

CITY OF EAST MOLINE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2015

CITY OF EAST MOLINE, ILLINOIS

December 31, 2015

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July 18, 2016

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 December 31, 2015. This report provides a broad view of the city's financial activities for the 2015 fiscal year and its financial position at December 31, 2015. Although addressed to elected officials and citizens of the city, this report has a number of other users including bondholders of the city, financial institutions and credit rating agencies.

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 December 31, 2015.

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 December 31, 2015, 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 December 31, 2015, 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 6.5% during fiscal year 2015.

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 2013.

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 developed a five year capital improvement plan (CIP) that is included in the annual budget process. For a project to be included in the CIP, it must involve the creation or purchase of an asset with an original cost of at least \$5,000 and a useful life of more than one year. The major categories of projects in the CIP are street, stormwater utility, water plant, water distribution, sewer plant, sewer collection, public safety and parks. 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. Those projects programmed in the first year of the CIP (i.e., the upcoming budget year) are closely scrutinized in the planning process as their funding is addressed in the annual budget.

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. As a result of the City's conservative funding policy, the City has succeeded in funding 63.60% of the Police Pension Fund and 72.82% of the Firefighter's Pension Fund, as of December 31, 2015. The percent of funding of the Police Pension Fund and the Firefighter's Pension Fund decreased compared to December 31, 2014 funding percentages of 77.09% and 85.04%, respectively. The remaining unfunded amount is being systematically funded over 30 years as part of the annual required contribution calculated by the actuary. For the fiscal year ended December 31, 2015, the City implemented GASB Statements #68 and #71 relating to accounting and financial reporting for the police and fire pension plans.

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. For the fiscal year ended December 31, 2015, the City implemented GASB Statements #68 and #71 relating to accounting and financial reporting for the IMRF pension plan.

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.

2015 Accomplishments

The City of East Moline is committed to improving services to better meet the needs of our citizens and ensuring a healthy economic outlook for all segments of our business and manufacturing community. This commitment resulted in the following accomplishments:

- ***Sewer Slip Lining.*** The City lined approximately 1.8 miles of sewers for the annual sewer slip lining program.
- ***Street Resurfacing Program.*** The City resurfaced a total of 1.8 lane miles of streets. The annual program has a positive impact upon East Moline's neighborhoods.
- ***Street Improvements.*** The City improved approximately 1.78 lane miles of streets. The improvements were made during the replacement of water mains.

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 December 31, 2014. 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,



Megan Petersen
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

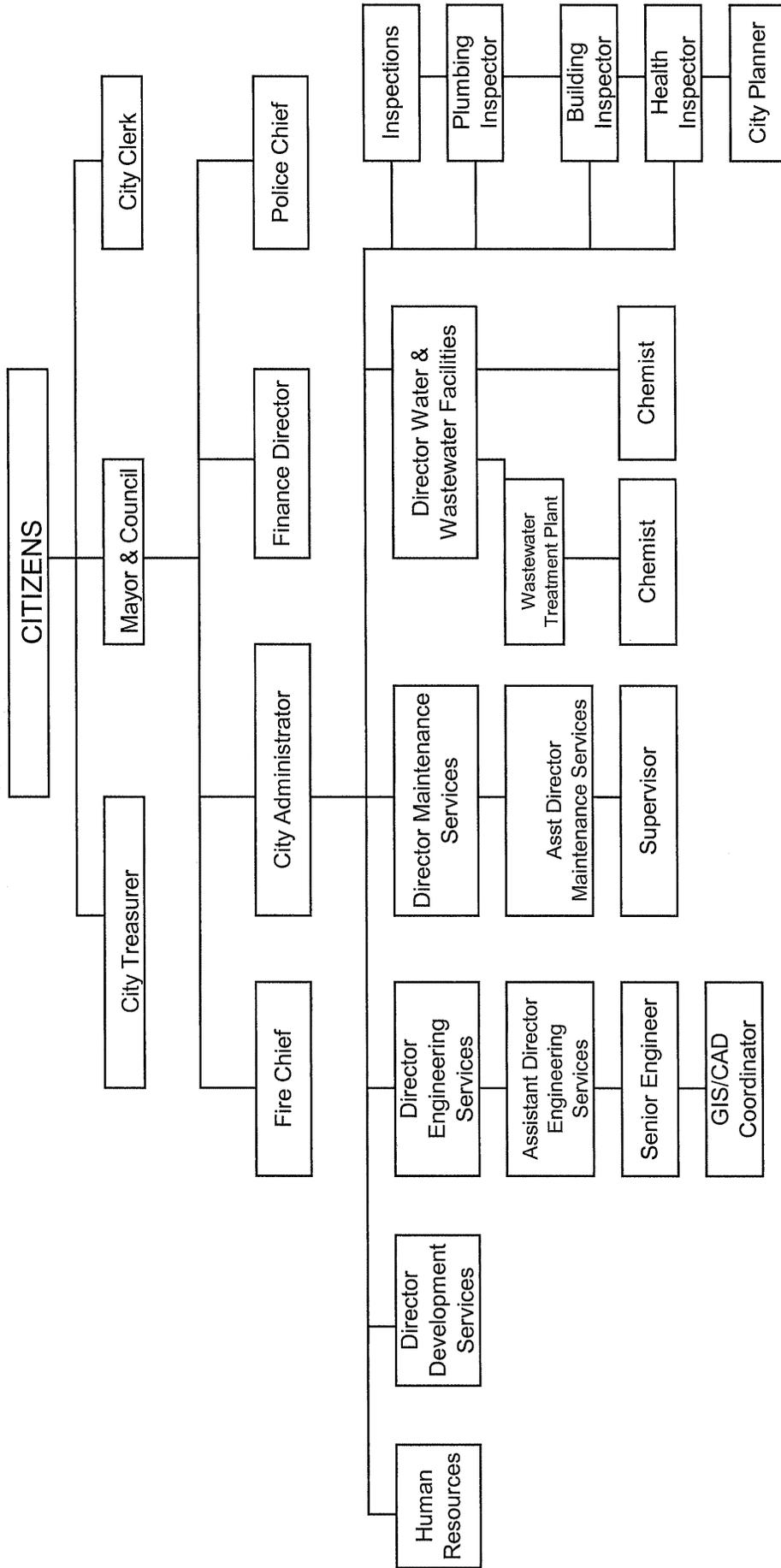
City of East Moline
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

City of East Moline
Organizational Chart 2015



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 Almlade	2nd Ward Alderman	30-Apr-19
Nancy Mulcahey	3rd Ward Alderman	30-Apr-17
Ed DeJaynes	4th Ward Alderman	30-Apr-19
Humberto Aguilar	5th Ward Alderman	30-Apr-17
Robert Cheffer	6th Ward Alderman	30-Apr-19
Gary Westbrook	7th Ward Alderman	30-Apr-17
Arletta D. Holmes	City Clerk	30-Apr-17

Administration

Darin Girdler

City Administrator

Departments

Clayton Lee	City Attorney
Megan M. Petersen	Finance
Timothy Kammler	City Engineer
John Reynolds	Chief Of Police
Robert DeFrance	Fire Chief
Dave Lambrecht	Maintenance Services
Leath Drake	Water Filtration
Leath Drake	Wastewater
Laura Long	Library



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INDEPENDENT AUDITOR'S 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Moline, Illinois, as of and for the year ended December 31, 2015, 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 City'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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Moline, Illinois as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1, the City of East Moline, Illinois adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective January 1, 2015. Net position has been restated as of December 31, 2014 as a result. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16, the budgetary comparison information on pages 103 through 110, the other postemployment benefit plan schedule of funding progress on page 111, the pension plans and other postemployment benefit plan schedules of employer contributions on pages 112 through 115, the pension plans schedule of changes in employer's net pension liability and related ratios on pages 116 through 118, and the pension plans schedule of investment returns on page 119 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 statements and individual fund budgetary schedules, 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 combining statements and individual fund budgetary schedules, and the capital asset schedules, 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 statements and individual fund budgetary schedules, and the capital asset schedules 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 statement 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 July 18, 2016, 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, LLC

Moline, Illinois
July 18, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

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 December 31, 2015. Please read it in conjunction with the transmittal letter on page i and the City's financial statements, which begin on page 17.

Financial Highlights

- The City's net position decreased from \$56,918,166 at December 31, 2014 to \$46,510,043 on December 31, 2015, a decrease of \$2,475,219 (4.3%) from current year operations and by \$7,577,845(13.3%) due to restatement of prior year liabilities.
- The Governmental activities net position decreased by \$3,444,234 (13.7%) from current year operations and by \$8,720,004 (34.7%) due to restatement of prior year liabilities to \$12,576,101 on December 31, 2015.
- The City's General Fund balance increased by \$392,408 from the fiscal year ended December 31, 2014.
- The City's General Fund actual revenues were over budgeted amounts by \$367,572 and the actual expenditures were under the budgeted amounts by \$395,743.
- The City's capital assets (net of depreciation) decreased by \$1,156,381 from \$77,842,199 at December 31, 2014.

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 17-19) 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 20. 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 17. 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, liabilities, and deferred inflows/outflows of resources 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 plus deferred outflows of resources and liabilities plus deferred inflows of resources, 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, and parks. 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.

The Statement of Net Position and Statement of Activities shown on pages 17-19 include not only the City of East Moline itself (known as the primary government), but also a legally separate Library for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

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 20 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 40-41 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 42-102 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 103.

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 120-146 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 and deferred outflows exceeded liabilities and deferred inflows by \$46,510,043 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 December 31, 2015 and 2014 is as follows:

	Governmental Activities		Difference	% Change
	12/31/2015	12/31/2014*		
Current and other assets	\$ 19,746,556	\$ 21,080,743	\$ (1,334,187)	(6.33)%
Capital assets	<u>\$ 25,238,646</u>	<u>\$ 25,745,070</u>	<u>\$ (506,424)</u>	<u>(1.97)%</u>
Total Assets	\$ 44,985,202	\$ 46,825,813	\$ (1,840,611)	(3.93)%
Total Deferred Outflows of resources	\$ 8,535,441	\$ ---	\$ 8,535,441	100.00%
Long Term Liabilities	\$ 32,169,812	\$ 12,729,853	\$ 19,439,959	152.71%
Other Liabilities	<u>\$ 2,657,660</u>	<u>\$ 2,901,816</u>	<u>\$ (244,156)</u>	<u>(8.41)%</u>
Total Liabilities	\$ 34,827,472	\$ 15,631,669	\$ 19,195,803	122.80%
Total Deferred inflows of resources	\$ 6,117,070	\$ 6,098,746	\$ 18,324	0.30%
Net Position				
Net investment in capital assets	\$ 20,501,709	\$ 19,966,908	\$ 534,801	2.68%
Restricted	\$ 1,623,335	\$ 1,869,309	\$ (245,974)	(13.16)%
Unrestricted	<u>\$ (9,548,943)</u>	<u>\$ 3,259,181</u>	<u>\$ (12,808,124)</u>	<u>(392.99)%</u>
Total Net Position	\$ 12,576,101	\$ 25,095,398	\$ (12,519,297)	(49.89)%

This summary reflects a decrease of 49.89% for Governmental Activities.

	Business-type Activities		Difference	% Change
	12/31/2015	12/31/2014*		
Current and other assets	\$ 8,636,496	\$ 7,777,211	\$ 859,285	11.05%
Capital assets	<u>\$ 51,447,172</u>	<u>\$ 52,097,129</u>	<u>\$ (649,957)</u>	<u>(1.25)%</u>
Total Assets	\$ 60,083,668	\$ 59,874,340	\$ 209,328	0.35%
Total Deferred Outflows of resources	\$ 1,295,525	\$ ---	\$ 1,295,525	100.00%
Long Term Liabilities	\$ 24,568,233	\$ 25,668,794	\$ (1,100,561)	(4.29)%
Other Liabilities	<u>\$ 2,857,613</u>	<u>\$ 2,382,778</u>	<u>\$ 474,835</u>	<u>19.93%</u>
Total Liabilities	\$ 27,425,846	\$ 28,051,572	\$ (625,726)	(2.23)%
Total Deferred inflows of resources	\$ 19,405	\$ ---	\$ 19,405	100.00%
Net Position				
Net investment in capital assets	\$ 27,829,300	\$ 26,729,014	\$ 1,100,286	4.12%
Restricted	\$ 1,147,993	\$ 898,817	\$ 249,176	27.72%
Unrestricted	<u>\$ 4,956,649</u>	<u>\$ 4,194,937</u>	<u>\$ 761,712</u>	<u>18.16%</u>
Total Net Position	\$ 33,933,942	\$ 31,822,768	\$ 2,111,174	6.63%

This summary reflects an increase of 6.63% for Business-type Activities.

Total Government

	12/31/2015	12/31/2014*	Difference	% Change
Current and other assets	\$ 28,383,052	\$ 28,857,954	\$ (474,902)	(1.65)%
Capital assets	<u>\$ 76,685,818</u>	<u>\$ 77,842,199</u>	<u>\$ (1,156,381)</u>	<u>(1.49)%</u>
Total Assets	\$ 105,068,870	\$ 106,700,153	\$ (1,631,283)	(1.53)%
Total Deferred Outflows of resources	\$ 9,830,966	\$ ---	\$ 9,830,966	100.00%
Long Term Liabilities	\$ 56,738,045	\$ 38,398,647	\$ 18,339,398	47.76%
Other Liabilities	<u>\$ 5,515,273</u>	<u>\$ 5,284,594</u>	<u>\$ 230,679</u>	<u>4.37%</u>
Total Liabilities	\$ 62,253,318	\$ 43,683,241	\$ 18,570,077	42.51%
Total Deferred inflows of resources	\$ 6,136,475	\$ 6,098,746	\$ 37,729	0.62%
Net Position				
Net investment in capital assets	\$ 48,331,009	\$ 46,695,922	\$ 1,635,087	3.50%
Restricted	\$ 2,771,328	\$ 2,768,126	\$ 3,202	0.12%
Unrestricted	<u>\$ (4,592,294)</u>	<u>\$ 7,454,118</u>	<u>\$ (12,046,412)</u>	<u>(161.61)%</u>
Total Net Position	\$ 46,510,043	\$ 56,918,166	\$ (10,408,123)	(18.29)%

*Prior year information has not been updated for the City's implementation of GASB Statement No. 68 and 71 in 2015.

This summary reflects a decrease in the total government activities of 18.29%.

A portion of the City of East Moline's net position (5.96%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets totaling (\$4,592,294) 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 17).

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 decreased by \$2,475,219 (4.35%) from current year operations while last fiscal year the net position decreased by \$987,551 (1.71%). For the current fiscal year, the governmental activities total expenses exceeded total revenues by \$3,137,469 before transfers and the business-type activities total revenues exceeded total expenses by \$662,250 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			
	12/31/2015	12/31/2014*	12/31/2015	12/31/2014*	12/31/2015	12/31/2014*
Revenues						
Program Revenues						
Charges for services	\$ 2,818,745	\$ 3,034,667	\$ 0	\$ 0	\$ 2,818,745	\$ 3,034,667
Water Treatment	\$ 0	\$ 0	\$ 5,023,839	\$ 4,937,661	\$ 5,023,839	\$ 4,937,661
Wastewater Treatment	\$ 0	\$ 0	\$ 5,762,049	\$ 5,617,043	\$ 5,762,049	\$ 5,617,043
Drainage	\$ 0	\$ 0	\$ 870,150	\$ 897,123	\$ 870,150	\$ 897,123
Development Loans	\$ 0	\$ 0	\$ 1,839	\$ 11,066	\$ 1,839	\$ 11,066
Operating grants and contributions	\$ 56,254	\$ 58,338	\$ 250,000	\$ 0	\$ 306,254	\$ 58,338
Capital grants and contributions	\$ 627,466	\$ 163,077	\$ 0	\$ 0	\$ 627,466	\$ 163,077
General Revenues						
Property taxes	\$ 6,082,899	\$ 5,981,170	\$ 0	\$ 0	\$ 6,082,899	\$ 5,981,170
Utility taxes	\$ 1,427,702	\$ 1,678,085	\$ 0	\$ 0	\$ 1,427,702	\$ 1,678,085
Sales taxes	\$ 464,744	\$ 482,759	\$ 0	\$ 0	\$ 464,744	\$ 482,759
Other taxes	\$ 3,720	\$ 3,326	\$ 0	\$ 0	\$ 3,720	\$ 3,326
Intergovernmental	\$ 6,096,949	\$ 5,728,763	\$ 0	\$ 0	\$ 6,096,949	\$ 5,728,763
Investment earnings	\$ 19,374	\$ 12,167	\$ 6,773	\$ 7,670	\$ 26,147	\$ 19,837
Gain on Sale of Assets	\$ 6,920	\$ 12,779	\$ 0	\$ 0	\$ 6,920	\$ 12,779
Total Revenues	\$17,604,773	\$17,155,131	\$11,914,650	\$11,470,563	\$29,519,423	\$28,625,694
Expenses						
General government	\$ 886,462	\$ 875,915	\$ 0	\$ 0	\$ 886,462	\$ 875,915
Public safety	\$13,411,208	\$12,102,123	\$ 0	\$ 0	\$13,411,208	\$12,102,123
Public works	\$ 3,818,995	\$ 4,127,004	\$ 0	\$ 0	\$ 3,818,995	\$ 4,127,004
Recreation and culture	\$ 1,040,607	\$ 992,293	\$ 0	\$ 0	\$ 1,040,607	\$ 992,293
Economic development	\$ 1,401,683	\$ 374,145	\$ 0	\$ 0	\$ 1,401,683	\$ 374,145
Interest on long term debt	\$ 183,287	\$ 214,882	\$ 0	\$ 0	\$ 183,287	\$ 214,882
Water Treatment	\$ 0	\$ 0	\$ 4,577,455	\$ 4,519,641	\$ 4,577,455	\$ 4,519,641
Wastewater Treatment	\$ 0	\$ 0	\$ 5,961,598	\$ 5,556,400	\$ 5,961,598	\$ 5,556,400
Drainage	\$ 0	\$ 0	\$ 710,247	\$ 716,419	\$ 710,247	\$ 716,419
Development loans	\$ 0	\$ 0	\$ 3,100	\$ 134,423	\$ 3,100	\$ 134,423
Total Expenses	\$20,742,242	\$18,686,362	\$11,252,400	\$10,926,883	\$31,994,642	\$29,613,245
Increase (Decrease) in net position before transfers	\$(3,137,469)	\$(1,531,231)	\$ 662,250	\$ 543,680	\$(2,475,219)	\$ (987,551)
Transfers	\$ (306,765)	\$ (259,744)	\$ 306,765	\$ 259,744	\$ 0	\$ 0
Increase (Decrease) in net position	\$(3,444,234)	\$(1,790,975)	\$ 969,015	\$ 803,424	\$(2,475,219)	\$ (987,551)
Net position – Beginning (Restated)	\$16,375,394	\$26,886,373	\$32,964,927	\$31,019,344	\$49,340,321	\$57,905,717
Prior Period Adjustment	\$ (355,059)	\$ 0	\$ 0	\$ 0	\$ (355,059)	\$ 0
Net Position - Ending	\$12,576,101	\$25,095,398	\$33,933,942	\$31,822,768	\$46,510,043	\$56,918,166

*Prior year information has not been updated for the City's implementation of GASB Statement No. 68 and 71 in 2015.

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 decreased the City's net position by \$3,137,469 before transfers out of \$306,765. Key elements contributing to this net change are as follows:

Revenues

For the fiscal year ended December 31, 2015, total revenues from governmental activities increased by \$449,642 (2.62%). The majority of the increase was due to a grant received from the Illinois Department of Transportation for road repairs.

Taxes received from various sources continue to play an important role in the City's revenue structure. Property taxes increased \$101,729 (1.70%). The increase in property taxes was due to an increase in the tax levy for the current year.

Expenses

For the fiscal year ending December 31, 2015 governmental activity expenses increased \$2,055,880 (11.00%). The majority of the increase was due to the declaration and pay out of a \$1.1 million surplus in the North Hill TIF and the recording of pension expense required by GASB No. 68 and 71.

Business-type Activities

Business-type activities increased the City of East Moline's net position by \$969,015, resulting in a 2.94% increase in the Net Position for Business-type activities. Key elements contributing to this net change are as follows:

Revenues

For the fiscal year ended December 31, 2015, total revenue for the business-type activities increased \$444,087 (3.87%). Under charges for services, revenue from water, sewer, and drainage billings increased by \$204,211 (1.78%). This was due to scheduled increases in water and sewer rates. The City also received a grant from the State of Illinois to rehabilitate low to moderate income households in the amount of \$250,000 which also contributed to the increase in total revenue from the prior year.

Expenses

Total expenses for the business-type activities at the end of the fiscal year were \$11,252,400 which is an increase of \$325,517 (2.98%) from the fiscal year ended December 31, 2014. The increase in expense is due to the recording of pension expense required by GASB No. 68 and 71.

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 December 31, 2015 the Governmental Funds (presented on pages 20-21) reported a combined fund balance of \$6,183,747, which is a 13.73% decrease from the beginning of the year of \$7,167,912. Of the total fund balance, the unassigned portion is \$(2,455,271). The unassigned balance indicates the amount available for continuing City services. Total assigned fund balance of the governmental funds as of December 31, 2015 was \$3,804,375 while total restricted fund balance was \$3,451,336. Note 19 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 \$392,408 from the prior year.

The City of East Moline has two other major funds, the Tax Increment Financing Fund – The Quarter (The Quarter TIF) and Motor Fuel Tax Fund. The Quarter TIF fund saw a decrease of \$193,378 in its fund balance and the Motor Fuel Tax Fund saw a decrease of \$262,267. Revenue and expenditures in The Quarter TIF Fund were consistent with the prior year. Revenue in the Motor Fuel Tax Fund increased \$258,650 and expenditures decreased \$268,618. The increase in revenue was due to the grant received from the State for road repairs. The decrease in expenditures was due to the final payment on debt service being paid during the fiscal year ended December 31, 2014.

General Fund Budgetary Highlights

Fiscal Year Ended December 31, 2015			
General Fund	Original and Final Budget	Actual	Percent of Actual to Final Budget
Revenues			
Taxes	\$ 6,026,536	\$ 5,941,284	98.59%
Licenses and Permits	183,900	214,588	116.69%
Intergovernmental Revenue	5,894,358	6,269,399	106.36%
Investment Income	5,185	9,946	191.82%
Fees and Reimbursements:			
Landfill Host Fees	---	129,979	100.00%
Other Revenue	889,600	808,875	90.93%
Total Revenues	\$ 12,999,579	\$ 13,374,071	102.88%
Expenditures	\$ 12,639,252	\$ 12,243,509	96.87%
Excess of Revenues over Expenditures	\$ 360,327	\$ 1,130,562	
Transfers	(774,262)	(738,154)	
Net Change in Fund Balance	\$ (413,935)	\$ 392,408	

The General Fund actual revenues exceeded the original and final budgeted revenue by \$374,492 for the fiscal year ended December 31, 2015. All of the revenue categories, except for taxes and other revenue, came in more than the budgeted amounts due to the conservative approach the City takes in preparing the annual budget.

The General Fund total actual expenditures were \$395,743 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 December 31, 2015, amounted to \$76,685,818 (net of depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads and highways. The total decrease in the City of East Moline's investment in capital assets (net of depreciation) for the current fiscal year was \$1,156,381, comprised by a decrease of \$506,424 in the governmental activities, a decrease of \$649,957 in the business-type activities.

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

- Purchased various vehicles for City operations
- Finished street, water and sewer improvements on numerous streets
- Purchased new mower for park maintenance

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Totals	
	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
Land	\$1,894,250	\$1,900,627	\$ 484,013	\$ 484,013	\$2,378,263	\$2,384,640
Construction In Progress	929,312	131,586	782,974	40,102	1,712,286	171,688
Improvements other than buildings	1,127,572	1,220,914	0	0	1,127,572	1,220,914
Building and System	2,783,744	3,228,100	49,204,750	50,585,890	51,988,494	53,813,990
Vehicles and equipment	1,758,312	2,044,186	975,435	987,124	2,733,747	3,031,310
Infrastructure	<u>16,745,456</u>	<u>17,219,657</u>	<u>0</u>	<u>0</u>	<u>16,745,456</u>	<u>17,219,657</u>
Totals	\$25,238,646	\$25,745,070	\$51,447,172	\$52,097,129	\$76,685,818	\$77,842,199

Additional information on the City of East Moline's capital assets can be found in Note 6 on pages 57-59 of this report.

Debt

At year-end, the City had \$59,411,516 in outstanding notes, bonds, net pension obligations and other post employment benefit obligations compared to \$41,285,748 in the prior year. That is an increase of \$18,125,768 (43.90%).

	Governmental Activities		Business-type Activities		Totals	
	<u>12/31/2015</u>	<u>12/31/2014*</u>	<u>12/31/2015</u>	<u>12/31/2014*</u>	<u>12/31/2015</u>	<u>12/31/2014*</u>
	Note Payable	\$ 135,245	\$ 209,229	\$ 34,578	\$ 68,098	\$ 169,823
General Obligation Bonds	4,601,692	5,568,933	23,583,294	25,300,017	28,184,986	30,868,950
Compensated Absences	53,929	55,680	44,974	44,240	98,903	99,920
Net pension obligation/liability	19,137,583	568,391	317,897	0	19,455,480	568,391
OPEB Obligations	<u>9,047,799</u>	<u>7,436,282</u>	<u>2,454,525</u>	<u>2,034,878</u>	<u>11,502,324</u>	<u>9,471,160</u>
Totals	\$32,976,248	\$13,838,515	\$26,435,268	\$27,447,233	\$59,411,516	\$41,285,748

*Prior year information has not been updated for the City's implementation of GASB Statement No. 68 and 71 in 2015.

At the end of the fiscal year the City of East Moline has total bonded debt outstanding of \$28,184,986. 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 A1 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 \$21,972,557 which is significantly in excess of the City of East Moline's existing general obligation debt, debt certificates and installment contracts, totaling \$434,830. Additional information on the City of East Moline's debt can be found in Note 7 on pages 59-68 of this report.

Economic Factors and the Next Years Budgets and Rates.

The City Council adopted a 4-year rate increase schedule that is effective January 1, 2015, for water and sewer users. The increase in 2016 is 12.7% for water and a 7.6% increase for sewer with varying increases for both utilities in the following 2 years.

The City anticipates that tax revenues will remain steady during the fiscal year ending December 31, 2016.

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 transferring less to the health insurance fund and reducing the amount of reserves.

All of these factors were considered in preparing the City of East Moline's budget for the December 31, 2016 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.

