve Fund</u>	<u>Motor Pool Fund</u>	<u>Total Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$ 3,091,201	\$ -	\$ 693,442	\$ 3,784,643
Other receipts	649	19,099	-	19,748
Payments to suppliers	(2,669,873)	(398,331)	(382,592)	(3,450,796)
Payments to employees	-	(56,803)	(174,394)	(231,197)
Payments for interfund services used	-	(7,500)	(22,500)	(30,000)
Net cash provided (used) by operating activities	<u>\$ 421,977</u>	<u>\$ (443,535)</u>	<u>\$ 113,956</u>	<u>\$ 92,398</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	<u>\$ -</u>	<u>\$ 377,544</u>	<u>\$ 23,668</u>	<u>\$ 401,212</u>
Net cash provided by noncapital financing activities	<u>\$ -</u>	<u>\$ 377,544</u>	<u>\$ 23,668</u>	<u>\$ 401,212</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash received for sale of vehicles and equipment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net cash provided by capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>\$ 9,253</u>	<u>\$ 1,345</u>	<u>\$ 172</u>	<u>\$ 10,770</u>

(Continued)

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
GOVERNMENTAL ACTIVITIES
INTERNAL SERVICE FUNDS
For the Year Ended April 30, 2013

	Employee Insurance	Insurance Reserve Fund	Motor Pool Fund	Total Internal Service Funds
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 431,230	\$ (64,646)	\$ 137,796	\$ 504,380
CASH AND CASH EQUIVALENTS - Beginning	5,224,518	1,080,302	165,735	6,470,555
CASH AND CASH EQUIVALENTS - Ending	\$ 5,655,748	\$ 1,015,656	\$ 303,531	\$ 6,974,935
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 443,920	\$ (300,927)	\$ 82,394	\$ 225,387
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	-	7,030	7,030
(Increase) decrease in accounts receivable	-	(341)	-	(341)
Increase (decrease) in accounts payable	(21,943)	25,491	27,725	31,273
Increase (decrease) in accrued liabilities	-	(167,758)	(3,193)	(170,951)
Net cash provided (used) by operating activities	\$ 421,977	\$ (443,535)	\$ 113,956	\$ 92,398

CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES

CITY OF EAST MOLINE, ILLINOIS
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES
SCHEDULE OF CAPITAL ASSETS *
 April 30, 2013

CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES

Land	\$ 1,888,637
Improvements other than buildings	2,081,503
Buildings	5,567,711
Vehicles and equipment	6,380,298
Infrastructure	24,530,934
Books	593,997
Construction in progress	<u>2,053,852</u>
Total capital assets used in governmental activities	<u>\$ 43,096,932</u>

INVESTMENTS IN CAPITAL ASSETS

\$ 43,096,932

* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF EAST MOLINE, ILLINOIS
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES
SCHEDULE BY FUNCTION AND ACTIVITY *

April 30, 2013

	<u>Land</u>	<u>Improvements Other Than Buildings</u>	<u>Buildings</u>	<u>Vehicles and Equipment</u>
Capital assets purchased prior to May 1, 1995, except for infrastructure	\$ 1,737,595	\$ 246,673	\$ 1,347,642	\$ 294,988
Function and Activity				
General government				
Administration	\$ -	\$ -	\$ 126,236	\$ 245,799
Public works	-	-	29,141	-
Total general governmental	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,377</u>	<u>\$ 245,799</u>
Public safety				
Police	\$ -	\$ -	\$ 257,842	\$ 1,833,349
Fire	-	-	387,245	1,998,514
Total public safety	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 645,087</u>	<u>\$ 3,831,863</u>
Public works				
Public services	\$ 14,962	\$ -	\$ 1,885,002	\$ 1,357,476
Sidewalk	-	-	-	-
Street system	95,000	-	-	93,017
Total public works	<u>\$ 109,962</u>	<u>\$ -</u>	<u>\$ 1,885,002</u>	<u>\$ 1,450,493</u>
Recreation and culture				
Parks and recreation	\$ -	\$ 1,412,096	\$ 125,647	\$ 379,122
Library	-	7,460	563,081	137,929
Total recreation and culture	<u>\$ -</u>	<u>\$ 1,419,556</u>	<u>\$ 688,728</u>	<u>\$ 517,051</u>
Economic development	<u>\$ 41,080</u>	<u>\$ 415,274</u>	<u>\$ 845,875</u>	<u>\$ 40,104</u>
Capital assets allocated to functions	<u>\$ 151,042</u>	<u>\$ 1,834,830</u>	<u>\$ 4,220,069</u>	<u>\$ 6,085,310</u>
Total capital assets used in governmental activities				

<u>Books</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 3,626,898
\$ -	\$ -	\$ -	\$ 372,035
-	93,159	-	122,300
\$ -	\$ 93,159	\$ -	\$ 494,335
\$ -	\$ -	\$ -	\$ 2,091,191
-	35,414	-	2,421,173
\$ -	\$ 35,414	\$ -	\$ 4,512,364
\$ -	\$ -	\$ -	\$ 3,257,440
-	12,528	295,522	308,050
-	24,369,438	1,644,029	26,201,484
\$ -	\$ 24,381,966	\$ 1,939,551	\$ 29,766,974
\$ -	\$ 20,395	\$ 114,301	\$ 2,051,561
593,997	-	-	1,302,467
\$ 593,997	\$ 20,395	\$ 114,301	\$ 3,354,028
\$ -	\$ -	\$ -	\$ 1,342,333
\$ 593,997	\$ 24,530,934	\$ 2,053,852	\$ 39,470,034
			<u>\$ 43,096,932</u>

* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF EAST MOLINE, ILLINOIS
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY *
For the Year Ended April 30, 2013

<u>Function and Activity</u>	<u>Land</u>	<u>Improvements Other Than Buildings</u>	<u>Buildings</u>	<u>Vehicles and Equipment</u>
Balance, May 1, 2012	\$ 2,146,137	\$ 1,181,504	\$ 5,567,711	\$ 6,340,257
Additions				
General government	\$ -	\$ -	\$ -	\$ 7,468
Public safety				
Police	-	-	-	32,573
Public works				
Street system	-	-	-	-
Sidewalks	-	-	-	-
Recreation and culture				
Library	-	-	-	-
Parks and recreation	-	899,999	-	-
Total additions	\$ -	\$ 899,999	\$ -	\$ 40,041
Dispositions				
Recreation and culture				
Library	\$ -	\$ -	\$ -	\$ -
Parks and recreation	-	-	-	-
Economic development	257,500	-	-	-
Balance, April 30, 2013	<u>\$ 1,888,637</u>	<u>\$ 2,081,503</u>	<u>\$ 5,567,711</u>	<u>\$ 6,380,298</u>

<u>Books</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 597,326	\$ 24,530,934	\$ 224,334	\$ 40,588,203
\$ -	\$ -	\$ -	\$ 7,468
-	-	-	32,573
-	-	1,644,029	1,644,029
-	-	280,522	280,522
80,738	-	-	80,738
-	-	804,966	1,704,965
<u>\$ 80,738</u>	<u>\$ -</u>	<u>\$ 2,729,517</u>	<u>\$ 3,750,295</u>
\$ 84,067	\$ -	\$ -	\$ 84,067
-	-	899,999	899,999
-	-	-	257,500
<u>\$ 593,997</u>	<u>\$ 24,530,934</u>	<u>\$ 2,053,852</u>	<u>\$ 43,096,932</u>

* This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

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City of East Moline Statistical Section

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<i>These schedules contain trend information to help understand how the City of East Moline's financial performance and well being have changed over time.</i>	
Revenue Capacity	139
<i>These schedules contain information to help assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	148
<i>These schedules present information to help assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	154
<i>These schedules offer demographic and economic indicators to help understand the environment which the City's financial activities take place.</i>	
Operating Information	156
<i>These schedules contain service and infrastructure data to help understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

**City of East Moline
Financial Trends**

CITY OF EAST MOLINE

Net Position by Component

Last ten fiscal years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Net Investment in Capital Assets	\$19,055,456	\$16,611,439	\$12,961,303	\$14,818,819	\$14,489,752	\$13,909,770	\$16,526,483	\$16,118,280	\$15,294,878	\$12,417,502
Restricted	\$2,909,625	\$4,550,569	\$405,134	\$577,595	\$643,219	\$498,050	\$1,343,571	\$1,461,788	\$1,413,003	\$3,715,903
Unrestricted	\$5,687,095	\$4,672,118	\$4,988,131	\$5,700,245	\$6,600,809	\$6,752,621	\$2,761,429	\$1,009,921	\$516,086	\$1,476,227
Total governmental activities net position	\$27,652,176	\$25,834,126	\$18,354,568	\$21,096,659	\$21,733,780	\$21,160,441	\$20,631,483	\$18,589,989	\$17,223,967	\$17,609,632
Business-type Activities										
Net Investment in Capital Assets	\$22,455,852	\$21,364,312	\$17,103,618	\$15,752,286	\$18,536,948	\$19,668,022	\$12,097,934	\$18,873,890	\$18,998,484	\$18,433,013
Restricted	\$1,146,806	\$1,162,505	\$1,627,169	\$6,069,448	\$10,808,558	\$1,570,684	\$9,633,728	\$2,753,278	\$3,466,696	\$3,688,961
Unrestricted	\$7,826,996	\$6,270,321	\$7,565,743	-\$425,620	-\$6,937,827	\$2,036,727	\$1,532,458	\$2,076,688	\$1,756,958	\$1,928,821
Total business-type activities net position	\$31,429,654	\$28,797,138	\$26,296,530	\$21,396,114	\$22,407,679	\$23,275,433	\$23,264,120	\$23,703,856	\$24,222,138	\$24,050,795
Primary Government										
Net Investment in Capital Assets	\$41,511,308	\$37,975,751	\$30,064,921	\$30,571,105	\$33,026,700	\$33,577,792	\$28,624,417	\$34,992,170	\$34,293,362	\$30,850,515
Restricted	\$4,056,431	\$5,713,074	\$2,032,303	\$6,647,043	\$11,451,777	\$2,068,734	\$10,977,299	\$4,215,066	\$4,879,699	\$7,404,864
Unrestricted	\$13,514,091	\$10,942,439	\$12,553,874	\$5,274,625	-\$337,018	\$8,789,348	\$4,293,887	\$3,086,609	\$2,273,044	\$3,405,048
Total Primary Government net position	\$59,081,830	\$54,631,264	\$44,651,098	\$42,492,773	\$44,141,459	\$44,435,874	\$43,895,603	\$42,293,845	\$41,446,105	\$41,660,427

