

CITY OF EAST MOLINE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2016

CITY OF EAST MOLINE, ILLINOIS

December 31, 2016

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CITY OF EAST MOLINE

June 19, 2017

To the Honorable Mayor, 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, 2016. This report provides a broad view of the city's financial activities for the 2016 fiscal year and its financial position at December 31, 2016. 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, 2016.

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, 2016, 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, 2016, 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 6.1% during fiscal year 2016.

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 53.67% of the Police Pension Fund and 69.44% of the Firefighter's Pension Fund, as of December 31, 2016. The percent of funding of the Police Pension Fund and the Firefighter's Pension Fund decreased compared to December 31, 2015 funding percentages of 63.60% and 72.82%, respectively. The remaining unfunded amount is being systematically funded over 30 years as part of the annual required contribution calculated by the actuary. The City has 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. The City has 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.

2016 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 Improvements.*** The City improved approximately 1.35 lane miles of streets. The improvements were made during the replacement of water mains, and a few major overlay projects.
- ***Street Resurfacing Program.*** The City resurfaced a total of 4.3 lane miles of streets and alleys. The annual program has a positive impact upon East Moline's neighborhoods.
- ***Concrete Street Patching.*** The City patched approximately 7.2 lane miles of concrete streets. The improvements help traffic flow on the major streets.

Awards

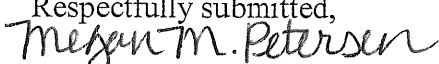
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of East Moline for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2015. The Certificate of 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

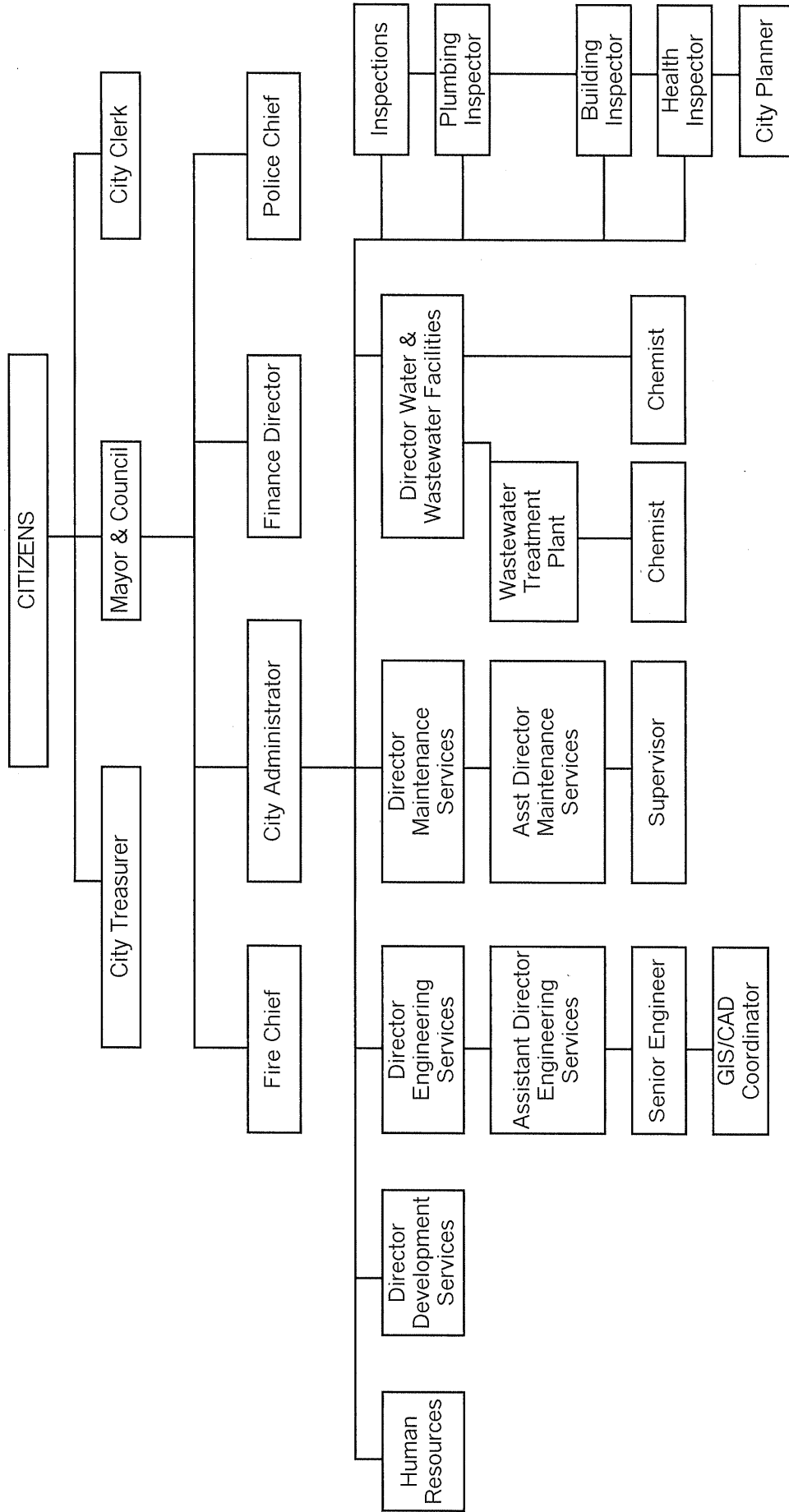
**City of East Moline
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

City of East Moline
Organizational Chart 2016



CITY OF EAST MOLINE

PRINCIPAL CITY OFFICIALS

LEGISLATIVE

John Thodos
Mayor
30-Apr-17

Term Expiration
Date Of
Elected Officials

Helen Heiland	1st Ward Alderman	30-Apr-17
Gary Almblade	2nd Ward Alderman	30-Apr-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, 2016, 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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16, the budgetary comparison information on pages 105 through 112, the other postemployment benefit plan schedule of funding progress on page 113, the pension plans and other postemployment benefit plan schedules of employer contributions on pages 114 through 117, the pension plans schedule of changes in employer's net pension liability and related ratios on pages 118 through 120, and the pension plans schedule of investment returns on page 121 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 June 19, 2017, on our consideration of the City of East Moline, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of East Moline, Illinois' internal control over financial reporting and compliance.

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

Moline, Illinois
June 19, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2016

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, 2016. 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 \$46,510,043 at December 31, 2015 to \$36,434,112 on December 31, 2016, a decrease of \$10,075,931 (21.7%) from current year operations.
- The Governmental activities net position decreased by \$11,494,521 (91.4%) from current year operations.
- The City's General Fund balance decreased by \$402,431 from the fiscal year ended December 31, 2015.
- The City's General Fund actual revenues were under budgeted amounts by \$191,304 and the actual expenditures were under the budgeted amounts by \$737,192.
- The City's capital assets (net of depreciation) increased by \$633,289 from \$76,685,818 at December 31, 2015.

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 13. 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 42-104 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 105.

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 122-149 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 \$36,434,112 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, 2016 and 2015 is as follows:

	Governmental Activities			% Change
	12/31/2016	12/31/2015	Difference	
Current and other assets	\$ 19,429,972	\$ 19,746,556	\$ (316,584)	(1.60)%
Capital assets	<u>\$ 24,809,726</u>	<u>\$ 25,238,646</u>	<u>\$ (428,920)</u>	<u>(1.70)%</u>
Total Assets	\$ 44,239,698	\$ 44,985,202	\$ (745,504)	(1.66)%
Total Deferred Outflows of resources	\$ 8,065,407	\$ 8,535,441	\$ (470,034)	(5.51)%
Long Term Liabilities	\$ 42,002,070	\$ 32,169,812	\$ 9,832,258	30.56%
Other Liabilities	<u>\$ 2,271,303</u>	<u>\$ 2,657,660</u>	<u>\$ (386,357)</u>	<u>(14.54)%</u>
Total Liabilities	\$ 44,273,373	\$ 34,827,472	\$ 9,445,901	27.12%
Total Deferred inflows of resources	\$ 6,950,152	\$ 6,117,070	\$ 833,082	13.62%
Net Position				
Net investment in capital assets	\$ 20,814,937	\$ 20,501,709	\$ 313,228	1.53%
Restricted	\$ 1,175,299	\$ 1,623,335	\$ (448,036)	(27.60)%
Unrestricted	<u>\$ (20,908,656)</u>	<u>\$ (9,548,943)</u>	<u>\$ (11,359,713)</u>	<u>(118.96)%</u>
Total Net Position	\$ 1,081,580	\$ 12,576,101	\$ (11,494,521)	(91.40)%

This summary reflects a decrease of 91.40% for Governmental Activities.

	Business-type Activities			% Change
	12/31/2016	12/31/2015	Difference	
Current and other assets	\$ 9,285,806	\$ 8,636,496	\$ 649,310	7.52%
Capital assets	<u>\$ 52,509,381</u>	<u>\$ 51,447,172</u>	<u>\$ 1,062,209</u>	<u>2.06%</u>
Total Assets	\$ 61,795,187	\$ 60,083,668	\$ 1,711,519	2.85%
Total Deferred Outflows of resources	\$ 2,470,818	\$ 1,295,525	\$ 1,175,293	90.72%
Long Term Liabilities	\$ 25,928,757	\$ 24,568,233	\$ 1,360,524	5.54%
Other Liabilities	<u>\$ 2,945,530</u>	<u>\$ 2,857,613</u>	<u>\$ 87,917</u>	<u>3.08%</u>
Total Liabilities	\$ 28,874,287	\$ 27,425,846	\$ 1,448,441	5.28%
Total Deferred inflows of resources	\$ 39,186	\$ 19,405	\$ 19,781	101.94%
Net Position				
Net investment in capital assets	\$ 29,544,675	\$ 27,829,300	\$ 1,715,375	6.16%
Restricted	\$ 959,366	\$ 1,147,993	\$ (188,627)	(16.43)%
Unrestricted	<u>\$ 4,848,491</u>	<u>\$ 4,956,649</u>	<u>\$ (108,158)</u>	<u>(2.18)%</u>
Total Net Position	\$ 35,352,532	\$ 33,933,942	\$ 1,418,590	4.18%

This summary reflects an increase of 4.18% for Business-type Activities.

Total Government

	12/31/2016	12/31/2015	Difference	% Change
Current and other assets	\$ 28,715,778	\$ 28,383,052	\$ 332,726	1.17%
Capital assets	<u>\$ 77,319,107</u>	<u>\$ 76,685,818</u>	<u>\$ 633,289</u>	<u>0.83%</u>
Total Assets	\$ 106,034,885	\$ 105,068,870	\$ 966,015	0.92%
Total Deferred Outflows of resources	\$ 10,536,225	\$ 9,830,966	\$ 705,259	7.17%
Long Term Liabilities	\$ 67,930,827	\$ 56,738,045	\$ 11,192,782	19.73%
Other Liabilities	<u>\$ 5,216,833</u>	<u>\$ 5,515,273</u>	<u>\$ (298,440)</u>	<u>(5.41)%</u>
Total Liabilities	\$ 73,147,660	\$ 62,253,318	\$ 10,894,342	17.50%
Total Deferred inflows of resources	\$ 6,989,338	\$ 6,136,475	\$ 852,863	13.90%
Net Position				
Net investment in capital assets	\$ 50,359,612	\$ 48,331,009	\$ 2,028,603	4.20%
Restricted	\$ 2,134,665	\$ 2,771,328	\$ (636,663)	(22.97)%
Unrestricted	<u>\$ (16,060,165)</u>	<u>\$ (4,592,294)</u>	<u>\$ (11,467,871)</u>	<u>(249.72)%</u>
Total Net Position	\$ 36,434,112	\$ 46,510,043	\$ (10,075,931)	(21.66)%

This summary reflects a decrease in the total government activities of 21.66%.