BASIC FINANCIAL STATEMENTS

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF NET POSITION
December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Library
ASSETS				
Cash	\$ 9,514,323	\$ 5,814,852	\$ 15,329,175	\$ 811,623
Investments	2,311,333	310,452	2,621,785	260,117
Receivables, net of allowance for uncollectibles	8,079,318	2,352,774	10,432,092	702,477
Internal balances	(158,418)	158,418	-	-
Capital assets:				
Land and construction in progress	2,823,562	1,266,987	4,090,549	45,435
Other capital assets, net of depreciation	22,415,084	50,180,185	72,595,269	547,723
Total assets	<u>\$ 44,985,202</u>	<u>\$ 60,083,668</u>	<u>\$ 105,068,870</u>	<u>\$ 2,367,375</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	\$ 8,535,441	\$ 1,295,525	\$ 9,830,966	\$ -
LIABILITIES				
Accounts payable and other current liabilities	\$ 1,783,485	\$ 737,490	\$ 2,520,975	\$ 34,600
Accrued interest payable	67,739	253,088	320,827	-
Noncurrent liabilities:				
Due within one year	806,436	1,867,035	2,673,471	-
Due in more than one year	32,169,812	24,568,233	56,738,045	-
Total liabilities	<u>\$ 34,827,472</u>	<u>\$ 27,425,846</u>	<u>\$ 62,253,318</u>	<u>\$ 34,600</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	\$ 6,105,526	\$ -	\$ 6,105,526	\$ 675,630
Pension related deferred inflows	11,544	19,405	30,949	-
Total deferred inflows of resources	<u>\$ 6,117,070</u>	<u>\$ 19,405</u>	<u>\$ 6,136,475</u>	<u>\$ 675,630</u>
NET POSITION				
Net investment in capital assets	\$ 20,501,709	\$ 27,829,300	\$ 48,331,009	\$ 593,158
Restricted for:				
Maintenance of roadways	1,565,561	-	1,565,561	-
Capital projects	57,774	-	57,774	-
Economic development loans	-	614,767	614,767	-
Housing rehabilitation	-	533,226	533,226	-
Unrestricted	(9,548,943)	4,956,649	(4,592,294)	1,063,987
Total net position	<u>\$ 12,576,101</u>	<u>\$ 33,933,942</u>	<u>\$ 46,510,043</u>	<u>\$ 1,657,145</u>

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

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

FUNCTION/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 886,462	\$ 272,521	\$ -	\$ 17,800
Public safety	13,411,208	715,029	12,552	-
Public works	3,818,995	1,264,247	15,977	609,666
Recreation and culture	1,040,607	552,641	7,874	-
Economic development	1,401,683	14,307	19,851	-
Interest on long-term debt	183,287	-	-	-
Total governmental activities	<u>\$ 20,742,242</u>	<u>\$ 2,818,745</u>	<u>\$ 56,254</u>	<u>\$ 627,466</u>
Business-type activities:				
Water treatment	\$ 4,577,455	\$ 5,023,839	\$ -	\$ -
Wastewater treatment	5,961,598	5,762,049	-	-
Drainage	710,247	870,150	-	-
Development loans	3,100	1,839	250,000	-
Total business-type activities	<u>\$ 11,252,400</u>	<u>\$ 11,657,877</u>	<u>\$ 250,000</u>	<u>\$ -</u>
Total primary government	<u>\$ 31,994,642</u>	<u>\$ 14,476,622</u>	<u>\$ 306,254</u>	<u>\$ 627,466</u>
Component unit:				
Library	<u>\$ 760,457</u>	<u>\$ 42,451</u>	<u>\$ 26,628</u>	<u>\$ -</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 (restated)

Prior period adjustment

NET POSITION, Ending

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Library
\$ (596,141)	\$ -	\$ (596,141)	\$ -
(12,683,627)	-	(12,683,627)	-
(1,929,105)	-	(1,929,105)	-
(480,092)	-	(480,092)	-
(1,367,525)	-	(1,367,525)	-
(183,287)	-	(183,287)	-
<u>\$ (17,239,777)</u>	<u>\$ -</u>	<u>\$ (17,239,777)</u>	<u>\$ -</u>
\$ -	\$ 446,384	\$ 446,384	\$ -
-	(199,549)	(199,549)	-
-	159,903	159,903	-
-	248,739	248,739	-
<u>\$ -</u>	<u>\$ 655,477</u>	<u>\$ 655,477</u>	<u>\$ -</u>
<u>\$ (17,239,777)</u>	<u>\$ 655,477</u>	<u>\$ (16,584,300)</u>	<u>\$ -</u>
			<u>\$ (691,378)</u>
\$ 6,082,899	\$ -	\$ 6,082,899	\$ 529,554
1,427,702	-	1,427,702	-
3,720	-	3,720	-
464,744	-	464,744	-
19,374	6,773	26,147	1,135
6,096,949	-	6,096,949	110,681
6,920	-	6,920	-
(306,765)	306,765	-	-
<u>\$ 13,795,543</u>	<u>\$ 313,538</u>	<u>\$ 14,109,081</u>	<u>\$ 641,370</u>
\$ (3,444,234)	\$ 969,015	\$ (2,475,219)	\$ (50,008)
16,375,394	32,964,927	49,340,321	1,352,094
(355,059)	-	(355,059)	355,059
<u>\$ 12,576,101</u>	<u>\$ 33,933,942</u>	<u>\$ 46,510,043</u>	<u>\$ 1,657,145</u>

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

CITY OF EAST MOLINE, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	General Fund	Tax Increment Financing Fund - The Quarter
ASSETS		
Cash	\$ 7,260,240	\$ -
Investments	211,782	-
Receivables	6,044,498	201,425
Advances to other funds	877,412	-
Total assets	\$ 14,393,932	\$ 201,425
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 545,239	\$ -
Fund cash deficit	-	1,704,780
Accrued liabilities	378,227	-
Advances from other funds	394,549	996,005
Total liabilities	\$ 1,318,015	\$ 2,700,785
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	\$ 4,445,606	\$ 199,601
Unavailable revenue - other taxes	488,764	-
Total deferred inflows of resources	\$ 4,934,370	\$ 199,601
FUND BALANCES		
Nonspendable	\$ 877,412	\$ -
Restricted	908,877	-
Committed	-	-
Assigned	3,128,021	-
Unassigned	3,227,237	(2,698,961)
Total fund balances	\$ 8,141,547	\$ (2,698,961)
Total liabilities, deferred inflow of resources, and fund balances	\$ 14,393,932	\$ 201,425

Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
\$ 76,196	\$ 1,292,261	\$ 8,628,697
1,804,043	295,508	2,311,333
48,077	1,725,809	8,019,809
3,685	502,210	1,383,307
<u>\$ 1,932,001</u>	<u>\$ 3,815,788</u>	<u>\$ 20,343,146</u>
\$ 366,440	\$ 56,396	\$ 968,075
-	2,153,201	3,857,981
-	22,697	400,924
-	906,796	2,297,350
<u>\$ 366,440</u>	<u>\$ 3,139,090</u>	<u>\$ 7,524,330</u>
\$ -	\$ 1,460,319	\$ 6,105,526
-	40,779	529,543
<u>\$ -</u>	<u>\$ 1,501,098</u>	<u>\$ 6,635,069</u>
\$ 3,685	\$ 502,210	\$ 1,383,307
1,561,876	980,583	3,451,336
-	-	-
-	676,354	3,804,375
-	(2,983,547)	(2,455,271)
<u>\$ 1,565,561</u>	<u>\$ (824,400)</u>	<u>\$ 6,183,747</u>
<u>\$ 1,932,001</u>	<u>\$ 3,815,788</u>	<u>\$ 20,343,146</u>

(Continued)

CITY OF EAST MOLINE, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
 December 31, 2015

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

Total fund balance - governmental funds	\$ 6,183,747
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	25,220,004
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	529,543
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.	5,162,210
Net pension liability is not reported in governmental funds.	(19,137,583)
Pension related deferred outflows not reported in governmental funds.	8,535,441
Pension related deferred inflows not reported in governmental funds.	(11,544)
Net other postemployment benefits obligation is not reported in governmental funds.	(9,047,799)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(4,857,918)</u>
Net position of governmental activities	<u><u>\$ 12,576,101</u></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 December 31, 2015

	General Fund	Tax Increment Financing Fund - The Quarter
REVENUES		
Taxes	\$ 5,941,284	\$ 187,619
Licenses, permits, and fees	344,567	-
Intergovernmental	6,269,399	-
Charges for services and rents	489,602	-
Investment income	9,946	-
Fines	198,779	-
Grant	23,398	-
Miscellaneous	90,176	-
	<u>\$ 13,367,151</u>	<u>\$ 187,619</u>
EXPENDITURES		
Current:		
General government	\$ 462,059	\$ -
Public safety	9,824,067	-
Public works	1,274,756	-
Recreation and culture	448,055	-
Economic development	37,763	89,492
Capital expenditures	196,677	-
Debt service:		
Principal	-	230,000
Interest	132	61,505
	<u>\$ 12,243,509</u>	<u>\$ 380,997</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,123,642</u>	<u>\$ (193,378)</u>
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	\$ 6,920	\$ -
Transfers in	145,600	-
Transfers out	(883,754)	-
	<u>\$ (731,234)</u>	<u>\$ -</u>
Net change in fund balances	\$ 392,408	\$ (193,378)
FUND BALANCES – Beginning	<u>7,749,139</u>	<u>(2,505,583)</u>
FUND BALANCES – Ending	<u>\$ 8,141,547</u>	<u>\$ (2,698,961)</u>

<u>Motor Fuel Tax Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 1,846,480	\$ 7,975,383
-	-	344,567
520,778	-	6,790,177
-	951,981	1,441,583
7,741	1,687	19,374
-	-	198,779
609,666	43,702	676,766
-	14,032	104,208
<u>\$ 1,138,185</u>	<u>\$ 2,857,882</u>	<u>\$ 17,550,837</u>
\$ -	\$ 172	\$ 462,231
-	-	9,824,067
526,562	1,155,723	2,957,041
-	359,839	807,894
-	1,260,461	1,387,716
873,890	171,010	1,241,577
-	822,984	1,052,984
-	117,021	178,658
<u>\$ 1,400,452</u>	<u>\$ 3,887,210</u>	<u>\$ 17,912,168</u>
<u>\$ (262,267)</u>	<u>\$ (1,029,328)</u>	<u>\$ (361,331)</u>
\$ -	\$ -	\$ 6,920
-	202,000	347,600
-	(93,600)	(977,354)
<u>\$ -</u>	<u>\$ 108,400</u>	<u>\$ (622,834)</u>
\$ (262,267)	\$ (920,928)	\$ (984,165)
<u>1,827,828</u>	<u>96,528</u>	<u>7,167,912</u>
<u>\$ 1,565,561</u>	<u>\$ (824,400)</u>	<u>\$ 6,183,747</u>

(Continued)

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 December 31, 2015

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

Net change in fund balance - total governmental funds	\$ (984,165)
<p>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.</p>	
	(150,597)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	47,016
<p>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.</p>	
	1,052,984
<p>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.</p>	
	(1,327,747)
<p>Changes in net other postemployment benefits obligations are reported only in the statement of activities.</p>	
	(1,611,517)
<p>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.</p>	
	<u>(470,208)</u>
Change in net position of governmental activities	<u>\$ (3,444,234)</u>

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

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
ASSETS			
Current assets:			
Cash	\$ 1,357,143	\$ 763,307	\$ 631,388
Investments	-	-	-
Receivables (net of allowance for uncollectibles)	377,950	374,610	572,313
Other assets	-	3,000	-
Total current assets	<u>\$ 1,735,093</u>	<u>\$ 1,140,917</u>	<u>\$ 1,203,701</u>
Noncurrent assets:			
Advances to other funds	<u>\$ 1,573,646</u>	<u>\$ 1,171,235</u>	<u>\$ 1,824,311</u>
Capital assets:			
Land	\$ -	\$ 484,013	\$ -
Buildings and system	11,056,151	29,556,775	12,806,935
Equipment and vehicles	154,281	895,595	335,812
Construction in progress	10,725	304,304	-
Less accumulated depreciation	<u>(2,285,160)</u>	<u>(17,201,142)</u>	<u>(1,864,326)</u>
Total capital assets (net of accumulated depreciation)	<u>\$ 8,935,997</u>	<u>\$ 14,039,545</u>	<u>\$ 11,278,421</u>
Total noncurrent assets	<u>\$ 10,509,643</u>	<u>\$ 15,210,780</u>	<u>\$ 13,102,732</u>
Total assets	<u>\$ 12,244,736</u>	<u>\$ 16,351,697</u>	<u>\$ 14,306,433</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	<u>\$ 282,425</u>	<u>\$ 307,039</u>	<u>\$ 379,588</u>

Enterprise Funds				Governmental Activities
Treatment		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Sewer Collection Fund	Drainage Fund			
\$ 2,146,798	\$ 572,918	\$ 343,298	\$ 5,814,852	\$ 4,743,607
-	-	310,452	310,452	-
746,000	144,560	134,341	2,349,774	59,509
-	-	-	3,000	-
<u>\$ 2,892,798</u>	<u>\$ 717,478</u>	<u>\$ 788,091</u>	<u>\$ 8,478,078</u>	<u>\$ 4,803,116</u>
<u>\$ 782,162</u>	<u>\$ -</u>	<u>\$ 360,000</u>	<u>\$ 5,711,354</u>	<u>\$ 2,000</u>
\$ -	\$ -	\$ -	\$ 484,013	\$ -
25,863,599	6,408,872	-	85,692,332	-
1,104,467	281,669	-	2,771,824	826,492
304,304	163,641	-	782,974	-
(14,416,150)	(2,517,193)	-	(38,283,971)	(807,848)
<u>\$ 12,856,220</u>	<u>\$ 4,336,989</u>	<u>\$ -</u>	<u>\$ 51,447,172</u>	<u>\$ 18,644</u>
<u>\$ 13,638,382</u>	<u>\$ 4,336,989</u>	<u>\$ 360,000</u>	<u>\$ 57,158,526</u>	<u>\$ 20,644</u>
<u>\$ 16,531,180</u>	<u>\$ 5,054,467</u>	<u>\$ 1,148,091</u>	<u>\$ 65,636,604</u>	<u>\$ 4,823,760</u>
<u>\$ 233,195</u>	<u>\$ 93,278</u>	<u>\$ -</u>	<u>\$ 1,295,525</u>	<u>\$ -</u>

(Continued)

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 95,159	\$ 25,180	\$ 71,720
Accrued salaries	40,125	38,702	52,410
Accrued interest payable	39,967	70,592	41,797
Compensated absences	-	19,484	-
Other accrued liabilities	-	-	-
Loan payable - current	-	-	-
General obligation bonds - current	270,129	401,205	435,030
Total current liabilities	<u>\$ 445,380</u>	<u>\$ 555,163</u>	<u>\$ 600,957</u>
Noncurrent liabilities:			
Loan payable	\$ -	\$ -	\$ -
General obligation bonds payable (net of unamortized discounts)	4,126,745	4,213,655	7,508,308
Net pension liability	69,302	75,342	93,143
Other postemployment benefit obligations	535,086	581,722	719,176
Advances from other funds	1,705,334	1,574,801	579,044
Total noncurrent liabilities	<u>\$ 6,436,467</u>	<u>\$ 6,445,520</u>	<u>\$ 8,899,671</u>
Total liabilities	<u>\$ 6,881,847</u>	<u>\$ 7,000,683</u>	<u>\$ 9,500,628</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	<u>\$ 4,230</u>	<u>\$ 4,599</u>	<u>\$ 5,686</u>

Enterprise Funds				Governmental Activities
Treatment		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Sewer Collection Fund	Drainage Fund			
\$ 343,185	\$ 30,109	\$ 98	\$ 565,451	\$ 302,072
29,272	11,530	-	172,039	12,416
97,426	3,306	-	253,088	-
19,675	5,815	-	44,974	687
-	-	-	-	100,000
-	34,578	-	34,578	-
473,087	208,032	-	1,787,483	-
<u>\$ 962,645</u>	<u>\$ 293,370</u>	<u>\$ 98</u>	<u>\$ 2,857,613</u>	<u>\$ 415,175</u>
\$ -	\$ -	\$ -	\$ -	\$ -
5,890,128	56,975	-	21,795,811	-
57,222	22,888	-	317,897	-
618,541	-	-	2,454,525	-
940,132	-	-	4,799,311	-
<u>\$ 7,506,023</u>	<u>\$ 79,863</u>	<u>\$ -</u>	<u>\$ 29,367,544</u>	<u>\$ -</u>
\$ 8,468,668	\$ 373,233	\$ 98	\$ 32,225,157	\$ 415,175
\$ 3,493	\$ 1,397	\$ -	\$ 19,405	\$ -

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015

NET POSITION	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
Net investment in capital assets	\$ 4,539,123	\$ 9,424,685	\$ 3,335,083
Restricted for:			
Economic development loans	-	-	-
Housing rehabilitation	-	-	-
Unrestricted	1,101,961	228,769	1,844,624
Total net position	\$ 5,641,084	\$ 9,653,454	\$ 5,179,707
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			
Net position of business-type activities			

Enterprise Funds				Governmental
Treatment				Activities
Sewer Collection Fund	Drainage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 6,493,005	\$ 4,037,404	\$ -	\$ 27,829,300	\$ 18,644
-	-	614,767	614,767	-
-	-	533,226	533,226	-
1,799,209	735,711	-	5,710,274	4,389,941
<u>\$ 8,292,214</u>	<u>\$ 4,773,115</u>	<u>\$ 1,147,993</u>	\$ 34,687,567	<u>\$ 4,408,585</u>
			(753,625)	
			<u>\$ 33,933,942</u>	

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

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

For the Year Ended December 31, 2015

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
OPERATING REVENUES			
Charges for services	\$ 2,464,089	\$ 2,547,463	\$ 3,006,622
Interest income	-	-	-
Grant income	-	-	-
Other	-	12,287	-
Total operating revenues	<u>\$ 2,464,089</u>	<u>\$ 2,559,750</u>	<u>\$ 3,006,622</u>
OPERATING EXPENSES			
Pumping	\$ 1,930,029	\$ -	\$ 2,225,295
Distribution and collection	-	880,688	-
Engineering	-	177,392	-
Administration and claims	-	485,607	-
Travel and motor vehicles	-	-	-
Depreciation	227,162	626,379	297,258
Total operating expenses	<u>\$ 2,157,191</u>	<u>\$ 2,170,066</u>	<u>\$ 2,522,553</u>
OPERATING INCOME (LOSS)	<u>\$ 306,898</u>	<u>\$ 389,684</u>	<u>\$ 484,069</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	\$ -	\$ 437	\$ 5,898
Interest expense	(95,520)	(154,678)	(151,454)
Total nonoperating revenues (expenses)	<u>\$ (95,520)</u>	<u>\$ (154,241)</u>	<u>\$ (145,556)</u>

Enterprise Funds				Governmental Activities
Treatment		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Sewer Collection Fund	Drainage Fund			
\$ 2,755,303	\$ 870,150	\$ -	\$ 11,643,627	\$ 3,189,023
-	-	1,839	1,839	-
-	-	250,000	250,000	-
124	-	-	12,411	45,771
<u>\$ 2,755,427</u>	<u>\$ 870,150</u>	<u>\$ 251,839</u>	<u>\$ 11,907,877</u>	<u>\$ 3,234,794</u>
\$ -	\$ -	\$ -	\$ 4,155,324	\$ -
913,910	472,302	-	2,266,900	-
775,601	-	-	952,993	-
468,310	-	3,100	957,017	3,738,617
-	-	-	-	606,423
606,956	223,024	-	1,980,779	768
<u>\$ 2,764,777</u>	<u>\$ 695,326</u>	<u>\$ 3,100</u>	<u>\$ 10,313,013</u>	<u>\$ 4,345,808</u>
<u>\$ (9,350)</u>	<u>\$ 174,824</u>	<u>\$ 248,739</u>	<u>\$ 1,594,864</u>	<u>\$ (1,111,014)</u>
\$ 1	\$ -	\$ 437	\$ 6,773	\$ 8,321
(213,320)	(14,921)	-	(629,893)	-
<u>\$ (213,319)</u>	<u>\$ (14,921)</u>	<u>\$ 437</u>	<u>\$ (623,120)</u>	<u>\$ 8,321</u>

(Continued)

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

For the Year Ended December 31, 2015

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ 211,378	\$ 235,443	\$ 338,513
TRANSFERS IN	24,600	141,672	85,598
TRANSFERS OUT	-	(29,600)	-
CHANGE IN NET POSITION	\$ 235,978	\$ 347,515	\$ 424,111
TOTAL NET POSITION, Beginning (Restated)	5,405,106	9,305,939	4,755,596
TOTAL NET POSITION, Ending	<u>\$ 5,641,084</u>	<u>\$ 9,653,454</u>	<u>\$ 5,179,707</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	
\$ (222,669)	\$ 159,903	\$ 249,176	\$ 971,744	\$ (1,102,693)	
147,279	235,626	-	634,775	332,989	
(186,410)	(112,000)	-	(328,010)	(10,000)	
\$ (261,800)	\$ 283,529	\$ 249,176	\$ 1,278,509	\$ (779,704)	
8,554,014	4,489,586	898,817		5,188,289	
<u>\$ 8,292,214</u>	<u>\$ 4,773,115</u>	<u>\$ 1,147,993</u>		<u>\$ 4,408,585</u>	
			(309,494)		
			<u>\$ 969,015</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 December 31, 2015

	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	\$ 2,388,335	\$ 2,523,420	\$ 2,745,766
Receipts from interfund services provided	-	-	-
Other receipts	-	12,287	-
Payments to suppliers	(1,005,411)	(469,891)	(962,518)
Payments to employees	(566,755)	(592,569)	(747,607)
Payments for interfund services use	(234,504)	(314,700)	(332,917)
Net cash provided (used) by operating activities	<u>\$ 581,665</u>	<u>\$ 1,158,547</u>	<u>\$ 702,724</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	\$ -	\$ 141,672	\$ 85,598
Transfers to other funds	-	(5,000)	-
Advances to other funds	(60,661)	-	-
Advances from other funds	-	-	46,947
Net cash provided (used) by noncapital financing activities	<u>\$ (60,661)</u>	<u>\$ 136,672</u>	<u>\$ 132,545</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	\$ (36,103)	\$ (610,678)	\$ (152,179)
Principal paid on long-term debt	(217,573)	(454,773)	(383,540)
Interest paid on long-term debt	(71,485)	(133,954)	(129,791)
Net cash used by capital and related financing activities	<u>\$ (325,161)</u>	<u>\$ (1,199,405)</u>	<u>\$ (665,510)</u>

Enterprise Funds				Governmental
Treatment				Activities
Sewer Collection Fund	Drainage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 2,748,095	\$ 851,742	\$ 19,307	\$ 11,276,665	\$ -
-	-	-	-	3,216,821
124	-	250,000	262,411	8,837
(1,082,877)	(152,457)	(99,609)	(3,772,763)	(4,157,930)
(419,523)	(208,634)	-	(2,535,088)	(255,803)
(280,451)	(85,575)	-	(1,248,147)	(46,500)
<u>\$ 965,368</u>	<u>\$ 405,076</u>	<u>\$ 169,698</u>	<u>\$ 3,983,078</u>	<u>\$ (1,234,575)</u>
\$ 147,279	\$ 54,216	\$ -	\$ 428,765	\$ 332,989
(5,000)	(112,000)	-	(122,000)	(10,000)
-	-	-	(60,661)	-
-	-	-	46,947	-
<u>\$ 142,279</u>	<u>\$ (57,784)</u>	<u>\$ -</u>	<u>\$ 293,051</u>	<u>\$ 322,989</u>
\$ (357,136)	\$ (174,726)	\$ -	\$ (1,330,822)	\$ -
(446,658)	(233,373)	-	(1,735,917)	-
(170,478)	(18,611)	-	(524,319)	-
<u>\$ (974,272)</u>	<u>\$ (426,710)</u>	<u>\$ -</u>	<u>\$ (3,591,058)</u>	<u>\$ -</u>

(Continued)

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2015

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	\$ -	\$ 437	\$ 5,898
Purchase of investments	-	-	-
Net cash provided (used) by investing activities	<u>\$ -</u>	<u>\$ 437</u>	<u>\$ 5,898</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 195,843	\$ 96,251	\$ 175,657
CASH AND CASH EQUIVALENTS - Beginning	<u>1,161,300</u>	<u>667,056</u>	<u>455,731</u>
CASH AND CASH EQUIVALENTS - Ending	<u><u>\$ 1,357,143</u></u>	<u><u>\$ 763,307</u></u>	<u><u>\$ 631,388</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 306,898	\$ 389,684	\$ 484,069
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	227,162	626,379	297,258
Amortization expense	(5,265)	1,052	(4,806)
(Increase) decrease in receivables	(75,754)	(24,043)	(260,856)
(Increase) decrease in pension related deferred outflows	(190,422)	(207,018)	(255,933)
Increase (decrease) in accounts payable	6,499	10,097	9,583
Increase (decrease) in accrued liabilities, excluding accrued interest	4,788	120	4,695
Increase (decrease) in net pension liability	226,290	246,012	304,141
Increase (decrease) in other postemployment benefit obligation	77,239	111,665	118,887
Increase (decrease) in pension related deferred inflows	4,230	4,599	5,686
Net cash provided (used) by operating activities	<u><u>\$ 581,665</u></u>	<u><u>\$ 1,158,547</u></u>	<u><u>\$ 702,724</u></u>
Schedule of non-cash capital and related financing activities:			
Transfer of capital asset	<u>\$ 24,600</u>	<u>\$ (24,600)</u>	<u>\$ -</u>
Restatement of net position - net pension liability	<u><u>\$ (69,302)</u></u>	<u><u>\$ (75,341)</u></u>	<u><u>\$ (93,144)</u></u>

Enterprise Funds				Governmental
Treatment				Activities
Sewer Collection Fund	Drainage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 1	\$ -	\$ 437	\$ 6,773	\$ 8,321
-	-	(9,020)	(9,020)	-
\$ 1	\$ -	\$ (8,583)	\$ (2,247)	\$ 8,321
\$ 133,376	\$ (79,418)	\$ 161,115	\$ 682,824	\$ (903,265)
2,013,422	652,336	182,183	5,132,028	5,646,872
<u>\$ 2,146,798</u>	<u>\$ 572,918</u>	<u>\$ 343,298</u>	<u>\$ 5,814,852</u>	<u>\$ 4,743,607</u>
\$ (9,350)	\$ 174,824	\$ 248,739	\$ 1,594,864	\$ (1,111,014)
606,956	223,024	-	1,980,779	768
(5,307)	-	-	(14,326)	-
(7,208)	(18,408)	(76,952)	(463,221)	(9,136)
(157,229)	(62,892)	-	(873,494)	-
232,166	8,677	(2,089)	264,933	(80,452)
3,146	3,717	-	16,466	(34,741)
186,845	74,737	-	1,038,025	-
111,856	-	-	419,647	-
3,493	1,397	-	19,405	-
<u>\$ 965,368</u>	<u>\$ 405,076</u>	<u>\$ 169,698</u>	<u>\$ 3,983,078</u>	<u>\$ (1,234,575)</u>
<u>\$ (181,410)</u>	<u>\$ 181,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ (57,221)</u>	<u>\$ (22,889)</u>	<u>\$ -</u>	<u>\$ (317,897)</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
December 31, 2015

	Pension Trust Funds
ASSETS	
Cash	\$ 6,987,365
Receivables:	
Accrued interest	119,114
Other	176,026
Investments:	
U.S. treasury bonds	2,727,944
U.S. government securities	2,227,161
Corporate securities	7,236,564
Mutual funds	21,223,436
Other assets	494
	40,698,104
Total assets	\$ 40,698,104
LIABILITIES	
Other accrued liabilities	\$ 62,666
	62,666
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$ 40,635,438

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 December 31, 2015

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 1,531,503
Employee	487,577
Total contributions	\$ 2,019,080
Investment income:	
Net decrease in fair value of investments	\$ (2,601,963)
Interest	342,768
Dividends and capital gains	1,416,219
Total	\$ (842,976)
Less investment expense	110,483
Net investment loss	\$ (953,459)
Total additions	\$ 1,065,621
DEDUCTIONS	
Benefits	\$ 3,273,270
Administrative expense	96,502
Total deductions	\$ 3,369,772
CHANGE IN NET POSITION	\$ (2,304,151)
NET POSITION RESTRICTED FOR PENSION BENEFITS	
Beginning	42,939,589
Ending	\$ 40,635,438

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

CITY OF EAST MOLINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

December 31, 2015

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

NATURE OF OPERATIONS -

The City of East Moline, Illinois 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, Illinois has determined that the Library Fund is a discretely presented component unit. The mayor appoints the members of the Library Board and the City periodically provides subsidies to support the Library.

The Library does not issue separate financial statements, but more information can be obtained from the Library's offices at 740 Sixteenth Avenue, East Moline, Illinois 61244.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS -

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

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.

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

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 City reports the following major proprietary funds:

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

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.

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, Illinois has eight officially adopted TIF districts which relate to real estate taxes.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

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 2015 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 2015 taxes are intended to finance the 2016 fiscal year and are not considered available for current operations and are, therefore, shown as deferred inflow of resources.