CITY OF EAST MOLINE
Changes in Net Position, last ten years
 (accrual basis of accounting)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental Activities										
General Government	\$ 704,666	\$ 1,005,490	\$ 961,755	\$ 757,643	\$ 804,614	\$ 671,284	\$ 576,845	\$ 563,479	\$ 674,803	\$ 740,447
Public Safety	\$ 10,345,647	\$ 10,283,348	\$ 10,567,621	\$ 8,930,733	\$ 8,463,943	\$ 8,521,695	\$ 7,236,885	\$ 7,289,761	\$ 7,174,232	\$ 6,825,441
Public Works	\$ 3,752,338	\$ 3,316,560	\$ 3,637,249	\$ 3,538,665	\$ 3,877,032	\$ 4,224,674	\$ 3,163,009	\$ 3,019,022	\$ 2,944,312	\$ 2,673,955
Recreation and culture	\$ 1,613,717	\$ 1,559,238	\$ 1,731,393	\$ 1,667,605	\$ 1,544,458	\$ 1,564,117	\$ 1,527,975	\$ 1,525,851	\$ 1,441,480	\$ 1,346,029
Economic development	\$ 479,794	\$ 737,784	\$ 868,242	\$ 1,402,932	\$ 1,167,637	\$ 455,388	\$ 667,135	\$ 744,991	\$ 1,658,583	\$ 274,579
Interest on long term debt	\$ 263,041	\$ 336,647	\$ 392,628	\$ 480,095	\$ 465,768	\$ 483,278	\$ 521,717	\$ 550,284	\$ 618,325	\$ 674,404
Total Governmental Activities	\$ 17,159,203	\$ 17,239,067	\$ 18,158,888	\$ 16,757,673	\$ 16,323,452	\$ 15,920,436	\$ 13,693,566	\$ 13,793,388	\$ 14,511,735	\$ 12,534,855
Business-Type Activities										
Waterworks & Sewerage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,534,380	\$ 7,240,382	\$ 7,079,615	\$ 6,979,970	\$ 6,726,709
Water Treatment	\$ 4,806,188	\$ 4,889,671	\$ 4,823,255	\$ 5,644,247	\$ 5,352,395	\$ -	\$ -	\$ -	\$ -	\$ -
Waste Water Treatment	\$ 5,073,341	\$ 5,204,720	\$ 4,766,973	\$ 5,951,060	\$ 5,507,878	\$ -	\$ -	\$ -	\$ -	\$ -
Drainage	\$ 706,973	\$ 694,496	\$ 900,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Development loans	\$ 20,200	\$ 4,306	\$ 5,124	\$ 14,635	\$ 96,449	\$ 12,844	\$ 2,377	\$ 59,289	\$ 13,651	\$ 533
Total Business-Type Activities	\$ 10,606,702	\$ 10,793,193	\$ 10,486,796	\$ 11,609,942	\$ 10,958,722	\$ 8,547,224	\$ 7,242,759	\$ 7,138,904	\$ 6,993,621	\$ 6,727,242
Total Primary Government Expenses	\$ 27,765,905	\$ 28,032,260	\$ 28,654,684	\$ 28,367,615	\$ 27,282,174	\$ 24,467,660	\$ 20,936,325	\$ 20,932,292	\$ 21,505,356	\$ 19,262,097
Program Revenues										
Government Activities										
Charges for services	\$ 270,404	\$ 301,063	\$ 540,348	\$ 220,312	\$ 222,421	\$ 262,452	\$ 283,211	\$ 286,371	\$ 287,250	\$ 255,217
General Government	\$ 757,901	\$ 969,120	\$ 1,361,422	\$ 549,713	\$ 613,020	\$ 672,856	\$ 684,943	\$ 505,528	\$ 456,614	\$ 455,895
Public Safety	\$ 1,368,281	\$ 5,047,051	\$ 1,315,632	\$ 1,454,094	\$ 1,480,278	\$ 1,509,954	\$ 1,553,299	\$ 1,519,550	\$ 888,030	\$ 602,051
Public Works	\$ 680,590	\$ 600,108	\$ 597,147	\$ 598,415	\$ 595,479	\$ 709,411	\$ 523,355	\$ 534,297	\$ 475,782	\$ 497,579
Recreation and culture	\$ 34,319	\$ 43,088	\$ -	\$ 58,489	\$ 5,201	\$ 2,655	\$ 100,914	\$ 17,588	\$ 12,967	\$ 16,882
Economic development	\$ 157,258	\$ 218,705	\$ 130,773	\$ 388,714	\$ 200,296	\$ 348,602	\$ 451,655	\$ 551,776	\$ 152,825	\$ 56,450
Operating grants and contributions	\$ 1,689,279	\$ 3,951,882	\$ 549,711	\$ 498,815	\$ 456,238	\$ 43,425	\$ 54,000	\$ 335,209	\$ 806,277	\$ 749,134
Capital grants and contributions	\$ 4,958,032	\$ 11,131,017	\$ 4,495,033	\$ 3,769,552	\$ 3,572,933	\$ 3,549,355	\$ 3,651,377	\$ 3,750,319	\$ 3,079,745	\$ 2,633,018
Total Governmental Activities Program Revenues	\$ 12,841,065	\$ 13,312,172	\$ 11,691,918	\$ 10,306,905	\$ 9,623,766	\$ 7,681,670	\$ 6,167,398	\$ 6,135,382	\$ 6,445,556	\$ 6,105,016
Business-Type Activities										
Waterworks & Sewerage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,549,034	\$ 6,072,639	\$ 6,044,285	\$ 6,438,049	\$ 6,038,103
Water Treatment	\$ 4,875,257	\$ 4,615,887	\$ 4,640,258	\$ 3,988,183	\$ 3,815,288	\$ -	\$ -	\$ -	\$ -	\$ -
Waste Water Treatment	\$ 5,558,488	\$ 5,618,251	\$ 5,582,391	\$ 6,069,786	\$ 5,581,313	\$ -	\$ -	\$ -	\$ -	\$ -
Drainage	\$ 898,294	\$ 885,943	\$ 750,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Development loans	\$ 4,369	\$ 2,580	\$ 3,138	\$ 4,738	\$ 4,592	\$ 4,095	\$ 2,827	\$ 11,049	\$ 2,445	\$ 3,640
Operating grants and contributions	\$ -	\$ -	\$ 33,679	\$ 244,198	\$ 221,573	\$ 128,541	\$ 91,932	\$ 80,048	\$ 5,062	\$ 63,273
Capital grants and contributions	\$ 1,504,657	\$ 2,189,511	\$ 681,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Business-Type Activities Program Revenues	\$ 12,841,065	\$ 13,312,172	\$ 11,691,918	\$ 10,306,905	\$ 9,623,766	\$ 7,681,670	\$ 6,167,398	\$ 6,135,382	\$ 6,445,556	\$ 6,105,016
Total Primary Government Revenues	\$ 17,799,097	\$ 24,443,189	\$ 16,186,951	\$ 14,075,457	\$ 13,195,699	\$ 11,231,025	\$ 9,818,775	\$ 9,885,701	\$ 9,525,301	\$ 8,738,034

CITY OF EAST MOLINE
Changes in Net Position, last ten years
 (accrual basis of accounting)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (12,201,171)	\$ (6,108,050)	\$ (13,663,855)	\$ (12,989,121)	\$ (12,750,519)	\$ (12,371,051)	\$ (10,042,189)	\$ (10,043,069)	\$ (11,431,990)	\$ (9,901,837)
Business-type Activities	\$ 2,234,363	\$ 2,518,979	\$ 1,196,122	\$ (1,303,037)	\$ (1,334,956)	\$ (865,554)	\$ (1,075,361)	\$ (1,003,522)	\$ (548,065)	\$ (622,226)
Total Primary Government Net Expense	\$ (9,966,808)	\$ (3,589,071)	\$ (12,467,733)	\$ (14,292,158)	\$ (14,085,475)	\$ (13,236,605)	\$ (11,117,550)	\$ (11,046,591)	\$ (11,980,055)	\$ (10,524,063)
General Revenues and Other Changes in Net Position										
Governmental Activities	\$ 6,703,171	\$ 6,238,991	\$ 6,001,373	\$ 5,654,321	\$ 5,811,064	\$ 5,389,693	\$ 5,007,390	\$ 4,785,815	\$ 4,469,836	\$ 4,175,612
Property taxes	-	\$ 1,319,131	\$ 1,465,931	\$ 1,174,524	\$ 1,391,582	\$ 1,593,715	\$ 1,448,825	\$ 1,306,517	\$ 1,019,069	\$ 889,706
Replacement taxes	\$ 1,583,274	\$ 1,379,783	\$ 1,453,284	\$ 1,463,396	\$ 1,023,876	\$ 1,537,565	\$ 1,397,249	\$ 1,559,193	\$ 1,416,445	\$ 1,459,262
Utilities taxes	-	\$ 2,600,484	\$ 2,563,488	\$ 2,394,654	\$ 3,034,990	\$ 2,572,540	\$ 2,370,369	\$ 2,208,150	\$ 1,942,240	\$ 1,710,704
Sales taxes	-	\$ 2,250,965	\$ 1,658,481	\$ 1,652,905	\$ 1,887,332	\$ 2,019,151	\$ 1,848,433	\$ 1,657,721	\$ 1,493,331	\$ 1,295,901
State income taxes	\$ 1,357	\$ 2,281	\$ 2,127	\$ 777	\$ 1,700	\$ 1,524	\$ -	\$ 2,237	\$ 2,704	\$ 1,630
Admission taxes	\$ 464,784	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non home rule sales tax	\$ 5,603,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 816,806	\$ 704,143
Intergovernmental	\$ 15,921	\$ 36,407	\$ 80,845	\$ 125,319	\$ 182,472	\$ 258,313	\$ 292,569	\$ 177,812	\$ 131,073	\$ 157,938
Unrestricted investment earnings	\$ 38,598	\$ -	\$ 17,540	\$ 13,000	\$ 33,604	\$ 5,266	\$ 85,940	\$ 68,460	\$ (18,893)	\$ 229,968
Gain on sale of capital assets	\$ (391,857)	\$ 27,702	\$ 220	\$ (178,806)	\$ (42,762)	\$ (477,042)	\$ (367,898)	\$ (356,814)	\$ (554,974)	\$ (185,826)
Transfers	\$ 14,019,221	\$ 13,855,144	\$ 13,243,289	\$ 12,300,090	\$ 13,323,858	\$ 12,300,825	\$ 12,082,897	\$ 11,409,091	\$ 10,717,637	\$ 10,439,038
Total Governmental Activities	\$ 5,255	\$ 8,666	\$ 34,211	\$ 99,730	\$ 423,714	\$ 398,823	\$ 267,727	\$ 128,426	\$ 91,441	\$ 118,502
Business-type activities	\$ 1,041	\$ 665	\$ -	\$ 12,936	\$ 726	\$ 1,002	\$ -	\$ -	\$ -	\$ -
Unrestricted investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,993	\$ -
Miscellaneous	\$ 391,857	\$ (27,702)	\$ (220)	\$ 178,806	\$ 42,762	\$ 477,042	\$ 367,898	\$ 356,814	\$ 554,974	\$ 185,826
Transfers	\$ 398,153	\$ (16,371)	\$ 33,991	\$ 291,472	\$ 467,202	\$ 876,867	\$ 635,625	\$ 485,240	\$ 719,408	\$ 304,328
Total Business-type Activities	\$ 14,417,374	\$ 13,835,773	\$ 13,277,280	\$ 12,591,562	\$ 13,791,060	\$ 13,777,692	\$ 12,718,522	\$ 11,894,331	\$ 11,437,045	\$ 10,743,366
Total Primary Government	\$ 1,818,050	\$ 7,747,094	\$ (420,566)	\$ (689,031)	\$ 573,339	\$ 529,744	\$ 2,040,708	\$ 1,366,022	\$ (714,353)	\$ 537,201
Change in Net Position	\$ 2,632,516	\$ 2,500,608	\$ 1,230,113	\$ (1,011,565)	\$ (867,754)	\$ 11,313	\$ (439,736)	\$ (518,282)	\$ 171,343	\$ (317,898)
Governmental activities	\$ 4,450,566	\$ 10,247,702	\$ 809,547	\$ (1,700,596)	\$ (294,415)	\$ 541,057	\$ 1,600,972	\$ 847,740	\$ (543,010)	\$ 219,303
Business-type activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF EAST MOLINE
Fund Balances - Governmental Funds, Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Nonspendable	\$ 692,771	\$ 692,771	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	\$ 714,072	\$ 618,512	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	\$ 3,570,434	\$ 3,414,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	\$ 1,020,935	\$ 134,839	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	\$ -	\$ -	\$ 692,771	\$ 692,771	\$ 692,771	\$ 817,771	\$ 913,454	\$ 865,799	\$ 836,792	\$ 836,792
Unreserved	\$ -	\$ -	\$ 3,434,733	\$ 3,777,956	\$ 3,965,868	\$ 3,870,655	\$ 2,727,430	\$ 1,892,088	\$ 1,458,117	\$ 1,536,274
Total General Fund	\$ 5,998,212	\$ 4,860,138	\$ 4,127,504	\$ 4,470,727	\$ 4,658,639	\$ 4,563,426	\$ 3,545,201	\$ 2,805,542	\$ 2,323,916	\$ 2,373,066
All Other Governmental Funds										
Nonspendable	\$ 740,759	\$ 813,677	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	\$ 4,048,026	\$ 5,013,092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	\$ 1,225,564	\$ 1,352,459	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	\$ (5,321,212)	\$ (5,090,564)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	\$ -	\$ -	\$ 843,719	\$ 1,016,180	\$ 1,076,104	\$ 930,935	\$ 1,722,456	\$ 1,843,146	\$ 1,629,675	\$ 1,322,906
Unreserved, reported in Special revenue funds	\$ -	\$ -	\$ 124,196	\$ (1,324,647)	\$ (697,359)	\$ (434,992)	\$ (16,908)	\$ 246,799	\$ 244,346	\$ 2,595,701
Capital project funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (42,887)	\$ 60,640	\$ 689,148
Debt service funds	\$ -	\$ -	\$ (473,742)	\$ (422,814)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total All Other Governmental Funds	\$ 693,137	\$ 2,088,664	\$ 494,173	\$ (731,281)	\$ 178,745	\$ 495,943	\$ 1,705,548	\$ 2,047,058	\$ 1,934,661	\$ 4,607,755