A portion of the City of East Moline's net position (5.86%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets totaling (\$16,060,165) 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 \$10,075,931 (21.66%) from current year operations while last fiscal year the net position decreased by \$2,475,219 (4.35%). For the current fiscal year, the governmental activities total expenses exceeded total revenues by \$10,937,065 before transfers and the business-type activities total revenues exceeded total expenses by \$861,134 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			
	12/31/2016	12/31/2015	12/31/2016	12/31/2015	12/31/2016	12/31/2015
Revenues						
Program Revenues						
Charges for services	\$ 2,849,829	\$ 2,818,745	\$ 0	\$ 0	\$ 2,849,829	\$ 2,818,745
Water Treatment	\$ 0	\$ 0	\$ 5,437,421	\$ 5,023,839	\$ 5,437,421	\$ 5,023,839
Wastewater Treatment	\$ 0	\$ 0	\$ 6,045,503	\$ 5,762,049	\$ 6,045,503	\$ 5,762,049
Drainage	\$ 0	\$ 0	\$ 859,983	\$ 870,150	\$ 859,983	\$ 870,150
Development Loans	\$ 0	\$ 0	\$ 1,747	\$ 1,839	\$ 1,747	\$ 1,839
Operating grants and contributions	\$ 29,830	\$ 56,254	\$ 0	\$ 250,000	\$ 29,830	\$ 306,254
Capital grants and contributions	\$ 88,951	\$ 627,466	\$ 0	\$ 0	\$ 88,951	\$ 627,466
General Revenues						
Property taxes	\$ 6,093,364	\$ 6,082,899	\$ 0	\$ 0	\$ 6,093,364	\$ 6,082,899
Utility taxes	\$ 1,312,788	\$ 1,427,702	\$ 0	\$ 0	\$ 1,312,788	\$ 1,427,702
Sales taxes	\$ 448,807	\$ 464,744	\$ 0	\$ 0	\$ 448,807	\$ 464,744
Other taxes	\$ 1,837	\$ 3,720	\$ 0	\$ 0	\$ 1,837	\$ 3,720
Intergovernmental	\$ 6,189,243	\$ 6,096,949	\$ 0	\$ 0	\$ 6,189,243	\$ 6,096,949
Investment earnings	\$ 36,998	\$ 19,374	\$ 8,336	\$ 6,773	\$ 45,334	\$ 26,147
Gain on Sale of Assets	\$ 14,597	\$ 6,920	\$ 0	\$ 0	\$ 14,597	\$ 6,920
Total Revenues	\$17,066,244	\$17,604,773	\$12,352,990	\$11,914,650	\$29,419,234	\$29,519,423
Expenses						
General government	\$ 909,755	\$ 886,462	\$ 0	\$ 0	\$ 909,755	\$ 886,462
Public safety	\$21,432,153	\$13,411,208	\$ 0	\$ 0	\$21,432,153	\$13,411,208
Public works	\$ 4,171,860	\$ 3,818,995	\$ 0	\$ 0	\$ 4,171,860	\$ 3,818,995
Recreation and culture	\$ 1,013,102	\$ 1,040,607	\$ 0	\$ 0	\$ 1,013,102	\$ 1,040,607
Economic development	\$ 326,676	\$ 1,401,683	\$ 0	\$ 0	\$ 326,676	\$ 1,401,683
Interest on long term debt	\$ 149,763	\$ 183,287	\$ 0	\$ 0	\$ 149,763	\$ 183,287
Water Treatment	\$ 0	\$ 0	\$ 4,849,171	\$ 4,577,455	\$ 4,849,171	\$ 4,577,455
Wastewater Treatment	\$ 0	\$ 0	\$ 5,715,340	\$ 5,961,598	\$ 5,715,340	\$ 5,961,598
Drainage	\$ 0	\$ 0	\$ 735,345	\$ 710,247	\$ 735,345	\$ 710,247
Development loans	\$ 0	\$ 0	\$ 192,000	\$ 3,100	\$ 192,000	\$ 3,100
Total Expenses	\$28,003,309	\$20,742,242	\$11,491,856	\$11,252,400	\$39,495,165	\$31,994,642
Increase (Decrease) in net position before transfers	\$(10,937,065)	\$(3,137,469)	\$ 861,134	\$ 662,250	\$(10,075,931)	\$(2,475,219)
Transfers	\$ (557,456)	\$ (306,765)	\$ 557,456	\$ 306,765	\$ 0	\$ 0
Increase (Decrease) in net position	\$(11,494,521)	\$(3,444,234)	\$ 1,418,590	\$ 969,015	\$(10,075,931)	\$(2,475,219)
Net position – Beginning (Restated)	\$ 12,576,101	\$16,375,394	\$33,933,942	\$32,964,927	\$46,510,043	\$49,340,321
Prior Period Adjustment	\$ 0	\$ (355,059)	\$ 0	\$ 0	\$ 0	\$ (355,059)
Net Position - Ending	\$ 1,081,580	\$12,576,101	\$35,352,532	\$33,933,942	\$36,434,112	\$46,510,043

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 \$10,937,065 before transfers out of \$557,456. Key elements contributing to this net change are as follows:

Revenues

For the fiscal year ended December 31, 2016, total revenues from governmental activities decreased by \$538,529 (3.06%). The majority of the decrease was due to a grant received from the Illinois Department of Transportation for road repairs during the prior fiscal year.

Taxes received from various sources continue to play an important role in the City's revenue structure. Tax revenue received during the fiscal year ended December 31, 2016 were consistent with amounts received in the prior year.

Expenses

For the fiscal year ending December 31, 2016 governmental activity expenses increased \$7,261,067 (35.01%). Much of the increase was due to 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 \$1,418,590, resulting in a 4.18% 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, 2016, total revenue for the business-type activities increased \$438,340 (3.68%). Under charges for services, revenue from water and sewer billings increased by \$697,036 (6.46%). This was due to scheduled increases in water and sewer rates.

Expenses

Total expenses for the business-type activities at the end of the fiscal year were \$11,491,856 which is an increase of \$239,456 (2.13%) from the fiscal year ended December 31, 2015. Much of the increase was due to the payment of a prior year grant received to rehabilitate low to moderate income households.

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, 2016 the Governmental Funds (presented on pages 20-21) reported a combined fund balance of \$5,940,765, which is a 3.93% decrease from the beginning of the year of \$6,183,747. Of the total fund balance, the unassigned portion is \$(2,736,286). The unassigned balance indicates the amount available for continuing City services. Total assigned fund balance of the governmental funds as of December 31, 2016 was \$3,565,875 while total restricted fund balance was \$3,741,651. Note 18 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 decreased by \$402,431 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 \$188,748 in its fund balance and the Motor Fuel Tax Fund saw a decrease of \$452,732. Revenue and expenditures in The Quarter TIF Fund were consistent with the prior year. Revenue in the Motor Fuel Tax Fund decreased \$500,801 and expenditures decreased \$310,336. The decrease in revenue and expenditures was due to a grant received from the State and spent for road repairs in the prior year.

General Fund Budgetary Highlights

Fiscal Year Ended December 31, 2016			
General Fund	Original and Final Budget	Actual	Percent of Actual to Final Budget
Revenues			
Taxes	\$ 5,994,405	\$ 5,760,075	96.09%
Licenses and Permits	174,550	252,745	144.80%
Intergovernmental Revenue	6,227,488	6,418,265	103.06%
Investment Income	5,875	28,582	486.50%
Other Revenue	1,122,420	888,364	79.15%
Total Revenues	\$ 13,524,738	\$ 13,348,031	98.69%
Expenditures			
	\$ 13,829,452	\$ 13,092,260	94.67%
Excess of Revenues over Expenditures	\$ (304,714)	\$ 255,771	
Transfers	(729,841)	(658,202)	
Net Change in Fund Balance	\$ (1,034,555)	\$ (402,431)	

The General Fund original and final budgeted revenue exceeded actual revenues by \$176,707 for the fiscal year ended December 31, 2016. 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 other revenue budgeted amount included financing proceeds for certain projects that were delayed to fiscal year 2017.

The General Fund total actual expenditures were \$737,192 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, 2016, amounted to \$77,319,107 (net of depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads and highways. The total increase in the City of East Moline's investment in capital assets (net of depreciation) for the current

fiscal year was \$633,289, comprised by a decrease of \$428,920 in the governmental activities, an increase of \$1,062,209 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 radio system for public works department

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Totals	
	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
Land	\$1,921,873	\$1,894,250	\$ 484,013	\$ 484,013	\$2,405,886	\$2,378,263
Construction In Progress	1,538,631	929,312	1,272,152	782,974	2,810,783	1,712,286
Improvements other than buildings	1,089,856	1,127,572	0	0	1,089,856	1,127,572
Building and System	2,651,913	2,783,744	49,357,135	49,204,750	52,009,048	51,988,494
Vehicles and equipment	1,571,135	1,758,312	1,396,081	975,435	2,967,216	2,733,747
Infrastructure	<u>16,036,318</u>	<u>16,745,456</u>	<u>0</u>	<u>0</u>	<u>16,036,318</u>	<u>16,745,456</u>
Totals	\$24,809,726	\$25,238,646	\$52,509,381	\$51,447,172	\$77,319,107	\$76,685,818

Additional information on the City of East Moline's capital assets can be found in Note 6 on pages 58-60 of this report.

Debt

At year-end, the City had \$70,468,745 in outstanding notes, bonds, net pension obligations and other post employment benefit obligations compared to \$59,411,516 in the prior year. That is an increase of \$11,057,229 (18.61%).

	Governmental Activities		Business-type Activities		Totals	
	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
	Note Payable	\$ 58,730	\$ 135,245	\$ - - -	\$ 34,578	\$ 58,730
General Obligation Bonds	3,936,059	4,601,692	22,964,706	23,583,294	26,900,765	28,184,986
Compensated Absences	86,342	53,929	54,085	44,974	140,427	98,903
Net pension obligation/liability	28,074,650	19,137,583	1,927,437	317,897	30,002,087	19,455,480
OPEB Obligations	<u>10,539,064</u>	<u>9,047,799</u>	<u>2,827,672</u>	<u>2,454,525</u>	<u>13,366,736</u>	<u>11,502,324</u>
Totals	\$42,694,845	\$32,976,248	\$27,773,900	\$26,435,268	\$70,468,745	\$59,411,516

At the end of the fiscal year the City of East Moline has total bonded debt outstanding of \$26,900,765. 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 the City's bonds to an AAA rating.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8.625% of its total equalized assessed valuation. The current debt limitation is \$22,517,582 which is significantly in excess of the City of East Moline's existing general obligation debt, debt certificates and installment contracts, totaling \$1,299,281. Additional information on the City of East Moline's debt can be found in Note 7 on pages 60-69 of this report.

Economic Factors and the Next Years Budgets and Rates.

The City Council adopted a 4-year rate increase schedule that was effective January 1, 2015, for water and sewer users. The water rate for 2017 is consistent with the 2016 rate and the 2017 sewer rate increases 5.2% from 2016 with varying increases for both utilities in the following year.

The City anticipates that tax revenues will remain steady during the fiscal year ending December 31, 2017.

The City continues to experience declines or stagnant growth in major revenue sources coupled with increases in uncontrollable expenditures such as police and fire pensions, health care coverage, liability insurance, and workers' compensation. In an effort to confront these challenges, the City is reducing the amount of reserves.

All of these factors were considered in preparing the City of East Moline's budget for the December 31, 2017 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, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Library
ASSETS				
Cash	\$ 9,251,074	\$ 6,606,557	\$ 15,857,631	\$ 924,816
Investments	1,786,835	317,640	2,104,475	277,477
Receivables, net of allowance for uncollectibles	8,488,705	2,264,967	10,753,672	705,844
Internal balances	(96,642)	96,642	-	-
Capital assets:				
Land and construction in progress	3,460,504	1,756,165	5,216,669	45,435
Other capital assets, net of depreciation	21,349,222	50,753,216	72,102,438	516,703
Total assets	<u>\$ 44,239,698</u>	<u>\$ 61,795,187</u>	<u>\$ 106,034,885</u>	<u>\$ 2,470,275</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferred outflows	\$ 8,065,407	\$ 2,470,818	\$ 10,536,225	\$ -
LIABILITIES				
Accounts payable and other current liabilities	\$ 1,518,214	\$ 862,600	\$ 2,380,814	\$ 33,085
Accrued interest payable	60,314	237,787	298,101	-
Noncurrent liabilities:				
Due within one year	692,775	1,845,143	2,537,918	-
Due in more than one year	42,002,070	25,928,757	67,930,827	-
Total liabilities	<u>\$ 44,273,373</u>	<u>\$ 28,874,287</u>	<u>\$ 73,147,660</u>	<u>\$ 33,085</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	\$ 6,424,723	\$ -	\$ 6,424,723	\$ 667,304
Pension related deferred inflows	525,429	39,186	564,615	-
Total deferred inflows of resources	<u>\$ 6,950,152</u>	<u>\$ 39,186</u>	<u>\$ 6,989,338</u>	<u>\$ 667,304</u>
NET POSITION				
Net investment in capital assets	\$ 20,814,937	\$ 29,544,675	\$ 50,359,612	\$ 562,138
Restricted for:				
Maintenance of roadways	1,112,829	-	1,112,829	-
Capital projects	62,470	-	62,470	-
Economic development loans	-	616,417	616,417	-
Housing rehabilitation	-	342,949	342,949	-
Unrestricted	(20,908,656)	4,848,491	(16,060,165)	1,207,748
Total net position	<u>\$ 1,081,580</u>	<u>\$ 35,352,532</u>	<u>\$ 36,434,112</u>	<u>\$ 1,769,886</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, 2016

FUNCTION/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 909,755	\$ 341,285	\$ -	\$ -
Public safety	21,432,153	608,111	9,362	-
Public works	4,171,860	1,323,688	15,977	88,951
Recreation and culture	1,013,102	570,268	4,491	-
Economic development	326,676	6,477	-	-
Interest on long-term debt	149,763	-	-	-
Total governmental activities	<u>\$ 28,003,309</u>	<u>\$ 2,849,829</u>	<u>\$ 29,830</u>	<u>\$ 88,951</u>
Business-type activities:				
Water treatment	\$ 4,849,171	\$ 5,437,421	\$ -	\$ -
Wastewater treatment	5,715,340	6,045,503	-	-
Drainage	735,345	859,983	-	-
Development loans	192,000	1,747	-	-
Total business-type activities	<u>\$ 11,491,856</u>	<u>\$ 12,344,654</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government	<u>\$ 39,495,165</u>	<u>\$ 15,194,483</u>	<u>\$ 29,830</u>	<u>\$ 88,951</u>
Component unit:				
Library	<u>\$ 752,154</u>	<u>\$ 35,425</u>	<u>\$ 36,594</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

NET POSITION, Ending

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Library
\$ (568,470)	\$ -	\$ (568,470)	\$ -
(20,814,680)	-	(20,814,680)	-
(2,743,244)	-	(2,743,244)	-
(438,343)	-	(438,343)	-
(320,199)	-	(320,199)	-
(149,763)	-	(149,763)	-
<u>\$ (25,034,699)</u>	<u>\$ -</u>	<u>\$ (25,034,699)</u>	<u>\$ -</u>
\$ -	\$ 588,250	\$ 588,250	\$ -
-	330,163	330,163	-
-	124,638	124,638	-
-	(190,253)	(190,253)	-
<u>\$ -</u>	<u>\$ 852,798</u>	<u>\$ 852,798</u>	<u>\$ -</u>
<u>\$ (25,034,699)</u>	<u>\$ 852,798</u>	<u>\$ (24,181,901)</u>	<u>\$ -</u>
			<u>\$ (680,135)</u>
\$ 6,093,364	\$ -	\$ 6,093,364	\$ 672,981
1,312,788	-	1,312,788	-
1,837	-	1,837	-
448,807	-	448,807	-
36,998	8,336	45,334	3,039
6,189,243	-	6,189,243	116,856
14,597	-	14,597	-
(557,456)	557,456	-	-
<u>\$ 13,540,178</u>	<u>\$ 565,792</u>	<u>\$ 14,105,970</u>	<u>\$ 792,876</u>
\$ (11,494,521)	\$ 1,418,590	\$ (10,075,931)	\$ 112,741
<u>12,576,101</u>	<u>33,933,942</u>	<u>46,510,043</u>	<u>1,657,145</u>
<u>\$ 1,081,580</u>	<u>\$ 35,352,532</u>	<u>\$ 36,434,112</u>	<u>\$ 1,769,886</u>