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.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES -

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category, pension related deferred outflows reported in the government-wide and proprietary statements of net position. The deferred outflow from pension related items consists of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the employer's reporting period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of item that qualify for reporting in this category. The City activities reported deferred revenues from two sources: property taxes and pension related deferred inflows. The governmental funds report unavailable revenues from two sources: Property taxes and other taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflow from pension related items consists of the differences between expected and actual experience with regard to economic or demographic assumptions.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

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 \$4,857,918 difference are as follows:

Bonds payable	\$ 4,644,000
Less: Issuance discount (to be amortized as interest expense)	(17,729)
Less: Deferred charge for refunding (to be amortized as interest expense)	(24,579)
Note Payable	135,245
Accrued interest payable	67,739
Compensated absences	<u>53,242</u>
	<u>\$ 4,857,918</u>

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 \$150,597 difference are as follows:

Capital outlay	\$ 1,241,577
Depreciation expense	<u>(1,392,174)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (150,597)</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – (Continued)

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 \$1,052,984 difference are as follows:

Principal repayments:	
General obligation debt	\$ 979,000
Note payable	<u>73,984</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>\$ 1,052,984</u>

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 \$1,327,747 difference are as follows:

Compensated absences	\$ 2,173
Accrued interest	7,130
Amortization of bond discounts	(4,575)
Amortization of deferred charge on refunding	(7,184)
Pension related expenses	<u>(1,325,291)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (1,327,747)</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.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – (Continued)

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 December 31, 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 January 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 December 31.

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.

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

- Economic Development Fund
- Port of Call Tax Increment Financing Fund

DEFICIT EQUITY BALANCES -

City funds with deficit fund balances as of December 31, 2015 are as follows:

	Deficit Amount
Special Revenue Funds	
Tax Increment Financing	
Great River Industrial Park	\$ 1,321,228
Gateway Industrial	229,763
Port of Call	87,119
Kennedy Drive	642,368
The Quarter	2,698,961
Debt Service Fund	383,327

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2015 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Primary Government

Cash	\$ 15,329,175
Investments	2,621,785

Component Unit-Library

Cash	811,623
Investments	260,117

Fiduciary funds:

Cash	6,987,365
U.S. treasury bonds	2,727,944
U.S. government agency securities	2,227,161
Corporate securities	7,236,564
Mutual funds	<u>21,223,436</u>

Total cash and investments \$ 59,425,170

Cash and investments as of December 31, 2015 consist of the following:

Cash on hand	\$ 3,745
Deposits with financial institutions	23,124,418
Investments	<u>36,297,007</u>

Total cash and investments \$ 59,425,170

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – (Continued)

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.

During the twelve months ending December 31, 2015, 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.

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:

<u>Investment Type</u>	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total Fair Value</u>	<u>Investment Maturities (in Years) Less than 1 Year</u>
Illinois Funds- investment pool	\$ 1,456,700	\$ 260,117	\$ 1,716,817	\$ 1,716,817
Illinois Institutional Investors-investment pool	1,165,085	- - -	1,165,085	1,165,085
Total	<u>\$ 2,621,785</u>	<u>\$ 260,117</u>	<u>\$ 2,881,902</u>	<u>\$ 2,881,902</u>

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 “AAAm” 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.

<u>Investment Type</u>	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total</u>	<u>Rating as of Year End AAAm</u>
Illinois Funds- investment pool	\$ 1,456,700	\$ 260,117	\$ 1,716,817	\$ 1,716,817
Illinois Institutional Investors-investment pool	<u>1,165,085</u>	<u>- - -</u>	<u>1,165,085</u>	<u>1,165,085</u>
Total	<u>\$ 2,621,785</u>	<u>\$ 260,117</u>	<u>\$ 2,881,902</u>	<u>\$ 2,881,902</u>

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, Illinois 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 December 31, 2015, the carrying amount of the City’s deposits including the component unit, with financial institutions totaled \$16,137,053 with the bank balances totaling \$15,931,636. Bank balances of \$15,931,636 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 December 31, 2015, there was no investment custodial risk for the City. 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:

	General Fund	Tax Increment Financing Fund - The Quarter	Motor Fuel Tax Fund	Water Plant Fund	Water Distribution Fund
Receivables:					
Property taxes	\$ 4,560,759	\$ 201,425	\$ - - -	\$ - - -	\$ - - -
Other taxes	1,332,649	- - -	- - -	- - -	- - -
Accounts	151,090	- - -	- - -	270,232	275,051
Estimated unbilled usage	- - -	- - -	- - -	123,758	96,448
State allotments	- - -	- - -	48,077	- - -	- - -
Notes and loans	- - -	- - -	- - -	- - -	- - -
Accrued interest	- - -	- - -	- - -	- - -	- - -
Other	- - -	- - -	- - -	3,960	30,611
 Gross receivables	 \$ 6,044,498	 \$ 201,425	 \$ 48,077	 \$ 397,950	 \$ 402,110
 Less: allowance for uncollectibles	 - - -	 - - -	 - - -	 20,000	 27,500
 Net total receivables	 <u>\$ 6,044,498</u>	 <u>\$ 201,425</u>	 <u>\$ 48,077</u>	 <u>\$ 377,950</u>	 <u>\$ 374,610</u>
	Sewer Plant Fund	Sewer Collection Fund	Drainage Fund	Non-Major and Other Funds	Total
Receivables:					
Property taxes	\$ - - -	\$ - - -	\$ - - -	\$ 1,479,366	\$ 6,241,550
Other taxes	- - -	- - -	- - -	116,467	1,449,116
Accounts	402,467	398,260	129,637	74,024	1,700,761
Estimated unbilled usage	173,933	118,169	34,923	27,108	574,339
State allotments	- - -	- - -	- - -	- - -	48,077
Notes and loans	10,913	242,824	- - -	138,341	392,078
Accrued interest	- - -	- - -	- - -	119,114	119,114
Other	- - -	11,747	- - -	277,879	324,197
 Gross receivables	 \$ 587,313	 \$ 771,000	 \$ 164,560	 \$ 2,232,299	 \$ 10,849,232
 Less: allowance for uncollectibles	 15,000	 25,000	 20,000	 17,500	 125,000
 Net total receivables	 <u>\$ 572,313</u>	 <u>\$ 746,000</u>	 <u>\$ 144,560</u>	 <u>\$ 2,214,799</u>	 <u>\$ 10,724,232</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – (Continued)

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current twelve month fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

Unavailable property tax	\$ 6,105,526
Unavailable other taxes	<u>529,543</u>
Total unavailable revenue for governmental funds	<u>\$ 6,635,069</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2015:

	Beginning Balance	Prior Period Adjustment	Increases	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,900,627	\$ (45,435)	\$ 39,058	\$ - - -	\$ 1,894,250
Construction in progress	131,586	- - -	857,897	60,171	929,312
Total capital assets, not being depreciated	<u>\$ 2,032,213</u>	<u>\$ (45,435)</u>	<u>\$ 896,955</u>	<u>\$ 60,171</u>	<u>\$ 2,823,562</u>
Capital assets, being depreciated:					
Buildings	\$ 5,567,711	\$ (660,986)	\$ - - -	\$ - - -	\$ 4,906,725
Improvements other than buildings	2,107,910	(7,460)	- - -	- - -	2,100,450
Vehicles and equipment	7,886,736	(70,258)	157,617	100,962	7,873,133
Infrastructure	27,156,841	- - -	247,174	- - -	27,404,015
Total capital assets, being depreciated	<u>\$ 42,719,198</u>	<u>\$ (738,704)</u>	<u>\$ 404,791</u>	<u>\$ 100,962</u>	<u>\$ 42,284,323</u>
Less accumulated depreciation for:					
Buildings	\$ 2,339,611	\$ (352,015)	\$ 135,385	\$ - - -	\$ 2,122,981
Improvements other than buildings	886,996	(6,807)	92,689	- - -	972,878
Vehicles and equipment	5,842,550	(70,258)	443,491	100,962	6,114,821
Infrastructure	9,937,184	- - -	721,375	- - -	10,658,559
Total accumulated depreciation	<u>\$ 19,006,341</u>	<u>\$ (429,080)</u>	<u>\$ 1,392,940</u>	<u>\$ 100,962</u>	<u>\$ 19,869,239</u>
Total capital assets being depreciated, net	<u>\$ 23,712,857</u>	<u>\$ (309,624)</u>	<u>\$ (988,149)</u>	<u>\$ - - -</u>	<u>\$ 22,415,084</u>
Governmental activities capital assets, net	<u>\$ 25,745,070</u>	<u>\$ (355,059)</u>	<u>\$ (91,194)</u>	<u>\$ 60,171</u>	<u>\$ 25,238,646</u>

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>40,102</u>	<u>742,872</u>	<u>- - -</u>	<u>782,974</u>
Total capital assets, not being depreciated	<u>\$ 524,115</u>	<u>\$ 742,872</u>	<u>\$ - - -</u>	<u>\$ 1,266,987</u>
Capital assets, being depreciated:				
Waterworks, sewerage, and drainage systems	\$ 85,305,002	\$ 387,330	\$ - - -	\$ 85,692,332
Vehicles and equipment	<u>2,625,689</u>	<u>200,620</u>	<u>54,485</u>	<u>2,771,824</u>
Total capital assets, being depreciated	<u>\$ 87,930,691</u>	<u>\$ 587,950</u>	<u>\$ 54,485</u>	<u>\$ 88,464,156</u>
Less accumulated depreciation for:				
Waterworks, sewerage, and drainage systems	\$ 34,719,112	\$ 1,768,470	\$ - - -	\$ 36,487,582
Vehicles and equipment	<u>1,638,565</u>	<u>212,309</u>	<u>54,485</u>	<u>1,796,389</u>
Total accumulated depreciation	<u>\$ 36,357,677</u>	<u>\$ 1,980,779</u>	<u>\$ 54,485</u>	<u>\$ 38,283,971</u>
Total capital assets, being depreciated, net	<u>\$ 51,573,014</u>	<u>\$(1,392,829)</u>	<u>\$ - - -</u>	<u>\$ 50,180,185</u>
Business-type activities capital assets, net	<u>\$ 52,097,129</u>	<u>\$ (649,957)</u>	<u>\$ - - -</u>	<u>\$ 51,447,172</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – (Continued)

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

Governmental activities:

General government	\$ 142,018
Public safety	327,049
Public works	780,816
Recreation and culture	128,323
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>767</u>
Total depreciation expense - governmental activities	<u>\$ 1,392,940</u>

Business-type activities:

Waterworks, sewerage, and drainage systems	<u>\$ 1,980,779</u>
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NOTE 7 – LONG-TERM DEBT

As of December 31, 2015, the outstanding long-term debt of the City was as follows:

Note Payable

The City obtained a \$183,713 loan from a bank. The loan has an interest rate of 3.75% and is payable semi-annually on January 15 and July 15 through 2016. 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:

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2016	3.750%	<u>\$ 39,209</u>	<u>\$ 1,126</u>	<u>\$ 40,335</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 2016. 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:

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2016	3.154%	<u>\$ 34,578</u>	<u>\$ 1,090</u>	<u>\$ 35,668</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

The City obtained a \$89,125 loan from a bank. The loan has an interest rate of 3.50% and is payable annually on July 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:

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2016	3.50%	\$ 17,931	\$ 1,298	\$ 19,229
2017	3.50	18,551	658	19,209
Total		<u>\$ 36,482</u>	<u>\$ 1,956</u>	<u>\$ 38,438</u>

The City obtained a \$97,607 loan from a bank. The loan has an interest rate of 2.60% and is payable annually on July 15 through 2018. 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:

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2016	2.60%	\$ 19,367	\$ 1,574	\$ 20,941
2017	2.60	19,882	1,059	20,941
2018	2.60	20,305	535	20,840
Total		<u>\$ 59,554</u>	<u>\$ 3,168</u>	<u>\$ 62,722</u>

General Obligation Bonds

General obligation alternate bonds totaling \$5,629,419 remain outstanding from the original issue of \$6,216,681 dated April 16, 2014. It is the intent of the City officials to service this debt from the sewer plant fund.

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NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

Principal and interest are payable semi-annually on June 7 and December 7 through 2032. The annual debt service requirements of this loan are as follows:

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2016	1.250%	\$ 299,165	\$ 69,436	\$ 368,601
2017	1.250	302,917	65,684	368,601
2018	1.250	306,715	61,886	368,601
2019	1.250	310,561	58,040	368,601
2020	1.250	314,455	54,146	368,601
2021	1.250	318,398	50,203	368,601
2022	1.250	322,390	46,211	368,601
2023	1.250	326,433	42,168	368,601
2024	1.250	330,526	38,075	368,601
2025	1.250	334,670	33,931	368,601
2026	1.250	338,867	29,734	368,601
2027	1.250	343,116	25,485	368,601
2028	1.250	347,418	21,183	368,601
2029	1.250	351,775	16,826	368,601
2030	1.250	356,186	12,416	368,602
2031	1.250	360,652	7,950	368,602
2032	1.250	365,175	3,427	368,602
Total		<u>\$ 5,629,419</u>	<u>\$ 636,801</u>	<u>\$ 6,266,220</u>

General obligation alternate refunding bonds totaling \$145,000 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 December 31	Interest Rate	Principal	Interest	Total
2016	3.750%	<u>\$ 145,000</u>	<u>\$ 5,437</u>	<u>\$ 150,437</u>

General obligation refunding alternate bonds totaling \$1,835,000 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

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

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2016	1.750%	\$ 215,000	\$ 44,285	\$ 259,285
2017	2.000	220,000	40,205	260,205
2018	2.150	220,000	35,640	255,640
2019	2.400	225,000	30,575	255,575
2020	2.650	230,000	24,827	254,827
2021	2.800	235,000	18,490	253,490
2022	3.000	240,000	11,600	251,600
2023	3.200	250,000	4,000	254,000
Total		<u>\$ 1,835,000</u>	<u>\$ 209,622</u>	<u>\$ 2,044,622</u>

General obligation alternate bonds totaling \$715,000 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 January 15 and July 15. The annual debt service requirements on this debt are as follows:

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2016	1.750%	\$ 85,000	\$ 18,156	\$ 103,156
2017	2.150	85,000	16,499	101,499
2018	2.150	85,000	14,671	99,671
2019	2.650	85,000	12,631	97,631
2020	2.650	90,000	10,312	100,312
2021	3.200	90,000	7,680	97,680
2022	3.200	95,000	4,720	99,720
2023	3.200	100,000	1,600	101,600
Total		<u>\$ 715,000</u>	<u>\$ 86,269</u>	<u>\$ 801,269</u>

General obligation refunding alt bonds totaling \$4,635,208 net of \$95,208 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

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

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2016	2.50%	\$ 610,000	\$ 136,075	\$ 746,075
2017	2.50	620,000	120,700	740,700
2018	3.00	630,000	103,500	733,500
2019	3.00	650,000	84,300	734,300
2020	3.50	655,000	63,087	718,087
2021	3.50	675,000	39,813	714,813
2022	4.00	700,000	14,000	714,000
Total		<u>\$ 4,540,000</u>	<u>\$ 561,475</u>	<u>\$ 5,101,475</u>

General obligation debt certificates totaling \$265,007 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 March 15 and September 15. The annual debt service requirements on this debt are as follows:

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2016	3.750%	\$ 208,032	\$ 8,284	\$ 216,316
2017	3.750	56,975	1,121	58,096
Total		<u>\$ 265,007</u>	<u>\$ 9,405</u>	<u>\$ 274,412</u>

General obligation alternate bonds totaling \$225,000 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 January 15 and July 15. The annual debt service requirements on this debt are as follows:

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2016	3.625%	\$ 110,000	\$ 6,249	\$ 116,249
2017	3.700	115,000	2,127	117,127
Total		<u>\$ 225,000</u>	<u>\$ 8,376</u>	<u>\$ 233,376</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

General obligation alternate refunding bonds totaling \$1,150,000 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 January 15 and July 15. The annual debt service requirements on this debt are as follows:

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2016	3.000%	\$ 155,000	\$ 37,330	\$ 192,330
2017	3.050	170,000	32,412	202,412
2018	3.300	185,000	26,768	211,768
2019	3.600	195,000	20,205	215,205
2020	3.700	215,000	12,717	227,717
2021	3.800	230,000	4,370	234,370
Total		<u>\$ 1,150,000</u>	<u>\$ 133,802</u>	<u>\$ 1,283,802</u>

General obligation alternate refunding bonds totaling \$1,900,000 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 January 15 and July 15. The annual debt service requirements on this debt are as follows:

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2016	3.000%	\$ 205,000	\$ 64,087	\$ 269,087
2017	3.050	225,000	57,581	282,581
2018	3.300	245,000	50,108	295,108
2019	3.600	270,000	41,205	311,205
2020	3.750	290,000	30,980	320,980
2021	3.800	320,000	19,535	339,535
2022	3.900	345,000	6,728	351,728
Total		<u>\$ 1,900,000</u>	<u>\$ 270,224</u>	<u>\$ 2,170,224</u>

General obligation alternate refunding bonds totaling \$2,412,845 net of \$7,155 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

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

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2016	3.000%	\$ 305,000	\$ 80,245	\$ 385,245
2017	3.050	320,000	70,790	390,790
2018	3.300	330,000	60,465	390,465
2019	3.600	340,000	48,900	388,900
2020	3.700	360,000	36,120	396,120
2021	3.800	375,000	22,335	397,335
2022	3.900	390,000	7,605	397,605
Total		<u>\$ 2,420,000</u>	<u>\$ 326,460</u>	<u>\$ 2,746,460</u>

General obligation alternate bonds totaling \$1,861,934 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 Plant Fund.

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

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2016	1.250%	\$ 121,286	\$ 3,561	\$ 124,847
2017	1.250	121,492	3,355	124,847
2018	1.250	121,700	3,147	124,847
2019	1.250	121,912	2,935	124,847
2020	1.250	122,125	2,722	124,847
2021	1.250	122,342	2,506	124,848
2022	1.250	122,561	2,287	124,848
2023	1.250	122,783	2,064	124,847
2024	1.250	123,008	1,840	124,848
2025	1.250	123,235	1,612	124,847
2026	1.250	123,466	1,382	124,848
2027	1.250	123,699	1,149	124,848
2028	1.250	123,935	912	124,847
2029	1.250	124,173	673	124,846
2030	1.250	124,416	431	124,847
2031	1.250	19,801	185	19,986
Total		<u>\$ 1,861,934</u>	<u>\$ 30,761</u>	<u>\$ 1,892,695</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

General obligation alternate bonds totaling \$7,774,435 net of \$309,435 unamortized premium are outstanding from the original issue of \$7,465,000 dated December 29, 2014. 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, starting in the year of 2016. Interest is due semi-annually on January 15 and July 15. The annual debt service requirements on this debt are as follows:

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2016	2.000%	\$ 5,000	\$ 266,360	\$ 271,360
2017	2.000	20,000	266,110	286,110
2018	2.000	135,000	264,560	399,560
2019	2.000	135,000	261,860	396,860
2020	2.500	140,000	258,760	398,760
2021	2.500	140,000	255,260	395,260
2022	3.000	140,000	251,410	391,410
2023	3.000	560,000	240,910	800,910
2024	3.000	580,000	223,810	803,810
2025	3.000	605,000	206,035	811,035
2026	4.000	625,000	184,460	809,460
2027	4.000	655,000	158,860	813,860
2028	4.000	680,000	132,160	812,160
2029	4.000	715,000	104,260	819,260
2030	4.000	745,000	75,060	820,060
2031	4.000	775,000	44,660	819,660
2032	3.600	810,000	14,580	824,580
Total		<u>\$ 7,465,000</u>	<u>\$ 3,209,115</u>	<u>\$ 10,674,115</u>

Advance Refunding

On December 29, 2014, the City issued \$7,465,000 General Obligation Alternate Revenue Refunding Bonds, Series 2014 to refund, through an advance refunding, \$7,425,000 of the General Obligation Alternate Revenue Bonds, Series 2007. As a result of the refunding, the City achieved cash flow savings of \$408,752 and an economic gain of \$471,191. The Series 2007 Bonds will be called and paid from escrow on January 15, 2016.

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 December 31, 2015, was as follows:

	Beginning Balance (restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 200,000	\$ - - -	\$ (200,000)	\$ - - -	\$ - - -
Alternate revenue bonds	5,423,000	- - -	(779,000)	4,644,000	676,000
Less deferred amounts:					
For issuance discounts	(22,444)	- - -	4,715	(17,729)	- - -
For issuance premiums	140	- - -	(140)	- - -	- - -
On refunding bonds	(31,763)	- - -	7,184	(24,579)	- - -
Total bonds payable	<u>\$ 5,568,933</u>	<u>\$ - - -</u>	<u>\$ (967,241)</u>	<u>\$ 4,601,692</u>	<u>\$ 676,000</u>
Note payable	\$ 209,229	\$ - - -	\$ (73,984)	\$ 135,245	\$ 76,507
Compensated absences	55,680	639,733	(641,484)	53,929	53,929
Net pension liability	9,539,459	9,598,124	- - -	19,137,583	- - -
Net other postemployment benefit obligation	7,436,282	1,611,517	- - -	9,047,799	- - -
Governmental activity Long-term liabilities	<u>\$ 22,809,583</u>	<u>\$ 11,849,374</u>	<u>\$ (1,682,709)</u>	<u>\$ 32,976,248</u>	<u>\$ 806,436</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 25,209,757	\$ - - -	\$ (1,702,397)	\$ 23,507,360	\$ 1,787,483
Less deferred amounts:					
For issuance discounts	(17,897)	- - -	3,640	(14,257)	- - -
For issuance premiums	443,665	- - -	(39,022)	404,643	- - -
On Refunding bonds	(335,508)	- - -	21,056	(314,452)	- - -
Total bonds payable	<u>\$ 25,300,017</u>	<u>\$ - - -</u>	<u>\$ (1,716,723)</u>	<u>\$ 23,583,294</u>	<u>\$ 1,787,483</u>
Note payable	\$ 68,098	- - -	\$ (33,520)	\$ 34,578	\$ 34,578
Compensated absences	44,240	252,861	(252,127)	44,974	44,974
Net pension liability (asset)	(720,128)	1,038,025	- - -	317,897	- - -
Net other postemployment benefit obligation	2,034,878	419,647	- - -	2,454,525	- - -
Business-type activity Long-term liabilities	<u>\$ 26,727,105</u>	<u>\$ 1,710,533</u>	<u>\$ (2,002,370)</u>	<u>\$ 26,435,268</u>	<u>\$ 1,867,035</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, \$687 of internal service funds compensated absences are included in the above amounts.

Compensated absences will be paid from the General Fund, Garbage 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 December 31, 2015, 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>\$ 254,754,286</u>
Debt limit – 8.625% of total assessed valuation	\$ 21,972,557
General obligation debt, outstanding	<u>434,830</u>
Unused legal debt capacity based on 8.625%	<u>\$ 21,537,727</u>

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2015 is as follows:

	Receivable Fund				
	General Fund	Motor Fuel Tax Fund	Nonmajor Governmental	Water Plant	Water Distribution
Payable Fund:					
General Fund	\$ - - -	\$ - - -	\$ 319,549	\$ - - -	\$ 75,000
Tax Increment Financing Fund – The Quarter	225,953	- - -	160,052	- - -	- - -
Nonmajor Governmental	463,502	3,685	22,609	- - -	215,000
Water Plant	184,641	- - -	- - -	- - -	634,353
Water Distribution	3,316	- - -	- - -	1,571,485	- - -
Sewer Plant	- - -	- - -	- - -	- - -	246,882
Sewer Collection	- - -	- - -	- - -	2,161	- - -
Total	<u>\$ 877,412</u>	<u>\$ 3,685</u>	<u>\$ 502,210</u>	<u>\$ 1,573,646</u>	<u>\$ 1,171,235</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – (Continued)

	Receivable Fund				Total
	Sewer Fund	Sewer Collection	Nonmajor Enterprise	Internal Service Fund	
Payable Fund:					
General Fund	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ 394,549
Tax Increment Financing Fund – The Quarter	- - -	250,000	360,000	- - -	996,005
Nonmajor Governmental	- - -	200,000	- - -	2,000	906,796
Water Plant	886,340	- - -	- - -	- - -	1,705,334
Water Distribution	- - -	- - -	- - -	- - -	1,574,801
Sewer Plant	- - -	332,162	- - -	- - -	579,044
Sewer Collection	937,971	- - -	- - -	- - -	940,132
Total	\$ 1,824,311	\$ 782,162	\$ 360,000	\$ 2,000	\$ 7,096,661

Interfund balances are the result of loans between funds to cover cash shortages.

Interfund transfers:

	Transfer Out			
	General Fund	Nonmajor Governmental	Water Distribution	Sewer Collection
Transfer In:				
General Fund	\$ - - -	\$ 23,600	\$ 5,000	\$ 5,000
Nonmajor Governmental	132,000	70,000	- - -	- - -
Water Plant	- - -	- - -	24,600	- - -
Water Distribution	141,672	- - -	- - -	- - -
Sewer Plant	85,598	- - -	- - -	- - -
Sewer Collection	147,279	- - -	- - -	- - -
Drainage	54,216	- - -	- - -	181,410
Internal Service Fund	322,989	- - -	- - -	- - -
Total	\$ 883,754	\$ 93,600	\$ 29,600	\$ 186,410

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – (Continued)

	Transfer Out		
	Drainage	Internal Service Fund	Total
Transfer In:			
General Fund	\$ 112,000	\$ - - -	\$ 145,600
Nonmajor Governmental	- - -	- - -	202,000
Water Plant	- - -	- - -	24,600
Water Distribution	- - -	- - -	141,672
Sewer Plant	- - -	- - -	85,598
Sewer Collection	- - -	- - -	147,279
Drainage	- - -	- - -	235,626
Internal Service Fund	- - -	10,000	332,989
Total	\$ 112,000	\$ 10,000	\$ 1,315,364

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 – ILLINOIS MUNICIPAL RETIREMENT FUND PLAN DESCRIPTION

IMRF Plan Description

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years, capped initially at \$106,800, but increases annually thereafter and is limited to 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

At December 31, 2014, the measurement date, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	133
Inactive plan members entitled to but no yet receiving benefits	59
Active plan members	96
 Total	 288

Contributions

As set by statute, the City's Regular Plan Members are required to contribute 4.5% 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 City's annual contribution rate for calendar year 2015 was 10.80%. For the fiscal year ended December 31, 2015, the City contributed \$599,313 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Net Pension Liability

The City's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Summary of Significant Accounting Policies

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

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2014:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 3.5%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

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

Asset Class	Portfolio Target Percentage	Long-term Expected Real Rate of Return
Domestic equity	63.2%	09.81%
International equity	2.6	(2.79)
Fixed income	23.5	5.93
Real estate	4.3	12.66
Alternative investments	4.5	N/A
Cash equivalents	1.9	N/A
Total	100.0%	

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

- The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
- The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.50%.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at December 31, 2013	\$ 40,461,021	\$ 41,609,551	\$ (1,148,530)
Changes for the year:			
Service cost	\$ 645,888	\$ - - -	\$ 645,888
Interest on the total pension liability	2,979,625	- - -	2,979,625
Changes of benefit terms	- - -	- - -	- - -
Differences between expected and actual experience of the total pension liability	(43,249)	- - -	(43,249)
Changes of assumptions	1,411,896	- - -	1,411,896
Contributions - employer	- - -	662,498	(662,498)
Contributions - employees	- - -	269,796	(269,796)
Net investment income	- - -	2,502,224	(2,502,224)
Benefit payments, including refunds of employee contributions	(2,111,268)	(2,111,268)	- - -
Other (net transfer)	- - -	(95,901)	95,901
Net changes	\$ 2,882,892	\$ 1,227,349	\$ 1,655,543
Balances at December 31, 2014	\$ 43,343,913	\$ 42,836,900	\$ 507,013

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Total pension liability	\$ 48,775,237	\$ 43,343,913	\$ 38,852,842
Plan fiduciary net position	42,836,900	42,836,900	42,836,900
Net pension liability/(asset)	\$ 5,938,337	\$ 507,013	\$ (3,984,058)

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

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

For the year ended December 31, 2015, the City recognized pension expense of \$293,359. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods		
Differences between expected and actual experience	\$ - - -	\$ 30,949
Changes of assumptions	1,010,367	- - -
Net difference between projected and actual earnings on pension plan investments	456,548	- - -
Contributions subsequent to the measurement date	599,313	- - -
Total	\$ 2,066,228	\$ 30,949

Deferred outflows of resources of \$599,313 related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

For the Year Ending December 31	Net Deferred Outflows of Resources
2016	\$ 503,366
2017	503,366
2018	315,096
2019	114,138
2020	- - -
Thereafter	- - -
Total	\$ 1,435,966

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

DEFINED BENEFIT SINGLE-EMPLOYER PENSION PLANS

POLICE PENSION PLAN DESCRIPTIONS AND PROVISIONS -

Plan Administration

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 (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The Police Pension Plan does not have a separately issued report.