Note: GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, implemented in Fiscal Year 2012

CITY OF EAST MOLINE
 Changes in Fund Balances - Governmental Funds, Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Taxes	\$ 8,745,507	\$ 13,356,551	\$ 13,144,984	\$ 12,340,577	\$ 13,150,544	\$ 13,114,288	\$ 12,072,286	\$ 11,519,633	\$ 10,343,625	\$ 9,532,815
Licenses, permits and fees	\$ 432,455	\$ 440,898	\$ 772,657	\$ 750,189	\$ 875,973	\$ 870,509	\$ 908,556	\$ 879,964	\$ 827,981	\$ 697,154
Intergovernmental	\$ 6,527,287	\$ 4,562,000	\$ 701,894	\$ 606,311	\$ 604,097	\$ 681,869	\$ 708,693	\$ 660,006	\$ 816,806	\$ 704,143
Charges for services and rents	\$ 1,360,814	\$ 1,319,235	\$ 1,165,324	\$ 1,118,180	\$ 1,081,593	\$ 1,075,670	\$ 1,020,765	\$ 997,446	\$ 986,277	\$ 725,363
Special assessments	\$ 2,388	\$ 3,427	\$ 5,684	\$ 479	\$ 8,515	\$ 3,544	\$ 2,021	\$ 5,281	\$ 4,689	\$ 3,656
Investment income	\$ 15,921	\$ 36,407	\$ 80,845	\$ 125,319	\$ 182,472	\$ 258,313	\$ 292,569	\$ 177,812	\$ 131,073	\$ 157,938
Fines	\$ 276,738	\$ 436,303	\$ 1,081,438	\$ 288,658	\$ 241,595	\$ 359,900	\$ 346,014	\$ 224,656	\$ 239,633	\$ 298,907
Grant	\$ 1,898,249	\$ 742,726	\$ 680,484	\$ 887,529	\$ 656,534	\$ 392,027	\$ 505,655	\$ 886,985	\$ 959,102	\$ 805,584
Miscellaneous	\$ 181,956	\$ 184,067	\$ 77,552	\$ 137,206	\$ 104,826	\$ 195,836	\$ 161,873	\$ 95,381	\$ 62,043	\$ 102,354
Total Revenues	\$ 19,441,315	\$ 21,081,614	\$ 17,720,562	\$ 16,234,448	\$ 16,905,949	\$ 16,921,956	\$ 16,016,232	\$ 15,447,764	\$ 14,371,249	\$ 13,027,914
Expenditures	\$ 461,242	\$ 514,734	\$ 501,022	\$ 515,366	\$ 565,638	\$ 597,171	\$ 523,519	\$ 565,599	\$ 560,508	\$ 660,722
General government	\$ 9,546,615	\$ 9,205,983	\$ 9,162,524	\$ 8,004,691	\$ 8,026,849	\$ 8,247,249	\$ 7,373,088	\$ 7,211,654	\$ 6,708,968	\$ 6,393,145
Public safety	\$ 3,041,223	\$ 2,631,800	\$ 2,661,563	\$ 2,735,359	\$ 3,098,461	\$ 3,383,953	\$ 2,516,269	\$ 2,289,421	\$ 2,181,919	\$ 2,043,969
Public works	\$ 1,413,315	\$ 1,355,695	\$ 1,500,071	\$ 1,479,473	\$ 1,401,618	\$ 1,375,042	\$ 1,412,222	\$ 1,367,354	\$ 1,237,214	\$ 1,217,564
Recreation and culture	\$ 465,827	\$ 723,817	\$ 851,991	\$ 1,392,640	\$ 1,164,733	\$ 440,439	\$ 666,188	\$ 739,981	\$ 1,646,230	\$ 265,640
Economic development	\$ 2,850,296	\$ 970,125	\$ 1,095,980	\$ 967,314	\$ 1,905,857	\$ 884,405	\$ 1,038,458	\$ 1,492,991	\$ 2,853,036	\$ 2,605,900
Capital expenditures	\$ 1,166,380	\$ 1,088,210	\$ 951,000	\$ 879,001	\$ 774,000	\$ 922,763	\$ 858,151	\$ 804,932	\$ 783,882	\$ 804,271
Debt Service	\$ 256,899	\$ 328,056	\$ 390,963	\$ 459,607	\$ 448,661	\$ 483,415	\$ 516,887	\$ 546,800	\$ 722,904	\$ 549,158
Principal	\$ -	\$ 45,003	\$ 81,727	\$ -	\$ 23,116	\$ -	\$ -	\$ -	\$ -	\$ 77,194
Interest	\$ 19,201,797	\$ 16,843,563	\$ 17,196,841	\$ 16,433,450	\$ 17,408,933	\$ 16,334,437	\$ 14,904,782	\$ 15,018,732	\$ 16,733,687	\$ 14,817,563
Bond issue costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 239,518	\$ 4,238,051	\$ 523,721	\$ (199,002)	\$ (502,984)	\$ 587,519	\$ 1,111,450	\$ 429,032	\$ (2,362,438)	\$ (1,589,649)
Excess of Revenues Over (Under) Expenditures	\$ -	\$ 2,469,000	\$ 5,345,000	\$ -	\$ 1,190,000	\$ -	\$ -	\$ 35,000	\$ 1,315,000	\$ 4,150,000
Other Financing Sources (Uses)	\$ -	\$ 1,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from borrowing	\$ -	\$ (9,405)	\$ (29,380)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,636)	\$ (37,219)
Premium on bonds	\$ -	\$ (2,415,955)	\$ (5,252,151)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,271,115)	\$ (1,220,000)
Discount on bonds	\$ -	\$ 183,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payment to refunding bond agent	\$ 296,098	\$ 34,717	\$ 17,540	\$ 13,000	\$ 33,604	\$ 10,075	\$ 150,340	\$ 105,960	\$ 48,730	\$ 229,968
Loan proceeds	\$ 321,706	\$ 1,156,421	\$ 2,701,242	\$ 1,297,278	\$ 1,878,187	\$ 570,555	\$ 259,361	\$ 1,385,684	\$ 989,335	\$ 332,828
Sale of property	\$ (1,114,775)	\$ (1,957,979)	\$ (2,423,741)	\$ (2,261,124)	\$ (2,820,792)	\$ (1,359,529)	\$ (1,123,002)	\$ (1,361,653)	\$ (1,437,120)	\$ (741,666)
Transfers In	\$ (496,971)	\$ (538,125)	\$ 358,510	\$ (950,846)	\$ 280,999	\$ (778,899)	\$ (713,301)	\$ 164,991	\$ (359,806)	\$ 2,713,911
Transfers Out	\$ (257,453)	\$ 3,699,926	\$ 882,231	\$ (1,149,848)	\$ (221,965)	\$ (191,380)	\$ 398,149	\$ 594,023	\$ (2,722,244)	\$ 1,124,262
Net Change In Fund Balances	8.70%	8.80%	8.20%	8.66%	7.89%	9.10%	9.92%	9.99%	10.85%	11.27%
Debt Service as a percentage of noncapital expenditures										

Note - No capital expenditures are included in any other function.