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

CITY OF EAST MOLINE, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2016

	General Fund	Tax Increment Financing Fund - The Quarter
ASSETS		
Cash	\$ 6,493,809	\$ -
Investments	343,677	-
Receivables	6,369,198	212,695
Advances to other funds	863,630	-
	<u>\$ 14,070,314</u>	<u>\$ 212,695</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 596,875	\$ 770
Fund cash deficit	-	1,895,369
Accrued liabilities	147,940	-
Advances from other funds	394,549	996,005
	<u>\$ 1,139,364</u>	<u>\$ 2,892,144</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	\$ 4,733,276	\$ 208,260
Unavailable revenue - other taxes	458,558	-
	<u>\$ 5,191,834</u>	<u>\$ 208,260</u>
FUND BALANCES		
Nonspendable	\$ 863,630	\$ -
Restricted	866,831	-
Committed	-	-
Assigned	2,767,311	-
Unassigned	3,241,344	(2,887,709)
	<u>\$ 7,739,116</u>	<u>\$ (2,887,709)</u>
Total fund balances	<u>\$ 7,739,116</u>	<u>\$ (2,887,709)</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 14,070,314</u>	<u>\$ 212,695</u>

Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
\$ 86,210	\$ 2,012,841	\$ 8,592,860
994,637	448,521	1,786,835
50,535	1,773,714	8,406,142
3,685	502,210	1,369,525
<u>\$ 1,135,067</u>	<u>\$ 4,737,286</u>	<u>\$ 20,155,362</u>
\$ 22,238	\$ 60,043	\$ 679,926
-	2,262,284	4,157,653
-	9,036	156,976
-	906,796	2,297,350
<u>\$ 22,238</u>	<u>\$ 3,238,159</u>	<u>\$ 7,291,905</u>
\$ -	\$ 1,483,187	\$ 6,424,723
-	39,411	497,969
<u>\$ -</u>	<u>\$ 1,522,598</u>	<u>\$ 6,922,692</u>
\$ 3,685	\$ 502,210	\$ 1,369,525
1,109,144	1,765,676	3,741,651
-	-	-
-	798,564	3,565,875
-	(3,089,921)	(2,736,286)
<u>\$ 1,112,829</u>	<u>\$ (23,471)</u>	<u>\$ 5,940,765</u>
<u>\$ 1,135,067</u>	<u>\$ 4,737,286</u>	<u>\$ 20,155,362</u>

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CITY OF EAST MOLINE, ILLINOIS
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
 December 31, 2016

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

Total fund balance - governmental funds	\$ 5,940,765
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	24,791,850
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	497,969
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.	5,065,008
Net pension liability is not reported in governmental funds.	(28,074,650)
Pension related deferred outflows not reported in governmental funds.	8,065,407
Pension related deferred inflows not reported in governmental funds.	(525,429)
Net other postemployment benefits obligation is not reported in governmental funds.	(10,539,064)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(4,140,276)</u>
Net position of governmental activities	<u>\$ 1,081,580</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, 2016

	General Fund	Tax Increment Financing Fund - The Quarter
REVENUES		
Taxes	\$ 5,760,075	\$ 199,630
Licenses, permits, and fees	252,745	-
Intergovernmental	6,418,265	-
Charges for services and rents	541,276	-
Investment income	28,582	-
Fines	195,717	-
Grant	16,316	-
Miscellaneous	120,458	-
	<u>\$ 13,333,434</u>	<u>\$ 199,630</u>
EXPENDITURES		
Current:		
General government	\$ 503,503	\$ -
Public safety	9,947,620	-
Public works	1,435,997	-
Recreation and culture	445,135	-
Economic development	22,456	92,892
Capital expenditures	737,447	-
Debt service:		
Principal	-	240,000
Interest	102	55,486
	<u>\$ 13,092,260</u>	<u>\$ 388,378</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 241,174</u>	<u>\$ (188,748)</u>
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	\$ 14,597	\$ -
Transfers in	217,129	-
Transfers out	(875,331)	-
	<u>\$ (643,605)</u>	<u>\$ -</u>
Net change in fund balances	\$ (402,431)	\$ (188,748)
FUND BALANCES – Beginning	<u>8,141,547</u>	<u>(2,698,961)</u>
FUND BALANCES – Ending	<u>\$ 7,739,116</u>	<u>\$ (2,887,709)</u>

Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,908,359	\$ 7,868,064
-	-	252,745
542,362	-	6,960,627
-	976,473	1,517,749
6,071	2,345	36,998
-	-	195,717
88,951	20,468	125,735
-	5,131	125,589
<u>\$ 637,384</u>	<u>\$ 2,912,776</u>	<u>\$ 17,083,224</u>
\$ -	\$ 292	\$ 503,795
-	-	9,947,620
917,813	921,365	3,275,175
-	344,414	789,549
-	197,361	312,709
172,303	24,097	933,847
-	512,515	752,515
-	91,233	146,821
<u>\$ 1,090,116</u>	<u>\$ 2,091,277</u>	<u>\$ 16,662,031</u>
<u>\$ (452,732)</u>	<u>\$ 821,499</u>	<u>\$ 421,193</u>
\$ -	\$ -	\$ 14,597
-	205,000	422,129
-	(225,570)	(1,100,901)
<u>\$ -</u>	<u>\$ (20,570)</u>	<u>\$ (664,175)</u>
\$ (452,732)	\$ 800,929	\$ (242,982)
<u>1,565,561</u>	<u>(824,400)</u>	<u>6,183,747</u>
<u>\$ 1,112,829</u>	<u>\$ (23,471)</u>	<u>\$ 5,940,765</u>

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

For the Year Ended December 31, 2016

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

Net change in fund balance - total governmental funds	\$ (242,982)
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.	(428,152)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(31,574)
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.	752,515
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.	(9,955,862)
Changes in net other postemployment benefits obligations are reported only in the statement of activities.	(1,491,265)
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.	(97,201)
Change in net position of governmental activities	<u>\$ (11,494,521)</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, 2016

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
ASSETS			
Current assets:			
Cash	\$ 1,381,398	\$ 1,046,302	\$ 1,082,219
Investments	-	-	-
Receivables (net of allowance for uncollectibles)	431,783	365,263	488,142
Other assets	-	3,000	-
Total current assets	<u>\$ 1,813,181</u>	<u>\$ 1,414,565</u>	<u>\$ 1,570,361</u>
Noncurrent assets:			
Advances to other funds	<u>\$ 1,573,646</u>	<u>\$ 1,171,235</u>	<u>\$ 1,777,130</u>
Capital assets:			
Land	\$ -	\$ 484,013	\$ -
Buildings and system	11,558,679	30,176,214	12,814,254
Equipment and vehicles	167,778	1,001,804	717,584
Construction in progress	17,860	10,018	-
Less accumulated depreciation	<u>(2,519,218)</u>	<u>(17,837,610)</u>	<u>(2,140,211)</u>
Total capital assets (net of accumulated depreciation)	<u>\$ 9,225,099</u>	<u>\$ 13,834,439</u>	<u>\$ 11,391,627</u>
Total noncurrent assets	<u>\$ 10,798,745</u>	<u>\$ 15,005,674</u>	<u>\$ 13,168,757</u>
Total assets	<u>\$ 12,611,926</u>	<u>\$ 16,420,239</u>	<u>\$ 14,739,118</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows	<u>\$ 539,814</u>	<u>\$ 584,409</u>	<u>\$ 728,649</u>

Enterprise Funds				Governmental Activities
Treatment		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Sewer Collection Fund	Drainage Fund			
\$ 2,076,210	\$ 880,446	\$ 139,982	\$ 6,606,557	\$ 4,815,867
-	-	317,640	317,640	-
658,967	176,068	141,744	2,261,967	82,563
-	-	-	3,000	-
<u>\$ 2,735,177</u>	<u>\$ 1,056,514</u>	<u>\$ 599,366</u>	<u>\$ 9,189,164</u>	<u>\$ 4,898,430</u>
\$ 782,162	\$ -	\$ 360,000	\$ 5,664,173	\$ 2,000
\$ -	\$ -	\$ -	\$ 484,013	\$ -
26,526,026	6,552,252	-	87,627,425	-
1,034,285	390,813	-	3,312,264	826,492
82,066	1,162,208	-	1,272,152	-
<u>(14,950,268)</u>	<u>(2,739,166)</u>	<u>-</u>	<u>(40,186,473)</u>	<u>(808,616)</u>
<u>\$ 12,692,109</u>	<u>\$ 5,366,107</u>	<u>\$ -</u>	<u>\$ 52,509,381</u>	<u>\$ 17,876</u>
<u>\$ 13,474,271</u>	<u>\$ 5,366,107</u>	<u>\$ 360,000</u>	<u>\$ 58,173,554</u>	<u>\$ 19,876</u>
<u>\$ 16,209,448</u>	<u>\$ 6,422,621</u>	<u>\$ 959,366</u>	<u>\$ 67,362,718</u>	<u>\$ 4,918,306</u>
<u>\$ 445,923</u>	<u>\$ 172,023</u>	<u>\$ -</u>	<u>\$ 2,470,818</u>	<u>\$ -</u>

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CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2016

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 119,425	\$ 36,780	\$ 95,402
Accrued salaries	16,090	14,362	19,723
Accrued interest payable	38,114	65,683	39,824
Compensated absences	-	26,315	-
Other accrued liabilities	-	-	-
General obligation bonds - current	276,493	418,850	444,404
Total current liabilities	<u>\$ 450,122</u>	<u>\$ 561,990</u>	<u>\$ 599,353</u>
Noncurrent liabilities:			
General obligation bonds payable (net of unamortized discounts)	\$ 3,845,195	\$ 3,795,274	\$ 7,059,287
Net pension liability	421,791	455,194	571,177
Other postemployment benefit obligations	622,088	667,330	836,991
Advances from other funds	1,644,371	1,574,801	579,044
Total noncurrent liabilities	<u>\$ 6,533,445</u>	<u>\$ 6,492,599</u>	<u>\$ 9,046,499</u>
Total liabilities	<u>\$ 6,983,567</u>	<u>\$ 7,054,589</u>	<u>\$ 9,645,852</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows	<u>\$ 8,562</u>	<u>\$ 9,267</u>	<u>\$ 11,561</u>

Enterprise Funds				Governmental Activities
Treatment		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Sewer Collection Fund	Drainage Fund			
\$ 359,851	\$ 185,588	\$ -	\$ 797,046	\$ 438,854
11,305	4,074	-	65,554	6,458
91,725	2,441	-	237,787	-
19,790	7,980	-	54,085	1,169
-	-	-	-	236,000
<u>491,661</u>	<u>159,650</u>	<u>-</u>	<u>1,791,058</u>	<u>-</u>
\$ <u>974,332</u>	\$ <u>359,733</u>	\$ <u>-</u>	\$ <u>2,945,530</u>	\$ <u>682,481</u>
\$ 5,392,991	\$ 1,080,901	\$ -	\$ 21,173,648	\$ -
348,549	130,726	-	1,927,437	-
701,263	-	-	2,827,672	-
940,132	-	-	4,738,348	-
<u>\$ 7,382,935</u>	<u>\$ 1,211,627</u>	<u>\$ -</u>	<u>\$ 30,667,105</u>	<u>\$ -</u>
\$ <u>8,357,267</u>	\$ <u>1,571,360</u>	\$ <u>-</u>	\$ <u>33,612,635</u>	\$ <u>682,481</u>
\$ <u>7,073</u>	\$ <u>2,723</u>	\$ <u>-</u>	\$ <u>39,186</u>	\$ <u>-</u>

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2016

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
NET POSITION			
Net investment in capital assets	\$ 5,103,411	\$ 9,620,315	\$ 3,887,936
Restricted for:			
Economic development loans	-	-	-
Housing rehabilitation	-	-	-
Unrestricted	1,056,200	320,477	1,922,418
Total net position	\$ 6,159,611	\$ 9,940,792	\$ 5,810,354
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			
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
\$ 6,807,457	\$ 4,125,556	\$ -	\$ 29,544,675	\$ 17,876
-	-	616,417	616,417	-
-	-	342,949	342,949	-
1,483,574	895,005	-	5,677,674	4,217,949
<u>\$ 8,291,031</u>	<u>\$ 5,020,561</u>	<u>\$ 959,366</u>	<u>\$ 36,181,715</u>	<u>\$ 4,235,825</u>
			(829,183)	
			<u>\$ 35,352,532</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, 2016

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
OPERATING REVENUES			
Charges for services	\$ 2,947,081	\$ 2,473,873	\$ 3,467,816
Interest income	-	-	-
Other	-	16,467	-
Total operating revenues	<u>\$ 2,947,081</u>	<u>\$ 2,490,340</u>	<u>\$ 3,467,816</u>
OPERATING EXPENSES			
Pumping	\$ 2,103,531	\$ -	\$ 2,407,284
Distribution and collection	-	889,782	-
Engineering	-	176,124	-
Administration and claims	-	574,488	-
Travel and motor vehicles	-	-	-
Depreciation	234,058	636,469	314,299
Total operating expenses	<u>\$ 2,337,589</u>	<u>\$ 2,276,863</u>	<u>\$ 2,721,583</u>
OPERATING INCOME (LOSS)	<u>\$ 609,492</u>	<u>\$ 213,477</u>	<u>\$ 746,233</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	\$ -	\$ 1,177	\$ 5,532
Interest expense	(90,965)	(143,754)	(144,050)
Total nonoperating revenues (expenses)	<u>\$ (90,965)</u>	<u>\$ (142,577)</u>	<u>\$ (138,518)</u>