The Plan is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary, and two elected police employees constitute the pension board.

Plan Membership

At December 31, 2015, the measurement date, the Police Pension Plan membership consisted of the following:

Inactive plan members currently receiving benefits	46
Inactive plan members entitled to but not receiving benefits	4
Active members	<u>35</u>
Total	<u>85</u>

Benefits Provided

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% 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 services may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such a 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 ten years may retire at or after age 50 and receive a reduced benefit (i.e. $\frac{1}{2}$ % for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% of $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year-ended December 31, 2015, the City's contribution was 37.6% of covered payroll.

Net Pension Liability/(Asset)

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

Summary of Significant Accounting Policies

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

Investment Policy

Statutes and the Police Pension Fund's investment policy authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (formerly known as IPTIP, Illinois Public Treasurer’s Investment Pool), interest bearing funds or pooled accounts of the Illinois Metropolitan Investment Funds, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund’s plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase.

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.

The Fund’s investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	49%	1.50%
International equities	10%	5.50%
Domestic equities	40%	6.00%
Cash and cash equivalents	1%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund’s investments in mutual funds, separate account of an insurance company, or separate accounts of a money manager to 55%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return for the Fund’s investments was determined using an asset allocation study conducted by the Fund’s investment management consultant in July of 2015 and presented to the Trustees at that time. The best estimate ranges of the future rates of return were developed for each major asset class and combined to produce a long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. After adjusting for inflation, the best estimates or arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2015 are listed in the table above.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Investment Valuations

All investments in the Plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities and mutual funds, and contract values for insurance contracts.

Investment Concentrations

There are no significant investments (other than U.S. government guaranteed obligations) in any one organization that represent 5.0% or more of the Fund's investments, other than the mutual fund holdings as follows:

Equity Mutual Funds	Fair Value
Dodge and Cox Stock Fund	\$ 2,583,961
Harbor International Fund	2,005,910
Vanguard Value Index ADM #506	2,625,757

Investment Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (1.21%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end the carrying amount of the Pension Fund's deposits totaled \$3,681,464 and the bank balance totaled \$3,681,032.

Investments. At year-end the Pension Fund has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury bonds	\$ 1,141,128	\$ - - -	\$ 82,529	\$ 771,104	\$ 287,495
U.S. government agency securities	971,690	- - -	123	623,286	348,281
Corporate securities	3,124,516	- - -	1,490,551	1,177,753	456,212
Mutual funds	9,917,549	9,917,549	- - -	- - -	- - -
Total	\$ 15,154,883	\$ 9,917,549	\$ 1,573,203	\$ 2,572,143	\$ 1,091,988

The Pension Fund assumes any callable securities will not be called.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Pension Fund's investment policy, the Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Pension Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government and investment grade corporate bonds rated A or higher. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension code. 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	Fair Value	Exempt from Disclosure	Rating as of Year End			
			AAA	AA+	AA	AA-
U.S. Treasury bonds	\$ 1,141,128	\$ 1,141,128	\$ - - -	\$ - - -	\$ - - -	\$ - - -
U.S. government agency securities	971,690	- - -	- - -	971,690	- - -	- - -
Corporate securities	3,124,516	- - -	84,922	263,691	150,391	493,217
Mutual funds	9,917,549	9,917,549	- - -	- - -	- - -	- - -
Total	\$ 15,154,883	\$ 11,058,677	\$ 84,922	\$ 1,235,381	\$ 150,391	\$ 493,217

Investment Type	Rating as of Year End					
	A+	A	A-	BBB+	BBB	BBB-
U.S. Treasury bonds	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -
U.S. government agency securities	- - -	- - -	- - -	- - -	- - -	- - -
Corporate securities	104,836	764,983	179,542	713,227	53,615	316,092
Mutual funds	- - -	- - -	- - -	- - -	- - -	- - -
Total	\$ 104,836	\$ 764,983	\$ 179,542	\$ 713,227	\$ 53,615	\$ 316,092

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Pension Fund's deposits may not be returned to it. At December 31, 2015, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Pension Fund's investment policy requires that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the Pension Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. The Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Pension Fund, to act as custodian for its securities.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of December 31, 2015 using the following actuarial methods and assumptions:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5 year smoothed market, no corridor
Actuarial Assumptions	
Interest Rate	7.0%
Salary Increases	Graded rates from 4.86% at age 25 to 1.12% at age 55
Cost of Living Adjustments	2.0%
Inflation	2.0%

Mortality

Active Lives - RP 2000 Combined Healthy Mortality Table (male) with blue collar adjustment project by Scale BB to 2015.

Disabled Lives - RP 2000 Combined Healthy Mortality Table (male) with blue collar adjustment projected by Scale BB to 2015 with a 150% load for participants under age 50.

Discount Rate

The discount rate used to measure the total pension liability was 7.0%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

For the year ended December 31, 2015, the City recognized pension expense of \$652,134. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods		
Differences between expected and actual experience	\$ 2,974,465	\$ - - -
Changes of assumptions	- - -	- - -
Net difference between projected and actual earnings on pension plan investments	1,320,097	- - -
Total deferred amounts to be recognized in pension expense in future periods	\$ 4,294,562	\$ - - -

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

Year Ending December 30	Net Deferred Outflows of Resources
2016	\$ 795,126
2017	795,126
2018	795,126
2019	795,126
2020	465,102
Thereafter	648,956
Total	\$ 4,294,562

FIREFIGHTERS' PENSION PLAN DESCRIPTIONS AND PROVISIONS -

Plan Administration

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 (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The Firefighters' Pension Plan does not have a separately issued report.

The Plan is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary, and two elected fire employees constitute the pension board.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Plan Membership

At December 31, 2015, the measurement date, the Firefighters' Pension Plan membership consisted of the following:

Inactive plan members currently receiving benefits	38
Inactive plan members entitled to but not receiving benefits	2
Active members	<u>34</u>
Total	<u><u>74</u></u>

Benefits Provided

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

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such 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 benefit. The monthly benefit of a covered employee 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 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with then or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. For the year-ended December 31, 2015, the City's contribution was 25.6% of covered payroll.

Net Pension Liability/(Asset)

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

Summary of Significant Accounting Policies

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

Investment Policy

Statutes and the Firefighters' Pension Fund investment policy authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), interest bearing funds or pooled accounts of the Illinois Metropolitan Investment Funds, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

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.

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	49%	1.50%
International equities	10%	5.50%
Domestic equities	40%	6.00%
Cash and cash equivalents	1%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in mutual funds, separate account of an insurance company, or separate accounts of a money manager to 55%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return for the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in July of 2015 and presented to the Trustees at that time. The best estimate ranges of the future rates of return were developed for each major asset class and combined to produce a long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. After adjusting for inflation, the best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are listed in the table above.

Investment Valuations

All investments in the Plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities and mutual funds, and contract values for insurance contracts.

Investment Concentrations

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.0% or more of the Fund's investments, other than the mutual fund holdings as follows:

Equity Mutual Funds	Fair Value
Aston Fairpointe M/C Fund	\$ 1,147,632
Dodge & Cox Stock Fund	1,823,096
Harbor International Fund	1,172,552
Vanguard 500 Index ADM SHS	1,367,144
Vanguard Extended MKT Index ADM #598	1,131,008
Vanguard International Value #46	1,139,771
Vanguard Value Index ADM #506	1,920,857

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Investment Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (2.13%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end the carrying amount of the Pension Fund's deposits totaled \$3,305,901 and the bank balance totaled \$3,305,901.

Investments. At year-end the Pension Fund has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasury bonds	\$ 1,586,816	\$ - - -	\$ 115,344	\$ 1,071,591	\$ 399,881
U.S. government agency securities	1,255,471	- - -	850	744,883	509,738
Corporate securities	4,112,048	- - -	1,639,810	1,767,872	704,366
Mutual funds	11,305,887	11,305,887	- - -	- - -	- - -
Total	\$ 18,260,222	\$ 11,305,887	\$ 1,756,004	\$ 3,584,346	\$ 1,613,985

The Pension Fund assumes any callable securities will not be called.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Pension Fund's investment policy, the Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Pension Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government and investment grade corporate bonds rated A or higher. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension code. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Investment Type	Fair Value	Exempt from Disclosure	Rating as of Year End			
			AAA	AA+	AA	AA-
U.S. Treasury bonds	\$ 1,586,816	\$ 1,586,816	\$ - - -	\$ - - -	\$ - - -	\$ - - -
U.S. government agency securities	1,255,471	- - -	- - -	1,255,471	- - -	- - -
Corporate securities	4,112,048	- - -	63,258	755,473	210,423	604,173
Mutual funds	11,305,887	11,305,887	- - -	- - -	- - -	- - -
Total	\$ 18,260,222	\$ 12,892,703	\$ 63,258	\$ 2,010,944	\$ 210,423	\$ 604,173

Investment Type	Rating as of Year End					
	A+	A	A-	BBB+	BBB	BBB-
U.S. Treasury bonds	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -
U.S. government agency securities	- - -	- - -	- - -	- - -	- - -	- - -
Corporate securities	419,525	977,491	218,665	718,999	74,266	69,775
Mutual funds	- - -	- - -	- - -	- - -	- - -	- - -
Total	\$ 419,525	\$ 977,491	\$ 218,665	\$ 718,999	\$ 74,266	\$ 69,775

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Pension Fund's deposits may not be returned to it. At December 31, 2015, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Pension Fund's investment policy requires that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default.

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the Pension Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. The Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Pension Fund, to act as custodian for its securities.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of December 31, 2015 using the following actuarial methods and assumptions:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5 year smoothed market, no corridor
Actuarial Assumptions	
Interest Rate	7.0%
Salary Increases	Graded rates from 4.86% at age 25 to 1.12% at age 55
Cost of Living Adjustments	2.0%
Inflation	2.0%

Mortality

Active Lives - RP 2000 Combined Healthy Mortality Table (male) with blue collar adjustment project by Scale BB to 2015.

Disabled Lives - RP 2000 Combined Healthy Mortality Table (male) with blue collar adjustment projected by Scale BB to 2015 with a 150% load for participants under age 50.

Discount Rate

The discount rate used to measure the total pension liability was 7.0%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at December 31, 2014	\$ 27,061,981	\$ 23,014,295	\$ 4,047,686
Changes for the year:			
Service cost	\$ 574,331	\$ - - -	\$ 574,331
Interest on the total pension liability	1,844,837	- - -	1,844,837
Changes of benefit terms	- - -	- - -	- - -
Differences between expected and actual experience of the total pension liability	1,810,297	- - -	1,810,297
Changes of assumptions	- - -	- - -	- - -
Contributions - employer	- - -	634,464	(634,464)
Contributions - employees	- - -	237,806	(237,806)
Net investment income	- - -	(655,704)	655,704
Benefit payments, including refunds of employee contributions	(1,558,304)	(1,558,304)	- - -
Administrative expense	- - -	(21,011)	21,011
Net changes	\$ 2,671,161	\$ (1,362,749)	\$ 4,033,910
Balances at December 31, 2015	\$ 29,733,142	\$ 21,651,546	\$ 8,081,596

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.0% as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Total pension liability	\$ 31,575,216	\$ 29,733,142	\$ 28,189,941
Plan fiduciary net position	21,651,546	21,651,546	21,651,546
Net pension liability (asset)	\$ 9,923,670	\$ 8,081,596	\$ 6,538,395

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

For the year ended December 31, 2015, the City recognized pension expense of \$563,734. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods		
Differences between expected and actual experience	\$ 1,560,134	\$ - - -
Changes of assumptions	- - -	- - -
Net difference between projected and actual earnings on pension plan investments	1,910,042	- - -
Total deferred amounts to be recognized in pension expense in future periods	\$ 3,470,176	\$ - - -

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

Year Ending December 31	Net Deferred Outflows of Resources
2016	\$ 727,673
2017	727,673
2018	727,673
2019	727,673
2020	250,162
Thereafter	309,322
Total	\$ 3,470,176

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 10 – COMBINING FIDUCIARY FUNDS

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

	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ASSETS			
Cash	\$ 3,681,464	\$ 3,305,901	\$ 6,987,365
Receivables			
Accrued interest	49,966	69,148	119,114
Other	101,321	74,705	176,026
Investments			
U.S. treasury bonds	1,141,128	1,586,816	2,727,944
U.S. government agency securities	971,690	1,255,471	2,227,161
Corporate securities	3,124,516	4,112,048	7,236,564
Mutual funds	9,917,549	11,305,887	21,223,436
Other assets	-	494	494
	<hr/>	<hr/>	<hr/>
Total assets	\$ 18,987,634	\$ 21,710,470	\$ 40,698,104
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Other accrued liabilities	\$ 3,742	\$ 58,924	\$ 62,666
	<hr/>	<hr/>	<hr/>
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$ 18,983,892	\$ 21,651,546	\$ 40,635,438
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NOTES TO FINANCIAL STATEMENTS

NOTE 10 – (Continued)

	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ADDITIONS			
Contributions			
Employer	\$ 897,039	\$ 634,464	\$ 1,531,503
Employee	249,771	237,806	487,577
Total contributions	<u>\$ 1,146,810</u>	<u>\$ 872,270</u>	<u>\$ 2,019,080</u>
Investment income			
Net decrease in fair value of investments	\$ (1,149,539)	\$ (1,452,424)	\$ (2,601,963)
Interest	188,459	154,309	342,768
Dividends and capital gains	682,531	733,688	1,416,219
Total investment income	<u>\$ (278,579)</u>	<u>\$ (564,427)</u>	<u>\$ (842,976)</u>
Less investment expense	<u>30,325</u>	<u>80,158</u>	<u>110,483</u>
Net investment loss	<u>\$ (308,874)</u>	<u>\$ (644,585)</u>	<u>\$ (953,459)</u>
Total additions	<u>\$ 837,936</u>	<u>\$ 227,685</u>	<u>\$ 1,065,621</u>
DEDUCTIONS			
Benefits	\$ 1,714,966	\$ 1,558,304	\$ 3,273,270
Administrative expense	64,372	32,130	96,502
Total deductions	<u>\$ 1,779,338</u>	<u>\$ 1,590,434</u>	<u>\$ 3,369,772</u>
Change in net position	\$ (941,402)	\$ (1,362,749)	\$ (2,304,151)
NET POSITION RESTRICTED FOR PENSION BENEFITS			
Beginning	<u>19,925,294</u>	<u>20,014,295</u>	<u>42,939,589</u>
Ending	<u>\$ 18,983,892</u>	<u>\$ 21,651,546</u>	<u>\$ 40,635,438</u>

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – (Continued)

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 December 31, 2015, membership consisted of:

Retirees and beneficiaries currently receiving benefits	135
Terminated employees entitled to benefits but not yet receiving them	3
Active employees	<u>144</u>
Total	<u>282</u>
Participating employees	<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 19% 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.

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NOTES TO FINANCIAL STATEMENTS

NOTE 11 – (Continued)

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:

Annual required contribution	\$ 3,896,715
Interest on net OPEB obligation	426,202
Adjustment to annual required obligation	<u>(556,411)</u>
Annual OPEB cost	\$ 3,766,506
Contributions made	<u>1,735,342</u>
Increase in net OPEB obligation	\$ 2,031,164
Net OPEB obligation, beginning of year	<u>9,471,160</u>
Net OPEB obligation, end of year	<u>\$ 11,502,324</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2015 are as follows in the table below. 2009 was the transition year of GASB Statement No 45.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
12/31/13	\$ 2,409,797	38.28%	\$ 7,385,291
12/31/14	3,594,247	41.97	9,471,160
12/31/15	3,766,506	46.07	11,502,324

Funded status and funding progress. The funded status of the plan as of December 31, 2015, was as follows:

Actuarial accrued liability (AAL)	\$ 51,197,523
Actuarial value of plan assets	<u> - -</u>
Unfunded actuarial accrued liability (UAAL)	\$ 51,197,523
Funded ration (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 9,122,880
UAAL as a percentage of covered payroll	561.20%

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – (Continued)

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.

In the December 31, 2015 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included 4.5% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 8.0% reduced to an ultimate healthcare cost trend rate of 4.0% after eight years. Both rates include a 2.5% inflation assumption. The actuarial value of assets was \$0. The plan's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 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 totaling \$656,123. REDEEM has incurred these TIF reimbursable expenditures as of December 31, 2015. 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 December 31, 2015 due to the contract stipulations between REDEEM and the City.

NOTES TO FINANCIAL STATEMENTS

NOTE 12 – (Continued)

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.

Litigation -

Several lawsuits and claims, arising in the normal course of City operations, were pending at December 31, 2015. 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.

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 December 31, 2015 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 \$100,000 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 15 – (Continued)

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 December 31, 2015 and 2014 are as follows:

	Health Insurance		Liability Insurance	
	12/31/15	12/31/14	12/31/15	12/31/14
Unpaid claims, beginning of year	\$ 207,000	\$ 167,000	\$ 195,137	\$ 141,177
Incurred claims (including IBNRs)	2,913,358	2,502,928	97,148	353,449
Claim payments	<u>(2,880,358)</u>	<u>(2,462,928)</u>	<u>(173,350)</u>	<u>(299,489)</u>
Unpaid claims, end of year	<u>\$ 240,000</u>	<u>\$ 207,000</u>	<u>\$ 118,935</u>	<u>\$ 195,137</u>

Based on experience, \$18,935 of the claims payable as of December 31, 2015 is considered current and due within one year.

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 16 – (Continued)

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.

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT

Library Fund

Capital asset activity for the Library for the year ended December 31, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Prior Period Adjustment</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land	\$ - - -	\$ 45,435	\$ - - -	\$ - - -	\$ 45,435
Capital assets, being depreciated:					
Books	\$ 615,559	\$ - - -	\$ 64,887	\$ 92,407	\$ 588,039
Buildings	- - -	660,986	- - -	- - -	660,986
Improvements other than buildings	- - -	7,460	- - -	- - -	7,460
Vehicles and equipment	- - -	70,258	9,960	- - -	80,218
Total capital assets, being depreciated	<u>\$ 615,559</u>	<u>\$ 738,704</u>	<u>\$ 74,847</u>	<u>\$ 92,407</u>	<u>\$ 1,336,703</u>
Less accumulated depreciation for:					
Books	\$ 354,924	\$ - - -	\$ 77,400	\$ 92,407	\$ 339,917
Buildings	- - -	352,015	19,583	- - -	371,598
Improvements other than buildings	- - -	6,807	373	- - -	7,180
Vehicles and equipment	- - -	70,258	27	- - -	70,285
Total accumulated depreciation	<u>\$ 354,924</u>	<u>\$ 429,080</u>	<u>\$ 97,383</u>	<u>\$ 92,407</u>	<u>\$ 788,980</u>
Total capital assets being depreciated, net	<u>\$ 260,635</u>	<u>\$ 309,624</u>	<u>\$ (22,536)</u>	<u>\$ - - -</u>	<u>\$ 547,723</u>
Library capital assets, net	<u>\$ 260,635</u>	<u>\$ 355,059</u>	<u>\$ (22,536)</u>	<u>\$ - - -</u>	<u>\$ 593,158</u>

Depreciation expense charged to the Library component unit was \$97,383.

NOTES TO FINANCIAL STATEMENTS

NOTE 17 – (Continued)

Receivables as of December 31, 2015 for the Library are as follows:

Property taxes	\$ 693,472
Accounts	<u>9,005</u>
 Total receivables	 <u><u>\$ 702,477</u></u>

NOTE 18 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment to decrease beginning net position of the governmental activities and increase the component unit net position by \$355,059 was recorded to reclass certain capital assets to the Library Fund from governmental activities.

NOTE 19 – 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 December 31, 2015 by opinion unit are as follows:

	General	Tax Increment Financing-The Quarter	Motor Fuel Tax	Nonmajor Governmental	Total
Fund Balance					
Non-spendable:					
Advances	\$ 877,412	\$ - - -	\$ 3,685	\$ 502,210	\$ 1,383,307
Restricted:					
Tax Increment					
Financing Districts	\$ - - -	\$ - - -	\$ - - -	\$ 386,306	\$ 386,306
Special Service Area	- - -	- - -	- - -	211,249	211,249
Public Benefit	103,940	- - -	- - -	- - -	103,940
Audit	15,503	- - -	- - -	- - -	15,503
Culture/Recreation	2,129	- - -	- - -	- - -	2,129
Road Repairs	246,014	- - -	1,561,876	383,028	2,190,918
Public Safety					
Emergency Service	35,366	- - -	- - -	- - -	35,366
Foreign Fire	37,256	- - -	- - -	- - -	37,256
Drug Seizure	108,112	- - -	- - -	- - -	108,112
Tort and Judgment	10,072	- - -	- - -	- - -	10,072
IMRF Expenses	129,320	- - -	- - -	- - -	129,320
FICA Expenses	221,165	- - -	- - -	- - -	221,165
Total Restricted	\$ 908,877	\$ - - -	\$ 1,561,876	\$ 980,583	\$ 3,451,336
Committed:	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -

NOTES TO FINANCIAL STATEMENTS

NOTE 19 – (Continued)

Assigned:					
Refuse	\$ - - -	\$ - - -	\$ - - -	\$ 591,813	\$ 591,813
Culture/Recreation	183,811	- - -	- - -	26,767	210,578
Capital Improvements and Equipment	1,179,946	- - -	- - -	57,774	1,237,720
Public Safety					
Crossing Guard	22,050	- - -	- - -	- - -	22,050
Landfill closure	992,085	- - -	- - -	- - -	992,085
Fire	130,170	- - -	- - -	- - -	130,170
Sick Leave	24,986	- - -	- - -	- - -	24,986
OPEB	594,973	- - -	- - -	- - -	594,973
	\$ 3,128,021	\$ - - -	\$ - - -	\$ 676,354	\$ 3,804,375
Total Assigned					
Unassigned:	\$ 3,227,237	\$ (2,698,961)	\$ - - -	\$ (2,983,547)	\$ (2,455,271)
Total Fund Balances	\$ 8,141,547	\$ (2,698,961)	\$ 1,565,561	\$ (824,400)	\$ 6,183,747

NOTE 20 – RESTATEMENT

GASB No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB No. 27*, was implemented during fiscal year 2015. The revised requirements establish new financial reporting requirements for state and local governments which provide their employees with pension benefits, including additional note disclosures and required supplementary information. In addition, GASB No. 68 requires a state or local government employer to recognize a net pension liability and changes in the net pension liability, deferred outflows of resources, and deferred inflows of resources which arise from other types of events related to pensions. During the transition year, as permitted, beginning balances for deferred outflows of resources and deferred inflows of resources will not be reported, except for deferred outflows of resources related to contributions made after the measurement date of the beginning net pension liability which is required to be reported by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Beginning net position for governmental and business-type activities were restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date, as follows:

	Governmental Activities	Business-type Activities
Net position - December 31, 2014, as previously reported	\$ 25,095,398	\$ 31,822,768
Add: prior year net pension obligation - police and fire	568,391	- - -
Add: net pension assets - IMRF	428,402	720,128
Add: deferred outflows related to pensions - IMRF	251,064	422,031
Less: net pension liability - police and fire	(9,967,861)	- - -
Net position - December 31, 2014, as restated	\$ 16,375,394	\$ 32,964,927

NOTES TO FINANCIAL STATEMENTS

NOTE 20 – (Continued)

	Water Plan Fund	Water Distribution Fund	Sewer Plant Fund	Sewer Collection Fund	Drainage Fund
Net position - December 31, 2014, as previously reported	\$ 5,156,115	\$ 9,035,248	\$ 4,420,943	\$ 8,348,425	\$ 4,407,351
Add: net pension asset - IMRF	156,988	170,670	210,998	129,623	51,849
Add: deferred outflows related to pensions - IMRF	92,003	100,021	123,655	75,966	30,386
Net position - December 31, 2014, as restated	<u>\$ 5,405,106</u>	<u>\$ 9,305,939</u>	<u>\$ 4,755,596</u>	<u>\$ 8,554,014</u>	<u>\$ 4,489,586</u>

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

Tax Increment Financing Fund – The Quarter

Motor Fuel Tax Fund

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

Schedules of Changes in Employer's Net Pension Liability and Related Ratios

Schedule of Investment Returns

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

For the Year Ended December 31, 2015

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes:			
Property	\$ 4,524,536	\$ 4,514,138	\$ (10,398)
Utility	1,500,000	1,423,426	(76,574)
Admissions	2,000	3,720	1,720
Licenses and permits	183,900	214,588	30,688
Charges for services and rents	481,300	489,602	8,302
Investment income	5,185	9,946	4,761
Intergovernmental	5,894,358	6,269,399	375,041
Landfill host fees	-	129,979	129,979
Fines	272,000	198,779	(73,221)
Grant	39,000	23,398	(15,602)
Miscellaneous	97,300	90,176	(7,124)
	<u>\$ 12,999,579</u>	<u>\$ 13,367,151</u>	<u>\$ 367,572</u>
EXPENDITURES			
Current			
General Government:			
Administration:			
Salaries	\$ 96,235	\$ 96,530	\$ (295)
Office	29,850	25,643	4,207
Audit	32,000	32,000	-
Printing and advertising	3,750	8,445	(4,695)
Insurance	25,500	25,500	-
Equipment rent and repairs	14,645	40,044	(25,399)
Dues and subscriptions	39,700	32,037	7,663
Professional services	13,900	15,812	(1,912)
Miscellaneous	5,300	5,036	264
FICA	14,590	13,002	1,588
IMRF	14,166	13,318	848
Executive and legislative:			
Salaries	52,400	52,669	(269)
Office	2,900	3,979	(1,079)
Printing and advertising	500	252	248
Insurance	7,500	7,500	-
Dues and subscriptions	900	2,652	(1,752)
Miscellaneous	11,600	10,089	1,511
Building and grounds:			
Office	16,600	15,690	910
Insurance	7,500	7,500	-
Repairs and maintenance	75,000	11,559	63,441
Professional services	50,000	4,600	45,400
Utilities	31,000	38,202	(7,202)
	<u>\$ 545,536</u>	<u>\$ 462,059</u>	<u>\$ 83,477</u>
Total general government	<u>\$ 545,536</u>	<u>\$ 462,059</u>	<u>\$ 83,477</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 December 31, 2015

EXPENDITURES (continued)	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Public Safety:			
Health:			
Salaries	\$ 70,000	\$ 69,969	\$ 31
Office	6,400	2,569	3,831
Insurance	9,480	9,480	-
Vehicle maintenance	4,085	4,085	-
Dues and subscriptions	800	703	97
Professional services	160,400	126,476	33,924
Miscellaneous	12,200	5,312	6,888
Legal:			
Insurance	7,500	7,500	-
Professional services	200,000	276,264	(76,264)
Special projects	2,500	9,732	(7,232)
Miscellaneous	100	-	100
FICA	3,854	3,435	419
IMRF	3,742	3,518	224
Crossing Guard	47,000	47,373	(373)
Emergency Services	5,000	5,309	(309)
Police Protection:			
Salaries	3,028,990	2,875,095	153,895
Office	97,800	81,487	16,313
Radio User Fees	18,000	18,216	(216)
Center Station	525,360	524,941	419
Insurance	531,360	531,360	-
Equipment rent and repairs	121,000	67,419	53,581
Dues and subscriptions	3,000	7,815	(4,815)
Training	15,000	21,578	(6,578)
Vehicle maintenance	85,030	85,030	-
Grant expenditures	5,500	5,538	(38)
Municipies & CORA	28,000	19,540	8,460
Records Management	30,000	29,022	978
Pension	897,039	897,039	-
Miscellaneous	8,800	11,396	(2,596)
Police and Fire Commission:			
Dues and subscriptions	400	375	25
Miscellaneous	1,000	1,305	(305)