CITY OF EAST MOLINE
Police Pension Fund - Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Additions										
Employer contributions	\$ 836,859	\$ 878,524	\$ 709,342	\$ 548,793	\$ 533,518	\$ 582,831	\$ 529,842	\$ 506,172	\$ 502,328	\$ 424,519
Member contributions	\$ 298,877	\$ 254,502	\$ 250,706	\$ 256,666	\$ 229,742	\$ 187,620	\$ 179,628	\$ 175,043	\$ 172,592	\$ 170,107
Investment income (net of expenses)	\$ 1,464,910	\$ (2,711)	\$ 1,601,330	\$ 2,086,650	\$ (1,876,512)	\$ 422,508	\$ 1,721,194	\$ 1,759,077	\$ 1,007,515	\$ 1,728,322
Total Addition To Plan Net Position	\$ 2,600,646	\$ 1,130,315	\$ 2,561,378	\$ 2,892,109	\$ (1,113,252)	\$ 1,192,957	\$ 2,430,664	\$ 2,440,292	\$ 1,682,435	\$ 2,322,948
Deductions										
Benefit Payments	\$ 1,401,753	\$ 1,356,001	\$ 1,326,066	\$ 1,267,116	\$ 1,263,245	\$ 1,189,288	\$ 1,142,148	\$ 1,136,096	\$ 1,011,044	\$ 945,744
Administrative expenses	\$ 29,156	\$ 9,036	\$ 5,522	\$ 24,231	\$ 10,142	\$ 8,935	\$ 26,728	\$ 19,636	\$ 21,066	\$ 18,227
Total Deductions From Plan Net Position	\$ 1,430,909	\$ 1,365,037	\$ 1,331,588	\$ 1,291,347	\$ 1,273,387	\$ 1,198,223	\$ 1,168,876	\$ 1,155,732	\$ 1,032,110	\$ 963,971
Change in Net Position	\$ 1,169,737	\$ (234,722)	\$ 1,229,790	\$ 1,600,762	\$ (2,386,639)	\$ (5,266)	\$ 1,261,788	\$ 1,284,560	\$ 650,325	\$ 1,358,977

CITY OF EAST MOLINE
Firefighters Pension Fund - Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Additions										
Employer contributions	\$ 960,775	\$ 535,376	\$ 434,973	\$ 379,195	\$ 391,894	\$ 400,557	\$ 407,628	\$ 420,427	\$ 403,331	\$ 358,455
Member contributions	\$ 214,051	\$ 207,088	\$ 208,797	\$ 191,354	\$ 171,970	\$ 171,820	\$ 164,343	\$ 161,119	\$ 149,237	\$ 134,849
Investment income (net of expenses)	\$ 1,906,230	\$ (29,352)	\$ 1,631,268	\$ 2,793,317	\$ (2,430,084)	\$ 296,963	\$ 2,119,398	\$ 1,723,224	\$ 1,244,684	\$ 1,944,671
Total Addition To Plan Net Position	\$ 3,081,056	\$ 713,112	\$ 2,475,038	\$ 3,363,866	\$ (1,866,220)	\$ 869,340	\$ 2,691,369	\$ 2,304,770	\$ 1,797,252	\$ 2,437,975
Deductions										
Benefit Payments	\$ 1,471,768	\$ 1,365,315	\$ 1,323,098	\$ 1,283,997	\$ 1,234,704	\$ 1,083,425	\$ 1,048,274	\$ 1,004,026	\$ 913,951	\$ 837,773
Administrative expenses	\$ 28,529	\$ 24,955	\$ 22,409	\$ 51,164	\$ 33,857	\$ 25,520	\$ 21,817	\$ 18,184	\$ 27,267	\$ 9,743
Total Deductions From Plan Net Position	\$ 1,500,297	\$ 1,390,270	\$ 1,345,507	\$ 1,335,161	\$ 1,268,561	\$ 1,108,945	\$ 1,070,091	\$ 1,022,210	\$ 941,218	\$ 847,516
Change in Net Position	\$ 1,574,759	\$ (677,158)	\$ 1,129,531	\$ 2,028,705	\$ (3,134,561)	\$ (239,605)	\$ 1,621,278	\$ 1,282,560	\$ 856,034	\$ 1,590,459

CITY OF EAST MOLINE
Program Revenues by Function/Program, Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Program Revenues										
Governmental Activities:										
Charges for services	\$ 270,404	\$ 301,063	\$ 540,348	\$ 220,312	\$ 222,421	\$ 262,452	\$ 283,211	\$ 286,371	\$ 287,250	\$ 255,217
General Government	\$ 757,901	\$ 969,120	\$ 1,361,422	\$ 549,713	\$ 613,020	\$ 672,856	\$ 684,943	\$ 505,528	\$ 456,614	\$ 455,895
Public Safety	\$ 1,368,281	\$ 5,047,051	\$ 1,315,632	\$ 1,454,094	\$ 1,480,278	\$ 1,509,954	\$ 1,553,299	\$ 1,519,550	\$ 1,683,714	\$ 602,061
Public Works	\$ 680,590	\$ 600,108	\$ 597,147	\$ 598,415	\$ 595,479	\$ 709,411	\$ 523,355	\$ 534,297	\$ 496,904	\$ 497,579
Recreation and culture	\$ 34,319	\$ 43,088	\$ -	\$ 58,489	\$ 5,201	\$ 2,655	\$ 100,914	\$ 17,588	\$ 12,967	\$ 16,682
Economic development	\$ 157,258	\$ 218,705	\$ 130,773	\$ 388,714	\$ 200,296	\$ 348,602	\$ 451,655	\$ 551,776	\$ 152,825	\$ 56,450
Operating grants and contributions	\$ 1,669,279	\$ 3,951,882	\$ 549,711	\$ 498,815	\$ 456,238	\$ 43,425	\$ 54,000	\$ 335,209	\$ 806,277	\$ 749,134
Capital grants and contributions	\$ 4,958,032	\$ 11,131,017	\$ 4,485,033	\$ 3,768,552	\$ 3,572,933	\$ 3,549,855	\$ 3,651,377	\$ 3,750,319	\$ 3,896,551	\$ 2,633,018
Total Governmental Activities Program Revenues										
Business-Type Activities										
Charges for services	\$ 4,875,257	\$ 4,615,887	\$ 4,640,258	\$ 3,988,183	\$ 3,816,288	\$ 7,549,034	\$ 6,072,639	\$ 6,044,285	\$ 6,438,049	\$ 6,038,103
Waterworks & Sewerage	\$ 5,558,488	\$ 5,618,251	\$ 5,582,391	\$ 6,069,786	\$ 5,581,313	\$ -	\$ -	\$ -	\$ -	\$ -
Water Treatment	\$ 898,294	\$ 885,943	\$ 750,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Treatment	\$ 4,369	\$ 2,580	\$ 3,138	\$ 4,738	\$ 4,592	\$ 4,095	\$ 2,827	\$ 11,049	\$ 2,445	\$ 3,640
Drainage	\$ 1,504,657	\$ 2,189,511	\$ 33,679	\$ 244,198	\$ 221,573	\$ 128,541	\$ 91,932	\$ 80,048	\$ 5,062	\$ 63,273
Development loans	\$ 12,841,065	\$ 13,312,172	\$ 11,691,918	\$ 10,306,905	\$ 9,623,766	\$ 7,681,670	\$ 6,167,398	\$ 6,135,382	\$ 6,445,556	\$ 6,105,016
Operating grants and contributions	\$ 17,799,097	\$ 24,443,189	\$ 16,186,951	\$ 14,075,457	\$ 13,196,699	\$ 11,231,025	\$ 9,818,775	\$ 9,885,701	\$ 10,342,107	\$ 8,738,034
Capital grants and contributions										
Total Business-Type Activities Revenues										
Total Primary Government Revenues										

CITY OF EAST MOLINE
TAXES BY SOURCE, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending	Income Tax	Replacement Tax	Utility Tax	Property Tax	Sales Tax	Other Taxes	Total Taxes
2004	\$1,295,901	\$889,706	\$1,459,262	\$4,175,612	\$1,710,704	\$1,630	\$9,532,815
2005	\$1,493,331	\$1,019,069	\$1,416,445	\$4,469,836	\$1,942,240	\$2,704	\$10,343,625
2006	\$1,657,721	\$1,306,517	\$1,559,193	\$4,785,815	\$2,208,150	\$2,237	\$11,519,633
2007	\$1,848,433	\$1,448,825	\$1,397,249	\$5,007,390	\$2,370,389	\$0	\$12,072,286
2008	\$2,019,151	\$1,593,715	\$1,537,565	\$5,389,693	\$2,572,540	\$1,624	\$13,114,288
2009	\$1,887,332	\$1,391,582	\$1,023,876	\$5,811,064	\$3,034,990	\$1,700	\$13,150,544
2010	\$1,652,905	\$1,174,524	\$1,463,396	\$5,654,321	\$2,394,654	\$777	\$12,340,577
2011	\$1,658,481	\$1,465,931	\$1,453,284	\$6,001,373	\$2,563,488	\$2,127	\$13,144,684
2012	\$1,798,955	\$1,319,131	\$1,380,932	\$6,238,391	\$2,616,861	\$2,281	\$13,356,551
2013	\$2,015,539	\$1,346,648	\$1,583,274	\$6,703,171	\$2,698,480	\$9,447	\$14,356,559
Change 2004 to 2013	55.53%	51.36%	8.50%	60.53%	57.74%	479.57%	50.60%

**City of East Moline
Revenue Capacity**

CITY OF EAST MOLINE
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Levy Year	-----Equalized Assessed Valuation-----					Total Municipal Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential	Farm	Commercial	Industrial	Rail Road			
2003	\$151,465,778	\$235,921	\$48,541,727	\$31,192,591	\$592,591	\$1.7598	\$ 696,085,824	33.33%
2004	\$147,899,226	\$239,359	\$49,351,863	\$31,620,153	\$417,839	\$1.8690	\$ 688,585,320	33.33%
2005	\$155,018,303	\$243,762	\$50,755,115	\$28,041,560	\$540,203	\$1.8822	\$ 703,796,829	33.33%
2006	\$160,731,135	\$222,944	\$54,066,886	\$28,056,287	\$585,175	\$1.8870	\$ 730,987,281	33.33%
2007	\$169,735,082	\$204,954	\$54,614,828	\$28,848,175	\$643,778	\$1.8116	\$ 762,140,451	33.33%
2008	\$175,001,801	\$662,117	\$53,262,708	\$28,383,420	\$743,123	\$1.7738	\$ 774,159,507	33.33%
2009	\$178,663,229	\$695,966	\$55,116,032	\$28,819,376	\$891,988	\$1.8448	\$ 792,559,773	33.33%
2010	\$176,726,393	\$803,217	\$56,669,850	\$29,173,316	\$994,237	\$1.9290	\$ 793,101,039	33.33%
2011	\$174,538,404	\$806,216	\$59,337,143	\$28,987,619	\$1,191,930	\$2.1118	\$ 794,583,936	33.33%
2012	\$170,943,245	\$850,960	\$57,206,387	\$28,439,176	\$1,281,754	\$2.1150	\$ 776,164,566	33.33%

Source - Rock Island County Assessor

Note - Property in the City is reassessed each year. Property is assessed at actual value and then divided by 3 to determine the equalized assessed valuation. Rates are per \$100 of equalized assessed valuation.