Enterprise Funds				Governmental Activities
Treatment		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Sewer Collection Fund	Drainage Fund			
\$ 2,577,453	\$ 859,983	\$ -	\$ 12,326,206	\$ 4,192,729
-	-	1,747	1,747	-
234	-	-	16,701	58,264
<u>\$ 2,577,687</u>	<u>\$ 859,983</u>	<u>\$ 1,747</u>	<u>\$ 12,344,654</u>	<u>\$ 4,250,993</u>
\$ -	\$ -	\$ -	\$ 4,510,815	\$ -
909,696	497,497	-	2,296,975	-
537,889	-	-	714,013	-
521,619	-	192,000	1,288,107	3,904,827
-	-	-	-	654,646
604,300	221,973	-	2,011,099	768
<u>\$ 2,573,504</u>	<u>\$ 719,470</u>	<u>\$ 192,000</u>	<u>\$ 10,821,009</u>	<u>\$ 4,560,241</u>
<u>\$ 4,183</u>	<u>\$ 140,513</u>	<u>\$ (190,253)</u>	<u>\$ 1,523,645</u>	<u>\$ (309,248)</u>
\$ 1	\$ -	\$ 1,626	\$ 8,336	\$ 15,172
(200,645)	(15,875)	-	(595,289)	-
<u>\$ (200,644)</u>	<u>\$ (15,875)</u>	<u>\$ 1,626</u>	<u>\$ (586,953)</u>	<u>\$ 15,172</u>

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

For the Year Ended December 31, 2016

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ 518,527	\$ 70,900	\$ 607,715
TRANSFERS IN	-	223,438	22,932
TRANSFERS OUT	-	(7,000)	-
CHANGE IN NET POSITION	\$ 518,527	\$ 287,338	\$ 630,647
TOTAL NET POSITION, Beginning	5,641,084	9,653,454	5,179,707
TOTAL NET POSITION, Ending	<u>\$ 6,159,611</u>	<u>\$ 9,940,792</u>	<u>\$ 5,810,354</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		Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
Sewer Collection Fund	Drainage Fund				
\$ (196,461)	\$ 124,638	\$ (188,627)	\$ 936,692	\$ (294,076)	
225,210	129,808	-	601,388	472,445	
(29,932)	(7,000)	-	(43,932)	(351,129)	
\$ (1,183)	\$ 247,446	\$ (188,627)	\$ 1,494,148	\$ (172,760)	
8,292,214	4,773,115	1,147,993		4,408,585	
<u>\$ 8,291,031</u>	<u>\$ 5,020,561</u>	<u>\$ 959,366</u>		<u>\$ 4,235,825</u>	
			(75,558)		
			<u>\$ 1,418,590</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, 2016

	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	\$ 2,893,248	\$ 2,483,220	\$ 3,551,987
Receipts from interfund services provided	-	-	-
Other receipts	-	16,467	-
Payments to suppliers	(1,093,339)	(565,060)	(1,032,822)
Payments to employees	(531,362)	(569,462)	(718,540)
Payments for interfund services use	(297,222)	(318,553)	(416,880)
Net cash provided (used) by operating activities	<u>\$ 971,325</u>	<u>\$ 1,046,612</u>	<u>\$ 1,383,745</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	\$ -	\$ 223,438	\$ 22,932
Transfers to other funds	-	(7,000)	-
Advances to other funds	(60,963)	-	-
Advances from other funds	-	-	47,181
Net cash provided (used) by noncapital financing activities	<u>\$ (60,963)</u>	<u>\$ 216,438</u>	<u>\$ 70,113</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	\$ (523,160)	\$ (431,363)	\$ (427,505)
Proceeds from long-term debt issuance	-	-	-
Principal paid on long-term debt	(270,129)	(401,206)	(435,031)
Interest paid on long-term debt	(92,818)	(148,663)	(146,023)
Net cash used by capital and related financing activities	<u>\$ (886,107)</u>	<u>\$ (981,232)</u>	<u>\$ (1,008,559)</u>

Enterprise Funds				Governmental
Treatment				Activities
Sewer Collection Fund	Drainage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 2,664,486	\$ 828,475	\$ 28,833	\$ 12,450,249	\$ -
-	-	-	-	4,207,447
234	-	-	16,701	20,492
(1,082,902)	(30,608)	(226,587)	(4,031,318)	(4,002,386)
(424,451)	(188,502)	-	(2,432,317)	(247,781)
(303,612)	(97,780)	-	(1,434,047)	(42,000)
<u>\$ 853,755</u>	<u>\$ 511,585</u>	<u>\$ (197,754)</u>	<u>\$ 4,569,268</u>	<u>\$ (64,228)</u>
\$ 225,210	\$ 129,808	\$ -	\$ 601,388	\$ 472,445
(29,932)	(7,000)	-	(43,932)	(351,129)
-	-	-	(60,963)	-
-	-	-	47,181	-
<u>\$ 195,278</u>	<u>\$ 122,808</u>	<u>\$ -</u>	<u>\$ 543,674</u>	<u>\$ 121,316</u>
\$ (440,189)	\$ (1,251,091)	\$ -	\$ (3,073,308)	\$ -
-	1,200,000	-	1,200,000	-
(473,087)	(259,034)	-	(1,838,487)	-
(206,346)	(16,740)	-	(610,590)	-
<u>\$ (1,119,622)</u>	<u>\$ (326,865)</u>	<u>\$ -</u>	<u>\$ (4,322,385)</u>	<u>\$ -</u>

(Continued)

CITY OF EAST MOLINE, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2016

	Business-type Activities -		
	Water Treatment		Wastewater
	Water Plant Fund	Water Distribution Fund	Sewer Plant Fund
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	\$ -	\$ 1,177	\$ 5,532
Purchase of investments	-	-	-
Net cash provided (used) by investing activities	\$ -	\$ 1,177	\$ 5,532
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 24,255	\$ 282,995	\$ 450,831
CASH AND CASH EQUIVALENTS - Beginning	1,357,143	763,307	631,388
CASH AND CASH EQUIVALENTS - Ending	\$ 1,381,398	\$ 1,046,302	\$ 1,082,219
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 609,492	\$ 213,477	\$ 746,233
Adjustments to reconcile operating operating income (loss) to net cash provided by operating activities:			
Depreciation expense	234,058	636,469	314,299
Amortization expense	(5,057)	470	(4,616)
(Increase) decrease in receivables	(53,833)	9,347	84,171
(Increase) decrease in pension related deferred outflows	(257,389)	(277,370)	(349,061)
Increase (decrease) in accounts payable	24,266	11,600	23,682
Increase (decrease) in accrued liabilities, excluding accrued interest	(24,035)	(17,509)	(32,687)
Increase (decrease) in net pension liability	352,489	379,852	478,034
Increase (decrease) in other postemployment benefit obligation	87,002	85,608	117,815
Increase (decrease) in pension related deferred inflows	4,332	4,668	5,875
Net cash provided (used) by operating activities	\$ 971,325	\$ 1,046,612	\$ 1,383,745

Enterprise Funds				Governmental
Treatment				Activities
Sewer Collection Fund	Drainage Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 1	\$ -	\$ 1,626	\$ 8,336	\$ 15,172
-	-	(7,188)	(7,188)	-
\$ 1	\$ -	\$ (5,562)	\$ 1,148	\$ 15,172
\$ (70,588)	\$ 307,528	\$ (203,316)	\$ 791,705	\$ 72,260
2,146,798	572,918	343,298	5,814,852	4,743,607
<u>\$ 2,076,210</u>	<u>\$ 880,446</u>	<u>\$ 139,982</u>	<u>\$ 6,606,557</u>	<u>\$ 4,815,867</u>
\$ 4,183	\$ 140,513	\$ (190,253)	\$ 1,523,645	\$ (309,248)
604,300	221,973	-	2,011,099	768
(5,476)	-	-	(14,679)	-
87,033	(31,508)	(7,403)	87,807	(23,054)
(212,728)	(78,745)	-	(1,175,293)	-
16,666	155,479	(98)	231,595	136,782
(17,852)	(5,291)	-	(97,374)	130,524
291,327	107,838	-	1,609,540	-
82,722	-	-	373,147	-
3,580	1,326	-	19,781	-
<u>\$ 853,755</u>	<u>\$ 511,585</u>	<u>\$ (197,754)</u>	<u>\$ 4,569,268</u>	<u>\$ (64,228)</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, 2016

	<u>Pension Trust Funds</u>
ASSETS	
Cash	\$ 4,827,933
Receivables:	
Accrued interest	110,296
Other	205,408
Investments:	
U.S. treasury bonds	3,901,058
U.S. government agency securities	1,424,365
Residential mortgage-backed securities	2,372,543
Corporate securities	7,658,836
Mutual funds	21,743,378
Other assets	255
	<hr/>
Total assets	\$ 42,244,072
	<hr/>
LIABILITIES	
Other accrued liabilities	\$ 20,983
	<hr/>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 42,223,089</u></u>

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, 2016

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 1,191,798
Employee	495,104
	\$ 1,686,902
Total contributions	
Investment income:	
Net increase in fair value of investments	\$ 1,613,267
Interest	485,515
Dividends and capital gains	1,309,678
	\$ 3,408,460
Total	
Less investment expense	95,733
Net investment income	\$ 3,312,727
Total additions	\$ 4,999,629
DEDUCTIONS	
Benefits	\$ 3,366,743
Administrative expense	45,235
	\$ 3,411,978
Total deductions	
Change in net position	\$ 1,587,651
NET POSITION RESTRICTED FOR PENSION BENEFITS	
Beginning	40,635,438
Ending	\$ 42,223,089

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

CITY OF EAST MOLINE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

December 31, 2016

**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 February 2015, the GASB issued statement No. 72 – *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard was implemented January 1, 2016.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

In August 2015, the GASB issued statement No. 77 – *Tax Abatement Disclosures*. This statement addresses financial reporting related to tax abatement programs. It establishes requirements for disclosures about a reporting government's own tax abatements agreements and agreements entered into by other governments that reduce the reporting government's tax revenues. This standard was implemented January 1, 2016.

In December 2015, the GASB issued statement No. 79 – *Certain External Investment Pools and Pool Participants*. This statement addresses accounting and financial reporting for certain external investment pools and pools participants. It establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This standard was implemented January 1, 2016.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

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.

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 storm water 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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

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 stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

The City categorizes its fair value measurements within fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

INTERFUND RECEIVABLES AND PAYABLES -

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

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

RESTRICTED ASSETS -

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

CAPITAL ASSETS -

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

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.

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 2016 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 2016 taxes are intended to finance the 2017 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – (Continued)

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.

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 \$4,140,276 difference are as follows:

Bonds payable	\$ 3,968,000
Less: Issuance discount (to be amortized as interest expense)	(13,460)
Less: Deferred charge for refunding (to be amortized as interest expense)	(18,481)
Note Payable	58,730
Accrued interest payable	60,314
Compensated absences	85,173
	\$ 4,140,276

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – (Continued)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$428,152 difference are as follows:

Capital outlay	\$ 933,847
Depreciation expense	<u>(1,361,999)</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>\$ (428,152)</u>

Another element of that reconciliation states that the “issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$752,515 difference are as follows:

Principal repayments:	
General obligation debt	\$ 676,000
Note payable	<u>76,515</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>\$ 752,515</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – (Continued)

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$9,955,862 difference are as follows:

Compensated absences	\$ (31,931)
Accrued interest	7,425
Amortization of bond discounts	(4,269)
Amortization of deferred charge on refunding	(6,098)
Pension related expenses	<u>(9,920,989)</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>\$ (9,955,862)</u>

NOTE 3 – LEGAL COMPLIANCE AND ACCOUNTABILITY

BUDGETARY PROCEDURES AND BUDGETARY ACCOUNTING -

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

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

All departments of the City submit requests for appropriations to the City Administrator to be used in preparing a budget. At least 45 days prior to 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

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – (Continued)

DEFICIT EQUITY BALANCES -

City funds with deficit fund balances as of December 31, 2016 are as follows:

	Deficit Amount
Special Revenue Funds	
Tax Increment Financing	
Great River Industrial Park	\$ 1,379,930
Gateway Industrial	229,194
Port of Call	96,758
Kennedy Drive	682,170
The Quarter	2,887,709
Debt Service Fund	384,104

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

NOTE 4 – CASH AND INVESTMENTS

Cash and investments as of December 31, 2016 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Primary Government

Cash	\$ 15,857,631
Investments	2,104,475

Component Unit-Library

Cash	924,816
Investments	277,477

Fiduciary funds:

Cash	4,827,933
U.S. treasury bonds	3,901,058
U.S. government agency securities	1,424,365
Residential mortgage-backed securities	2,372,543
Corporate securities	7,658,836
Mutual funds	21,743,378

Total cash and investments	\$ 61,092,512
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Cash and investments as of December 31, 2016 consist of the following:

Cash on hand	\$ 5,101
Deposits with financial institutions	21,605,279
Investments	39,482,132
Total cash and investments	\$ 61,092,512

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – (Continued)

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

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

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

During the twelve months ending December 31, 2016, the City complied with the provisions of these statutes pertaining to the types of investments held and institutions in which deposits were made.

Disclosures Relating to Interest Rate Risk

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

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – (Continued)

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

Investment Type	Primary Government	Component Unit	Total Fair Value	Investment Maturities (in Years) Less than 1 Year
Illinois Funds-investment pool	\$ 1,615,629	\$ 277,477	\$ 1,893,106	\$ 1,893,106
Illinois Institutional Investors-investment pool	488,846	- - -	488,846	488,846
Total	\$ 2,104,475	\$ 277,477	\$ 2,381,952	\$ 2,381,952

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.

Investment Type	Primary Government	Component Unit	Total	Rating as of Year End AAAm
Illinois Funds-investment pool	\$ 1,615,629	\$ 277,477	\$ 1,893,106	\$ 1,893,106
Illinois Institutional Investors-investment pool	488,846	- - -	488,846	488,846
Total	\$ 2,104,475	\$ 277,477	\$ 2,381,952	\$ 2,381,952

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.).

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – (Continued)

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, 2016, the carrying amount of the City's deposits including the component unit, with financial institutions totaled \$16,777,346 with the bank balances totaling \$16,822,794. Bank balances of \$16,822,794 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, 2016, 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.