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

For the Year Ended December 31, 2015

EXPENDITURES (continued)	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Fire Protection:			
Salaries	\$ 2,781,330	\$ 2,728,074	\$ 53,256
Office	37,100	18,767	18,333
Training	15,000	13,731	1,269
Radio User Fees	10,000	10,454	(454)
Insurance	522,720	522,720	-
Equipment rent and repairs	65,500	42,694	22,806
Dues and subscriptions	3,500	4,669	(1,169)
Vehicle maintenance	32,000	32,000	-
Utilities	18,000	13,312	4,688
Pension	634,465	634,465	-
Miscellaneous	51,000	54,300	(3,300)
	<u>\$ 10,099,955</u>	<u>\$ 9,824,067</u>	<u>\$ 275,888</u>
Public Works:			
Administration:			
Salaries	\$ 114,975	\$ 115,297	\$ (322)
Insurance	15,000	15,000	-
Vehicle maintenance	4,085	4,085	-
Office	12,450	13,049	(599)
Dues and subscriptions	2,400	2,476	(76)
Inspection:			
Salaries	58,500	56,605	1,895
Office	9,100	6,953	2,147
Professional services	300	174	126
Vehicle maintenance	8,170	8,170	-
Insurance	22,500	22,500	-
Dues and subscriptions	700	453	247
Light:			
Repairs	30,000	51,163	(21,163)
Traffic Lighting	-	15,849	(15,849)
Street Lighting	240,800	315,802	(75,002)
Street & Bridge:			
Salaries	192,500	184,423	8,077
Office	21,400	16,959	4,441
Insurance	90,000	90,000	-
Vehicle Maintenance	95,205	95,205	-
Professional Services	12,000	1,658	10,342
Repairs	118,900	107,932	10,968
Miscellaneous	-	1,289	(1,289)
Utilities	46,000	33,730	12,270

(Continued)

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

For the Year Ended December 31, 2015

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
EXPENDITURES (continued)			
Public benefit and comfort	\$ 125	\$ 1,203	\$ (1,078)
Engineering:			
Salaries	31,740	31,873	(133)
Office	6,350	3,868	2,482
Insurance	13,125	13,125	-
Dues and Subscriptions	300	302	(2)
Vehicle maintenance	4,085	4,085	-
Professional services	500	445	55
FICA	33,860	30,176	3,684
IMRF	32,876	30,907	1,969
Total public works	<u>\$ 1,217,946</u>	<u>\$ 1,274,756</u>	<u>\$ (56,810)</u>
Recreation and culture			
Fireworks	\$ 10,000	\$ 10,283	\$ (283)
Salaries	186,000	179,003	6,997
Office	2,800	2,538	262
Insurance	22,500	22,500	-
Utilities	21,000	23,760	(2,760)
Vehicle maintenance	51,000	51,000	-
Repairs and maintenance	50,700	18,309	32,391
Tourism	3,000	3,000	-
Fiberoptics	70,000	61,413	8,587
Sponsorship	5,000	5,000	-
Miscellaneous	6,000	5,697	303
FICA	36,338	32,384	3,954
IMRF	35,282	33,168	2,114
Total recreation and culture	<u>\$ 499,620</u>	<u>\$ 448,055</u>	<u>\$ 51,565</u>
Economic Development:			
Office	\$ 1,800	\$ 545	\$ 1,255
Insurance	7,500	7,500	-
Developer rebate	20,000	29,718	(9,718)
Total economic development	<u>\$ 29,300</u>	<u>\$ 37,763</u>	<u>\$ (8,463)</u>

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

For the Year Ended December 31, 2015

	Original and Final Budget	Actual Amounts	Variance with Final Budget
EXPENDITURES (continued)			
Capital expenditures	\$ 240,670	\$ 196,677	\$ 43,993
Debt service:			
Principal	6,090	-	6,090
Interest	135	132	3
	\$ 12,639,252	\$ 12,243,509	\$ 395,743
Excess of revenues over expenditures	\$ 360,327	\$ 1,123,642	\$ 763,315
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	\$ -	\$ 6,920	\$ 6,920
Transfers in	23,600	145,600	122,000
Transfers out	(797,862)	(883,754)	(85,892)
	\$ (774,262)	\$ (731,234)	\$ 43,028
Net change in fund balance	\$ (413,935)	\$ 392,408	\$ 806,343
FUND BALANCE – Beginning		7,749,139	
FUND BALANCE – Ending		\$ 8,141,547	

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 December 31, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 184,000	\$ 187,619	\$ 3,619
EXPENDITURES			
Current:			
Economic development	\$ 91,100	\$ 89,492	\$ 1,608
Debt service:			
Principal	230,000	230,000	-
Interest	61,505	61,505	-
Total expenditures	<u>\$ 382,605</u>	<u>\$ 380,997</u>	<u>\$ 1,608</u>
Deficiency of revenues under expenditures	<u>\$ (198,605)</u>	<u>\$ (193,378)</u>	<u>\$ 5,227</u>
FUND BALANCE – Beginning		<u>(2,505,583)</u>	
FUND BALANCE – Ending		<u>\$ (2,698,961)</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 December 31, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ 517,500	\$ 520,778	\$ 3,278
Investment income	1,625	7,741	6,116
Grant	-	609,666	609,666
	<u>\$ 519,125</u>	<u>\$ 1,138,185</u>	<u>\$ 619,060</u>
EXPENDITURES			
Current, public works	\$ 225,000	\$ 526,562	\$ (301,562)
Capital expenditures	892,700	873,890	18,810
	<u>\$ 1,117,700</u>	<u>\$ 1,400,452</u>	<u>\$ (282,752)</u>
Deficiency of revenues under expenditures	<u>\$ (598,575)</u>	<u>\$ (262,267)</u>	<u>\$ 336,308</u>
FUND BALANCE – Beginning		<u>1,827,828</u>	
FUND BALANCE – Ending		<u>\$ 1,565,561</u>	

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

December 31, 2015

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 December 31, 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 January 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 December 31.

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:

Motor Fuel Tax	Amount Over Budget
	\$ 282,752

These expenditures were funded by available reserves.

CITY OF EAST MOLINE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION ON
OTHER POST EMPLOYMENT
BENEFIT PLAN FUNDING PROGRESS
December 31, 2015

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)
12/31/15	12/31/15	\$ - - -	\$ 51,197,523	\$ 51,197,523	0.00%	\$ 9,122,880	561.20%
12/31/14	12/31/14	- - -	47,589,396	47,589,396	0.00	9,079,239	524.16
12/31/13	12/31/13	- - -	45,989,523	45,989,523	0.00	8,772,211	524.26
4/30/13	4/30/13	- - -	42,889,114	42,889,114	0.00	9,474,005	452.70
4/30/12	4/30/11	- - -	37,025,522	37,025,522	0.00	9,642,738	383.97
4/30/11	4/30/11	- - -	37,025,522	37,025,522	0.00	9,584,716	386.30

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 EMPLOYER CONTRIBUTIONS**

December 31, 2015

Other Postemployment Benefit Plan -

Fiscal Year Ended	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
12/31/15	\$ 1,735,342	\$ 3,896,715	44.5%
12/31/14	1,508,378	3,695,779	40.8
12/31/13	922,555	2,463,853	37.4
4/30/13	1,113,697	2,298,094	48.5
4/30/12	1,113,698	2,298,094	48.5
4/30/11	1,113,698	2,096,038	53.1

(Continued)

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

Illinois Municipal Retirement Plan	2014
Calendar Year Ended December 31,	
Actuarially Determined Contribution	\$ 638,171
Actual Contribution	<u>662,498</u>
CONTRIBUTION DEFICIENCY (Excess)	\$ <u>(24,327)</u>
Covered Valuation Payroll	\$ 5,530,079
Actual Contribution as a Percentage of Covered Valuation Payroll	11.98%

Notes to Schedule:

Summary of Actuarial Methods and Assumptions Used to Determine Contribution Rate

Valuation date:	Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Non-Taxing bodies: 10-year rolling period.
	Taxing bodies (Regular, SLEP, and ECO groups): 29-year closed period until remaining period reaches 15 years (then 15-year rolling period).
	Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
	SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 24 years for most employers (two employees were financed over 33 years).
	5 year smoothed market; 20% corridor
Asset valuation method	4%
Wage Growth	3% approximate; no explicit price inflation assumption is used in this valuation.
Price Inflation	4.40% to 16%, including inflation
Salary Increases	7.50%
Investment rate of return	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Retirement Age	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Mortality	There were no benefit changes during the year.
Other Information	

*IMRF fiscal year December 31, 2014 is the first year of GASB Statement No. 68 implementation. The table will build prospectively from 2014.

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

Last Ten Fiscal Years

Police Pension Plan	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
Actuarially Determined Contribution	\$ 1,498,898	\$ 700,438	\$ 554,998	\$ 761,897	\$ 871,094	\$ 885,021	\$ 634,664	\$ 519,618	\$ 538,599	\$ 601,428
Contributions in Relation to the Actuarially Determined Contribution	897,039	782,786	542,526	836,859	878,524	709,342	548,793	533,518	582,831	529,842
CONTRIBUTION DEFICIENCY (Excess)	\$ 601,859	\$ (82,348)	\$ 12,472	\$ (74,962)	\$ (7,430)	\$ 175,679	\$ 85,871	\$ (13,900)	\$ (44,232)	\$ 71,586
Covered Employee Payroll	\$ 2,388,592	\$ 2,594,594	\$ 2,416,472	\$ 2,438,362	\$ 2,403,993	\$ 2,349,868	\$ 2,289,912	\$ 2,101,474	\$ 2,101,474	\$ 1,826,512
Contributions as a Percentage of Covered Employee Payroll	37.6%	30.2%	22.5%	34.3%	36.5%	30.2%	24.0%	25.4%	27.7%	29.0%

Notes to Schedule:

The plan implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27. Additional information as of the latest actuarial valuation presented is as follows:

Valuation date:

January 1 of the prior fiscal year for years ended 12/31/2015 and 12/31/2014 and eight month period ended 12/31/2013;
May 1 of the prior fiscal year for the years ended 4/30

Actuarial cost method
Amortization method
Remaining amortization period
Asset valuation method
Salary increases
Investment rate of return

Entry age normal
Level dollar funding
Ends in fiscal year 2041
5 year smoothed market, no corridor
Graded rates from 4.86% at age 25 to 1.12% at age 55, plus 2.0% inflation allowance
7.0% annually

CITY OF EAST MOLINE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION ON PENSION AND
OTHER POST EMPLOYMENT BENEFIT PLAN EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

Firefighters' Pension Plan	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
Actuarially Determined Contribution	\$ 932,227	\$ 463,582	\$ 507,588	\$ 687,686	\$ 711,975	\$ 728,444	\$ 421,672	\$ 365,570	\$ 400,557	\$ 409,949
Contributions in Relation to the Actuarially Determined Contribution	634,464	679,363	489,866	960,775	535,376	434,973	379,195	391,894	400,557	407,628
CONTRIBUTION DEFICIENCY (Excess)	\$ 297,763	\$ (215,781)	\$ 17,722	\$ (273,089)	\$ 176,599	\$ 293,471	\$ 42,477	\$ (26,324)	\$ -	\$ 2,321
Covered Employee Payroll	\$ 2,482,214	\$ 2,445,148	\$ 2,329,812	\$ 2,214,190	\$ 2,163,073	\$ 2,052,181	\$ 1,924,102	\$ 1,735,636	\$ 1,735,636	\$ 1,746,034
Contributions as a Percentage of Covered Employee Payroll	25.6%	27.8%	21.0%	43.4%	24.8%	21.2%	19.7%	22.6%	23.1%	23.3%

Notes to Schedule:

The plan implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27. Additional information as of the latest actuarial valuation presented is as follows:

Valuation date:

January 1 of the prior fiscal year for years ended 12/31/2015 and 12/31/2014 and eight month period ended 12/31/2013;
May 1 of the prior fiscal year for the years ended 4/30

Actuarial cost method
Amortization method
Remaining amortization period
Asset valuation method
Salary increases
Investment rate of return

Entry age normal
Level dollar funding
Ends in fiscal year 2041
5 year smoothed market, no corridor
Graded rates from 4.86% at age 25 to 1.12% at age 55, plus 2.0 inflation allowance
7.0% annually

CITY OF EAST MOLINE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN EMPLOYER'S NET
PENSION LIABILITY AND RELATED RATIOS
 Last Ten Fiscal Years*

Illinois Municipal Retirement Plan

Calendar Year Ended December 31,	2014
TOTAL PENSION LIABILITY	
Service Cost	\$ 645,888
Interest	2,979,625
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(43,249)
Changes of Assumptions	1,411,896
Benefit Payments, Including Refunds of Employee Contributions	<u>(2,111,268)</u>
Net Change in Total Pension Liability	\$ 2,882,892
Total Pension Liability - Beginning	<u>40,461,021</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 43,343,913</u>
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 662,498
Contributions - Employees	269,796
Net Investment Income	2,502,224
Benefit Payments, Including Refunds of Employee Contributions	(2,111,268)
Other (Net Transfer)	<u>(95,901)</u>
Net Change in Plan Fiduciary Net Position	\$ 1,227,349
Plan Net Position - Beginning	<u>41,609,551</u>
PLAN NET POSITION - ENDING	<u>\$ 42,836,900</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 507,013</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.83%
Covered Valuation Payroll	\$ 5,530,079
Employer's Net Pension Liability as a Percentage of Covered Valuation Payroll	9.17%

Notes to Schedule:

* IMRF fiscal year December 31, 2014 is the first year of GASB Statement No. 68 implementation. The table will build prospectively from 2014.

(Continued)

CITY OF EAST MOLINE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN EMPLOYER'S NET
PENSION LIABILITY AND RELATED RATIOS
 Last Ten Fiscal Years*

Police Pension Plan

	<u>2015</u>	<u>2014</u>
TOTAL PENSION LIABILITY		
Service Cost	\$ 576,200	\$ 498,852
Interest	1,753,170	2,016,885
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	3,439,869	(5,010,958)
Changes of Assumptions	-	328,595
Benefit Payments, Including Refunds of Member Contributions	<u>(1,763,945)</u>	<u>(1,477,589)</u>
Net Change in Total Pension Liability	\$ 4,005,294	\$ (3,644,215)
Total Pension Liability - Beginning	<u>25,845,468</u>	<u>29,489,683</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 29,850,762</u></u>	<u><u>\$ 25,845,468</u></u>
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 897,039	\$ 782,786
Contributions - Member	249,771	261,574
Net Investment Income	(292,993)	654,662
Benefit Payments, Including Refunds of Member Contributions	(1,763,945)	(1,477,589)
Administrative Expense	<u>(31,274)</u>	<u>(26,237)</u>
Net Change in Plan Fiduciary Net Position	\$ (941,402)	\$ 195,196
Plan Net Position - Beginning	<u>19,925,293</u>	<u>19,730,097</u>
PLAN NET POSITION - ENDING	<u><u>\$ 18,983,891</u></u>	<u><u>\$ 19,925,293</u></u>
EMPLOYER'S NET PENSION LIABILITY	<u><u>\$ 10,866,871</u></u>	<u><u>\$ 5,920,175</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.60%	77.09%
Covered Employee Payroll	\$ 2,388,592	\$ 2,594,594
Employer's Net Pension Liability as a Percentage of Covered Employee Payroll	454.95%	228.17%

Notes to Schedule:

* The pension implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

CITY OF EAST MOLINE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN EMPLOYER'S NET
PENSION LIABILITY AND RELATED RATIOS
 Last Ten Fiscal Years*

Firefighters' Pension Plan

	<u>2015</u>	<u>2014</u>
TOTAL PENSION LIABILITY		
Service Cost	\$ 574,331	\$ 594,392
Interest	1,844,837	1,659,616
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	1,810,297	(2,652,969)
Changes of Assumptions	-	1,730,104
Benefit Payments, Including Refunds of Member Contributions	<u>(1,558,304)</u>	<u>(1,503,645)</u>
Net Change in Total Pension Liability	\$ 2,671,161	\$ (172,502)
Total Pension Liability - Beginning	<u>27,061,981</u>	<u>27,234,483</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 29,733,142</u>	<u>\$ 27,061,981</u>
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 634,464	\$ 679,363
Contributions - Member	237,806	242,314
Net Investment Income	(655,704)	705,900
Benefit Payments, Including Refunds of Member Contributions	(1,558,304)	(1,503,645)
Administrative Expense	<u>(21,011)</u>	<u>(28,054)</u>
Net Change in Plan Fiduciary Net Position	\$ (1,362,749)	\$ 95,878
Plan Net Position - Beginning	<u>23,014,295</u>	<u>22,918,417</u>
PLAN NET POSITION - ENDING	<u>\$ 21,651,546</u>	<u>\$ 23,014,295</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 8,081,596</u>	<u>\$ 4,047,686</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.82%	85.04%
Covered Employee Payroll	\$ 2,482,214	\$ 2,445,148
Employer's Net Pension Liability as a Percentage of Covered Employee Payroll	325.58%	165.54%

Notes to Schedule:

* The pension implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

CITY OF EAST MOLINE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
 Last Ten Fiscal Years*

<u>Police Pension Plan</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	-1.21%	4.06%
<u>Firefighters' Pension Plan</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	-2.13%	3.86%

Notes to Schedule:

- * The plans implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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.

CITY OF EAST MOLINE, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2015

	<u>Totals</u>	<u>Special Garbage</u>	<u>Revenue Funds Municipal Swimming Pool</u>
ASSETS			
Cash	\$ 1,292,261	\$ 532,730	\$ 77,607
Investments	295,508	-	-
Receivables	1,725,809	310,361	-
Advances to other funds	502,210	-	1,239
Total assets	<u>\$ 3,815,788</u>	<u>\$ 843,091</u>	<u>\$ 78,846</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 56,396	\$ 34,042	\$ 11,214
Fund cash deficit	2,153,201	-	-
Accrued liabilities	22,697	12,045	4,626
Advances from other funds	906,796	-	35,000
Total liabilities	<u>\$ 3,139,090</u>	<u>\$ 46,087</u>	<u>\$ 50,840</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 1,460,319	\$ 205,191	\$ -
Unavailable revenue - other taxes	40,779	-	-
Total deferred inflows of resources	<u>\$ 1,501,098</u>	<u>\$ 205,191</u>	<u>\$ -</u>
FUND BALANCES			
Nonspendable	\$ 502,210	\$ -	\$ 1,239
Restricted	980,583	-	-
Assigned	676,354	591,813	26,767
Unassigned	(2,983,547)	-	-
Total fund balances	<u>\$ (824,400)</u>	<u>\$ 591,813</u>	<u>\$ 28,006</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,815,788</u>	<u>\$ 843,091</u>	<u>\$ 78,846</u>

Economic Development	Non-Home Rule Sales Tax	Special Service Area - Downtown	Tax Increment Financing	
			North Hill	Downtown
\$ 6,108	\$ 26,017	\$ 208,233	\$ 134,762	\$ 187,292
-	295,508	-	-	-
19,851	120,379	63,018	497,264	51,380
181,052	-	-	6,436	-
<u>\$ 207,011</u>	<u>\$ 441,904</u>	<u>\$ 271,251</u>	<u>\$ 638,462</u>	<u>\$ 238,672</u>
\$ -	\$ 8,386	\$ -	\$ 72	\$ -
-	-	-	-	-
-	6,026	-	-	-
32,218	3,685	-	-	-
<u>\$ 32,218</u>	<u>\$ 18,097</u>	<u>\$ -</u>	<u>\$ 72</u>	<u>\$ -</u>
\$ -	\$ -	\$ 60,002	\$ 497,253	\$ 48,806
-	40,779	-	-	-
<u>\$ -</u>	<u>\$ 40,779</u>	<u>\$ 60,002</u>	<u>\$ 497,253</u>	<u>\$ 48,806</u>
\$ 181,052	\$ -	\$ -	\$ 6,436	\$ -
-	383,028	211,249	134,701	189,866
-	-	-	-	-
(6,259)	-	-	-	-
<u>\$ 174,793</u>	<u>\$ 383,028</u>	<u>\$ 211,249</u>	<u>\$ 141,137</u>	<u>\$ 189,866</u>
<u>\$ 207,011</u>	<u>\$ 441,904</u>	<u>\$ 271,251</u>	<u>\$ 638,462</u>	<u>\$ 238,672</u>

CITY OF EAST MOLINE, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2015

	Special Tax Increment		
	Great River Industrial Park	Gateway Industrial Park	Port of Call
ASSETS			
Cash	\$ -	\$ -	\$ -
Investments	-	-	-
Receivables	142,155	1,123	16,943
Advances to other funds	-	-	-
Total assets	\$ 142,155	\$ 1,123	\$ 16,943
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 183	\$ -	\$ 2,499
Fund cash deficit	946,765	168,154	92,552
Accrued liabilities	-	-	-
Advances from other funds	374,284	61,609	-
Total liabilities	\$ 1,321,232	\$ 229,763	\$ 95,051
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 142,151	\$ 1,123	\$ 9,011
Unavailable revenue - other taxes	-	-	-
Total deferred inflows of resources	\$ 142,151	\$ 1,123	\$ 9,011
FUND BALANCES			
Nonspendable	\$ -	\$ -	\$ -
Restricted	-	-	-
Assigned	-	-	-
Unassigned	(1,321,228)	(229,763)	(87,119)
Total fund balances	\$ (1,321,228)	\$ (229,763)	\$ (87,119)
Total liabilities, deferred inflows of resources, and fund balances	\$ 142,155	\$ 1,123	\$ 16,943

Revenue Funds			
Financing			
Kennedy Drive	Lucky Strike	Capital Projects	Debt Service
\$ -	\$ 61,738	\$ 57,774	\$ -
-	-	-	-
229,506	77,605	-	196,224
313,483	-	-	-
<u>\$ 542,989</u>	<u>\$ 139,343</u>	<u>\$ 57,774</u>	<u>\$ 196,224</u>
\$ -	\$ -	\$ -	\$ -
555,856	-	-	389,874
-	-	-	-
400,000	-	-	-
<u>\$ 955,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,874</u>
\$ 229,501	\$ 77,604	\$ -	\$ 189,677
-	-	-	-
<u>\$ 229,501</u>	<u>\$ 77,604</u>	<u>\$ -</u>	<u>\$ 189,677</u>
\$ 313,483	\$ -	\$ -	\$ -
-	61,739	-	-
-	-	57,774	-
(955,851)	-	-	(383,327)
<u>\$ (642,368)</u>	<u>\$ 61,739</u>	<u>\$ 57,774</u>	<u>\$ (383,327)</u>
<u>\$ 542,989</u>	<u>\$ 139,343</u>	<u>\$ 57,774</u>	<u>\$ 196,224</u>

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	<u>Totals</u>	<u>Special</u>	
		<u>Garbage</u>	<u>Municipal Swimming Pool</u>
REVENUES			
Taxes:			
Property	\$ 1,381,142	\$ 204,785	\$ -
Sales	465,338	-	-
Charges for services and rents	951,981	714,844	236,199
Investment income	1,687	-	-
Grant	43,702	15,977	-
Miscellaneous	14,032	-	-
	<u> </u>	<u> </u>	<u> </u>
Total revenues	\$ 2,857,882	\$ 935,606	\$ 236,199
	<u> </u>	<u> </u>	<u> </u>
EXPENDITURES			
Current:			
General government	\$ 172	\$ -	\$ -
Public works	1,155,723	693,062	-
Recreation and culture	359,839	-	355,469
Economic development	1,260,461	-	-
Capital expenditures	171,010	-	-
Debt service:			
Principal	822,984	73,984	-
Interest	117,021	6,550	-
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	\$ 3,887,210	\$ 773,596	\$ 355,469
	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over (under) expenditures	\$ (1,029,328)	\$ 162,010	\$ (119,270)
	<u> </u>	<u> </u>	<u> </u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 202,000	\$ -	\$ 112,000
Transfers out	(93,600)	(93,600)	-
	<u> </u>	<u> </u>	<u> </u>
Total other financing sources (uses)	\$ 108,400	\$ (93,600)	\$ 112,000
	<u> </u>	<u> </u>	<u> </u>
Net change in fund balances	\$ (920,928)	\$ 68,410	\$ (7,270)
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES – Beginning	96,528	523,403	35,276
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES – Ending	\$ (824,400)	\$ 591,813	\$ 28,006
	<u> </u>	<u> </u>	<u> </u>

Revenue Funds			Tax Increment Financing		
Economic Development	Non-Home Rule Sales Tax	Special Service Area - Downtown	North Hill	Downtown	Great River Industrial Park
\$ -	\$ -	\$ 60,014	\$ 463,742	\$ 46,057	\$ 134,653
-	465,338	-	-	-	-
938	-	-	-	-	-
-	193	205	1,289	-	-
19,851	7,874	-	-	-	-
-	-	-	-	-	-
<u>\$ 20,789</u>	<u>\$ 473,405</u>	<u>\$ 60,219</u>	<u>\$ 465,031</u>	<u>\$ 46,057</u>	<u>\$ 134,653</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	462,661	-	-	-	-
-	-	-	-	-	-
3,533	-	44,095	1,102,575	-	55,727
-	171,010	-	-	-	-
-	-	-	135,000	-	145,000
-	-	-	2,700	-	10,875
<u>\$ 3,533</u>	<u>\$ 633,671</u>	<u>\$ 44,095</u>	<u>\$ 1,240,275</u>	<u>\$ -</u>	<u>\$ 211,602</u>
\$ 17,256	\$ (160,266)	\$ 16,124	\$ (775,244)	\$ 46,057	\$ (76,949)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,256	\$ (160,266)	\$ 16,124	\$ (775,244)	\$ 46,057	\$ (76,949)
157,537	543,294	195,125	916,381	143,809	(1,244,279)
<u>\$ 174,793</u>	<u>\$ 383,028</u>	<u>\$ 211,249</u>	<u>\$ 141,137</u>	<u>\$ 189,866</u>	<u>\$ (1,321,228)</u>

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Special Revenue Funds			
	Tax Increment Financing			
	Gateway Industrial Park	Port of Call	Kennedy Drive	Lucky Strike
REVENUES				
Taxes:				
Property	\$ 916	\$ 170	\$ 218,629	\$ 45,122
Sales	-	-	-	-
Charges for services and rents	-	-	-	-
Investment income	-	-	-	-
Grant	-	-	-	-
Miscellaneous	-	13,369	-	-
	<u>\$ 916</u>	<u>\$ 13,539</u>	<u>\$ 218,629</u>	<u>\$ 45,122</u>
Total revenues				
	<u>\$ 916</u>	<u>\$ 13,539</u>	<u>\$ 218,629</u>	<u>\$ 45,122</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public works	-	-	-	-
Recreation and culture	-	-	-	-
Economic development	-	20,578	250	33,703
Capital expenditures	-	-	-	-
Debt service:				
Principal	-	-	185,000	-
Interest	-	-	69,938	-
	<u>\$ -</u>	<u>\$ 20,578</u>	<u>\$ 255,188</u>	<u>\$ 33,703</u>
Total expenditures				
	<u>\$ -</u>	<u>\$ 20,578</u>	<u>\$ 255,188</u>	<u>\$ 33,703</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 916</u>	<u>\$ (7,039)</u>	<u>\$ (36,559)</u>	<u>\$ 11,419</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total other financing sources (uses)				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balances	\$ 916	\$ (7,039)	\$ (36,559)	\$ 11,419
FUND BALANCES – Beginning	<u>(230,679)</u>	<u>(80,080)</u>	<u>(605,809)</u>	<u>50,320</u>
FUND BALANCES – Ending	<u><u>\$ (229,763)</u></u>	<u><u>\$ (87,119)</u></u>	<u><u>\$ (642,368)</u></u>	<u><u>\$ 61,739</u></u>