CITY OF EAST MOLINE
 Direct and Overlapping Property Tax Rates
 For the Last Ten Fiscal Years

Fiscal Year End	City Direct Rates					Overlapping Rates									
	Basic Tax Rate	TIF Bonds**	Enterprise Bonds**	MFT Bonds**	Total Direct	United Twp High	Sivlis Elementary	East Moline Elementary	Hampton Elementary	Carbon Cliff	Black Hawk College	Rock Island County	RI County Forest Preserve	Ilini Hospital	
2004	\$ 1.7598	\$ 3.9004	\$ 5.1438	\$ 1.0193	\$ 11.8232	\$ 1.1026	\$ -	\$ 3.9294	\$ 0.0002	\$ 0.0008	\$ -	\$ 0.6013	\$ -	\$ 3.9828	
2005	\$ 1.8690	\$ 3.8601	\$ 4.1311	\$ 0.9411	\$ 10.8012	\$ 0.8023	\$ -	\$ 3.6661	\$ 0.0001	\$ 0.0007	\$ 0.1843	\$ 0.5789	\$ -	\$ 3.6519	
2006	\$ 1.8822	\$ 3.6637	\$ 3.6880	\$ 0.8291	\$ 10.0630	\$ 0.4767	\$ -	\$ 3.3089	\$ 0.0001	\$ 0.0046	\$ 0.1801	\$ 0.5564	\$ -	\$ 3.3374	
2007	\$ 1.8870	\$ 3.3858	\$ 6.1753	\$ 0.7059	\$ 12.1541	\$ 0.5238	\$ -	\$ 2.8689	\$ 0.0005	\$ 0.0019	\$ 0.3116	\$ 0.5029	\$ -	\$ 3.0846	
2008	\$ 1.8116	\$ 3.0944	\$ 8.8348	\$ 0.5870	\$ 14.3277	\$ 0.2603	\$ -	\$ 2.4269	\$ 0.0394	\$ 0.0048	\$ 0.2673	\$ 1.3617	\$ -	\$ 2.7164	
2009	\$ 1.7738	\$ 2.8793	\$ 8.8044	\$ 0.4863	\$ 13.9438	\$ 0.4186	\$ 0.0800	\$ 1.7298	\$ -	\$ 0.0114	\$ 0.3662	\$ 1.2728	\$ 0.2038	\$ 2.1766	
2010	\$ 1.8448	\$ 2.6714	\$ 9.2755	\$ 0.3901	\$ 12.7539	\$ 0.3950	\$ 0.0743	\$ 1.4899	\$ 0.0002	\$ 0.0097	\$ 0.3969	\$ 0.3838	\$ 0.2687	\$ 2.1482	
2011	\$ 1.9290	\$ 2.5438	\$ 9.6764	\$ 0.3001	\$ 12.8738	\$ 0.2021	\$ 0.0725	\$ 2.0404	\$ 0.0003	\$ 0.0094	\$ 0.8114	\$ 1.2193	\$ 0.1955	\$ 1.8052	
2012	\$ 2.1118	\$ 2.3302	\$ 8.3687	\$ 0.2013	\$ 11.1870	\$ 0.3733	\$ 0.4037	\$ 1.3397	\$ 0.0003	\$ 0.0090	\$ 0.6635	\$ 1.0236	\$ 0.1715	\$ 1.6752	
2013	\$ 2.1150	\$ 2.1355	\$ 8.1117	\$ 0.1044	\$ 10.5738	\$ 0.2911	\$ 0.3846	\$ 1.7080	\$ 0.0003	\$ 0.0077	\$ 0.9724	\$ 0.9900	\$ 0.1661	\$ 1.5385	

Sources Rock Island County
 City Department of Finance

Note Overlapping percentages based on 2012 EAV's

** - The City does not levy for these bond issues

CITY OF EAST MOLINE
Principal Property Tax Payers
Current Year and Nine Years Ago

		2013		2004		Percentage of Total City Taxable Assessed Valuation	
Taxpayer	Taxable Assessed Value	Rank	Percentage	Taxpayer	Taxable Assessed Value	Rank	Percentage
Deere & Company	\$ 13,272,314	1	5.13%	Deere & Company	\$ 13,984,800	1	6.10%
Fed Ex	\$ 5,025,042	2	1.94%	Robin E M Holdings	\$ 2,330,336	4	1.02%
Genva Management Service	\$ 4,573,771	3	1.77%	Edward Rose Building Co.	\$ 3,034,582	3	1.32%
Edward Rose Building Co.	\$ 3,331,538	4	1.29%	IL Housing Authority	\$ 1,884,814	6	0.82%
IL Housing Dev Auth	\$ 2,069,259	5	0.80%	USGI Inc., Deerfield Woods	\$ 1,861,472	7	0.81%
USGI Inc., Deerfield Woods	\$ 2,043,632	6	0.79%	Quad City Downs	\$ 2,058,821	5	0.90%
Quad City Downs, Inc.	\$ 1,763,965	7	0.68%	Colona House	\$ 1,334,767	9	0.58%
Kennedy Square Properties	\$ 1,472,447	8	0.57%	Leann Equities	\$ 1,251,007	10	0.55%
Oppenheimer MFH	\$ 1,465,384	9	0.57%	Moline Apartments	\$ 1,525,021	8	0.67%
Green Jill A Trust	\$ 1,434,366	10	0.55%	J. I. Case Co.	\$ 5,736,244	2	2.50%
Total 10 Largest	\$ 36,451,718		14.09%	Total 10 Largest	\$ 35,001,864		15.27%
City's Taxable EAV	\$ 258,721,522			City's Taxable EAV	\$ 229,110,601		

CITY OF EAST MOLINE
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended April 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 4,175,612	\$ 4,155,569	99.52%	20,043	\$ 4,175,612	100.00%
2005	\$ 4,469,836	\$ 4,454,192	99.65%	15,644	\$ 4,469,836	100.00%
2006	\$ 4,785,815	\$ 4,768,107	99.63%	9,572	\$ 4,777,679	99.83%
2007	\$ 4,597,910	\$ 4,571,702	99.43%	3,104	\$ 4,574,806	99.50%
2008	\$ 4,598,725	\$ 4,566,994	99.31%	26,246	\$ 4,593,240	99.88%
2009	\$ 4,628,541	\$ 4,608,315	99.56%	11,512	\$ 4,619,827	99.81%
2010	\$ 4,864,351	\$ 4,853,394	99.77%	5,064	\$ 4,858,458	99.88%
2011	\$ 5,095,917	\$ 5,092,135	99.93%	3,782	\$ 5,095,917	100.00%
2012	\$ 5,610,964	\$ 5,586,559	99.57%	-	\$ 5,586,559	99.57%
2013	\$ 5,486,403					

In Collection

Source - Tax settlement book in the County Treasurer's Office
 Total levy sheet in the County Treasurer's Office

CITY OF EAST MOLINE
Water Sold by Type of Customer
Last Ten Fiscal Years
(in thousands of gallons)

Type of Customer	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Residential	341,588	335,229	333,387	357,030	357,200	377,655	377,655	414,057	397,759	433,104
Industrial	694,425	694,947	776,994	733,363	695,766	451,343	442,224	323,298	360,440	354,763
Commercial	133,688	120,575	126,308	122,316	115,836	466,595	557,124	611,501	575,845	546,653
Total	1,169,701	1,150,752	1,236,689	1,212,709	1,168,802	1,295,594	1,377,004	1,348,857	1,334,044	1,334,520
Total Direct Rate per 1,000 Gallons \$	7.15 \$	6.75 \$	6.36 \$	5.84 \$	5.56 \$	5.31 \$	3.68 \$	3.68 \$	3.68 \$	3.61

Source: City Department of Finance Office

CITY OF EAST MOLINE
Sewer Sold by Type of Customer
Last Ten Fiscal Years
(in thousands of gallons)

Type of Customer	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Residential	343,239	337,099	329,064	381,445	357,200	397,021	377,655	397,021	385,712	419,021
Industrial	770,355	1,142,515	648,689	737,133	612,330	507,273	527,727	507,273	675,473	687,454
Commercial	137,372	124,025	115,703	122,203	115,836	101,960	114,900	101,960	83,322	76,765
Total	1,250,967	1,603,639	1,093,456	1,240,781	1,085,366	1,006,254	1,020,283	1,006,254	1,144,507	1,183,240
Total Direct Rate per 1,000 Gallons \$	5.84 \$	5.67 \$	5.51 \$	5.51 \$	5.08 \$	4.79 \$	3.09 \$	3.09 \$	3.09 \$	3.02

Source: City Department of Finance Office

CITY OF EAST MOLINE
Water and Sewer Rates
Last Ten Fiscal Years

Fiscal Year	Water		Fiscal Year	Sewer	
	Monthly Base Cost	Rate Per 1,000 Gallons		Monthly Base Cost	Rate Per 1,000 Gallons
2004	\$ 18.28	\$ 3.61	2004	\$ 15.92	\$ 3.02
2005	\$ 18.56	\$ 3.68	2005	\$ 16.20	\$ 3.09
2006	\$ 18.56	\$ 3.68	2006	\$ 16.20	\$ 3.09
2007	\$ 18.56	\$ 3.68	2007	\$ 16.20	\$ 3.09
2008	\$ 10.60	\$ 5.31	2008	\$ 9.73	\$ 4.79
2009	\$ 11.12	\$ 5.56	2009	\$ 10.16	\$ 5.08
2010	\$ 11.55	\$ 5.84	2010	\$ 10.97	\$ 5.51
2011	\$ 12.34	\$ 6.36	2011	\$ 10.97	\$ 5.51
2012	\$ 12.92	\$ 6.75	2012	\$ 11.21	\$ 5.67
2013	\$ 13.52	\$ 7.15	2013	\$ 11.47	\$ 5.84

Note - The City of East Moline adopted a lower minimum usage in 2008

Source - City Department of Finance Office

CITY OF EAST MOLINE
Sales Tax Collected by Category
Last Ten Calendar Years

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Merchandise	\$ 25,585	\$ 24,191	\$19,843	\$19,892	\$13,648	\$10,645	\$ 22,197	\$ 36,620	\$ 39,967	\$40,078
Food	\$ 328,043	\$ 319,724	\$327,654	\$309,259	\$346,615	\$335,470	\$ 303,411	\$ 293,765	\$ 260,983	\$272,481
Drinking & Eating	\$ 224,874	\$ 210,452	\$212,648	\$204,414	\$211,935	\$202,050	\$ 189,231	\$ 180,234	\$ 174,427	\$170,700
Apparel	\$ -	\$ -	\$1,503	\$0	\$944	\$0	\$ -	\$ -	\$ -	\$0
Furniture, Household	\$ 5,953	\$ 10,067	\$10,574	\$9,585	\$12,072	\$12,480	\$ 12,948	\$ 8,608	\$ 8,732	\$9,394
Lumber, Building & Hardware	\$ 44,351	\$ 32,124	\$38,114	\$33,111	\$31,041	\$49,201	\$ 52,288	\$ 33,357	\$ 36,158	\$27,553
Automotive & Gasoline	\$ 736,024	\$ 699,612	\$706,266	\$686,586	\$672,632	\$662,475	\$ 686,452	\$ 576,545	\$ 559,964	\$623,729
Drugs and other retail	\$ 275,547	\$ 279,056	\$283,720	\$313,001	\$313,270	\$311,570	\$ 277,178	\$ 227,357	\$ 202,295	\$202,160
Agriculture & Extractive	\$ 155,998	\$ 189,058	\$166,127	\$161,807	\$166,762	\$167,259	\$ 152,462	\$ 139,338	\$ 149,966	\$129,184
Manufacturers	\$ 44,619	\$ 62,894	\$25,288	\$21,982	\$26,372	\$24,693	\$ 12,998	\$ 19,319	\$ 20,358	\$16,221
Totals	\$ 1,840,994	\$ 1,827,178	\$ 1,791,737	\$ 1,759,637	\$ 1,795,281	\$ 1,775,843	\$ 1,709,165	\$ 1,515,143	\$ 1,452,850	\$ 1,491,500
City Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Note - The residents of the City of East Moline, by referendum passed an additional 0.50% sales tax which can only be used for infrastructure improvements or for property tax relief.
The annual breakdown is only for the 1.0% municipal sales tax. The 0.50% is not assessed on groceries, drugs and automobile purchases. These totals do not include the additional 0.5% infrastructure tax.