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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	\$ 4,892,127	\$ 212,695	\$ - - -	\$ - - -	\$ - - -
Other taxes	1,324,905	- - -	- - -	- - -	- - -
Accounts	152,166	- - -	- - -	324,351	274,013
Estimated unbilled usage	- - -	- - -	- - -	128,274	93,987
State allotments	- - -	- - -	50,535	- - -	- - -
Notes and loans	- - -	- - -	- - -	- - -	10,123
Accrued interest	- - -	- - -	- - -	- - -	- - -
Other	- - -	- - -	- - -	4,158	19,140
Gross receivables	<u>\$ 6,369,198</u>	<u>\$ 212,695</u>	<u>\$ 50,535</u>	<u>\$ 456,783</u>	<u>\$ 397,263</u>
Less: allowance for uncollectibles	<u>- - -</u>	<u>- - -</u>	<u>- - -</u>	<u>25,000</u>	<u>32,000</u>
Net total receivables	<u><u>\$ 6,369,198</u></u>	<u><u>\$ 212,695</u></u>	<u><u>\$ 50,535</u></u>	<u><u>\$ 431,783</u></u>	<u><u>\$ 365,263</u></u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 5 – (Continued)

	Sewer Plant Fund	Sewer Collection Fund	Drainage Fund	Non-Major and Other Funds	Total
Receivables:					
Property taxes	\$ - - -	\$ - - -	\$ - - -	\$ 1,546,738	\$ 6,651,560
Other taxes	- - -	- - -	- - -	113,824	1,438,729
Accounts	363,116	385,964	169,131	77,612	1,746,353
Estimated unbilled usage	140,171	118,172	33,937	26,368	540,909
State allotments	- - -	- - -	- - -	- - -	50,535
Notes and loans	- - -	176,394	- - -	145,744	332,261
Accrued interest	- - -	- - -	- - -	110,296	110,296
Other	855	6,437	- - -	314,143	344,733
	<u>504,142</u>	<u>686,967</u>	<u>203,068</u>	<u>2,334,725</u>	<u>11,215,376</u>
Gross receivables	\$ 504,142	\$ 686,967	\$ 203,068	\$ 2,334,725	\$ 11,215,376
Less: allowance for uncollectibles	<u>16,000</u>	<u>28,000</u>	<u>27,000</u>	<u>21,000</u>	<u>149,000</u>
Net total receivables	<u>\$ 488,142</u>	<u>\$ 658,967</u>	<u>\$ 176,068</u>	<u>\$ 2,313,725</u>	<u>\$ 11,066,376</u>

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	\$ 6,424,723
Unavailable other taxes	<u>497,969</u>
Total unavailable revenue for governmental funds	<u>\$ 6,922,692</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2016:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,894,250	\$ 27,623	\$ - - -	\$ 1,921,873
Construction in progress	929,312	609,319	- - -	1,538,631
Total capital assets, not being depreciated	<u>\$ 2,823,562</u>	<u>\$ 636,942</u>	<u>\$ - - -</u>	<u>\$ 3,460,504</u>
Capital assets, being depreciated:				
Buildings	\$ 4,906,725	\$ - - -	\$ - - -	\$ 4,906,725
Improvements other than buildings	2,100,450	55,171	- - -	2,155,621
Vehicles and equipment	7,873,133	241,734	58,922	8,055,945
Infrastructure	27,404,015	- - -	- - -	27,404,015
Total capital assets, being depreciated	<u>\$ 42,284,323</u>	<u>\$ 296,905</u>	<u>\$ 58,922</u>	<u>\$ 42,522,306</u>
Less accumulated depreciation for:				
Buildings	\$ 2,122,981	\$ 131,831	\$ - - -	\$ 2,254,812
Improvements other than buildings	972,878	92,887	- - -	1,065,765
Vehicles and equipment	6,114,821	428,911	58,922	6,484,810
Infrastructure	10,658,559	709,138	- - -	11,367,697
Total accumulated depreciation	<u>\$ 19,869,239</u>	<u>\$ 1,362,767</u>	<u>\$ 58,922</u>	<u>\$ 21,173,084</u>
Total capital assets being depreciated, net	<u>\$ 22,415,084</u>	<u>\$ (1,065,862)</u>	<u>\$ - - -</u>	<u>\$ 21,349,222</u>
Governmental activities capital assets, net	<u>\$ 25,238,646</u>	<u>\$ (428,920)</u>	<u>\$ - - -</u>	<u>\$ 24,809,726</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>782,974</u>	<u>2,178,685</u>	<u>1,689,507</u>	<u>1,272,152</u>
Total capital assets, not being depreciated	<u>\$ 1,266,987</u>	<u>\$ 2,178,685</u>	<u>\$ 1,689,507</u>	<u>\$ 1,756,165</u>
Capital assets, being depreciated:				
Waterworks, sewerage, and drainage systems	\$ 85,692,332	\$ 1,935,093	\$ - - -	\$ 87,627,425
Vehicles and equipment	<u>2,771,824</u>	<u>649,037</u>	<u>108,597</u>	<u>3,312,264</u>
Total capital assets, being depreciated	<u>\$ 88,464,156</u>	<u>\$ 2,584,130</u>	<u>\$ 108,597</u>	<u>\$ 90,939,689</u>
Less accumulated depreciation for:				
Waterworks, sewerage, and drainage systems	\$ 36,487,582	\$ 1,782,708	\$ - - -	\$ 38,270,290
Vehicles and equipment	<u>1,796,389</u>	<u>228,391</u>	<u>108,597</u>	<u>1,916,183</u>
Total accumulated depreciation	<u>\$ 38,283,971</u>	<u>\$ 2,011,099</u>	<u>\$ 108,597</u>	<u>\$ 40,186,473</u>
Total capital assets, being depreciated, net	<u>\$ 50,180,185</u>	<u>\$ 573,031</u>	<u>\$ - - -</u>	<u>\$ 50,753,216</u>
Business-type activities capital assets, net	<u>\$ 51,447,172</u>	<u>\$ 2,751,716</u>	<u>\$ 1,689,507</u>	<u>\$ 52,509,381</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – (Continued)

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

Governmental activities:

General government	\$ 148,027
Public safety	319,733
Public works	778,064
Recreation and culture	102,208
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	768
Total depreciation expense - governmental activities	\$ 1,362,767

Business-type activities:

Waterworks, sewerage, and drainage systems	\$ 2,011,099
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NOTE 7 – LONG-TERM DEBT

As of December 31, 2016, the outstanding long-term debt of the City was as follows:

Note Payable

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
2017	3.50 %	\$ 18,551	\$ 658	\$ 19,209

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
2017	2.60 %	\$ 19,882	\$ 1,059	\$ 20,941
2018	2.60	20,297	535	20,832
Total		\$ 40,179	\$ 1,594	\$ 41,773

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

General Obligation Bonds

General obligation alternate bonds totaling \$5,330,253 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.

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
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>\$ 5,330,254</u>	<u>\$ 567,365</u>	<u>\$ 5,897,619</u>

General obligation refunding alternate bonds totaling \$1,620,000 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
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>\$ 1,620,000</u>	<u>\$ 165,337</u>	<u>\$ 1,785,337</u>

General obligation alternate bonds totaling \$630,000 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
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>\$ 630,000</u>	<u>\$ 68,113</u>	<u>\$ 698,113</u>

General obligation refunding alt bonds totaling \$4,002,134 net of \$72,134 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
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>\$ 3,930,000</u>	<u>\$ 425,400</u>	<u>\$ 4,355,400</u>

General obligation debt certificates totaling \$57,248 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
2017	3.97%	<u>\$ 57,248</u>	<u>\$ 1,121</u>	<u>\$ 58,369</u>

General obligation alternate bonds totaling \$115,000 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
2017	3.700%	<u>\$ 115,000</u>	<u>\$ 2,127</u>	<u>\$ 117,127</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

General obligation alternate refunding bonds totaling \$995,000 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
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>\$ 995,000</u>	<u>\$ 96,472</u>	<u>\$ 1,091,472</u>

General obligation alternate refunding bonds totaling \$1,695,000 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
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	3.700	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>\$ 1,695,000</u>	<u>\$ 206,137</u>	<u>\$ 1,901,137</u>

General obligation alternate refunding bonds totaling \$2,109,604 net of \$5,396 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
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>\$ 2,115,000</u>	<u>\$ 246,215</u>	<u>\$ 2,361,215</u>

General obligation alternate bonds totaling \$1,740,648 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
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>\$ 1,740,648</u>	<u>\$ 27,200</u>	<u>\$ 1,767,848</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

General obligation alternate bonds totaling \$7,743,752 net of \$283,752 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
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>\$ 7,460,000</u>	<u>\$ 2,942,755</u>	<u>\$ 10,402,755</u>

General obligation debt certificates totaling \$1,183,303 remain outstanding from the original issue of \$1,200,000 dated October 14, 2016. It is the intent of the City officials to service this debt from the Drainage Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

Principal and interest are due monthly. The annual debt service requirements of this debt are as follows:

For the Year Ending December 31	Interest Rate	Principal	Interest	Total
2017	3.50%	\$ 102,402	\$ 40,333	\$ 142,735
2018	3.50	106,096	36,639	142,735
2019	3.50	109,922	32,813	142,735
2020	3.50	113,803	28,932	142,735
2021	3.50	118,179	24,337	142,516
2022	3.50	123,119	18,302	141,421
2023	3.50	127,083	14,338	141,421
2024	3.50	131,143	10,278	141,421
2025	3.50	135,398	6,022	141,420
2026	3.50	116,158	1,693	117,851
Total		<u>\$ 1,183,303</u>	<u>\$ 213,687</u>	<u>\$ 1,396,990</u>

Net Other Postemployment Benefit Obligation

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

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NOTES TO FINANCIAL STATEMENTS

NOTE 7 – (Continued)

Long-term liability activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Alternate revenue bonds	\$ 4,644,000	\$ - - -	\$ (676,000)	\$ 3,968,000	\$ 568,000
Less deferred amounts:					
For issuance discounts	(17,729)	- - -	4,269	(13,460)	- - -
On refunding bonds	(24,579)	- - -	6,098	(18,481)	- - -
Total bonds payable	<u>\$ 4,601,692</u>	<u>\$ - - -</u>	<u>\$ (665,633)</u>	<u>\$ 3,936,059</u>	<u>\$ 568,000</u>
Note payable	\$ 135,245	\$ - - -	\$ (76,515)	\$ 58,730	\$ 38,433
Compensated absences	53,929	654,321	(621,908)	86,342	86,342
Net pension liability	19,137,583	8,937,067	- - -	28,074,650	- - -
Net other postemployment benefit obligation	9,047,799	1,491,265	- - -	10,539,064	- - -
Governmental activity Long-term liabilities	<u>\$ 32,976,248</u>	<u>\$ 11,082,653</u>	<u>\$ (1,364,056)</u>	<u>\$ 42,694,845</u>	<u>\$ 692,775</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 23,507,360	\$ 1,200,000	\$ (1,803,907)	\$ 22,903,453	\$ 1,791,058
Less deferred amounts:					
For issuance discounts	(14,257)	- - -	3,259	(10,998)	- - -
For issuance premiums	404,643	- - -	(48,757)	355,886	- - -
On Refunding bonds	(314,452)	- - -	30,817	(283,635)	- - -
Total bonds payable	<u>\$ 23,583,294</u>	<u>\$ 1,200,000</u>	<u>\$ (1,818,588)</u>	<u>\$ 22,964,706</u>	<u>\$ 1,791,058</u>
Note payable	\$ 34,578	- - -	\$ (34,578)	\$ - - -	\$ - - -
Compensated absences	44,974	245,750	(236,639)	54,085	54,085
Net pension liability (asset)	317,897	1,609,540	- - -	1,927,437	- - -
Net other postemployment benefit obligation	2,454,525	373,147	- - -	2,827,672	- - -
Business-type activity Long-term liabilities	<u>\$ 26,435,268</u>	<u>\$ 3,428,437</u>	<u>\$ (2,089,805)</u>	<u>\$ 27,773,900</u>	<u>\$ 1,845,143</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, \$1,169 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, 2016, 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>\$ 261,073,416</u>
Debt limit – 8.625% of total assessed valuation	\$ 22,517,582
General obligation debt, outstanding	<u>1,299,281</u>
Unused legal debt capacity based on 8.625%	<u>\$ 21,218,301</u>

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2016 is as follows:

	Receivable Fund				
	<u>General Fund</u>	<u>Motor Fuel Tax Fund</u>	<u>Nonmajor Governmental</u>	<u>Water Plant</u>	<u>Water Distribution</u>
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	170,859	- - -	- - -	- - -	634,353
Water Distribution	3,316	- - -	- - -	1,571,485	- - -
Sewer Plant	- - -	- - -	- - -	- - -	246,882
Sewer Collection	- - -	- - -	- - -	2,161	- - -
Total	<u>\$ 863,630</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 Plant	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	839,159	- - -	- - -	- - -	1,644,371
Water Distribution	- - -	- - -	- - -	- - -	1,574,801
Sewer Plant	- - -	332,162	- - -	- - -	579,044
Sewer Collection	937,971	- - -	- - -	- - -	940,132
Total	\$ 1,777,130	\$ 782,162	\$ 360,000	\$ 2,000	\$ 7,035,698

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

Interfund transfers:

Transfer In:	Transfer Out			
	General Fund	Nonmajor Governmental	Water Distribution	Sewer Collection
General Fund	\$ - - -	\$ - - -	\$ 7,000	\$ 7,000
Nonmajor Governmental	135,000	70,000	- - -	- - -
Water Distribution	145,653	77,785	- - -	- - -
Sewer Plant	- - -	- - -	- - -	22,932
Sewer Collection	147,425	77,785	- - -	- - -
Drainage	129,808	- - -	- - -	- - -
Internal Service Fund	317,445	- - -	- - -	- - -
Total	\$ 875,331	\$ 225,570	\$ 7,000	\$ 29,932

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – (Continued)

	Transfer Out		
	Drainage	Internal Service Fund	Total
Transfer In:			
General Fund	\$ 7,000	\$ 196,129	\$ 217,129
Nonmajor Governmental	---	---	205,000
Water Distribution	---	---	223,438
Sewer Plant	---	---	22,932
Sewer Collection	---	---	225,210
Drainage	---	---	129,808
Internal Service Fund	---	155,000	472,445
	\$ 7,000	\$ 351,129	\$ 1,495,962

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 – EMPLOYEES' RETIREMENT SYSTEM

ILLINOIS MUNICIPAL RETIREMENT FUND

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, 2015, the measurement date, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	135
Inactive plan members entitled to but no yet receiving benefits	62
Active plan members	91
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 2016 was 10.79%. For the fiscal year ended December 31, 2016, the City contributed \$588,181 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, 2015. 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, 2015:

- 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 2.75%.
- Salary Increases were expected to be 3.75% to 14.50%.
- The Investment Rate of Return was assumed to be 7.49%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the years 2011 to 2013.
- For Non-disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same 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	38.0%	7.39%
International equity	17.0	7.59
Fixed income	27.0	3.00
Real estate	8.0	6.00
Alternative investments	9.0	N/A
Private equity	N/A	8.15
Hedge funds	N/A	5.25
Commodities	N/A	2.75
Cash equivalents	1.0	N/A
Total	100.0%	

Single Discount Rate

A Single Discount Rate of 7.49% 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 3.57%, and the resulting single discount rate is 7.49%.