<u>Capital Projects</u>	<u>Debt Service</u>
\$ -	\$ 207,054
-	-
-	-
-	-
663	-
<u>\$ 663</u>	<u>\$ 207,054</u>
\$ -	\$ 172
-	-
4,370	-
-	-
-	-
-	284,000
-	26,958
<u>\$ 4,370</u>	<u>\$ 311,130</u>
<u>\$ (3,707)</u>	<u>\$ (104,076)</u>
\$ 20,000	\$ 70,000
-	-
<u>\$ 20,000</u>	<u>\$ 70,000</u>
\$ 16,293	\$ (34,076)
41,481	(349,251)
<u>\$ 57,774</u>	<u>\$ (383,327)</u>

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

For the Year Ended December 31, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes:			
Property	\$ 205,000	\$ 204,785	\$ (215)
Charges for services	672,900	714,844	41,944
Grant	15,900	15,977	77
	<u> </u>	<u> </u>	<u> </u>
Total revenues	\$ 893,800	\$ 935,606	\$ 41,806
	<u> </u>	<u> </u>	<u> </u>
EXPENDITURES			
Current, public works	\$ 719,650	\$ 693,062	\$ 26,588
Debt Service			
Principal	74,000	73,984	16
Interest	6,550	6,550	-
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	\$ 800,200	\$ 773,596	\$ 26,604
	<u> </u>	<u> </u>	<u> </u>
Excess of revenues over expenditures	\$ 93,600	\$ 162,010	\$ 68,410
	<u> </u>	<u> </u>	<u> </u>
OTHER FINANCING USES			
Transfers out	(93,600)	(93,600)	-
	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 68,410</u>	<u>\$ 68,410</u>
FUND BALANCE – Beginning		<u>523,403</u>	
FUND BALANCE – Ending		<u>\$ 591,813</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 December 31, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Charges for services and rents	\$ 221,200	\$ 236,199	\$ 14,999
EXPENDITURES			
Current, recreation, and culture	\$ 333,200	\$ 355,469	\$ (22,269)
Deficiency of revenues under expenditures	\$ (112,000)	\$ (119,270)	\$ (7,270)
OTHER FINANCING USES			
Transfers in	112,000	112,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (7,270)</u>	<u>\$ (7,270)</u>
FUND BALANCE – Beginning		<u>35,276</u>	
FUND BALANCE – Ending		<u>\$ 28,006</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 December 31, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Sales tax	\$ 456,000	\$ 465,338	\$ 9,338
Investment income	50	193	143
Grant income	<u>1,249,060</u>	<u>7,874</u>	<u>(1,241,186)</u>
Total revenues	<u>\$ 1,705,110</u>	<u>\$ 473,405</u>	<u>\$ (1,231,705)</u>
EXPENDITURES			
Current:			
Public works	\$ 1,785,060	\$ 462,661	\$ 1,322,399
Capital expenditures	<u>45,000</u>	<u>171,010</u>	<u>(126,010)</u>
Total expenditures	<u>\$ 1,830,060</u>	<u>\$ 633,671</u>	<u>\$ 1,196,389</u>
Deficiency of revenues under expenditures	<u>\$ (124,950)</u>	\$ (160,266)	<u>\$ (35,316)</u>
FUND BALANCE – Beginning		<u>543,294</u>	
FUND BALANCE – Ending		<u>\$ 383,028</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 December 31, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 60,000	\$ 60,014	\$ 14
Investment income	90	205	115
	<u>\$ 60,090</u>	<u>\$ 60,219</u>	<u>\$ 129</u>
EXPENDITURES			
Current:			
Economic development	\$ 60,000	\$ 44,095	\$ 15,905
Excess of revenues over expenditures	<u>\$ 90</u>	\$ 16,124	<u>\$ 16,034</u>
FUND BALANCE – Beginning		<u>195,125</u>	
FUND BALANCE – Ending		<u>\$ 211,249</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 December 31, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 449,000	\$ 463,742	\$ 14,742
Investment income	200	1,289	1,089
	<u>\$ 449,200</u>	<u>\$ 465,031</u>	<u>\$ 15,831</u>
EXPENDITURES			
Current:			
Economic development	\$ 250	\$ 1,102,575	\$ (1,102,325)
Debt service:			
Principal	135,000	135,000	-
Interest	2,700	2,700	-
	<u>\$ 137,950</u>	<u>\$ 1,240,275</u>	<u>\$ (1,102,325)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 311,250</u>	<u>\$ (775,244)</u>	<u>\$ (1,086,494)</u>
FUND BALANCE – Beginning		<u>916,381</u>	
FUND BALANCE – Ending		<u>\$ 141,137</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 December 31, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 48,000	\$ 46,057	\$ (1,943)
EXPENDITURES			
Current:			
Economic development	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 48,000</u>	\$ 46,057	<u>\$ (1,943)</u>
FUND BALANCE – Beginning		<u>143,809</u>	
FUND BALANCE – Ending		<u>\$ 189,866</u>	

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 December 31, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 132,500	\$ 134,653	\$ 2,153
EXPENDITURES			
Current:			
Economic development	\$ 50,000	\$ 55,727	(5,727)
Debt service:			
Principal	145,000	145,000	-
Interest	10,875	10,875	-
	<u>205,875</u>	<u>211,602</u>	<u>(5,727)</u>
Total expenditures	\$ 205,875	\$ 211,602	\$ (5,727)
Deficiency of revenues under expenditures	<u>\$ (73,375)</u>	\$ (76,949)	<u>\$ (3,574)</u>
FUND BALANCE – Beginning		<u>(1,244,279)</u>	
FUND BALANCE – Ending		<u>\$ (1,321,228)</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 December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property taxes	\$ 750	\$ 916	\$ 166
EXPENDITURES			
Current:			
Economic development	\$ -	\$ -	\$ -
Excess of revenues over expenditures	\$ 750	\$ 916	\$ 166
FUND BALANCE – Beginning		(230,679)	
FUND BALANCE – Ending		\$ (229,763)	

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 December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property taxes	\$ 190,000	\$ 218,629	\$ 28,629
EXPENDITURES			
Current:			
Economic development	\$ 250	\$ 250	\$ -
Debt service:			
Principal	185,000	185,000	
Interest	69,940	69,938	2
	\$ 255,190	\$ 255,188	\$ 2
Total expenditures			
	\$ 255,190	\$ 255,188	\$ 2
Excess (deficiency) of revenues over (under) expenditures	\$ (65,190)	\$ (36,559)	\$ 28,631
FUND BALANCE – Beginning		(605,809)	
FUND BALANCE – Ending		\$ (642,368)	

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 December 31, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 45,000	\$ 45,122	\$ 122
EXPENDITURES			
Current:			
Economic development	\$ 35,000	\$ 33,703	\$ 1,297
Excess of revenues over expenditures	<u>\$ 10,000</u>	\$ 11,419	<u>\$ 1,419</u>
FUND BALANCE – Beginning		<u>50,320</u>	
FUND BALANCE – Ending		<u>\$ 61,739</u>	

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

For the Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Miscellaneous	\$ -	\$ 663	\$ 663
EXPENDITURES			
Current:			
Recreation and culture	\$ -	\$ 4,370	\$ (4,370)
Capital expenditures	20,000	-	20,000
Total expenditures	\$ 20,000	\$ 4,370	\$ 15,630
Excess (deficiency) of revenues over (under) expenditures	\$ (20,000)	\$ (3,707)	\$ 16,293
OTHER FINANCING SOURCES			
Transfers in	20,000	20,000	-
Net change in fund balance	\$ -	\$ 16,293	\$ 16,293
FUND BALANCE – Beginning		41,481	
FUND BALANCE – Ending		\$ 57,774	

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

For the Year Ended December 31, 2015

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 207,840	\$ 207,054	\$ (786)
EXPENDITURES			
Current:			
General government	\$ 1,300	\$ 172	\$ 1,128
Debt service:			
Principal	284,000	284,000	-
Interest	26,960	26,958	2
Total expenditures	<u>\$ 312,260</u>	<u>\$ 311,130</u>	<u>\$ 1,130</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (104,420)	\$ (104,076)	\$ 344
OTHER FINANCING SOURCES			
Transfers in	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (34,420)</u>	<u>\$ (34,076)</u>	<u>\$ 344</u>
FUND BALANCE – Beginning		<u>(349,251)</u>	
FUND BALANCE – Ending		<u>\$ (383,327)</u>	

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
December 31, 2015

	<u>Economic Development Loan</u>	<u>Housing Rehabilitation</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS			
Current assets:			
Cash	\$ 1,876	\$ 341,422	\$ 343,298
Investments	237,597	72,855	310,452
Receivables, net of allowance for uncollectible amounts	<u>15,294</u>	<u>119,047</u>	<u>134,341</u>
Total current assets	<u>\$ 254,767</u>	<u>\$ 533,324</u>	<u>\$ 788,091</u>
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>\$ 614,767</u>	<u>\$ 533,324</u>	<u>\$ 1,148,091</u>
LIABILITIES			
Accounts Payable	<u>\$ -</u>	<u>\$ 98</u>	<u>\$ 98</u>
NET POSITION			
Restricted	<u>\$ 614,767</u>	<u>\$ 533,226</u>	<u>\$ 1,147,993</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 December 31, 2015

	<u>Economic Development Loan</u>	<u>Housing Rehabilitation</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES			
Interest income	\$ 1,195	\$ 644	\$ 1,839
Grant income	-	250,000	250,000
Total operating revenues	<u>\$ 1,195</u>	<u>\$ 250,644</u>	<u>\$ 251,839</u>
OPERATING EXPENSES			
Administration and claims	-	\$ 3,100	\$ 3,100
OPERATING INCOME	<u>\$ 1,195</u>	<u>\$ 247,544</u>	<u>\$ 248,739</u>
NONOPERATING REVENUES			
Investment income	\$ 90	\$ 347	\$ 437
Total nonoperating revenues	<u>\$ 90</u>	<u>\$ 347</u>	<u>\$ 437</u>
INCOME BEFORE TRANSFERS	\$ 1,285	\$ 247,891	\$ 249,176
TOTAL NET POSITION - Beginning	<u>613,482</u>	<u>285,335</u>	<u>898,817</u>
TOTAL NET POSITION - Ending	<u><u>\$ 614,767</u></u>	<u><u>\$ 533,226</u></u>	<u><u>\$ 1,147,993</u></u>

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2015

	<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	\$ 9,841	\$ 9,466	\$ 19,307
Other receipts	-	250,000	250,000
Payments to suppliers	-	(99,609)	(99,609)
Net cash provided by operating activities	<u>\$ 9,841</u>	<u>\$ 159,857</u>	<u>\$ 169,698</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	\$ 90	\$ 347	\$ 437
Purchase of investments	(8,993)	(27)	(9,020)
Net cash provided (used) by investing activities	<u>\$ (8,903)</u>	<u>\$ 320</u>	<u>\$ (8,583)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 938	\$ 160,177	\$ 161,115
CASH AND CASH EQUIVALENTS - Beginning	<u>938</u>	<u>181,245</u>	<u>182,183</u>
CASH AND CASH EQUIVALENTS - Ending	<u><u>\$ 1,876</u></u>	<u><u>\$ 341,422</u></u>	<u><u>\$ 343,298</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income	\$ 1,195	\$ 247,544	\$ 248,739
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
(Increase) decrease in receivables	8,646	(85,598)	(76,952)
Increase (decrease) in payables	-	(2,089)	(2,089)
Net cash provided by operating activities	<u><u>\$ 9,841</u></u>	<u><u>\$ 159,857</u></u>	<u><u>\$ 169,698</u></u>

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
December 31, 2015

	<u>Employee Insurance</u>	<u>Insurance Reserve Fund</u>	<u>Motor Pool Fund</u>	<u>Total Internal Service Funds</u>
ASSETS				
Current assets:				
Cash	\$ 3,228,776	\$ 875,961	\$ 638,870	\$ 4,743,607
Accounts Receivable	14,718	44,791	-	59,509
Advances to other funds	2,000	-	-	2,000
Total current assets	<u>\$ 3,245,494</u>	<u>\$ 920,752</u>	<u>\$ 638,870</u>	<u>\$ 4,805,116</u>
Noncurrent assets:				
Capital assets:				
Vehicles and equipment	\$ -	\$ -	\$ 826,492	\$ 826,492
Less accumulated depreciation	-	-	(807,848)	(807,848)
Total capital assets, net of accumulated depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,644</u>	<u>\$ 18,644</u>
Total assets	<u>\$ 3,245,494</u>	<u>\$ 920,752</u>	<u>\$ 657,514</u>	<u>\$ 4,823,760</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 244,067	\$ 18,935	\$ 39,070	\$ 302,072
Accrued salaries	-	3,378	9,038	12,416
Compensated absences	-	-	687	687
Other accrued liabilities	-	100,000	-	100,000
Total liabilities	<u>\$ 244,067</u>	<u>\$ 122,313</u>	<u>\$ 48,795</u>	<u>\$ 415,175</u>
NET POSITION				
Net investment in capital assets	\$ -	\$ -	\$ 18,644	\$ 18,644
Unrestricted	<u>3,001,427</u>	<u>798,439</u>	<u>590,075</u>	<u>4,389,941</u>
Total net position	<u>\$ 3,001,427</u>	<u>\$ 798,439</u>	<u>\$ 608,719</u>	<u>\$ 4,408,585</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 December 31, 2015

	<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	\$ 2,467,288	\$ -	\$ 721,735	\$ 3,189,023
Other revenues	60	45,261	450	45,771
Total operating revenues	<u>\$ 2,467,348</u>	<u>\$ 45,261</u>	<u>\$ 722,185</u>	<u>\$ 3,234,794</u>
OPERATING EXPENSES				
Administration and claims	\$ 3,474,674	\$ 263,943	\$ -	\$ 3,738,617
Travel and motor vehicles	-	-	606,423	606,423
Depreciation	-	-	768	768
Total operating expenses	<u>\$ 3,474,674</u>	<u>\$ 263,943</u>	<u>\$ 607,191</u>	<u>\$ 4,345,808</u>
OPERATING INCOME (LOSS)	<u>\$ (1,007,326)</u>	<u>\$ (218,682)</u>	<u>\$ 114,994</u>	<u>\$ (1,111,014)</u>
NONOPERATING REVENUES				
Investment income	\$ 6,425	\$ 1,274	\$ 622	\$ 8,321
INCOME (LOSS) BEFORE TRANSFERS	\$ (1,000,901)	\$ (217,408)	\$ 115,616	\$ (1,102,693)
TRANSFERS IN	10,000	297,662	25,327	332,989
TRANSFERS OUT	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>
CHANGES IN NET POSITION	\$ (990,901)	\$ 70,254	\$ 140,943	\$ (779,704)
TOTAL NET POSITION - Beginning	<u>3,992,328</u>	<u>728,185</u>	<u>467,776</u>	<u>5,188,289</u>
TOTAL NET POSITION - Ending	<u><u>\$ 3,001,427</u></u>	<u><u>\$ 798,439</u></u>	<u><u>\$ 608,719</u></u>	<u><u>\$ 4,408,585</u></u>

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
GOVERNMENTAL ACTIVITIES
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015

	<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	\$ 2,495,086	\$ -	\$ 721,735	\$ 3,216,821
Other receipts	60	8,327	450	8,837
Payments to suppliers	(3,500,514)	(264,869)	(392,547)	(4,157,930)
Payments to employees	-	(66,633)	(189,170)	(255,803)
Payments for interfund services used	-	(9,000)	(37,500)	(46,500)
Net cash provided (used) by operating activities	<u>\$ (1,005,368)</u>	<u>\$ (332,175)</u>	<u>\$ 102,968</u>	<u>\$ (1,234,575)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	\$ 10,000	\$ 297,662	\$ 25,327	\$ 332,989
Transfers to other funds	-	(10,000)	-	(10,000)
Net cash provided by noncapital financing activities	<u>\$ 10,000</u>	<u>\$ 287,662</u>	<u>\$ 25,327</u>	<u>\$ 322,989</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	\$ 6,425	\$ 1,274	\$ 622	\$ 8,321
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>\$ (988,943)</u>	<u>\$ (43,239)</u>	<u>\$ 128,917</u>	<u>\$ (903,265)</u>
CASH AND CASH EQUIVALENTS - Beginning	<u>4,217,719</u>	<u>919,200</u>	<u>509,953</u>	<u>5,646,872</u>
CASH AND CASH EQUIVALENTS - Ending	<u><u>\$ 3,228,776</u></u>	<u><u>\$ 875,961</u></u>	<u><u>\$ 638,870</u></u>	<u><u>\$ 4,743,607</u></u>

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
GOVERNMENTAL ACTIVITIES
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015

	<u>Employee Insurance</u>	<u>Insurance Reserve Fund</u>	<u>Motor Pool Fund</u>	<u>Total Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (1,007,326)	\$ (218,682)	\$ 114,994	\$ (1,111,014)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	-	768	768
(Increase) decrease in accounts receivable	27,798	(36,934)	-	(9,136)
Increase (decrease) in accounts payable	(25,840)	(41,202)	(13,410)	(80,452)
Increase (decrease) in accrued liabilities	-	(35,357)	616	(34,741)
Net cash provided (used) by operating activities	<u>\$ (1,005,368)</u>	<u>\$ (332,175)</u>	<u>\$ 102,968</u>	<u>\$ (1,234,575)</u>

CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES

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

December 31, 2015

CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES

Land	\$ 1,894,250
Improvements other than buildings	2,100,450
Buildings	4,906,725
Vehicles and equipment	7,046,641
Infrastructure	27,404,015
Construction in progress	<u>929,312</u>
 Total capital assets used in governmental activities	 <u><u>\$ 44,281,393</u></u>

INVESTMENTS IN CAPITAL ASSETS

\$ 44,281,393

* 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 *
December 31, 2015

	<u>Land</u>	<u>Improvements Other Than Buildings</u>	<u>Buildings</u>
Capital assets purchased prior to May 1, 1995, except for infrastructure	\$ 1,737,595	\$ 246,673	\$ 1,249,737
<u>Function and Activity</u>			
General government			
Administration	\$ 5,613	\$ 26,407	\$ 126,236
Public works	-	-	29,141
Total general governmental	<u>\$ 5,613</u>	<u>\$ 26,407</u>	<u>\$ 155,377</u>
Public safety			
Police	\$ -	\$ -	\$ 257,842
Fire	-	-	387,245
Total public safety	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 645,087</u>
Public works			
Public services	\$ 14,962	\$ -	\$ 1,885,002
Sidewalk	-	-	-
Street system	95,000	-	-
Total public works	<u>\$ 109,962</u>	<u>\$ -</u>	<u>\$ 1,885,002</u>
Recreation and culture			
Parks and recreation	\$ -	\$ 1,412,096	\$ 125,647
Library	-	-	-
Total recreation and culture	<u>\$ -</u>	<u>\$ 1,412,096</u>	<u>\$ 125,647</u>
Economic development	<u>\$ 41,080</u>	<u>\$ 415,274</u>	<u>\$ 845,875</u>
Capital assets allocated to functions	<u>\$ 156,655</u>	<u>\$ 1,853,777</u>	<u>\$ 3,656,988</u>
Total capital assets used in governmental activities			

<u>Vehicles and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 362,659	\$ -	\$ -	\$ 3,596,664
\$ 337,518	\$ -	\$ -	\$ 495,774
-	93,159	-	122,300
\$ 337,518	\$ 93,159	\$ -	\$ 618,074
\$ 2,213,524	\$ -	\$ -	\$ 2,471,366
2,017,695	69,627	-	2,474,567
\$ 4,231,219	\$ 69,627	\$ -	\$ 4,945,933
\$ 1,541,583	\$ -	\$ -	\$ 3,441,547
-	12,528	-	12,528
93,017	27,208,306	797,726	28,194,049
\$ 1,634,600	\$ 27,220,834	\$ 797,726	\$ 31,648,124
\$ 440,541	\$ 20,395	\$ 131,586	\$ 2,130,265
-	-	-	-
\$ 440,541	\$ 20,395	\$ 131,586	\$ 2,130,265
\$ 40,104	\$ -	\$ -	\$ 1,342,333
\$ 6,683,982	\$ 27,404,015	\$ 929,312	\$ 40,684,729
			\$ 44,281,393

* 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 December 31, 2015

<u>Function and Activity</u>	<u>Land</u>	<u>Improvements Other Than Buildings</u>	<u>Buildings</u>
Balance, January 1, 2015	\$ 1,900,627	\$ 2,107,910	\$ 5,567,711
Additions			
General government	\$ 39,058	\$ -	\$ -
Public safety			
Police	-	-	-
Fire	-	-	-
Public works			
Street system	-	-	-
Public Services	-	-	-
Recreation and culture			
Library	-	-	-
Parks and recreation	-	-	-
Total additions	<u>\$ 39,058</u>	<u>\$ -</u>	<u>\$ -</u>
Dispositions			
General government	\$ 45,435	\$ 7,460	\$ 660,986
Public safety			
Police	-	-	-
Public Works			
Public Services	-	-	-
Street System	-	-	-
Balance, December 31, 2015	<u>\$ 1,894,250</u>	<u>\$ 2,100,450</u>	<u>\$ 4,906,725</u>

<u>Vehicles and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 7,040,099	\$ 27,156,841	\$ 131,586	\$ 43,904,774
\$ 11,800	\$ -	\$ -	\$ 50,858
60,035	-	-	60,035
-	-	-	-
-	247,174	857,897	1,105,071
24,363	-	-	24,363
-	-	-	-
61,419	-	-	61,419
\$ 157,617	\$ 247,174	\$ 857,897	\$ 1,301,746
\$ 70,258	\$ -	\$ -	\$ 784,139
80,817	-	-	80,817
-	-	-	-
-	-	60,171	60,171
<u>\$ 7,046,641</u>	<u>\$ 27,404,015</u>	<u>\$ 929,312</u>	<u>\$ 44,281,393</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 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	160
<i>These schedules contain information to help assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	169
<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	174
<i>These schedules offer demographic and economic indicators to help understand the environment which the City's financial activities take place.</i>	
Operating Information	176
<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

	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
Governmental Activities										
Net Investment in Capital Assets	\$ 20,501,709	\$ 19,966,908	\$ 19,431,883	\$ 19,055,456	\$ 16,611,439	\$ 12,961,303	\$ 14,818,819	\$ 14,489,752	\$ 13,909,770	\$ 16,526,483
Restricted	\$ 1,623,335	\$ 1,869,309	\$ 2,607,925	\$ 2,909,625	\$ 4,550,569	\$ 405,134	\$ 577,595	\$ 643,219	\$ 498,050	\$ 1,343,571
Unrestricted	\$ (9,548,943)	\$ 3,259,181	\$ 4,846,565	\$ 5,687,095	\$ 4,672,118	\$ 4,988,131	\$ 5,700,245	\$ 6,600,809	\$ 6,752,621	\$ 2,761,429
Total governmental activities net position	\$ 12,576,101	\$ 25,095,398	\$ 26,886,373	\$ 27,652,176	\$ 25,834,126	\$ 18,354,568	\$ 21,096,659	\$ 21,733,780	\$ 21,160,441	\$ 20,631,483
Business-type Activities										
Net Investment in Capital Assets	\$ 27,829,300	\$ 26,729,014	\$ 24,818,039	\$ 22,455,852	\$ 21,364,312	\$ 17,103,618	\$ 15,752,286	\$ 18,536,948	\$ 19,668,022	\$ 12,097,934
Restricted	\$ 1,147,993	\$ 898,817	\$ 1,021,689	\$ 1,146,806	\$ 1,162,505	\$ 1,627,169	\$ 6,069,448	\$ 10,808,558	\$ 1,570,684	\$ 9,633,728
Unrestricted	\$ 4,956,649	\$ 4,194,937	\$ 5,179,616	\$ 7,826,996	\$ 6,270,321	\$ 7,565,743	\$ (425,620)	\$ (6,937,827)	\$ 2,036,727	\$ 1,532,458
Total business-type activities net position	\$ 33,933,942	\$ 31,822,768	\$ 31,019,344	\$ 31,429,654	\$ 28,797,138	\$ 26,296,530	\$ 21,396,114	\$ 22,407,679	\$ 23,275,433	\$ 23,264,120
Primary Government										
Net Investment in Capital Assets	\$ 48,331,009	\$ 46,695,922	\$ 44,249,922	\$ 41,511,308	\$ 37,975,751	\$ 30,064,921	\$ 30,571,105	\$ 33,026,700	\$ 33,577,792	\$ 28,624,417
Restricted	\$ 2,771,328	\$ 2,768,126	\$ 3,629,614	\$ 4,056,431	\$ 5,713,074	\$ 2,032,303	\$ 6,647,043	\$ 11,451,777	\$ 2,068,734	\$ 10,977,299
Unrestricted	\$ (4,592,294)	\$ 7,454,118	\$ 10,026,181	\$ 13,514,091	\$ 10,942,439	\$ 12,553,874	\$ 5,274,625	\$ (337,018)	\$ 8,789,348	\$ 4,293,887
Total Primary Government net position	\$ 46,510,043	\$ 56,918,166	\$ 57,905,717	\$ 59,081,830	\$ 54,631,264	\$ 44,651,098	\$ 42,492,773	\$ 44,141,459	\$ 44,435,874	\$ 43,895,603