Source: Illinois Department of Revenue

CITY OF EAST MOLINE
Direct and Overlapping Sales Tax Rate
Last Ten Fiscal Years

Fiscal Year	City Rate	County Rate	State Rate	Total	
				Sales Tax Rate	Sales Tax Rate
2004	1.00%	0.25%	5.00%	6.25%	6.25%
2005	1.50%	0.25%	5.00%	6.75%	6.75%
2006	1.50%	0.25%	5.00%	6.75%	6.75%
2007	1.50%	0.25%	5.00%	6.75%	6.75%
2008	1.50%	0.25%	5.00%	6.75%	6.75%
2009	1.50%	0.25%	5.00%	6.75%	6.75%
2010	1.50%	0.25%	5.00%	6.75%	6.75%
2011	1.50%	0.25%	5.00%	6.75%	6.75%
2012	1.50%	0.25%	5.00%	6.75%	6.75%
2013	1.50%	0.25%	5.00%	6.75%	6.75%

Source: City Department of Finance Office

**City of East Moline
Debt Capacity**

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

Fiscal Year	Governmental Activities										Business-Type Activities								
	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita	Alternate Revenue		Tax Increment		Motor Fuel Tax		Capital Leases & Notes Payable		Water Bonds	Sewer Bonds	Debt Certificates	Capital Leases & Notes Payable		Total Primary Government	Percent of Personal Income ***	Per Capita
				Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds				Bonds	Bonds			
2004	\$ 655,000	0.09%	\$32.27	\$ 1,440,000	\$ 9,050,000	\$ 2,365,000	\$ 405,729	\$ 7,310,720	\$ 3,184,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$24,410,729	N/A	\$ 1,202.74
2005	\$ 515,000	0.07%	\$25.21	\$ 1,408,000	\$ 8,905,000	\$ 2,160,000	\$ 218,846	\$ 6,605,074	\$ 2,876,926	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$22,688,846	N/A	\$ 1,110.51
2006	\$ 365,000	0.05%	\$17.18	\$ 1,348,000	\$ 8,855,000	\$ 1,945,000	\$ 183,915	\$ 5,972,414	\$ 2,679,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$21,348,915	N/A	\$ 1,004.65
2007	\$ 210,000	0.03%	\$9.88	\$ 1,268,000	\$ 8,380,000	\$ 1,720,000	\$ 110,763	\$ 5,576,063	\$ 2,470,938	\$ 7,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$26,755,764	N/A	\$ 1,259.09
2008	\$ 50,000	0.01%	\$2.33	\$ 1,133,000	\$ 7,855,000	\$ 1,490,000	\$ 35,000	\$ 9,212,328	\$ 6,299,672	\$ 6,915,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$32,990,000	N/A	\$ 1,539.36
2009	\$ 1,190,000	0.15%	\$55.53	\$ 1,162,000	\$ 7,430,000	\$ 1,255,000	\$ 35,000	\$ 8,785,402	\$ 6,027,598	\$ 6,745,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$32,930,000	N/A	\$ 1,536.56
2010	\$ 1,090,000	0.14%	\$50.86	\$ 1,098,000	\$ 6,985,000	\$ 1,020,000	\$ -	\$ 9,388,500	\$ 4,823,500	\$ 8,942,630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$33,347,630	N/A	\$ 1,556.05
2011	\$ 925,000	0.12%	\$43.42	\$ 1,032,000	\$ 6,655,000	\$ 785,000	\$ -	\$ 6,641,736	\$ 11,174,764	\$ 8,501,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$37,760,272	N/A	\$ 1,772.62
2012	\$ 755,000	0.10%	\$35.29	\$ 984,000	\$ 6,135,000	\$ 530,000	\$ 165,503	\$ 11,080,769	\$ 10,182,512	\$ 2,164,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$37,750,638	N/A	\$ 1,764.46
2013	\$ 575,000	0.07%	\$26.87	\$ 893,953	\$ 5,456,389	\$ 269,909	\$ 131,123	\$ 10,428,367	\$ 9,712,385	\$ 751,983	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$34,712,429	N/A	\$ 1,622.23

Source City Finance Department, Bi-State Regional Commission

Note *** Personal income is available at the County level however not available at the City level. Using County level income would create a significant distortion in the percentage.

CITY OF EAST MOLINE

SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT

	Outstanding Debt	Applicable to the City Percent (2)	Amount
Schools			
School District No. 29	\$599,000	0.13%	\$779
School District No. 34	\$3,960,000	25.13%	\$995,148
School District No. 36	\$1,145,000	1.75%	\$20,038
School District No. 37	\$6,555,228	67.41%	\$4,418,879
U.T.H.S. District No. 30	\$1,415,000	53.23%	\$753,205
Black Hawk College District No. 503	\$32,715,000	7.69%	\$2,515,784
Other -			
Rock Island County (3)	\$24,325,000	10.53%	\$2,561,423
Rock Island Forest Preserve	\$4,080,000	10.53%	\$429,624
Genesis Medical Center (Illini Hospital)	\$7,070,000	56.30%	\$3,980,410
Metropolitan Mass Transit District	\$9,230,000	15.23%	\$1,405,729
Metropolitan Airport	\$23,675,000	13.24%	\$3,134,570
Subtotal, overlapping debt			\$20,215,589
City Direct Debt			\$7,326,374
Total Direct debt			\$27,541,963

Source -

- (1) Rock Island County
- (2) Overlapping debt percentages are based on 2012 EAV, the most current available.
- (3) Includes bonds issued by the Public Building Commission and by the County for the Nursing Home.

CITY OF EAST MOLINE
 Legal Debt Margin Information
 Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Equalized Assessed Valuation	\$ 258,721,522	\$ 264,861,312	\$ 264,367,013	\$ 264,186,591	\$ 258,053,169	\$ 254,046,817	\$ 243,662,427	\$ 234,598,943	\$ 229,528,440	\$ 232,028,608
State of Illinois Legal Debt Limit	8.625%	8.625%	8.625%	8.625%	8.625%	8.625%	8.625%	8.625%	8.625%	8.625%
Debt Limit	\$ 22,314,731	\$ 22,844,288	\$ 22,801,655	\$ 22,786,093	\$ 22,257,086	\$ 21,911,538	\$ 21,015,884	\$ 20,234,159	\$ 19,796,828	\$ 20,012,467
Total Net Debt Applicable to Limit	\$ 1,590,202	\$ 2,919,985	\$ 9,405,246	\$ 10,032,630	\$ 7,935,000	\$ 6,965,000	\$ 7,300,763	\$ 548,915	\$ 403,846	\$ 630,729
Legal Debt Margin Available	\$ 20,724,529	\$ 19,924,303	\$ 13,396,409	\$ 12,753,463	\$ 14,322,086	\$ 14,946,538	\$ 13,715,121	\$ 19,685,244	\$ 19,392,982	\$ 19,381,738
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	7.13%	12.78%	41.25%	44.03%	35.65%	31.79%	34.74%	2.71%	2.04%	3.15%

Source - City Department of Finance Office

Note - The State of Illinois legal debt limit for general obligation bonds is 8.625% of equalized assessed valuation.

CITY OF EAST MOLINE
Legal Debt Margin Information - Non-Home Rule Communities

Last Fiscal Year	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Equalized Assessed Valuation	\$ 258,721,522	\$ 264,861,312	\$ 264,367,013	\$ 264,186,591	\$ 258,053,169	\$ 254,046,817	\$ 243,662,427	\$ 234,598,943	\$ 229,528,440	\$ 232,028,608
State of Illinois Legal Debt Limit	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
Debt Limit	\$ 1,293,608	\$ 1,324,307	\$ 1,321,835	\$ 1,320,933	\$ 1,280,266	\$ 1,270,234	\$ 1,218,312	\$ 1,172,995	\$ 1,147,642	\$ 1,160,143
Total Net Debt Applicable to Limit	\$ 575,000	\$ 755,000	\$ 925,000	\$ 1,090,000	\$ 1,190,000	\$ 50,000	\$ 300,763	\$ 548,915	\$ 403,846	\$ 630,729
Legal Debt Margin Available	\$ 718,608	\$ 569,307	\$ 396,835	\$ 230,933	\$ 100,266	\$ 1,220,234	\$ 917,549	\$ 624,080	\$ 743,796	\$ 529,414
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	44.45%	57.01%	69.98%	82.52%	92.23%	3.94%	24.69%	46.80%	35.19%	54.37%

Source - City Department of Finance Office

Note - The State of Illinois legal debt limit for general obligation bonds is 0.50% of equalized assessed valuation.

Municipalities with less than 25,000 residents or that have not gained home rule status by referendum are considered non-home rule.