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	\$ 43,343,913	\$ 42,836,900	\$ 507,013
Changes for the year:			
Service cost	\$ 594,762	\$ - - -	\$ 594,762
Interest on the total pension liability	3,184,497	- - -	3,184,497
Changes of benefit terms	- - -	- - -	- - -
Differences between expected and actual experience of the total pension liability	(61,525)	- - -	(61,525)
Changes of assumptions	51,189	- - -	51,189
Contributions - employer	- - -	594,489	(594,489)
Contributions - employees	- - -	250,680	(250,680)
Net investment income	- - -	210,391	(210,391)
Benefit payments, including refunds of employee contributions	(2,362,668)	(2,362,668)	- - -
Other (net transfer)	- - -	150,400	(150,400)
Net changes	\$ 1,406,255	\$ (1,156,708)	\$ 2,562,963
Balances at December 31, 2015	\$ 44,750,168	\$ 41,680,192	\$ 3,069,976

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 7.49%, 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 (6.49%)	Current Discount (7.49%)	1% Increase (8.49%)
Total pension liability	\$ 50,275,317	\$ 44,750,168	\$ 40,178,926
Plan fiduciary net position	41,680,192	41,680,192	41,680,192
Net pension liability/(asset)	\$ 8,595,125	\$ 3,069,976	\$ (1,501,266)

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, 2016, the City recognized pension expense of \$1,312,112. At December 31, 2016, 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	\$ - - -	\$ 62,448
Changes of assumptions	645,279	- - -
Net difference between projected and actual earnings on pension plan investments	2,703,299	- - -
Contributions subsequent to the measurement date	588,181	- - -
Total	\$ 3,936,759	\$ 62,448

Deferred outflows of resources of \$588,181 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, 2017. 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
2017	\$ 1,090,610
2018	902,341
2019	702,957
2020	590,222
2021	- - -
Thereafter	- - -
Total	\$ 3,286,130

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, 2016, the measurement date, the Police Pension Plan membership consisted of the following:

Inactive plan members currently receiving benefits	44
Inactive plan members entitled to but not receiving benefits	9
Active members	<u>36</u>
Total	<u>89</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 $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% 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 ½ 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. ½% 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 ½ 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, 2016, the City's contribution was 27.9% of covered payroll.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies

The financial statements of the 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 of America

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

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	Police Pension 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, 2016 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	\$ 2,618,927
Harbor International Fund	2,010,879
Vanguard Value Index ADM #506	2,644,706
Vanguard 500 Index	996,970

Investment Rate of Return

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.19%. 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 \$2,046,788 and the bank balance totaled \$2,049,226.

The valuation methods for recurring fair value measurements are as follows:

As of December 31, 2016, the investments were measured using valuation inputs as follows:

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury bonds	\$ 1,972,670	\$ 1,972,670	\$ - - -	\$ - - -
U.S. government agency securities	732,188	732,188	- - -	- - -
Residential mortgage-backed securities	1,133,292	- - -	1,133,292	- - -
Corporate securities	3,678,447	3,638,416	40,031	- - -
Mutual funds	10,026,774	10,026,774	- - -	- - -
Total	\$ 17,543,371	\$ 16,370,048	\$ 1,173,323	\$ - - -

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

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	\$ 1,972,670	\$ 261,043	\$ 702,024	\$ 647,977	\$ 361,626
U.S. government agency securities	732,188	- - -	94,252	175,568	462,368
Residential mortgage-backed securities	1,133,292	- - -	119,579	247,742	765,971
Corporate securities	3,678,447	72,573	1,599,551	1,490,601	515,722
Mutual funds	10,026,774	10,026,774	- - -	- - -	- - -
Total	\$ 17,543,371	\$10,360,390	\$ 2,515,406	\$ 2,561,888	\$ 2,105,687

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.

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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	\$ 1,972,670	\$ 1,972,670	\$ - - -	\$ - - -	\$ - - -	\$ - - -
U.S. government agency securities	732,188	- - -	- - -	732,188	- - -	- - -
Residential mortgage-backed securities	1,133,292	- - -	- - -	1,133,292	- - -	- - -
Corporate securities	3,678,447	- - -	68,186	494,725	208,066	386,481
Mutual funds	10,026,774	10,026,774	- - -	- - -	- - -	- - -
Total	\$ 17,543,371	\$ 11,999,444	\$ 68,186	\$ 2,360,205	\$ 208,066	\$ 386,481

Investment Type	Rating as of Year End					
	A+	A	A-	BBB+	BBB	BBB-
U.S. Treasury bonds	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -
U.S. government agency securities	- - -	- - -	- - -	- - -	- - -	- - -
Residential mortgage-backed securities	- - -	- - -	- - -	- - -	- - -	- - -
Corporate securities	318,174	731,270	564,999	629,148	114,493	162,905
Mutual funds	- - -	- - -	- - -	- - -	- - -	- - -
Total	\$ 318,174	\$ 731,270	\$ 564,999	\$ 629,148	\$ 114,493	\$ 162,905

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, 2016, 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, 2016 using the following actuarial methods and assumptions:

Actuarial Valuation Date	December 31, 2016
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 projected 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, 2015	\$ 29,850,762	\$ 18,983,891	\$ 10,866,871
Changes for the year:			
Service cost	\$ 595,076	\$ - - -	\$ 595,076
Interest on the total pension liability	2,035,322	- - -	2,035,322
Changes of benefit terms	- - -	- - -	- - -
Differences between expected and actual experience of the total pension liability	6,008,678	- - -	6,008,678
Changes of assumptions	- - -	- - -	- - -
Contributions - employer	- - -	704,267	(704,267)
Contributions - employees	- - -	253,761	(253,761)
Net investment income	- - -	1,531,865	(1,531,865)
Benefit payments, including refunds of employee contributions	(1,707,221)	(1,707,221)	- - -
Administrative expense	- - -	(23,582)	23,582
Net changes	\$ 6,931,855	\$ 759,090	\$ 6,172,765
Balances at December 31, 2016	\$ 36,782,617	\$ 19,742,981	\$ 17,039,636

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	\$ 41,740,872	\$ 36,782,617	\$ 32,695,086
Plan fiduciary net position	19,742,981	19,742,981	19,742,981
Net pension liability (asset)	\$ 21,997,891	\$ 17,039,636	\$ 12,952,105

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

For the year ended December 31, 2016, the City recognized pension expense of \$5,501,344. At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred amounts to be recognized in pension expense in future periods		
Differences between expected and actual experience	\$ 5,182,494	\$ - - -
Changes of assumptions	- - -	- - -
Net difference between projected and actual earnings on pension plan investments	<u>- - -</u>	<u>216,508</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>\$ 5,182,494</u>	<u>\$ 216,508</u>

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:

<u>Year Ending December 30</u>	<u>Net Deferred Outflows of Resources</u>
2017	\$ 772,057
2018	772,057
2019	772,057
2020	772,057
2021	826,184
Thereafter	<u>1,051,574</u>
Total	<u>\$ 4,965,986</u>

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

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.

Plan Membership

At December 31, 2016, the measurement date, the Firefighters' Pension Plan membership consisted of the following:

Inactive plan members currently receiving benefits	39
Inactive plan members entitled to but not receiving benefits	3
Active members	<u>35</u>
Total	<u><u>77</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

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

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. Non-compounding 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.

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, 2016, the City's contribution was 19.2% of covered payroll.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

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, 2016 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

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	\$ 1,306,256
Dodge & Cox Stock Fund	1,810,176
Harbor International Fund	1,115,238
DFA Emerging Markets	999,545
Lazard Emerging Markets	1,003,488
Vanguard 500 Index ADM SHS	1,272,472
Vanguard Extended MKT Index ADM #598	1,244,701
Vanguard International Value #46	1,127,770
Vanguard Value Index ADM #506	1,836,957

Investment Rate of Return

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.45%. 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 \$2,781,145 and the bank balance totaled \$2,781,145.

The valuation methods for recurring fair value measurements are as follows:

As of December 31, 2016, the investments were measured using valuation inputs as follows:

Investment Type	Fair Value	Level 1	Level 2	Level 3
U.S. Treasury bonds	\$ 1,928,388	\$ 1,928,388	\$ - - -	\$ - - -
U.S. government agency securities	692,177	692,177	- - -	- - -
Residential mortgage-backed securities	1,239,251	- - -	1,239,251	- - -
Corporate securities	3,980,389	3,768,330	212,059	- - -
Mutual funds	11,716,604	11,716,604	- - -	- - -
Total	\$ 19,556,809	\$ 18,105,499	\$ 1,451,310	\$ - - -

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

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	\$ 1,928,388	\$ 254,015	\$ 687,024	\$ 632,168	\$ 355,181
U.S. government agency securities	692,177	- - -	249,596	213,962	228,619
Residential mortgage-backed securities	1,239,251	68	416	236,867	1,001,900
Corporate securities	3,980,389	77,757	1,742,373	1,541,334	618,925
Mutual funds	11,716,604	11,716,604	- - -	- - -	- - -
Total	\$ 19,556,809	\$ 12,048,444	\$ 2,679,409	\$ 2,624,331	\$ 2,204,625

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.

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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	\$ 1,928,388	\$ 1,928,388	\$ - - -	\$ - - -	\$ - - -	\$ - - -
U.S. government agency securities	692,177	- - -	- - -	692,177	- - -	- - -
Residential mortgage-backed securities	1,239,251	- - -	- - -	1,239,251	- - -	- - -
Corporate securities	3,980,389	- - -	60,729	988,341	351,150	416,139
Mutual funds	11,716,604	11,716,604	- - -	- - -	- - -	- - -
Total	\$ 19,556,809	\$ 13,644,992	\$ 60,729	\$ 2,919,769	\$ 351,150	\$ 416,139

Investment Type	Rating as of Year End					
	A+	A	A-	BBB+	BBB	BBB-
U.S. Treasury bonds	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -
U.S. government agency securities	- - -	- - -	- - -	- - -	- - -	- - -
Residential mortgage-backed securities	- - -	- - -	- - -	- - -	- - -	- - -
Corporate securities	358,657	665,266	341,801	614,625	156,591	27,090
Mutual funds	- - -	- - -	- - -	- - -	- - -	- - -
Total	\$ 358,657	\$ 665,266	\$ 341,801	\$ 614,625	\$ 156,591	\$ 27,090

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, 2016, 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, 2016 using the following actuarial methods and assumptions:

Actuarial Valuation Date	December 31, 2016
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 projected 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, 2015	\$ 29,733,142	\$ 21,651,546	\$ 8,081,596
Changes for the year:			
Service cost	\$ 638,535	\$ - - -	\$ 638,535
Interest on the total pension liability	2,028,483	- - -	2,028,483
Changes of benefit terms	- - -	- - -	- - -
Differences between expected and actual experience of the total pension liability	1,635,732	- - -	1,635,732
Changes of assumptions	- - -	- - -	- - -
Contributions - employer	- - -	487,530	(487,530)
Contributions - employees	- - -	241,344	(241,344)
Net investment income	- - -	1,785,271	(1,785,271)
Benefit payments, including refunds of employee contributions	(1,663,308)	(1,663,308)	- - -
Administrative expense	- - -	(22,274)	22,274
Net changes	\$ 2,639,442	\$ 828,563	\$ 1,810,879
Balances at December 31, 2016	\$ 32,372,584	\$ 22,480,109	\$ 9,892,475

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	\$ 36,444,446	\$ 32,372,584	\$ 28,938,027
Plan fiduciary net position	22,480,109	22,480,109	22,480,109
Net pension liability (asset)	\$ 13,964,337	\$ 9,892,475	\$ 6,457,918

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – (Continued)

For the year ended December 31, 2016, the City recognized pension expense of \$4,149,742. At December 31, 2016, 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	\$ 1,416,972	\$ - - -
Changes of assumptions	- - -	- - -
Net difference between projected and actual earnings on pension plan investments	- - -	285,659
Total deferred amounts to be recognized in pension expense in future periods	\$ 1,416,972	\$ 285,659

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
2017	\$ 147,346
2018	147,346
2019	147,346
2020	147,346
2021	218,761
Thereafter	323,168
Total	\$ 1,131,313

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	\$ 2,046,788	\$ 2,781,145	\$ 4,827,933
Receivables			
Accrued interest	51,059	59,237	110,296
Other	109,602	95,806	205,408
Investments			
U.S. treasury bonds	1,972,670	1,928,388	3,901,058
U.S. government agency securities	732,188	692,177	1,424,365
Residential mortgage-backed securities	1,133,292	1,239,251	2,372,543
Corporate securities	3,678,447	3,980,389	7,658,836
Mutual funds	10,026,774	11,716,604	21,743,378
Other assets	- - -	255	255
 Total assets	 \$ 19,750,820	 \$ 22,493,252	 \$ 42,244,072
LIABILITIES			
Other accrued liabilities	\$ 7,842	\$ 13,141	\$ 20,983
NET POSITION RESTRICTED FOR PENSION BENEFITS			
	\$ 19,742,978	\$ 22,480,111	\$ 42,223,089

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NOTES TO FINANCIAL STATEMENTS

NOTE 10 – (Continued)

	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ADDITIONS			
Contributions			
Employer	\$ 704,267	\$ 487,531	\$ 1,191,798
Employee	253,760	241,344	495,104
Total contributions	<u>\$ 958,027</u>	<u>\$ 728,875</u>	<u>\$ 1,686,902</u>
Investment income			
Net increase in fair value of investments	\$ 685,695	\$ 927,572	\$ 1,613,267
Interest	208,655	276,860	485,515
Dividends and capital gains	676,736	632,942	1,309,678
Total investment income	<u>\$ 1,571,086</u>	<u>\$ 1,837,374</u>	<u>\$ 3,408,460</u>
Less investment expense	<u>43,630</u>	<u>52,103</u>	<u>95,733</u>
Net investment income	<u>\$ 1,527,456</u>	<u>\$ 1,785,271</u>	<u>\$ 3,312,727</u>
Total additions	<u>\$ 2,485,483</u>	<u>\$ 2,514,146</u>	<u>\$ 4,999,629</u>
DEDUCTIONS			
Benefits	\$ 1,703,435	\$ 1,663,308	\$ 3,366,743
Administrative expense	22,962	22,273	45,235
Total deductions	<u>\$ 1,726,397</u>	<u>\$ 1,685,581</u>	<u>\$ 3,411,978</u>
Change in net position	\$ 759,086	\$ 828,565	\$ 1,587,651
NET POSITION RESTRICTED FOR PENSION BENEFITS			
Beginning	<u>18,983,892</u>	<u>21,651,546</u>	<u>40,635,438</u>
Ending	<u>\$ 19,742,978</u>	<u>\$ 22,480,111</u>	<u>\$ 42,223,089</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

Benefits Provided

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

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

Membership

At December 31, 2016, 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 employers	<u>1</u>

Funding Policy

The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. Retirees contribute between \$200 per year to 19.5% 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.