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

	Fiscal Year									
	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
Expenses										
Governmental Activities										
General Government	\$ 886,462	\$ 875,915	\$ 330,772	\$ 704,666	\$ 1,005,490	\$ 961,755	\$ 757,643	\$ 804,614	\$ 671,284	\$ 576,845
Public Safety	\$ 13,411,208	\$ 12,102,123	\$ 8,079,083	\$ 10,345,647	\$ 10,283,348	\$ 10,567,621	\$ 8,930,733	\$ 8,463,943	\$ 8,521,695	\$ 7,236,885
Public Works	\$ 3,818,995	\$ 4,127,004	\$ 2,755,853	\$ 3,752,338	\$ 3,316,560	\$ 3,637,249	\$ 3,538,665	\$ 3,877,032	\$ 4,224,674	\$ 3,163,009
Recreation and culture	\$ 1,040,607	\$ 992,293	\$ 743,078	\$ 1,613,717	\$ 1,559,238	\$ 1,731,393	\$ 1,667,605	\$ 1,544,458	\$ 1,564,117	\$ 1,527,975
Economic development	\$ 1,401,683	\$ 374,145	\$ 525,324	\$ 479,794	\$ 737,784	\$ 868,242	\$ 1,402,932	\$ 1,167,637	\$ 455,388	\$ 667,135
Interest on long term debt	\$ 183,287	\$ 214,882	\$ 162,611	\$ 263,041	\$ 336,647	\$ 392,628	\$ 460,095	\$ 465,768	\$ 483,278	\$ 521,717
Total Governmental Activities	\$ 20,742,242	\$ 18,686,362	\$ 12,596,721	\$ 17,159,203	\$ 17,239,067	\$ 18,158,888	\$ 16,757,673	\$ 16,323,452	\$ 15,920,436	\$ 13,693,566
Business-Type Activities										
Waterworks & Sewerage	\$ 4,577,455	\$ 4,519,641	\$ 3,321,362	\$ 4,806,188	\$ 4,889,671	\$ 4,823,255	\$ 5,644,247	\$ 5,352,395	\$ 8,534,380	\$ 7,240,382
Water Treatment	\$ 5,961,598	\$ 5,556,400	\$ 3,984,347	\$ 5,073,341	\$ 5,204,720	\$ 4,766,973	\$ 5,951,060	\$ 5,507,878	\$ -	\$ -
Waste Water Treatment	\$ 710,247	\$ 716,419	\$ 459,268	\$ 706,973	\$ 694,496	\$ 900,444	\$ -	\$ -	\$ -	\$ -
Drainage	\$ 3,100	\$ 134,423	\$ 134	\$ 20,200	\$ 4,306	\$ 5,124	\$ 14,635	\$ 98,449	\$ 12,844	\$ 2,377
Development loans	\$ 11,252,400	\$ 10,926,883	\$ 7,765,111	\$ 10,606,702	\$ 10,793,193	\$ 10,495,796	\$ 11,609,942	\$ 10,958,722	\$ 8,547,224	\$ 7,242,759
Total Business-Type Activities	\$ 31,994,642	\$ 29,613,245	\$ 20,361,832	\$ 27,765,905	\$ 28,032,260	\$ 28,654,684	\$ 28,367,615	\$ 27,282,174	\$ 24,467,660	\$ 20,936,325
Total Primary Government Expenses										
Program Revenues										
Government Activities	\$ 272,521	\$ 273,511	\$ 255,755	\$ 270,404	\$ 301,063	\$ 540,348	\$ 220,312	\$ 222,421	\$ 262,452	\$ 283,211
Charges for services	\$ 715,029	\$ 783,439	\$ 449,035	\$ 757,901	\$ 969,120	\$ 1,361,422	\$ 549,713	\$ 613,020	\$ 672,856	\$ 684,943
General Government	\$ 1,264,247	\$ 1,442,051	\$ 947,154	\$ 1,368,281	\$ 5,047,051	\$ 1,315,632	\$ 1,454,094	\$ 1,480,278	\$ 1,509,954	\$ 1,553,299
Public Safety	\$ 552,641	\$ 534,728	\$ 394,042	\$ 680,590	\$ 600,108	\$ 597,147	\$ 598,415	\$ 595,479	\$ 709,411	\$ 523,355
Public Works	\$ 14,307	\$ 938	\$ 938	\$ 34,319	\$ 43,088	\$ -	\$ 58,489	\$ 5,201	\$ 2,655	\$ 100,914
Recreation and culture	\$ 56,254	\$ 58,338	\$ 131,894	\$ 157,258	\$ 218,705	\$ 130,773	\$ 388,714	\$ 200,296	\$ 348,602	\$ 451,655
Economic development	\$ 627,466	\$ 163,077	\$ 133,209	\$ 1,689,279	\$ 3,951,892	\$ 549,711	\$ 498,815	\$ 456,238	\$ 43,425	\$ 54,000
Operating grants and contributions	\$ 3,502,465	\$ 3,256,082	\$ 2,312,127	\$ 4,958,032	\$ 11,131,017	\$ 4,495,033	\$ 3,768,552	\$ 3,572,933	\$ 3,549,355	\$ 3,651,377
Capital grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Governmental Activities Program Revenues	\$ 5,023,839	\$ 4,937,661	\$ 3,238,233	\$ 4,875,257	\$ 4,615,887	\$ 4,640,258	\$ 3,988,183	\$ 3,816,288	\$ 7,549,034	\$ 6,072,639
Business-Type Activities										
Waterworks & Sewerage	\$ 5,762,049	\$ 5,617,043	\$ 3,691,785	\$ 5,558,488	\$ 5,618,251	\$ 5,582,391	\$ 6,069,786	\$ 5,581,313	\$ -	\$ -
Water Treatment	\$ 870,150	\$ 897,123	\$ 599,505	\$ 898,294	\$ 885,943	\$ 750,581	\$ -	\$ -	\$ -	\$ -
Waste Water Treatment	\$ 1,839	\$ 11,066	\$ 915	\$ 4,369	\$ 2,580	\$ 3,138	\$ 4,738	\$ 4,592	\$ 4,095	\$ 2,827
Drainage	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 33,679	\$ 244,198	\$ 221,573	\$ 128,541	\$ 91,932
Development loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 681,871	\$ -	\$ -	\$ -	\$ -
Operating grants and contributions	\$ 11,907,877	\$ 11,462,893	\$ 7,578,768	\$ 12,841,065	\$ 13,312,172	\$ 11,689,918	\$ 10,306,905	\$ 9,623,766	\$ 7,681,670	\$ 6,167,398
Capital grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Business-Type Activities Program Revenues	\$ 15,410,342	\$ 14,718,975	\$ 9,890,895	\$ 17,799,097	\$ 24,443,189	\$ 16,186,951	\$ 14,075,457	\$ 13,196,699	\$ 11,231,025	\$ 9,818,775

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

	Fiscal Year									
	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (17,239,777)	\$ (15,430,280)	\$ (10,284,594)	\$ (12,201,171)	\$ (6,108,050)	\$ (13,663,855)	\$ (12,989,121)	\$ (12,750,519)	\$ (12,371,081)	\$ (10,042,189)
Business-type Activities	\$ 655,477	\$ 536,010	\$ (186,343)	\$ 2,234,363	\$ 2,518,979	\$ 1,196,122	\$ (1,303,037)	\$ (1,334,956)	\$ (865,554)	\$ (1,075,361)
Total Primary Government Net Expense	\$ (16,584,300)	\$ (14,894,270)	\$ (10,470,937)	\$ (9,966,808)	\$ (3,589,071)	\$ (12,467,733)	\$ (14,292,158)	\$ (14,085,475)	\$ (13,236,635)	\$ (11,117,550)
General Revenues and Other Changes in Net Position										
Governmental Activities	\$ 6,082,899	\$ 5,981,170	\$ 6,120,224	\$ 6,703,171	\$ 6,238,391	\$ 6,001,373	\$ 5,654,321	\$ 5,811,064	\$ 5,389,693	\$ 5,007,390
Property taxes	-	-	-	-	1,319,131	1,465,931	1,174,524	1,391,582	1,593,715	1,448,825
Replacement taxes	1,427,702	1,678,085	979,663	1,583,274	1,379,783	1,453,284	1,463,396	1,023,876	1,537,565	1,397,249
Utilities taxes	-	-	-	-	2,600,484	2,563,488	2,394,654	3,034,990	2,572,540	2,370,389
Sales taxes	-	-	-	-	2,250,965	1,658,481	1,652,905	1,887,332	2,019,151	1,848,433
State income taxes	3,720	3,326	2,241	1,357	2,281	2,127	777	1,700	1,624	-
Admission taxes	464,744	482,759	318,881	464,784	-	-	-	-	-	-
Non home rule sales tax	6,096,949	5,728,763	3,474,643	5,603,973	-	-	-	-	-	-
Intergovernmental	19,374	12,167	14,806	15,921	36,407	80,845	125,319	182,472	258,313	292,569
Unrestricted investment earnings	6,920	12,779	10,434	38,588	27,702	17,540	13,000	33,604	5,266	85,940
Gain on sale of capital assets	(306,765)	(259,744)	(37,241)	(391,857)	27,702	220	(178,806)	(42,762)	(477,042)	(367,898)
Transfers	13,795,543	13,639,305	10,883,651	14,019,221	13,855,144	13,243,289	12,300,090	13,323,858	12,900,825	12,082,897
Business-type activities										
Unrestricted investment earnings	6,773	7,670	3,462	5,255	8,666	34,211	99,730	423,714	398,823	267,727
Gain on sale of capital assets	-	-	2,126	1,041	665	-	12,936	726	1,002	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	306,765	259,744	37,241	391,857	(27,702)	(220)	178,806	42,762	477,042	367,898
Total Business-type Activities	\$ 313,538	\$ 267,414	\$ 42,829	\$ 398,153	\$ (18,371)	\$ 33,991	\$ 291,472	\$ 467,202	\$ 876,867	\$ 635,625
Total Primary Government	\$ 14,109,081	\$ 13,906,719	\$ 10,926,480	\$ 14,417,374	\$ 13,836,773	\$ 13,277,280	\$ 12,591,562	\$ 13,791,060	\$ 13,777,692	\$ 12,718,522
Change in Net Position										
Governmental activities	(3,444,234)	(1,790,975)	599,057	1,818,050	7,747,094	(420,566)	(689,031)	573,339	529,744	2,040,708
Business-type activities	969,015	803,424	(143,514)	2,632,516	2,500,608	1,230,113	(1,011,565)	(867,754)	11,313	(439,736)
Total Primary Government	\$ (2,475,219)	\$ (987,551)	\$ 455,543	\$ 4,450,566	\$ 10,247,702	\$ 809,547	\$ (1,700,596)	\$ (294,415)	\$ 541,057	\$ 1,600,972

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

	Fiscal Year									
	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
General Fund										
Nonspendable	\$ 877,412	\$ 891,126	\$ 881,412	\$ 692,771	\$ 692,771	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	\$ 908,877	\$ 844,350	\$ 1,064,635	\$ 714,072	\$ 618,512	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	\$ 3,128,021	\$ 3,137,343	\$ 2,944,091	\$ 3,570,434	\$ 3,414,016	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	\$ 3,227,237	\$ 2,876,320	\$ 2,328,356	\$ 1,020,935	\$ 134,839	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 692,771	\$ 692,771	\$ 692,771	\$ 692,771	\$ 817,771
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,434,733	\$ 3,777,956	\$ 3,965,868	\$ 3,870,655	\$ 2,727,430
Total General Fund	\$ 8,141,547	\$ 7,749,139	\$ 7,218,494	\$ 5,998,212	\$ 4,860,138	\$ 4,127,504	\$ 4,470,727	\$ 4,658,639	\$ 4,563,426	\$ 3,545,201
All Other Governmental Funds										
Nonspendable	\$ 505,895	\$ 505,895	\$ 505,895	\$ 740,759	\$ 813,677	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	\$ 2,542,459	\$ 3,666,636	\$ 3,930,304	\$ 4,048,026	\$ 5,013,092	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	\$ 676,354	\$ 598,921	\$ 467,591	\$ 1,225,564	\$ 1,352,459	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	\$ (5,682,508)	\$ (5,352,679)	\$ (4,969,832)	\$ (5,321,212)	\$ (5,090,564)	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 843,719	\$ 1,016,180	\$ 1,076,104	\$ 930,935	\$ 1,722,456
Unreserved, reported in										
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,196	\$ (1,324,647)	\$ (897,359)	\$ (434,992)	\$ (16,908)
Capital project funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (473,742)	\$ (422,814)	\$ -	\$ -	\$ -
Total All Other Governmental Funds	\$ (1,957,800)	\$ (581,227)	\$ (66,042)	\$ 693,137	\$ 2,088,664	\$ 494,173	\$ (731,281)	\$ 178,745	\$ 495,943	\$ 1,705,548

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									
	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
Taxes	\$ 7,975,383	\$ 8,150,925	\$ 7,419,609	\$ 8,745,507	\$ 13,356,551	\$ 13,144,684	\$ 12,340,577	\$ 13,150,544	\$ 13,114,288	\$ 12,072,286
Licenses, permits and fees	\$ 344,567	\$ 375,847	\$ 287,889	\$ 432,455	\$ 440,898	\$ 772,657	\$ 750,189	\$ 875,973	\$ 870,509	\$ 908,556
Intergovernmental	\$ 6,790,177	\$ 6,649,790	\$ 4,220,197	\$ 6,527,287	\$ 4,562,000	\$ 701,894	\$ 606,311	\$ 604,087	\$ 651,869	\$ 706,693
Charges for services and rents	\$ 1,441,583	\$ 1,392,363	\$ 959,226	\$ 1,360,814	\$ 1,319,235	\$ 1,165,324	\$ 1,118,180	\$ 1,081,593	\$ 1,075,670	\$ 1,020,765
Special assessments	-	\$ 286	\$ 1,974	\$ 2,388	\$ 3,427	\$ 5,684	\$ 479	\$ 8,515	\$ 3,544	\$ 2,021
Investment income	\$ 19,374	\$ 12,167	\$ 14,806	\$ 15,921	\$ 36,407	\$ 80,845	\$ 125,319	\$ 182,472	\$ 258,313	\$ 292,569
Fines	\$ 198,779	\$ 234,331	\$ 148,453	\$ 276,738	\$ 436,303	\$ 1,091,438	\$ 268,658	\$ 241,595	\$ 359,900	\$ 346,014
Grant	\$ 676,766	\$ 221,415	\$ 265,203	\$ 1,898,249	\$ 742,726	\$ 680,484	\$ 887,529	\$ 656,534	\$ 392,027	\$ 505,655
Miscellaneous	\$ 104,208	\$ 110,097	\$ 68,722	\$ 181,956	\$ 184,067	\$ 77,552	\$ 137,206	\$ 104,626	\$ 195,836	\$ 161,673
Total Revenues	\$ 17,550,837	\$ 17,147,221	\$ 13,386,079	\$ 19,441,315	\$ 21,081,614	\$ 17,720,562	\$ 16,234,448	\$ 16,905,949	\$ 16,921,956	\$ 16,016,232
Expenditures										
General government	\$ 462,231	\$ 467,770	\$ 297,863	\$ 461,242	\$ 514,734	\$ 501,022	\$ 515,366	\$ 565,638	\$ 597,171	\$ 523,519
Public safety	\$ 9,824,067	\$ 9,551,693	\$ 6,320,737	\$ 9,546,615	\$ 9,205,983	\$ 9,162,524	\$ 8,004,691	\$ 8,026,849	\$ 8,247,249	\$ 7,373,088
Public works	\$ 2,957,041	\$ 3,284,184	\$ 2,235,478	\$ 3,041,223	\$ 2,631,800	\$ 2,661,563	\$ 2,735,358	\$ 3,098,461	\$ 3,383,953	\$ 2,516,269
Recreation and culture	\$ 807,894	\$ 766,305	\$ 585,791	\$ 1,413,315	\$ 1,355,835	\$ 1,500,071	\$ 1,479,473	\$ 1,401,618	\$ 1,375,042	\$ 1,412,222
Economic development	\$ 1,387,716	\$ 360,178	\$ 516,013	\$ 465,827	\$ 723,817	\$ 851,991	\$ 1,392,640	\$ 1,164,733	\$ 440,439	\$ 666,188
Capital expenditures	\$ 1,241,577	\$ 644,550	\$ 1,245,784	\$ 2,850,296	\$ 970,125	\$ 1,095,980	\$ 967,314	\$ 1,905,857	\$ 884,405	\$ 1,038,458
Debt Service										
Principal	\$ 1,052,984	\$ 1,276,297	\$ 481,329	\$ 1,166,380	\$ 1,068,210	\$ 951,000	\$ 879,001	\$ 774,000	\$ 922,763	\$ 858,151
Interest	\$ 178,658	\$ 209,645	\$ 139,586	\$ 256,899	\$ 328,056	\$ 390,963	\$ 459,607	\$ 448,661	\$ 483,415	\$ 516,887
Bond issue costs	\$ -	\$ -	\$ -	\$ -	\$ 45,003	\$ 81,727	\$ -	\$ 23,116	\$ -	\$ -
Total Expenditures	\$ 17,912,168	\$ 16,560,622	\$ 11,822,581	\$ 19,201,797	\$ 16,843,563	\$ 17,196,841	\$ 16,433,450	\$ 17,408,933	\$ 16,334,437	\$ 14,904,782
Excess of Revenues Over (Under) Expenditures	\$ (361,331)	\$ 586,599	\$ 1,563,498	\$ 239,518	\$ 4,238,051	\$ 523,721	\$ (199,002)	\$ (502,984)	\$ 587,519	\$ 1,111,450
Other Financing Sources (Uses)										
Proceeds from borrowing	\$ -	\$ -	\$ -	\$ -	\$ 2,469,000	\$ 5,345,000	\$ -	\$ 1,190,000	\$ -	\$ -
Premium on bonds	\$ -	\$ -	\$ -	\$ -	\$ 1,363	\$ -	\$ -	\$ -	\$ -	\$ -
Discount on bonds	\$ -	\$ -	\$ -	\$ -	\$ (9,405)	\$ (29,380)	\$ -	\$ -	\$ -	\$ -
Payment to refunding bond agent	\$ -	\$ -	\$ -	\$ -	\$ (2,415,955)	\$ (5,252,151)	\$ -	\$ -	\$ -	\$ -
Loan proceeds	\$ -	\$ -	\$ -	\$ -	\$ 183,713	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of property	\$ 6,920	\$ 13,217	\$ 26,843	\$ 296,098	\$ 34,717	\$ 17,540	\$ 13,000	\$ 33,604	\$ 10,075	\$ 150,340
Transfers In	\$ 347,600	\$ 482,217	\$ 540,931	\$ 321,706	\$ 1,156,421	\$ 2,701,242	\$ 1,297,278	\$ 1,878,187	\$ 570,555	\$ 259,361
Transfers Out	\$ (977,354)	\$ (1,066,573)	\$ (968,974)	\$ (1,114,775)	\$ (1,957,979)	\$ (2,423,741)	\$ (2,261,124)	\$ (2,820,792)	\$ (1,359,529)	\$ (1,123,002)
Total Other Financing Services	\$ (622,834)	\$ (571,139)	\$ (204,468)	\$ (496,971)	\$ (538,125)	\$ 358,510	\$ (950,846)	\$ 280,999	\$ (778,899)	\$ (713,301)
Net Change In Fund Balances	\$ (984,165)	\$ 15,460	\$ 1,359,030	\$ (257,453)	\$ 3,699,926	\$ 882,231	\$ (1,149,848)	\$ (221,985)	\$ (191,380)	\$ 398,149
Debt Service as a percentage of noncapital expenditures	7.39%	9.34%	5.87%	8.70%	8.80%	8.20%	8.66%	7.89%	9.10%	9.92%

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									
	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
Additions										
Employer contributions	\$ 897,039	\$ 782,786	\$ 629,991	\$ 836,859	\$ 878,524	\$ 709,342	\$ 548,793	\$ 533,518	\$ 582,831	\$ 529,842
Member contributions	\$ 249,771	\$ 261,574	\$ 161,549	\$ 298,877	\$ 254,502	\$ 250,706	\$ 256,666	\$ 229,742	\$ 187,620	\$ 179,628
Investment income (net of expenses)	\$ (308,874)	\$ 652,647	\$ 1,435,913	\$ 1,464,910	\$ (2,711)	\$ 1,601,330	\$ 2,086,650	\$ (1,876,512)	\$ 422,506	\$ 1,721,194
Total Addition To Plan Net Position	\$ 837,936	\$ 1,697,007	\$ 2,227,453	\$ 2,600,646	\$ 1,130,315	\$ 2,561,378	\$ 2,892,109	\$ (1,113,252)	\$ 1,192,957	\$ 2,430,664
Deductions										
Benefit Payments	\$ 1,714,966	\$ 1,477,589	\$ 963,038	\$ 1,401,753	\$ 1,356,001	\$ 1,326,066	\$ 1,267,116	\$ 1,263,245	\$ 1,189,288	\$ 1,142,148
Administrative expenses	\$ 64,372	\$ 24,221	\$ 4,746	\$ 29,156	\$ 9,036	\$ 5,522	\$ 24,231	\$ 10,142	\$ 8,935	\$ 26,728
Total Deductions From Plan Net Position	\$ 1,779,338	\$ 1,501,810	\$ 967,784	\$ 1,430,909	\$ 1,365,037	\$ 1,331,588	\$ 1,291,347	\$ 1,273,387	\$ 1,198,223	\$ 1,168,876
Change in Net Position	\$ (941,402)	\$ 195,197	\$ 1,259,669	\$ 1,169,737	\$ (234,722)	\$ 1,229,790	\$ 1,600,762	\$ (2,386,639)	\$ (5,266)	\$ 1,261,788

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

	Fiscal Year									
	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
Additions										
Employer contributions	\$ 634,464	\$ 679,363	\$ 567,522	\$ 960,775	\$ 535,376	\$ 434,973	\$ 379,195	\$ 391,894	\$ 400,557	\$ 407,628
Member contributions	\$ 237,806	\$ 242,314	\$ 148,555	\$ 214,051	\$ 207,088	\$ 208,797	\$ 191,354	\$ 171,970	\$ 171,820	\$ 164,343
Investment income (net of expenses)	\$ (644,585)	\$ 717,379	\$ 1,761,668	\$ 1,906,230	\$ (29,352)	\$ 1,831,268	\$ 2,793,317	\$ (2,430,084)	\$ 296,963	\$ 2,119,398
Total Addition To Plan Net Position	\$ 227,685	\$ 1,639,056	\$ 2,477,745	\$ 3,081,056	\$ 713,112	\$ 2,475,038	\$ 3,363,866	\$ (1,866,220)	\$ 869,340	\$ 2,691,369
Deductions										
Benefit Payments	\$ 1,568,304	\$ 1,503,645	\$ 978,147	\$ 1,477,768	\$ 1,365,315	\$ 1,323,098	\$ 1,283,997	\$ 1,234,704	\$ 1,083,425	\$ 1,048,274
Administrative expenses	\$ 32,130	\$ 39,533	\$ 28,060	\$ 28,529	\$ 24,955	\$ 22,409	\$ 51,164	\$ 33,657	\$ 25,520	\$ 21,817
Total Deductions From Plan Net Position	\$ 1,590,434	\$ 1,543,178	\$ 1,006,207	\$ 1,506,297	\$ 1,390,270	\$ 1,345,507	\$ 1,335,161	\$ 1,268,361	\$ 1,108,945	\$ 1,070,091
Change in Net Position	\$ (1,362,749)	\$ 95,878	\$ 1,471,538	\$ 1,574,759	\$ (677,158)	\$ 1,129,531	\$ 2,028,705	\$ (3,134,581)	\$ (239,605)	\$ 1,621,278

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

	Fiscal Year									
	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
Program Revenues										
Governmental Activities:										
Charges for services	\$ 272,521	\$ 273,511	\$ 255,755	\$ 270,404	\$ 301,063	\$ 540,348	\$ 220,312	\$ 222,421	\$ 262,452	\$ 283,211
General Government	\$ 715,029	\$ 783,439	\$ 449,035	\$ 757,901	\$ 969,120	\$ 1,361,422	\$ 549,713	\$ 613,020	\$ 672,856	\$ 684,943
Public Safety	\$ 1,264,247	\$ 1,442,051	\$ 947,154	\$ 1,368,281	\$ 5,047,051	\$ 1,315,632	\$ 1,454,094	\$ 1,480,278	\$ 1,509,954	\$ 1,553,299
Public Works	\$ 552,641	\$ 534,728	\$ 394,042	\$ 680,590	\$ 600,108	\$ 597,147	\$ 598,415	\$ 595,479	\$ 709,411	\$ 523,355
Recreation and culture	\$ 14,307	\$ 938	\$ 938	\$ 34,319	\$ 43,088	\$ -	\$ 58,489	\$ 5,201	\$ 2,655	\$ 100,914
Economic development	\$ 56,254	\$ 58,338	\$ 131,994	\$ 157,258	\$ 218,705	\$ 130,773	\$ 388,714	\$ 200,296	\$ 348,602	\$ 451,655
Operating grants and contributions	\$ 627,466	\$ 163,077	\$ 133,209	\$ 1,689,279	\$ 3,951,882	\$ 549,711	\$ 498,815	\$ 466,238	\$ 43,425	\$ 54,000
Capital grants and contributions	\$ 3,502,465	\$ 3,256,082	\$ 2,312,127	\$ 4,958,032	\$ 11,131,017	\$ 4,495,033	\$ 3,768,552	\$ 3,572,933	\$ 3,549,355	\$ 3,651,377
Total Governmental Activities Program Revenues										
Business-Type Activities										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Waterworks & Sewerage	\$ 5,023,639	\$ 4,937,661	\$ 3,238,233	\$ 4,875,257	\$ 4,615,887	\$ 4,640,258	\$ 3,988,183	\$ 3,816,288	\$ 7,549,034	\$ 6,072,639
Water Treatment	\$ 5,762,049	\$ 5,617,043	\$ 3,691,785	\$ 5,558,488	\$ 5,618,251	\$ 5,582,391	\$ 6,069,786	\$ 5,581,313	\$ -	\$ -
Wastewater Treatment	\$ 870,150	\$ 897,123	\$ 599,505	\$ 898,294	\$ 885,943	\$ 750,581	\$ -	\$ -	\$ -	\$ -
Drainage	\$ 1,839	\$ 11,066	\$ 915	\$ 4,369	\$ 2,580	\$ 3,138	\$ 4,738	\$ 4,592	\$ 4,095	\$ 2,827
Development loans	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 33,679	\$ 244,198	\$ 221,573	\$ 128,541	\$ 91,932
Operating grants and contributions	\$ -	\$ -	\$ 48,330	\$ 1,504,657	\$ 2,189,511	\$ 681,871	\$ -	\$ -	\$ -	\$ -
Capital grants and contributions	\$ 11,907,877	\$ 11,462,893	\$ 7,578,768	\$ 12,841,065	\$ 13,312,172	\$ 11,691,918	\$ 10,306,905	\$ 9,623,766	\$ 7,681,670	\$ 6,167,398
Total Business-Type Activities Revenues										
Total Primary Government Revenues	\$ 15,410,342	\$ 14,718,975	\$ 9,890,895	\$ 17,799,097	\$ 24,443,189	\$ 16,186,951	\$ 14,075,457	\$ 13,196,699	\$ 11,231,025	\$ 9,818,775

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

Fiscal Year	Income Tax	Replacement Tax	Utility Tax	Property Tax	Sales Tax	Other Taxes	Total Taxes
Ending							
4/30/2007	\$1,848,433	\$1,448,825	\$1,397,249	\$5,007,390	\$2,370,389	\$0	\$12,072,286
4/30/2008	\$2,019,151	\$1,593,715	\$1,537,565	\$5,389,693	\$2,572,540	\$1,624	\$13,114,288
4/30/2009	\$1,887,332	\$1,391,582	\$1,023,876	\$5,811,064	\$3,034,990	\$1,700	\$13,150,544
4/30/2010	\$1,652,905	\$1,174,524	\$1,463,396	\$5,654,321	\$2,394,654	\$777	\$12,340,577
4/30/2011	\$1,658,481	\$1,465,931	\$1,453,284	\$6,001,373	\$2,563,488	\$2,127	\$13,144,684
4/30/2012	\$1,798,955	\$1,319,131	\$1,380,932	\$6,238,391	\$2,616,861	\$2,281	\$13,356,551
4/30/2013	\$2,015,539	\$1,346,648	\$1,583,274	\$6,703,171	\$2,698,480	\$9,447	\$14,356,559
12/31/2013	\$1,346,281	\$726,784	\$979,787	\$6,120,224	\$1,840,320	\$36,250	\$11,049,646
12/31/2014	\$2,039,535	\$1,315,482	\$1,684,777	\$5,981,170	\$2,787,056	\$70,952	\$13,878,972
12/31/2015	\$2,266,601	\$1,262,315	\$1,423,426	\$6,082,899	\$2,928,668	\$72,043	\$14,035,952
Change							
2007 to 2015	22.62%	-12.87%	1.87%	21.48%	23.55%	72043.00%	16.27%