CITY OF EAST MOLINE
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Tax Increment Financing Funds				Enterprise Fund				
	Property Tax Increment	Debt Service		Water, Sewer, and Drainage Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
		Principal	Interest				Principal	Interest	
2004	\$ 282,142	\$ 85,000	\$ 389,686	\$ 6,038,103	\$ 5,258,862	\$ 779,241	\$ 725,000	\$ 392,615	0.697
2005	\$ 340,469	\$ 175,000	\$ 450,533	\$ 6,438,049	\$ 5,391,195	\$ 1,046,854	\$ 975,000	\$ 354,155	0.788
2006	\$ 416,516	\$ 265,000	\$ 414,400	\$ 6,044,285	\$ 5,589,878	\$ 454,407	\$ 740,000	\$ 313,940	0.431
2007	\$ 687,090	\$ 345,000	\$ 401,937	\$ 6,072,639	\$ 5,756,731	\$ 315,908	\$ 515,000	\$ 281,837	0.396
2008	\$ 779,765	\$ 395,000	\$ 388,176	\$ 7,549,034	\$ 6,621,429	\$ 927,605	\$ 620,000	\$ 595,177	0.763
2009	\$ 1,112,668	\$ 425,000	\$ 372,026	\$ 9,397,601	\$ 8,752,453	\$ 645,148	\$ 680,000	\$ 899,747	0.408
2010	\$ 1,083,104	\$ 445,000	\$ 353,292	\$ 10,057,969	\$ 10,243,640	\$ (185,671)	\$ 807,370	\$ 854,524	-0.112
2011	\$ 1,065,331	\$ 480,000	\$ 274,508	\$ 10,973,230	\$ 7,963,648	\$ 3,009,582	\$ 927,384	\$ 872,252	1.672
2012	\$ 1,097,889	\$ 555,000	\$ 232,015	\$ 11,120,081	\$ 8,392,109	\$ 2,727,972	\$ 1,145,479	\$ 909,693	1.327
2013	\$ 1,051,184	\$ 610,000	\$ 188,648	\$ 11,332,039	\$ 8,166,148	\$ 3,165,891	\$ 1,171,981	\$ 970,335	1.478

Source - City Department of Finance Office

CITY OF EAST MOLINE

**REVENUE BONDS, GENERAL OBLIGATION AND
GENERAL OBLIGATION ALTERNATE REVENUE BONDED DEBT**

Year End April 30	Sources Of Payment										Sources Of Payment					
	Motor Fuel Tax Revenue					Water-Sewer-Storm Water Revenues					Tax Increment Bonds					
	7th Street	Property Taxes	Park Fire Truck	General Municipal	Garage	Water/Sewer Plant	Municipal Garage	Water/Sewer Refunded	Storm Water	Water Plant	Water Plant Refunded	North Hill	Great River Indus Park	Riverfront "The Quarter"	Kennedy Drive	Riverfront "The Quarter"
2014	\$270,000	\$185,000		\$84,000		\$75,000	\$126,000	\$400,000	\$189,492	\$120,781	\$470,000	\$130,000	\$130,000	\$135,000	\$170,000	\$80,000
2015		\$190,000		\$84,000		\$75,000	\$126,000	\$395,000	\$196,766	\$120,982	\$490,000	\$140,000	\$135,000	\$150,000	\$185,000	\$80,000
2016		\$200,000		\$86,000		\$110,000	\$129,000	\$610,000	\$204,290	\$121,184	\$305,000	\$135,000	\$145,000	\$155,000	\$205,000	\$85,000
2017				\$88,000		\$115,000	\$132,000	\$620,000	\$161,435	\$121,389	\$320,000		\$145,000	\$170,000	\$225,000	\$85,000
2018				\$88,000		\$115,000	\$132,000	\$630,000		\$121,596	\$330,000		\$185,000	\$185,000	\$245,000	\$85,000
2019				\$90,000		\$120,000	\$135,000	\$650,000		\$121,806	\$340,000		\$195,000	\$195,000	\$270,000	\$85,000
2020				\$92,000		\$125,000	\$138,000	\$655,000		\$122,018	\$360,000		\$215,000	\$215,000	\$290,000	\$90,000
2021				\$94,000		\$130,000	\$141,000	\$675,000		\$122,233	\$375,000		\$230,000	\$230,000	\$320,000	\$90,000
2022				\$96,000		\$130,000	\$144,000	\$700,000		\$122,451	\$390,000				\$345,000	\$95,000
2023				\$100,000		\$550,000	\$150,000			\$122,672						\$100,000
2024						\$575,000				\$122,895						
2025						\$605,000				\$123,121						
2026						\$630,000				\$123,350						
2027						\$660,000				\$123,582						
2028						\$690,000				\$123,817						
2029						\$725,000				\$124,054						
2030						\$755,000				\$124,295						
2031						\$790,000				\$124,539						
2032						\$830,000				\$9,931						
2033																
2034																
Totals	\$270,000	\$575,000	\$902,000	\$902,000	\$1,353,000	\$7,800,000	\$5,335,000	\$2,216,696	\$405,000	\$555,000	\$1,435,000	\$2,255,000	\$875,000			

City of East Moline
Demographic and Economic Information

CITY OF EAST MOLINE
Demographic and Economic Statistics
Last Ten Calendar Years

Year	City Population	City Personal Income** (in thousands)	City Per Capita Personal Income**	City Unemployment Rate**
2003	21,076	\$ 4,325,703	\$ 27,695	6.00%
2004	20,988	\$ 4,560,218	\$ 30,300	5.40%
2005	21,060	\$ 4,651,702	\$ 31,272	4.80%
2006	20,955	\$ 4,970,980	\$ 33,167	4.80%
2007	20,988	\$ 5,246,132	\$ 36,208	4.80%
2008	20,856	\$ 5,800,811	\$ 37,535	5.60%
2009	20,867	\$ 5,497,868	\$ 37,545	9.10%
2010	21,302	\$ 5,708,393	\$ 37,056	9.60%
2011	21,395	\$ 5,774,185	\$ 39,132	8.20%
2012	21,398	N/A	N/A	7.80%

Source - Bi-State Regional Commission
 United States Census Bureau
 United States Department of Commerce
 Bureau of Economic Analysis
 Illinois Department of Employment Security

**Note - County level personal income, per capita, and unemployment rate are shown since City level information was not available.

**CITY OF EAST MOLINE
Principal Employers
Current Year and Nine Years Ago**

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
John Deere Harvester	2,200	1	24.29%	2,020	1	21.83%
Illini Hospital	690	2	7.62%	850	2	9.19%
East Moline Elementary	440	3	4.86%	240	6	2.59%
Standard Forwarding	285	4	3.15%			
East Moline Correctional	270	5	2.98%	249	5	2.69%
4C Solutions	250	6	2.76%	140	8	1.51%
United Township High School	230	7	2.54%	250	4	2.70%
Jacobson Warehouse	200	8	2.21%			
Aramark	150	9	1.66%	100	10	1.08%
Duke & Son, Inc., HC	140	10	1.55%	123	9	1.33%
Johnson Contracting				200	7	2.16%
Metrobank				267	3	2.89%
Total City-wide Employment	9,056			9,254		

**Source - 2013 Illinois Manufacturers Directory
2013 Illinois Services Directory
Telephone Calls
Speer Financial**

**City of East Moline
Operating Information**

CITY OF EAST MOLINE
Full-time equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government										
Management Services	19	19	20	20	20	20	20	18	23	23
Finance	4	5	5	5	5	5	6	6	5	5
Development & Planning	0	0	1	1	2	2	2	1	2	2
Inspections	3	3	3	3	3	3	3	3	3	3
Other	5	5	5	6	6	6	6	6	8	8
Police										
Officers	37	37	39	40	39	39	38	36	36	36
Civilians	9	9	11	10	10	10	10	13	11	11
Fire										
Firefighters	35	34	34	35	33	33	34	34	32	32
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works										
Garbage collection	4	4	4	4	4	4	4	5	4	4
Street and bridge	4	4	5	4	4	4	5	8	7	7
Motor pool	3	4	5	5	5	4	4	4	4	4
Parks and Recreation										
Library	14	14	14	14	14	15	15	15	15	15
Water										
Water plant	9	14	10	10	10	9	9	11	9	9
Water distribution	6	9	6	6	6	5	5	6	5	5
Sewer										
Sewer plant	13	14	13	13	13	12	14	14	14	14
Sewer collection	4	3	4	4	4	5	4	4	4	4
Drainage	3	3	3	5	5	3	3	3	3	3
Total	176	186	187	190	188	184	187	193	190	190
Per audit	176	186	187	190	188	170	187	193	190	190

Source - City Department of Finance

CITY OF EAST MOLINE
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Police - reported on a calendar year basis										
Calls answered	22445	22623	23646	25143	26943	27773	26359	24569	25143	
Incident numbers	6104	7026	7212	9036	8948	9853	9728	8258	9036	
Cases investigated	954	879	950	852	859	780	835	819	852	
Arrests	894	1035	1115	1481	1655	1375	1503	1349	1481	
Traffic stops	2391	2797	2833	3435	3438	4590	4315	2971	3435	
Traffic citations	1620	2126	2159	3227	2983	4403	5531	3065	3227	
Community Service Officer Calls	1308	1268	1302	693	1395	1147	1312	896	693	
Fire - Reported on a calendar year basis										
Total incidents	2772	2932	2964	2857	2713	2306	2181	2474	2237	
Fire calls	86	91	81	102						
Residential fires	18	23			20	22	29	28	22	
Commercial fires	2				5	4	3	9	4	
Other fires	13	5	3	3	55	67	81	59	42	
Rescue/emergency medical	2036	2194	2280	2095	2027	1698	1516	1786	1695	
False alarms	130	130	154	146	141	115	120	115	104	
Mutual aid calls			46		17	36	22	16	8	
Haz-mat responses	36	37	273	64	32	18	11	14	21	
Good Intent Call	312	298		222	41	35	23	28	35	
Other hazardous responses				4						
Other responses	152	34	127	129	375	311	376	419	394	
Total Property Damage	\$628,400	\$502,710	\$340,190	\$172,850				\$199,350		
Public Works - Reported on a calendar year basis										
Garbage Users			6600	6307	6337					
Garbage collection - Tons	5850	5458	5957	6524.76	6691	6451	6644	9969	6242	
Yard Waste - Tons	709	173	236	285.92	423	310	246	184	285	
Bulky Collection - Tons	974	489	696	852.25	806	933	1086	765	912	
Recycling Drop Off - Tons	243	369	347	389.9	959	442	379	290	320	
Parks and Recreation - Reported on a calendar year basis										
Shelter reservations	246	304	306	305	249	356	320	334	314	
Library										
Books loaned	87056	85288	144013	135518	135200	140807	139770	142803	136143	
Other formats loaned	63875	53458	16897	18435	16867	15961	16630	18067	16271	
Questions answered	16901	17129	16805	16277	16133	15794	15179	15246	14898	
Card holders	9968	10484	10022	9592	10975	9706	10982	9893	9812	
Attendance	122211	120336	130755	137912	136716	137938	140296	139426	141053	
Website hits	668862	596579	276414							
Water										
Customers	14	6894	7047	6903	6894	6870	6570	6576	6575	
Main breaks	14	20	37	30	28	43	31	31		
Average daily consumption (1000 Gallons)	4200	4600	4519	4522	4280	4122	4480	4510	4760	
Peak daily consumption (1000 Gallons)	6208	6600	6408	6204	6717	6810	7410	7510	7460	
Waste Water										
Customers	4400	5149	6859	6815	6785	6712	6454	6452	6437	
Avg daily treatment - (1000 Gallons)		5800	5600	6558	5700	4625	3300	3700	4800	