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	517,604
Adjustment to annual required obligation	<u>(675,738)</u>
 Annual OPEB cost	 \$ 3,738,581
Contributions made	<u>1,874,169</u>
 Increase in net OPEB obligation	 \$ 1,864,412
Net OPEB obligation, beginning of year	<u>11,502,324</u>
 Net OPEB obligation, end of year	 <u><u>\$ 13,366,736</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2016 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)
12/31/14	\$ 3,594,247	41.97%	\$ 9,471,160
12/31/15	3,766,506	46.07	11,502,324
12/31/16	3,738,581	50.13	13,366,736

Funded status and funding progress. The funded status of the plan as of December 31, 2016, was as follows:

Actuarial accrued liability (AAL)	\$ 52,556,215
Actuarial value of plan assets	<u> - - -</u>
 Unfunded actuarial accrued liability (UAAL)	 \$ 52,556,215
Funded ration (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 9,442,181
UAAL as a percentage of covered payroll	556.60%

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, 2016 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 \$599,684. REDEEM has incurred these TIF reimbursable expenditures as of December 31, 2016. 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, 2016 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, 2016. 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, 2016 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, 2016 and 2015 are as follows:

	<u>Health Insurance</u>		<u>Liability Insurance</u>	
	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/16</u>	<u>12/31/15</u>
Unpaid claims, beginning of year	\$ 240,000	\$ 207,000	\$ 118,935	\$ 195,137
Incurred claims (including IBNRs)	2,831,870	2,913,358	604,211	97,148
Claim payments	<u>(2,862,870)</u>	<u>(2,880,358)</u>	<u>(304,300)</u>	<u>(173,350)</u>
Unpaid claims, end of year	<u>\$ 209,000</u>	<u>\$ 240,000</u>	<u>\$ 418,846</u>	<u>\$ 118,935</u>

Based on experience, \$182,846 of the claims payable as of December 31, 2016 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

NOTES TO FINANCIAL STATEMENTS

NOTE 16 – (Continued)

leachate and testing of monitoring well samples, and additional remediation measures will likely be necessary to meet IEPA regulatory requirements in the next few years.

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

NOTE 17 – DISCRETELY PRESENTED COMPONENT UNIT

Library Fund

Capital asset activity for the Library for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 45,435	\$ - - -	\$ - - -	\$ 45,435
Capital assets, being depreciated:				
Books	\$ 588,039	\$ 64,354	\$ 85,465	\$ 566,928
Buildings	660,986	- - -	- - -	660,986
Improvements other than buildings	7,460	- - -	- - -	7,460
Vehicles and equipment	80,218	- - -	- - -	80,218
Total capital assets, being depreciated	<u>\$ 1,336,703</u>	<u>\$ 64,354</u>	<u>\$ 85,465</u>	<u>\$ 1,315,592</u>
Less accumulated depreciation for:				
Books	\$ 339,917	\$ 74,847	\$ 85,465	\$ 329,299
Buildings	371,598	19,583	- - -	391,181
Improvements other than buildings	7,180	280	- - -	7,460
Vehicles and equipment	70,285	664	- - -	70,949
Total accumulated depreciation	<u>\$ 788,980</u>	<u>\$ 95,374</u>	<u>\$ 85,465</u>	<u>\$ 798,889</u>
Total capital assets being depreciated, net	<u>\$ 547,723</u>	<u>\$ (31,020)</u>	<u>\$ - - -</u>	<u>\$ 516,703</u>
Library capital assets, net	<u>\$ 593,158</u>	<u>\$ (31,020)</u>	<u>\$ - - -</u>	<u>\$ 562,138</u>

Depreciation expense charged to the Library component unit was \$95,374.

NOTES TO FINANCIAL STATEMENTS

NOTE 17 – (Continued)

Receivables as of December 31, 2016 for the Library are as follows:

Property taxes	\$ 696,839
Accounts	<u>9,005</u>
 Total receivables	 <u><u>\$ 705,844</u></u>

NOTE 18 – 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, 2016 by opinion unit are as follows:

	<u>General</u>	<u>Tax Increment Financing-The Quarter</u>	<u>Motor Fuel Tax</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Fund Balance					
Non-spendable:					
Advances	\$ 863,630	\$ - - -	\$ 3,685	\$ 502,210	\$ 1,369,525
Restricted:					
Tax Increment					
Financing Districts	\$ - - -	\$ - - -	\$ - - -	\$ 939,646	\$ 939,646
Special Service Area	- - -	- - -	- - -	218,688	218,688
Public Benefit	100,408	- - -	- - -	- - -	100,408
Audit	15,751	- - -	- - -	- - -	15,751
Culture/Recreation	2,743	- - -	- - -	- - -	2,743
Road Repairs	164,440	- - -	1,109,144	607,342	1,880,926
Public Safety					
Emergency Service	35,405	- - -	- - -	- - -	35,405
Foreign Fire	36,242	- - -	- - -	- - -	36,242
Drug Seizure	73,732	- - -	- - -	- - -	73,732
Tort and Judgment	13,132	- - -	- - -	- - -	13,132
IMRF Expenses	150,811	- - -	- - -	- - -	150,811
FICA Expenses	274,167	- - -	- - -	- - -	274,167
 Total Restricted	 \$ 866,831	 \$ - - -	 \$ 1,109,144	 \$ 1,765,676	 \$ 3,741,651
Committed:	\$ - - -	\$ - - -	\$ - - -	\$ - - -	\$ - - -

NOTES TO FINANCIAL STATEMENTS

NOTE 18 – (Continued)

Assigned:					
Refuse	\$ - - -	\$ - - -	\$ - - -	\$ 690,812	\$ 690,812
Culture/Recreation	146,011	- - -	- - -	45,282	191,293
Capital Improvements and Equipment	1,249,943	- - -	- - -	62,470	1,312,413
Public Safety					
Crossing Guard	22,217	- - -	- - -	- - -	22,217
Landfill closure	597,063	- - -	- - -	- - -	597,063
Fire	130,246	- - -	- - -	- - -	130,246
Sick Leave	25,063	- - -	- - -	- - -	25,063
OPEB	596,768	- - -	- - -	- - -	596,768
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assigned	\$ 2,767,311	\$ - - -	\$ - - -	\$ 798,564	\$ 3,565,875
Unassigned:	\$ 3,241,344	\$ (2,887,709)	\$ - - -	\$ (3,089,921)	\$ (2,736,286)
Total Fund Balances	<u>\$ 7,739,116</u>	<u>\$ (2,887,709)</u>	<u>\$ 1,112,829</u>	<u>\$ (23,471)</u>	<u>\$ 5,940,765</u>

NOTE 19 – TAX ABATEMENTS

The City enters into property tax abatement agreements with local businesses under the state Illinois Enterprise Zone Act. Under the Act, localities may grant property tax abatements of a business' property tax bill for the purpose of attracting or retaining business within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the Enterprise Zone.

For the fiscal year ended December 31, 2016, the City abated property taxes totaling \$83,149 under this program, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A 100% property tax abatement to a developer for developing a leased student housing complex, making the project subject to property tax on property previously tax-exempt. The abatement amounted to \$12,100.
- An 80% property tax abatement to a business for purchasing a tract of land and construct a 100,000-square foot building industrial, commercial and related and appurtenant facilities, infrastructure and improvements. The abatement amounted to \$56,591.

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

Schedule of Funding Progress – Other Post Employment Benefit Plan

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, 2016

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes:			
Property	\$ 4,491,405	\$ 4,435,550	\$ (55,855)
Utility	1,500,000	1,322,688	(177,312)
Admissions	3,000	1,837	(1,163)
Licenses and permits	174,550	252,745	78,195
Charges for services and rents	469,750	541,276	71,526
Investment income	5,875	28,582	22,707
Intergovernmental	6,227,488	6,418,265	190,777
Fines	271,500	195,717	(75,783)
Grant	21,270	16,316	(4,954)
Miscellaneous	359,900	120,458	(239,442)
	<u>\$ 13,524,738</u>	<u>\$ 13,333,434</u>	<u>\$ (191,304)</u>
EXPENDITURES			
Current			
General Government:			
Administration:			
Salaries	\$ 101,770	\$ 98,429	\$ 3,341
Office	26,350	28,363	(2,013)
Audit	32,000	28,760	3,240
Printing and advertising	9,550	4,519	5,031
Insurance	34,000	34,000	-
Equipment rent and repairs	12,545	29,211	(16,666)
Dues and subscriptions	40,700	42,053	(1,353)
Professional services	21,700	20,508	1,192
Vehicle maintenance	3,280	3,280	-
Miscellaneous	6,000	17,754	(11,754)
FICA	14,552	11,742	2,810
IMRF	14,135	12,814	1,321
Executive and legislative:			
Salaries	54,630	52,808	1,822
Office	3,300	1,712	1,588
Printing and advertising	1,000	155	845
Insurance	10,000	10,000	-
Dues and subscriptions	900	520	380
Miscellaneous	12,100	7,795	4,305
Building and grounds:			
Salaries	-	2,547	(2,547)
Office	18,600	18,057	543
Insurance	10,000	10,000	-
Repairs and maintenance	35,000	32,539	2,461
Professional services	50,000	2,622	47,378
Utilities	36,000	33,315	2,685
	<u>\$ 548,112</u>	<u>\$ 503,503</u>	<u>\$ 44,609</u>
Total general government	<u>\$ 548,112</u>	<u>\$ 503,503</u>	<u>\$ 44,609</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, 2016

EXPENDITURES (continued)	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Public Safety:			
Health:			
Salaries	\$ 75,520	\$ 72,933	\$ 2,587
Office	7,250	5,462	1,788
Insurance	11,980	11,980	-
Vehicle maintenance	4,325	4,325	-
Dues and subscriptions	800	841	(41)
Professional services	290,400	124,536	165,864
Miscellaneous	12,700	7,262	5,438
Legal:			
Insurance	10,000	10,000	-
Professional services	200,000	259,074	(59,074)
Special projects	5,000	2,432	2,568
FICA	4,074	3,288	786
IMRF	3,958	3,588	370
Crossing Guard	47,300	46,624	676
Emergency Services	4,700	5,513	(813)
Police Protection:			
Salaries	3,179,765	2,963,595	216,170
Office	100,950	89,237	11,713
Radio User Fees	18,000	18,385	(385)
Center Station	549,100	506,763	42,337
Insurance	723,860	723,860	-
Equipment rent and repairs	36,000	63,158	(27,158)
Dues and subscriptions	4,500	2,419	2,081
Training	15,000	23,325	(8,325)
Vehicle maintenance	84,430	84,430	-
Grant expenditures	6,750	5,525	1,225
Municipies & CORA	28,000	32,600	(4,600)
Records Management	30,000	25,273	4,727
Pension	704,267	704,267	-
Miscellaneous	10,350	12,920	(2,570)
Police and Fire Commission:			
Dues and subscriptions	400	375	25
Miscellaneous	1,000	18	982

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, 2016

EXPENDITURES (continued)	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Fire Protection:			
Salaries	\$ 2,918,770	\$ 2,750,261	\$ 168,509
Office	40,150	30,757	9,393
Training	15,000	23,312	(8,312)
Radio User Fees	11,000	10,890	110
Insurance	687,200	687,200	-
Equipment rent and repairs	66,000	51,473	14,527
Dues and subscriptions	3,500	4,718	(1,218)
Vehicle maintenance	31,955	31,955	-
Utilities	17,000	11,791	5,209
Pension	487,531	487,531	-
Miscellaneous	46,300	43,724	2,576
Total public safety	<u>\$ 10,494,785</u>	<u>\$ 9,947,620</u>	<u>\$ 547,165</u>
Public Works:			
Administration:			
Salaries	\$ 121,615	\$ 94,805	\$ 26,810
Insurance	20,000	20,208	(208)
Vehicle maintenance	4,325	4,325	-
Office	12,000	13,252	(1,252)
Dues and subscriptions	3,200	1,379	1,821
Professional services	17,000	15,995	1,005
Miscellaneous	-	4,584	(4,584)
Inspection:			
Salaries	60,845	58,896	1,949
Office	11,550	8,932	2,618
Professional services	400	-	400
Vehicle maintenance	8,365	8,365	-
Insurance	30,000	30,000	-
Dues and subscriptions	700	1,104	(404)
Street & Bridge:			
Salaries	202,400	186,947	15,453
Office	22,150	16,595	5,555
Insurance	130,000	130,000	-
Vehicle Maintenance	94,600	94,600	-
Professional Services	12,000	3,108	8,892
Repairs	118,900	136,363	(17,463)
Miscellaneous	-	1,263	(1,263)
Utilities	46,000	28,724	17,276
Salt	95,000	95,318	(318)