**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	Total Municipal Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential	Farm	Commercial	Industrial	Rail Road				
2006	\$160,731,135	\$222,944	\$54,066,886	\$28,056,287	\$585,175	\$243,662,427	\$1.8870	\$ 730,987,281	33.33%
2007	\$169,735,082	\$204,954	\$54,614,828	\$28,848,175	\$643,778	\$254,046,817	\$1.8116	\$ 762,140,451	33.33%
2008	\$175,001,801	\$662,117	\$53,262,708	\$28,383,420	\$743,123	\$258,053,169	\$1.7738	\$ 774,159,507	33.33%
2009	\$178,663,229	\$695,966	\$55,116,032	\$28,819,376	\$891,988	\$264,186,591	\$1.8448	\$ 792,559,773	33.33%
2010	\$176,726,393	\$803,217	\$56,669,850	\$29,173,316	\$994,237	\$264,367,013	\$1.9290	\$ 793,101,039	33.33%
2011	\$174,538,404	\$806,216	\$59,337,143	\$28,987,619	\$1,191,930	\$264,861,312	\$2.1118	\$ 794,583,936	33.33%
2012	\$170,943,245	\$850,960	\$57,206,387	\$28,439,176	\$1,281,754	\$258,721,522	\$2.1150	\$ 776,164,566	33.33%
2013	\$165,633,048	\$941,578	\$56,826,576	\$28,749,165	\$1,420,276	\$253,570,643	\$2.1260	\$ 760,711,929	33.33%
2014	\$164,840,755	\$2,791,761	\$56,528,864	\$28,881,127	\$1,454,814	\$254,497,321	\$2.1550	\$ 763,491,963	33.33%
2015	\$163,890,516	\$1,359,994	\$55,898,322	\$32,092,812	\$1,512,642	\$254,754,286	\$2.1826	\$ 764,262,858	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	Silvis Elementary	East Moline Elementary	Hampton Elementary	Carbon Cliff	Black Hawk College	Rock Island County	RI County Forest Preserve	Illini Hospital	QC Metro Mass Transit	QC Metro Airport				
4/30/2007	\$ 1.8870	\$ 3.3858	\$ 6.1753	\$ 0.7059	\$ 12.1541	\$ 0.5238	\$ -	\$ 2.8689	\$ 0.0005	\$ 0.0019	\$ 0.3116	\$ 0.5029	\$ -	\$ 3.0846	\$ -	\$ 0.0001				
4/30/2008	\$ 1.8116	\$ 3.0944	\$ 8.8348	\$ 0.5870	\$ 14.3277	\$ 0.2603	\$ -	\$ 2.4269	\$ 0.0394	\$ 0.0048	\$ 0.2673	\$ 1.3617	\$ -	\$ 2.7164	\$ -	\$ 0.0001				
4/30/2009	\$ 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	\$ -	\$ 0.0001				
4/30/2010	\$ 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	\$ -	\$ 1.0926				
4/30/2011	\$ 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	\$ 0.4547	\$ 1.3669				
4/30/2012	\$ 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	\$ 0.5623	\$ 1.2354				
4/30/2013	\$ 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	\$ 0.5433	\$ 1.2116				
12/31/2013	\$ 2.1150	\$ 2.0763	\$ 8.2320	\$ 0.1065	\$ 10.5686	\$ 0.4128	\$ 0.3814	\$ 2.1066	\$ 0.0002	\$ 0.0074	\$ 0.8055	\$ 0.9252	\$ 0.1803	\$ 1.4197	\$ 0.5193	\$ 1.1806				
12/31/2014	\$ 2.1260	\$ 1.8161	\$ 7.7446	\$ -	\$ 9.6395	\$ 0.2115	\$ 0.3655	\$ 2.0976	\$ 0.0002	\$ 0.0064	\$ 0.6533	\$ 0.8527	\$ 0.1526	\$ 1.2616	\$ 0.4855	\$ 1.1345				
12/31/2015	\$ 2.1550	\$ 1.5348	\$ 7.2018	\$ -	\$ 8.7366	\$ 0.6200	\$ 0.3424	\$ 4.6561	\$ 0.0002	\$ 0.0053	\$ 0.7783	\$ 0.7632	\$ 0.1418	\$ 1.0822	\$ 0.4383	\$ 1.0625				

Sources Rock Island County
City Department of Finance

Note Overlapping percentages based on 2015 EAV's

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

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

Fiscal Year Ended	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
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%	4,167	\$ 5,590,726	99.64%
2013	\$ 5,486,403	\$ 5,466,239	99.63%	7,200	\$ 5,473,439	99.76%
2014	\$ 5,419,795	\$ 5,380,777	99.28%	7,367	\$ 5,388,144	99.42%
2015	\$ 5,472,372	\$ 5,459,866	99.77%	-	\$ 5,459,866	99.77%

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									
	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
Residential	303,681	314,653	230,311	341,588	335,229	333,387	357,030	357,200	377,655	377,655
Industrial	582,360	650,303	473,554	694,425	694,947	776,994	733,363	695,766	451,343	442,224
Commercial	103,803	80,037	106,966	133,688	120,575	126,308	122,316	115,836	466,595	557,124
Total	989,844	1,044,993	810,831	1,169,701	1,150,752	1,236,689	1,212,709	1,168,802	1,295,594	1,377,004
Total Direct Rate per 1,000 Gallons	\$ 8.09	\$ 7.74	\$ 7.51	\$ 7.15	\$ 6.75	\$ 6.36	\$ 5.84	\$ 5.56	\$ 5.31	\$ 3.68

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										
	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
Residential	305,190	316,179	231,438	343,239	337,099	329,064	381,445	357,200	397,021	377,655	
Industrial	682,131	727,497	527,282	770,355	1,142,515	648,689	737,133	612,330	507,273	527,727	
Commercial	108,657	84,828	108,784	137,372	124,025	115,703	122,203	115,836	101,960	114,900	
Total	1,095,979	1,128,505	867,504	1,250,967	1,603,639	1,093,456	1,240,781	1,085,366	1,006,254	1,020,283	
Total Direct Rate per 1,000 Gallons \$	5.96 \$	6.20 \$	6.02 \$	5.84 \$	5.67 \$	5.51 \$	5.51 \$	5.08 \$	4.79 \$	3.09	

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
4/30/2007	\$ 18.56	\$ 3.68	4/30/2007	\$ 16.20	\$ 3.09
4/30/2008	\$ 10.60	\$ 5.31	4/30/2008	\$ 9.73	\$ 4.79
4/30/2009	\$ 11.12	\$ 5.56	4/30/2009	\$ 10.16	\$ 5.08
4/30/2010	\$ 11.55	\$ 5.84	4/30/2010	\$ 10.97	\$ 5.51
4/30/2011	\$ 12.34	\$ 6.36	4/30/2011	\$ 10.97	\$ 5.51
4/30/2012	\$ 12.92	\$ 6.75	4/30/2012	\$ 11.21	\$ 5.67
4/30/2013	\$ 13.52	\$ 7.15	4/30/2013	\$ 11.47	\$ 5.84
12/31/2013	\$ 14.06	\$ 7.51	12/31/2013	\$ 11.73	\$ 6.02
12/31/2014	\$ 14.40	\$ 7.74	12/31/2014	\$ 12.01	\$ 6.20
12/31/2015	\$ 14.92	\$ 8.09	12/31/2015	\$ 11.65	\$ 5.96

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Merchandise	\$ 28,203	\$ 28,166	\$ 24,658	\$ 25,585	\$ 24,191	\$ 19,843	\$ 19,892	\$ 13,648	\$ 10,645	\$ 22,197
Food	\$ 281,216	\$ 322,958	\$ 324,725	\$ 328,043	\$ 319,724	\$ 327,654	\$ 309,259	\$ 346,615	\$ 335,470	\$ 303,411
Drinking & Eating	\$ 236,215	\$ 226,276	\$ 223,377	\$ 224,874	\$ 210,452	\$ 212,648	\$ 204,414	\$ 211,935	\$ 202,050	\$ 189,231
Apparel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,503	\$ 0	\$ 944	\$ 0	\$ -
Furniture, Household	\$ 7,413	\$ 7,463	\$ 8,227	\$ 5,953	\$ 10,067	\$ 10,574	\$ 9,585	\$ 12,072	\$ 12,480	\$ 12,948
Lumber, Building & Hardware	\$ 41,819	\$ 55,016	\$ 48,072	\$ 44,351	\$ 32,124	\$ 38,114	\$ 33,111	\$ 31,041	\$ 49,201	\$ 52,288
Automotive & Gasoline	\$ 802,406	\$ 717,379	\$ 733,015	\$ 736,024	\$ 699,612	\$ 706,266	\$ 686,586	\$ 672,632	\$ 662,475	\$ 686,452
Drugs and other retail	\$ 350,246	\$ 297,528	\$ 293,707	\$ 275,547	\$ 279,056	\$ 283,720	\$ 313,001	\$ 313,270	\$ 311,570	\$ 277,178
Agriculture & Extractive	\$ 183,827	\$ 195,068	\$ 159,033	\$ 155,998	\$ 189,058	\$ 166,127	\$ 161,807	\$ 166,762	\$ 167,259	\$ 152,462
Manufacturers	\$ 38,052	\$ 44,241	\$ 50,897	\$ 44,619	\$ 62,894	\$ 25,288	\$ 21,982	\$ 26,372	\$ 24,693	\$ 12,998
Totals	\$ 1,969,397	\$ 1,894,095	\$ 1,865,711	\$ 1,840,994	\$ 1,827,178	\$ 1,791,737	\$ 1,759,637	\$ 1,795,291	\$ 1,775,843	\$ 1,709,165
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
4/30/2007	1.50%	0.25%	5.00%	6.75%	6.75%
4/30/2008	1.50%	0.25%	5.00%	6.75%	6.75%
4/30/2009	1.50%	0.25%	5.00%	6.75%	6.75%
4/30/2010	1.50%	0.25%	5.00%	6.75%	6.75%
4/30/2011	1.50%	0.25%	5.00%	6.75%	6.75%
4/30/2012	1.50%	0.25%	5.00%	6.75%	6.75%
4/30/2013	1.50%	0.25%	5.00%	6.75%	6.75%
12/31/2013	1.50%	0.25%	5.00%	6.75%	6.75%
12/31/2014	1.50%	0.25%	5.00%	6.75%	6.75%
12/31/2015	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

SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT

Schools	Outstanding Debt (4)	Applicable to the City	
		Percent (2)	Amount
School District No. 29	\$375,000	0.13%	\$488
School District No. 34	\$3,510,000	24.85%	\$872,235
School District No. 36	\$700,000	1.92%	\$13,440
School District No. 37	\$17,765,000	66.77%	\$11,861,691
U.T.H.S. District No. 30	\$3,000,000	52.65%	\$1,579,500
Black Hawk College District No. 503	\$26,580,000	7.46%	\$1,982,868
Other -			
Rock Island County (3)	\$18,895,000	10.29%	\$1,944,296
Rock Island Forest Preserve	\$3,510,000	10.29%	\$361,179
Genesis Medical Center (Illini Hospital)	\$4,940,000	55.81%	\$2,757,014
Metropolitan Mass Transit District	\$7,530,000	14.83%	\$1,116,699
Metropolitan Airport	\$20,725,000	13.06%	\$2,706,685
Subtotal, overlapping debt			\$25,196,096
City Direct Debt			\$4,736,937
Total Direct debt			\$29,933,033

Source -

- (1) Rock Island County
- (2) Overlapping debt percentages are based on 2015 EAV, the most current available.
- (3) Includes bonds issued by the Public Building Commission and by the County for the Nursing Home.
- (4) As of December 31, 2015

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

	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
Equalized Assessed Valuation	\$ 254,754,286	\$ 254,497,321	\$ 253,570,643	\$ 258,721,522	\$ 264,861,312	\$ 264,367,013	\$ 264,186,591	\$ 258,053,169	\$ 254,046,817	\$ 243,662,427
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	\$ 21,972,557	\$ 21,950,394	\$ 21,870,468	\$ 22,314,731	\$ 22,844,288	\$ 22,801,655	\$ 22,786,093	\$ 22,257,086	\$ 21,911,538	\$ 21,015,884
Total Net Debt Applicable to Limit	\$ 434,830	\$ 942,187	\$ 1,430,160	\$ 1,590,202	\$ 2,919,985	\$ 9,405,246	\$ 10,032,630	\$ 7,935,000	\$ 6,965,000	\$ 7,300,763
Legal Debt Margin Available	\$ 21,537,727	\$ 21,008,207	\$ 20,440,308	\$ 20,724,529	\$ 19,924,303	\$ 13,396,409	\$ 12,753,463	\$ 14,322,086	\$ 14,946,538	\$ 13,715,121
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.98%	4.29%	6.54%	7.13%	12.78%	41.25%	44.03%	35.65%	31.79%	34.74%

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
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Tax Increment Financing Funds					Enterprise Fund					
	Property Tax Increment	Debt Service		Coverage		Water, Sewer, and Drainage Revenues	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
		Principal	Interest						Principal	Interest	
4/30/2007	\$ 687,090	\$ 345,000	\$ 401,937	0.920		\$ 6,072,639	\$ 5,756,731	\$ 315,908	\$ 515,000	\$ 281,837	0.396
4/30/2008	\$ 779,765	\$ 395,000	\$ 388,176	0.996		\$ 7,549,034	\$ 6,621,429	\$ 927,605	\$ 620,000	\$ 595,177	0.763
4/30/2009	\$ 1,112,668	\$ 425,000	\$ 372,026	1.396		\$ 9,397,601	\$ 8,752,453	\$ 645,148	\$ 680,000	\$ 899,747	0.408
4/30/2010	\$ 1,083,104	\$ 445,000	\$ 353,292	1.357		\$ 10,057,969	\$ 10,243,640	\$ (185,671)	\$ 807,370	\$ 854,524	-0.112
4/30/2011	\$ 1,065,331	\$ 480,000	\$ 274,508	1.412		\$ 10,973,230	\$ 7,963,648	\$ 3,009,582	\$ 927,384	\$ 872,252	1.672
4/30/2012	\$ 1,097,889	\$ 555,000	\$ 232,015	1.395		\$ 11,120,081	\$ 8,392,109	\$ 2,727,972	\$ 1,145,479	\$ 909,693	1.327
4/30/2013	\$ 1,051,184	\$ 610,000	\$ 188,648	1.316		\$ 11,332,039	\$ 8,166,148	\$ 3,165,891	\$ 1,171,981	\$ 970,335	1.478
12/31/2013	\$ 1,100,984	\$ 260,000	\$ 101,411	3.046		\$ 7,529,523	\$ 5,905,942	\$ 1,623,581	\$ 351,282	\$ 352,601	2.307
12/31/2014	\$ 1,057,149	\$ 660,000	\$ 162,716	1.285		\$ 11,451,827	\$ 7,729,146	\$ 3,722,681	\$ 1,550,864	\$ 685,806	1.664
12/31/2015	\$ 1,096,908	\$ 695,000	\$ 145,018	1.306		\$ 11,656,038	\$ 8,329,134	\$ 3,326,904	\$ 1,576,397	\$ 487,836	1.612

Source - City Department of Finance Office

CITY OF EAST MOLINE

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

Year End December 31	Sources Of Payment										Sources Of Payment				
	Water-Sewer-Storm Water Revenues										Tax Increment Bonds				
	General Municipal Garage	Water/Sewer Plant	Water/Sewer Plant	Municipal Garage	Water/Sewer Refunded	Storm Water	Water Plant	Water Plant Refunded	Sewer Plant	Great River Indus Park	Riverfront "The Quarter"	Kennedy Drive	Riverfront "The Quarter"		
2016	\$86,000	\$110,000	\$5,000	\$129,000	\$610,000	\$208,032	\$121,286	\$305,000	\$299,165	\$145,000	\$155,000	\$205,000	\$85,000		
2017	\$88,000	\$115,000	\$20,000	\$132,000	\$620,000	\$56,975	\$121,492	\$320,000	\$302,917	\$170,000	\$170,000	\$225,000	\$85,000		
2018	\$88,000		\$135,000	\$132,000	\$630,000		\$121,700	\$330,000	\$306,715	\$185,000	\$185,000	\$245,000	\$85,000		
2019	\$90,000		\$135,000	\$135,000	\$650,000		\$121,912	\$340,000	\$310,561	\$195,000	\$195,000	\$270,000	\$85,000		
2020	\$92,000		\$140,000	\$138,000	\$655,000		\$122,125	\$360,000	\$314,455	\$215,000	\$215,000	\$290,000	\$90,000		
2021	\$94,000		\$140,000	\$141,000	\$675,000		\$122,342	\$375,000	\$318,398	\$230,000	\$230,000	\$320,000	\$90,000		
2022	\$96,000		\$140,000	\$144,000	\$700,000		\$122,561	\$390,000	\$322,390			\$345,000	\$95,000		
2023	\$100,000		\$560,000	\$150,000			\$122,783		\$326,433				\$100,000		
2024			\$580,000				\$123,008		\$330,526						
2025			\$605,000				\$123,235		\$334,670						
2026			\$625,000				\$123,466		\$338,867						
2027			\$655,000				\$123,699		\$343,116						
2028			\$680,000				\$123,935		\$347,418						
2029			\$715,000				\$124,173		\$351,775						
2030			\$745,000				\$124,416		\$356,186						
2031			\$775,000				\$19,801		\$360,652						
2032			\$810,000						\$365,175						
Totals	\$734,000	\$225,000	\$7,465,000	\$1,101,000	\$4,540,000	\$265,007	\$1,861,934	\$2,420,000	\$5,629,419	\$145,000	\$1,150,000	\$1,900,000	\$715,000		

City of East Moline
Demographic and Economic Information

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

Year	City Population	County Personal Income (in thousands)	County Per Capita Personal Income	County Unemployment Rate
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	\$ 6,048,161	\$ 41,016	7.80%
2013	21,360	\$ 6,062,820	\$ 41,171	7.90%
2014	21,398	\$ 5,823,240	\$ 39,868	7.10%
2015	21,398	N/A	N/A	6.50%

Source - United States Census Bureau
 United States Department of Commerce
 Bureau of Economic Analysis
 Illinois Department of Employment Security

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

	2015			2006		
	Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank
John Deere Harvester	2,200	1	25.36%	2,000	1	22.09%
Illini Hospital	690	2	7.95%			
East Moline Elementary	440	3	5.07%	262	3	2.89%
East Moline Correctional	270	4	3.11%			
4C Solutions	250	5	2.88%	250	4	2.76%
United Township High School	230	6	2.65%			
Jacobson Warehouse	200	7	2.31%	100	9	1.10%
Aramark	150	8	1.73%	123	7	1.36%
H.C. Duke & Son, Inc.	140	9	1.61%	300	2	3.31%
Standard Forwarding	125	10	1.44%	100	8	1.10%
Johnson Contracting				250	5	2.76%
McLaughlin Body Co.				140	6	1.55%
Creative Machining Technologies				100	10	1.10%
Metokote Corp						
Total City-wide Employment	8,676			9,054		

Source - 2015 Illinois Manufacturers Directory
 2015 Illinois Services Directory
 Telephone Calls
 Speer Financial
 Community Analyst

**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	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
General Government										
Management Services	18	18	18	19	19	20	20	20	20	20
Finance	4	4	4	4	5	5	5	5	5	6
Development & Planning	0	0	0	0	0	1	1	2	2	2
Inspections	3	3	3	3	3	3	3	3	3	3
Other	5	5	5	5	5	5	6	6	6	6
Police										
Officers	37	37	37	37	37	39	40	39	39	38
Civilians	7	9	10	9	9	11	10	10	10	10
Fire										
Firefighters	34	35	35	35	34	34	35	33	33	34
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works										
Garbage collection	3	4	4	4	4	4	4	4	4	4
Street and bridge	3	4	5	4	4	5	4	4	4	5
Motor pool	3	3	3	3	4	5	5	5	4	4
Parks and Recreation										
Library	3	3	3	3	4	4	4	4	4	4
Water	14	14	14	14	14	14	14	14	15	15
Water plant	9	9	9	9	14	10	10	10	9	9
Water distribution	5	5	5	6	9	6	6	6	5	5
Sewer										
Sewer plant	12	12	13	13	14	13	13	13	12	14
Sewer collection	4	4	4	4	3	4	4	4	5	4
Drainage	3	3	3	3	3	3	5	5	3	3
Total	168	173	176	176	176	186	190	188	184	187
Per audit	168	173	176	176	186	187	190	188	170	187

Source - City Department of Finance

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

	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
Police - reported on a calendar year basis										
Calls answered	25,753	22,395	22,183	22,445	7,026	22,623	23,646	25,143	26,943	27,773
Incident numbers	5,830	5,595	5,586	6,104	879	879	7,212	9,036	8,948	9,853
Cases Investigated	990	932	984	954	894	894	950	852	859	780
Arrests	705	698	710	698	894	1,035	1,115	1,481	1,655	1,375
Traffic stops	2,294	2,173	1,966	2,391	2,391	2,797	2,833	3,435	3,438	4,590
Traffic citations	1,577	1,592	1,451	1,620	1,620	2,126	2,159	3,227	2,983	4,403
Community Service Officer Calls	1,067	1,198	1,174	1,308	1,308	1,268	1,302	693	1,395	1,147
Fire - Reported on a calendar year basis										
Total incidents	2,666	2,838	1,853	2,772	2,932	2,932	2,964	2,857	2,713	2,306
Fire calls	62	102	86	86	86	91	81	102	-	-
Residential fires	14	25	24	18	23	23	-	-	20	22
Commercial fires	2	-	-	2	-	-	-	-	5	4
Other fires	46	16	10	13	13	5	3	3	55	67
Rescue/emergency medical	2,122	2,088	1,320	2,036	2,194	2,194	2,280	2,095	2,027	1,698
False alarms	124	152	103	130	130	130	154	146	141	115
Mutual aid calls	17	-	-	-	-	-	-	-	17	36
Haz-mat responses	20	12	28	36	36	37	46	64	32	18
Good Intent Call	293	291	207	312	312	298	273	222	-	-
Other hazardous responses	-	53	-	-	-	-	-	4	-	35
Other responses	293	146	90	152	152	34	127	129	375	311
Total Property Damage	\$ 130,900	\$ 839,500	\$ 914,050	\$ 628,400	\$ 502,710	\$ 340,190	\$ 172,850			
Public Works - Reported on a calendar year basis										
Garbage Users	6,359	6,243	6,243	6,059	5,812	5,530	6,310	6,307	6,337	6,300
Garbage collection - Tons	5,114	8,576	5,947	5,850	3,087	5,458	5,957	6,525	6,691	6,451
Yard Waste - Tons	294	302	240	709	101	173	236	286	423	310
Bulky Collection - Tons	738	1,887	880	974	489	731	696	852	806	933
Recycling Drop Off - Tons	139	464	280	243	145	369	347	390	959	442
Parks and Recreation - Reported on a calendar year basis										
Shelter reservations	295	274	363	246	246	304	306	305	249	356
Library										
Books loaned	69,940	74,343	53,997	87,056	82,970	85,288	144,013	135,518	135,200	140,807
Other formats loaned	58,793	64,592	41,968	63,875	55,055	53,458	16,897	18,435	16,567	15,961
Questions answered	16,837	14,908	10,266	16,901	17,129	16,151	16,805	16,277	16,133	15,794
Card holders	10,647	9,146	9,780	9,968	10,484	10,328	10,022	9,592	10,975	9,706
Attendance	101,615	116,537	75,968	122,211	120,336	125,466	130,755	137,912	136,716	137,938
Website hits	38,149	343,698	471,986	668,862	596,579	353,478	276,414	-	-	-
Water										
Customers	6,855	6,781	6,801	6,615	6,372	6,894	7,047	6,903	6,894	6,870
Main breaks	26	39	66	14	14	20	37	30	28	43
Average daily consumption (1000 Gallons)	3,750	4,376	4,426	4,200	4,400	4,600	4,519	4,522	4,280	4,122
Peak daily consumption (1000 Gallons)	5,793	6,384	7,197	6,208	6,600	6,500	6,408	6,204	6,717	6,810
Waste Water										
Customers	6,830	6,755	6,778	6,591	6,349	6,859	6,946	6,815	6,785	6,712
Avg daily treatment - (1000 Gallons)	5,200	4,900	5,100	4,400	5,149	5,800	5,600	6,558	5,700	4,625

Source - Various City Departments

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

	12/31/2015	12/31/2014	12/31/2013	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007
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	3	3	3	4	4	4	4	4	4
Quints	1	1	1	1	1	1	1	1	1	1
Telesquirts	-	-	-	-	2	2	2	2	2	2
Other vehicles	5	5	4	4	4	4	4	4	4	4
Public Works										
Garbage trucks	4	4	4	4	5	5	5	5	5	5
Streets (miles)	87	87	87	87	87	80	80	80	80	7
Streets with curb & gutter	64	64	64	64	64	64	64	61	60	57
Street lights	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Traffic signals	27	27	27	27	27	27	27	27	27	27
Alleys (miles)	14	14	14	14	14	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	3.8	3.8	3.8	3.0	3.0	3.0	3.0	3.0
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	-
Disc Golf Course	1	1	1	1	1	1	1	1	1	-
Cricket Field	1	1	1	1	1	1	1	1	1	-
Library										
Buildings	1	1	1	1	1	1	1	1	1	1
Books in collection	55,071	55,405	62,510	58,352	57,921	57,200	57,097	57,741	57,816	63,070
Other formats in collection	32,621	28,223	20,512	-	-	-	-	-	-	-
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	110	110	110	92	92	92	92	92
Pump stations	2	2	2	2	2	3	3	3	3	3
Storage capacity (1,000 gal)	4,000	4,000	4,000	4,000	4,000	4,350	5,350	5,350	5,350	5,350
Waste Water										
Sanitary sewer (miles)	87	87	87	87	87	85	80	80	80	80
Treatment capacity (1000 gallons)	11,100	11,100	11,100	11,100	11,100	11,100	9,500	9,500	9,500	9,500
Lift Stations	6	6	6	6	6	6	5	5	5	5

Source - Respective City Departments

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

Fiscal Year End	Expenses*	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
2006	\$ 16,814,070	1,842	\$ 9,128	N/A	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	93.07%
2011	\$ 19,129,859	1,664	\$ 11,496	5.89%	106	15.70	96.29%
2012	\$ 19,249,859	1,711	\$ 11,251	-2.13%	102	16.77	97.52%
2013	\$ 18,243,412	1,712	\$ 10,656	-5.29%	97	17.65	90.66%
2014	\$ 18,813,486	1,746	\$ 10,775	1.12%	98	17.82	89.92%
2015	\$ 19,210,765	1,756	\$ 10,940	1.53%	99	17.74	88.36%

*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 Ten Fiscal Years

Fiscal Year End	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
2006	\$ 21,078,116	2,436	\$ 8,653	N/A	153	15.9	95.30%
2007	\$ 21,635,836	2,508	\$ 8,627	-0.30%	159	15.8	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	\$ 28,276,154	2,709	\$ 10,563	5.56%	183	16.4	96.70%
2014	\$ 28,916,156	2,775	\$ 10,823	2.46%	185	17.0	96.70%
2015	\$ 30,976,834	2,784	\$ 11,076	2.34%	183	18.0	94.00%

Source East Moline Elementary School District

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

Fiscal Year End	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
2006	\$ 5,010,102	659	\$ 7,249	N/A	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	\$ 12,321,722	617	\$ 7,878	-0.77%	42	14.7	94.90%
2014	\$ 7,027,488	645	\$ 7,942	0.81%	43	15.0	94.90%
2015	\$ 7,438,254	657	\$ 8,421	6.03%	41	16.0	94.00%

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	Demolition	Signs	Plumbing	Electrical									
12/31/2015	450	21	105	183	201	2	11	14	987	11	2	201	105	183	201	2	11	14	987	\$5,082,947	\$88,707	320
12/31/2014	385	26	108	173	186	10	12	40	940	12	10	186	108	173	186	10	12	40	940	\$10,470,011	\$80,705	372
12/31/2013	417	31	82	110	119	6	6	29	800	6	6	119	82	110	119	6	6	29	800	\$19,845,656	\$93,458	352
4/30/2013	424	25	121	129	191	8	8	38	944	8	8	191	121	129	191	8	8	38	944	\$5,312,404	\$92,016	345
4/30/2012	468	27	131	123	223	13	10	0	995	10	13	223	131	123	223	13	10	0	995	\$27,318,041	\$87,290	458
4/30/2011	566	44	112	136	219	8	9	0	1,094	9	8	219	112	136	219	8	9	0	1,094	\$21,917,557	\$157,441	398
4/30/2010	469	42	70	108	187	4	10	49	939	10	4	187	70	108	187	4	10	49	939	\$19,026,224	\$140,180	385
4/30/2009	586	32	111	176	203	8	8	0	1,124	8	8	203	111	176	203	8	8	0	1,124	\$38,929,843	\$81,834	464
4/30/2008	611	42	105	144	233	12	11	81	1,239	11	12	233	105	144	233	12	11	81	1,239	\$30,357,849	\$116,645	409
4/30/2007	584	43	133	151	218	19	10	88	1,246	10	19	218	133	151	218	19	10	88	1,246	\$10,715,613	\$100,861	424

Source - Inspections Department
City of East Moline