Source - Various City Departments

CITY OF EAST MOLINE
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Neighborhood stations	4	4	4	4	4	4	4	4	4	4
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Pumpers	3	4	4	4	4	4	4	4	4	4
Quints	1	1	1	1	1	1	1	1	1	1
Telesquirts	-	2	2	2	2	2	2	2	2	2
Other vehicles	4	4	4	4	4	4	4	4	3	3
Public Works										
Garbage trucks	4	5	5	5	5	5	5	5	5	5
Streets (miles)	87	87	80	80	80	80	7	77	76	76
Streets with curb & gutter	64	64	64	64	61	60	57	57	57	57
Street lights	2,000	2,000	2000	2000	2,000	2,000	2,000	2,000	2,000	2,000
Traffic signals	27	27	27	27	27	27	27	27	27	23
Alleys (miles)	14	14	12	12	12	12	12	12	12	12
Parks and Recreation										
Parks	18	18	18	18	18	18	18	18	18	18
Park acreage	238	238	238	238	238	238	238	238	238	238
Bicycle paths (miles)	3.8	3.8	3	3	3	3	3	3	3	3
Swimming pools	1	1	1	1	1	1	1	1	1	1
Baseball/softball fields	15	15	15	15	15	15	15	15	15	15
Soccer/football fields	10	10	10	10	10	10	10	10	10	0
Disc Golf Course	1	1	1	1	1	1	1	1	1	1
Cricket Field	1	1	1	1	1	1	1	1	1	1
Library										
Buildings	1	1	1	1	1	1	1	1	1	1
Books in collection	58,352	57,921	57,200	57,097	57,741	57,816	63,070	65,407	62,257	60,277
Water										
Treatment capacity (1000 gallons)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Water mains (miles)	110	110	92	92	92	92	92	92	92	92
Pump stations	2	2	3	3	3	3	3	3	3	3
Storage capacity (1,000 gal)	4,000	4,000	4350	5350	5,350	5,350	5,350	5,350	5,350	5,350
Waste Water										
Sanitary sewer (miles)	87	87	85	80	80	80	80	80	80	80
Treatment capacity (1000 gallons)	11,100	11,100	11,100	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Lift Stations	6	6	6	5	5	5	5	5	5	4

Source - Respective City Departments

CITY OF EAST MOLINE
United Township High School Operating Statistics
Last Nine Fiscal Years

Fiscal Year End	Expenses*	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
2005	\$ 17,756,177	1,846	\$ 9,619	N/A	113	16.34	85.24%
2006	\$ 16,814,070	1,842	\$ 9,128	-5.10%	109	16.90	91.71%
2007	\$ 16,978,156	1,780	\$ 9,538	4.49%	109	16.33	93.62%
2008	\$ 17,160,779	1,781	\$ 9,635	1.02%	110	16.19	89.16%
2009	\$ 18,139,434	1,718	\$ 10,558	9.58%	111	15.48	91.08%
2010	\$ 18,598,584	1,713	\$ 10,857	2.83%	109	15.72	93.00%
2011	\$ 19,129,859	1,664	\$ 11,486	5.89%	106	15.70	98.52%
2012	\$ 19,249,859	1,679	\$ 11,465	-0.27%	102	16.46	99.38%
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Net of TRS On-Behalf payments

N/A - Not available

Source United Township High School

CITY OF EAST MOLINE
East Moline Elementary School District Operating Statistics
Last Nine Fiscal Years

Fiscal Year End	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
2005	\$ 20,180,203	2,432	\$ 8,298	N/A	165	14.74	95.10%
2006	\$ 21,078,116	2,436	\$ 8,653	4.28%	153	15.92	95.30%
2007	\$ 21,635,836	2,508	\$ 8,627	-0.30%	159	15.77	95.20%
2008	\$ 24,654,832	2,517	\$ 8,841	2.48%	163	18.3	95.00%
2009	\$ 24,967,180	2,453	\$ 9,468	7.09%	177	16.4	94.90%
2010	\$ 25,972,311	2,529	\$ 10,425	10.11%	178	16.5	94.60%
2011	\$ 27,114,452	2,597	\$ 10,347	-0.75%	171	17.4	94.80%
2012	\$ 28,067,827	2,560	\$ 10,007	-3.29%	177	16.6	95.20%
2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source East Moline Elementary School District

CITY OF EAST MOLINE
Silvis Elementary School Operating Statistics
Last Nine Fiscal Years

Fiscal Year End	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
2005	\$ 5,056,542	659	\$ 7,377		43	15.3	94.70%
2006	\$ 5,010,102	659	\$ 7,249	-1.74%	43	15.3	95.00%
2007	\$ 5,131,026	660	\$ 7,418	2.33%	42	15.7	95.40%
2008	\$ 5,266,861	677	\$ 7,600	2.45%	43	15.7	94.60%
2009	\$ 6,364,813	671	\$ 8,019	5.51%	45	14.9	94.60%
2010	\$ 5,828,580	651	\$ 8,778	9.47%	41	15.9	95.20%
2011	\$ 6,239,591	635	\$ 7,788	-11.28%	42	15.1	94.80%
2012	\$ 13,891,747	606	\$ 7,939	1.94%	42	14.4	95.20%
2013	Not Available						

Note: Cost per pupil is based on operating expenditures per pupil

Source Silvis Elementary School District

CITY OF EAST MOLINE, ILLINOIS

BUILDING PERMITS AND CONSTRUCTION VALUES Last Ten Fiscal Years

Fiscal Year	Number of Permits													Total Value	Permit Revenue	Contractor Registration
	Building	Curb Cuts	Electrical	Mechanical	Plumbing	Signs	Demolition	Enterprise Zone	Total Permits	Total Value	Permit Revenue	Contractor Registration				
2013	424	25	121	129	191	8	8	38	944	\$5,312,404	\$92,016	345				
2012	468	27	131	123	223	13	10	0	995	\$27,318,041	\$87,290	458				
2011	566	44	112	136	219	8	9	0	1,094	\$21,917,557	\$157,441	398				
2010	469	42	70	108	187	4	10	49	939	\$19,026,224	\$140,180	385				
2009	586	32	111	176	203	8	8	0	1,124	\$38,929,843	\$81,834	464				
2008	611	42	105	144	233	12	11	81	1,239	\$30,357,849	\$116,645	409				
2007	584	43	133	151	218	19	10	88	1,246	\$10,715,613	\$100,861	424				
2006	516	36	117	127	208	20	12	20	1,056	\$9,349,836	\$95,393	425				
2005	600	55	135	157	227	20	18	0	1,212	\$21,419,435	\$138,988	414				
2004	633	65	151	223	232	19	13	0	1,336	\$13,559,773	\$110,559	404				

Source - Inspections Department
City of East Moline

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended April 30, 2013

<u>Federal/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Department of Commerce			
Economic Development - Technical Assistance (Direct)	11.303		\$ 22,162
Department of Housing and Urban Development			
Passed through Illinois Department of Commerce and Economic Opportunity			
Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228 *	B-08-DI-17-0001	\$ 1,255,455
Department of Justice			
Bulletproof Vest Partnership (Direct)	16.607		\$ 863
Department of Transportation			
Passed Through Illinois Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	10-00145-00-BT	\$ 22,927
Total Highway Planning and Construction Cluster			\$ 22,927
Highway Safety Cluster			
State and Community Highway Safety	20.600	AL2-1640-240	\$ 18,121
State and Community Highway Safety	20.600	AL-13-147	10,466
Total Highway Safety Cluster			\$ 28,587
Total Department of Transportation			\$ 51,514
Department of Homeland Security			
Homeland Security Grant Program (Direct)	97.067		\$ 3,250
Total			\$ 1,333,244

* Major Program

See notes to Schedule of Expenditures of Federal Awards.

CITY OF EAST MOLINE, ILLINOIS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended April 30, 2013

NOTE 1 – BASIS OF PRESENTATION -

The accompanying Schedule of Expenditures of Federal Awards ("the Schedule") includes the federal grant activity of the City of East Moline, Illinois under programs of the federal government for the year ended April 30, 2013. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies is included in the Schedule. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the Schedule presents only a selected portion of the operations of the City of East Moline, Illinois, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of East Moline, Illinois.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES -

Expenditures reported on the Schedule are reported on the modified accrual or accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State and Local Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue from federal awards is recognized when the City has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

NOTE 3 – SUBRECIPIENTS –

The City of East Moline, Illinois provided no federal awards to subrecipients.

NOTE 4 – INSURANCE AND NON-MONETARY ASSISTANCE –

City of East Moline, Illinois, had no insurance in effect, relating to federal funds, for the year ended April 30, 2013.

The City of East Moline, Illinois had no loans or loan guarantees, relating to federal funds, outstanding at April 30, 2013.

City of East Moline, Illinois, had no non-monetary assistance, relating to federal funds, for the year ended April 30, 2013.



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

To the Honorable Mayor and
Members of the City Council
City of East Moline, 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, each major fund, and the aggregate remaining fund information of the City of East Moline, Illinois, as of and for the year ended April 30, 2013, and the related notes to the financial statements, which collectively comprise the City of East Moline, Illinois' basic financial statements, and have issued our report thereon dated October 21, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of East Moline, Illinois' internal control over financial reporting (internal control) to determine the 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 of East Moline, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of East Moline, Illinois' 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of East Moline, Illinois' 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 determination of financial statement amounts. 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*.

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 the *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carpentier, Mitchell, Goddard & Company, L.L.C.

Moline, Illinois
October 21, 2013



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Honorable Mayor and Members
of the City Council
City of East Moline, Illinois

Report on Compliance for Each Major Federal Program

We have audited the City of East Moline, Illinois' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of East Moline, Illinois' major federal programs for the year ended April 30, 2013. The City of East Moline, Illinois' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of East Moline, Illinois' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of East Moline, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of East Moline, Illinois' compliance.

Opinion on Each Major Federal Program

In our opinion, the City of East Moline, Illinois complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2013.

Report on Internal Control Over Compliance

Management of the City of East Moline, Illinois is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of East Moline, Illinois' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of East Moline, Illinois' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Carpentier, Mitchell, Goddard & Company, L.L.C.

Moline, Illinois
October 21, 2013

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended April 30, 2013

I. Summary of Independent Auditors' Result

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> no	
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> none reported	

Noncompliance material to financial statements noted? _____ Yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?	_____ Yes	_____ <u>X</u> no	
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> none reported	

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? _____ yes X no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster	Amount Expended
14.228	Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	\$ 1,255,455

Dollar threshold used to distinguish Between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? _____ X yes _____ no

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended April 30, 2013

II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with U.S. Generally Accepted Government Auditing Standards

A. Deficiencies in Internal Control

None reported

B. Compliance Findings

None reported

III. Findings and Questioned Costs for Federal Awards

C. Deficiencies in Internal Control

None reported

D. Compliance Findings

None reported

CITY OF EAST MOLINE, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended April 30, 2013

Not applicable.

CITY OF EAST MOLINE, ILLINOIS
CORRECTIVE ACTION PLAN
For the Year Ended April 30, 2013

Not applicable.