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, 2016

EXPENDITURES (continued)	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Public benefit and comfort	\$ 125	\$ 1,887	\$ (1,762)
Light:			
Repairs	40,000	36,375	3,625
Traffic Lighting	-	14,517	(14,517)
Street Lighting	305,800	306,081	(281)
Engineering:			
Salaries	33,620	32,522	1,098
Office	7,650	4,319	3,331
Insurance	17,500	17,292	208
Dues and Subscriptions	300	585	(285)
Vehicle maintenance	4,325	6,929	(2,604)
Professional services	500	810	(310)
FICA	35,506	28,650	6,856
IMRF	34,489	31,267	3,222
Total public works	<u>\$ 1,490,865</u>	<u>\$ 1,435,997</u>	<u>\$ 54,868</u>
Recreation and culture			
Fireworks	\$ 10,000	\$ 11,703	\$ (1,703)
Salaries	196,260	182,939	13,321
Office	2,800	2,261	539
Insurance	30,000	30,000	-
Utilities	19,860	20,468	(608)
Vehicle maintenance	50,750	50,750	-
Repairs and maintenance	50,950	19,116	31,834
Tourism	3,000	3,000	-
Fiberoptics	60,000	43,890	16,110
Sponsorship	5,000	5,000	-
Miscellaneous	5,000	8,234	(3,234)
FICA	40,162	32,407	7,755
IMRF	39,013	35,367	3,646
Total recreation and culture	<u>\$ 512,795</u>	<u>\$ 445,135</u>	<u>\$ 67,660</u>
Economic Development:			
Office	\$ -	\$ 66	\$ (66)
Professional services	10,000	-	10,000
Insurance	10,000	10,000	-
Developer rebate	20,000	12,390	7,610
Total economic development	<u>\$ 40,000</u>	<u>\$ 22,456</u>	<u>\$ 17,544</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, 2016

	Original and Final Budget	Actual Amounts	Variance with Final Budget
EXPENDITURES (continued)			
Capital expenditures	\$ 736,670	\$ 737,447	\$ (777)
Debt service:			
Principal	6,120	-	6,120
Interest	105	102	3
	\$ 13,829,452	\$ 13,092,260	\$ 737,192
Excess (deficiency) of revenues over (under) expenditures	\$ (304,714)	\$ 241,174	\$ 545,888
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	\$ -	\$ 14,597	\$ 14,597
Transfers in	96,000	217,129	121,129
Transfers out	(825,841)	(875,331)	(49,490)
	\$ (729,841)	\$ (643,605)	\$ 86,236
Net change in fund balance	\$ (1,034,555)	\$ (402,431)	\$ 632,124
FUND BALANCE – Beginning		8,141,547	
FUND BALANCE – Ending		\$ 7,739,116	

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, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 185,000	\$ 199,630	\$ 14,630
EXPENDITURES			
Current:			
Economic development	\$ 91,800	\$ 92,892	\$ (1,092)
Debt service:			
Principal	240,000	240,000	-
Interest	55,490	55,486	4
	<u>387,290</u>	<u>388,378</u>	<u>(1,088)</u>
Total expenditures	\$ 387,290	\$ 388,378	\$ (1,088)
Deficiency of revenues under expenditures	<u>\$ (202,290)</u>	\$ (188,748)	<u>\$ 13,542</u>
FUND BALANCE – Beginning		<u>(2,698,961)</u>	
FUND BALANCE – Ending		<u>\$ (2,887,709)</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, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ 500,000	\$ 542,362	\$ 42,362
Investment income	1,135	6,071	4,936
Grant	-	88,951	88,951
	<u>\$ 501,135</u>	<u>\$ 637,384</u>	<u>\$ 136,249</u>
EXPENDITURES			
Current, public works	\$ 1,035,000	\$ 917,813	\$ 117,187
Capital expenditures	-	172,303	(172,303)
	<u>\$ 1,035,000</u>	<u>\$ 1,090,116</u>	<u>\$ (55,116)</u>
Deficiency of revenues under expenditures	<u>\$ (533,865)</u>	<u>\$ (452,732)</u>	<u>\$ 81,133</u>
FUND BALANCE – Beginning		<u>1,565,561</u>	
FUND BALANCE – Ending		<u>\$ 1,112,829</u>	

CITY OF EAST MOLINE, ILLINOIS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION –
BUDGET COMPARISONS
 December 31, 2016

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:

	<u>Amount Over Budget</u>
Tax Increment Financing	
– The Quarter	\$ 1,088
Motor Fuel Tax	\$ 55,116

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, 2016

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)
12/31/16	12/31/16	\$ - - -	\$ 52,556,215	\$ 52,556,215	0.00%	\$ 9,442,181	556.60%
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

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, 2016

Other Postemployment Benefit Plan -

Fiscal Year Ended	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
12/31/16	\$ 1,874,169	\$ 3,896,715	48.1%
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

(Continued)

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

<u>Illinois Municipal Retirement Plan</u>	<u>2015</u>	<u>2014</u>
Calendar Year Ended December 31,		
Actuarially Determined Contribution	\$ 593,717	\$ 638,171
Actual Contribution	594,489	662,498
CONTRIBUTION DEFICIENCY (Excess)	\$ (772)	\$ (24,327)
Covered Valuation Payroll	\$ 5,497,382	\$ 5,530,079
Actual Contribution as a Percentage of Covered Valuation Payroll	10.81%	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 entity age normal
- Amortization method: Level percentage of payroll, closed
- Remaining amortization period: Non-Taxing bodies: 10-year rolling period.
- Asset valuation method: Taxing bodies (Regular, SLEP, and ECO groups): 28-year closed period until remaining period reaches 15 years (then 15-year rolling period).
- Wage Growth: Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
- Price Inflation: SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employees were financed over 32 years).
- Salary Increases: 5 year smoothed market; 20% corridor
- Investment rate of return: 4%
- Retirement Age: 3% approximate; no explicit price inflation assumption is used in this valuation.
- Mortality: 4.40% to 16%, including inflation
- Other Information: 7.50%
- 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.
- 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.
- There were no benefit changes during the year.

*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	12/31/2016	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
Actuarially Determined Contribution	\$ 1,774,915	\$ 1,498,898	\$ 700,438	\$ 554,998	\$ 761,897	\$ 871,094	\$ 885,021	\$ 634,664	\$ 519,618	\$ 538,599
Contributions in Relation to the Actuarially Determined Contribution	704,267	897,039	782,786	542,526	836,859	878,524	709,342	548,793	533,518	582,831
CONTRIBUTION DEFICIENCY (Excess)	\$ 1,070,648	\$ 601,859	\$ (82,348)	\$ 12,472	\$ (74,962)	\$ (7,430)	\$ 175,679	\$ 85,871	\$ (13,900)	\$ (44,232)
Covered Employee Payroll	\$ 2,526,144	\$ 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
Contributions as a Percentage of Covered Employee Payroll	27.9%	37.6%	30.2%	22.5%	34.3%	36.5%	30.2%	24.0%	25.4%	27.7%

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 12/31/2014 through 12/31/2016 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	12/31/2016	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
Actuarially Determined Contribution	\$ 1,194,394	\$ 932,227	\$ 463,582	\$ 507,588	\$ 687,686	\$ 711,975	\$ 728,444	\$ 421,672	\$ 365,570	\$ 400,557
Contributions in Relation to the Actuarially Determined Contribution	487,530	634,464	679,363	489,866	960,775	535,376	434,973	379,195	391,894	400,557
CONTRIBUTION DEFICIENCY (Excess)	\$ 706,864	\$ 297,763	\$ (215,781)	\$ 17,722	\$ (273,089)	\$ 176,599	\$ 293,471	\$ 42,477	\$ (26,324)	\$ -
Covered Employee Payroll	\$ 2,543,225	\$ 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
Contributions as a Percentage of Covered Employee Payroll	19.2%	25.6%	27.8%	21.0%	43.4%	24.8%	21.2%	19.7%	22.6%	23.1%

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 12/31/2014 through 12/31/2016 and eight month period ended 12/31/2013;
May 1 of the prior fiscal year for the years ended 4/30

Entry age normal
Level dollar funding
Ends in fiscal year 2041
5 year smoothed market, no corridor
Salary increases
Investment rate of return

Graded rates from 4.86% at age 25 to 1.12% at age 55, plus 2.00% 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,	2015	2014
TOTAL PENSION LIABILITY		
Service Cost	\$ 594,762	\$ 645,888
Interest	3,184,497	2,979,625
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	(61,525)	(43,249)
Changes of Assumptions	51,189	1,411,896
Benefit Payments, Including Refunds of Employee Contributions	(2,362,668)	(2,111,268)
Net Change in Total Pension Liability	\$ 1,406,255	\$ 2,882,892
Total Pension Liability - Beginning	43,343,913	40,461,021
TOTAL PENSION LIABILITY - ENDING	\$ 44,750,168	\$ 43,343,913
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 594,489	\$ 662,498
Contributions - Employees	250,680	269,796
Net Investment Income	210,391	2,502,224
Benefit Payments, Including Refunds of Employee Contributions	(2,362,668)	(2,111,268)
Other (Net Transfer)	150,400	(95,901)
Net Change in Plan Fiduciary Net Position	\$ (1,156,708)	\$ 1,227,349
Plan Net Position - Beginning	42,836,900	41,609,551
PLAN NET POSITION - ENDING	\$ 41,680,192	\$ 42,836,900
EMPLOYER'S NET PENSION LIABILITY	\$ 3,069,976	\$ 507,013
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.14%	98.83%
Covered Valuation Payroll	\$ 5,497,382	\$ 5,530,079
Employer's Net Pension Liability as a Percentage of Covered Valuation Payroll	55.84%	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.

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>2016</u>	<u>2015</u>	<u>2014</u>
TOTAL PENSION LIABILITY			
Service Cost	\$ 595,076	\$ 576,200	\$ 498,852
Interest	2,035,322	1,753,170	2,016,885
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	6,008,678	3,439,869	(5,010,958)
Changes of Assumptions	-	-	328,595
Benefit Payments, Including Refunds of Member Contributions	<u>(1,707,221)</u>	<u>(1,763,945)</u>	<u>(1,477,589)</u>
Net Change in Total Pension Liability	\$ 6,931,855	\$ 4,005,294	\$ (3,644,215)
Total Pension Liability - Beginning	<u>29,850,762</u>	<u>25,845,468</u>	<u>29,489,683</u>
TOTAL PENSION LIABILITY - ENDING	<u><u>\$ 36,782,617</u></u>	<u><u>\$ 29,850,762</u></u>	<u><u>\$ 25,845,468</u></u>
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 704,267	\$ 897,039	\$ 782,786
Contributions - Member	253,761	249,771	261,574
Net Investment Income	1,531,865	(292,993)	654,662
Benefit Payments, Including Refunds of Member Contributions	(1,707,221)	(1,763,945)	(1,477,589)
Administrative Expense	<u>(23,582)</u>	<u>(31,274)</u>	<u>(26,237)</u>
Net Change in Plan Fiduciary Net Position	\$ 759,090	\$ (941,402)	\$ 195,196
Plan Net Position - Beginning	<u>18,983,891</u>	<u>19,925,293</u>	<u>19,730,097</u>
PLAN NET POSITION - ENDING	<u><u>\$ 19,742,981</u></u>	<u><u>\$ 18,983,891</u></u>	<u><u>\$ 19,925,293</u></u>
EMPLOYER'S NET PENSION LIABILITY	<u><u>\$ 17,039,636</u></u>	<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	53.67%	63.60%	77.09%
Covered Employee Payroll	\$ 2,526,144	\$ 2,388,592	\$ 2,594,594
Employer's Net Pension Liability as a Percentage of Covered Employee Payroll	674.53%	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>2016</u>	<u>2015</u>	<u>2014</u>
TOTAL PENSION LIABILITY			
Service Cost	\$ 638,535	\$ 574,331	\$ 594,392
Interest	2,028,483	1,844,837	1,659,616
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	1,635,732	1,810,297	(2,652,969)
Changes of Assumptions	-	-	1,730,104
Benefit Payments, Including Refunds of Member Contributions	<u>(1,663,308)</u>	<u>(1,558,304)</u>	<u>(1,503,645)</u>
Net Change in Total Pension Liability	\$ 2,639,442	\$ 2,671,161	\$ (172,502)
Total Pension Liability - Beginning	<u>29,733,142</u>	<u>27,061,981</u>	<u>27,234,483</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 32,372,584</u>	<u>\$ 29,733,142</u>	<u>\$ 27,061,981</u>
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 487,530	\$ 634,464	\$ 679,363
Contributions - Member	241,344	237,806	242,314
Net Investment Income	1,785,271	(655,704)	705,900
Benefit Payments, Including Refunds of Member Contributions	<u>(1,663,308)</u>	<u>(1,558,304)</u>	<u>(1,503,645)</u>
Administrative Expense	<u>(22,274)</u>	<u>(21,011)</u>	<u>(28,054)</u>
Net Change in Plan Fiduciary Net Position	\$ 828,563	\$ (1,362,749)	\$ 95,878
Plan Net Position - Beginning	<u>21,651,546</u>	<u>23,014,295</u>	<u>22,918,417</u>
PLAN NET POSITION - ENDING	<u>\$ 22,480,109</u>	<u>\$ 21,651,546</u>	<u>\$ 23,014,295</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 9,892,475</u>	<u>\$ 8,081,596</u>	<u>\$ 4,047,686</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.44%	72.82%	85.04%
Covered Employee Payroll	\$ 2,543,225	\$ 2,482,214	\$ 2,445,148
Employer's Net Pension Liability as a Percentage of Covered Employee Payroll	388.97%	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>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.19%	-1.21%	4.06%
<u>Firefighters' Pension Plan</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.45%	-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.

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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.

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CITY OF EAST MOLINE, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2016

	Totals	Special	Revenue Funds
		Garbage	Municipal Swimming Pool
ASSETS			
Cash	\$ 2,012,841	\$ 612,976	\$ 95,297
Investments	448,521	-	-
Receivables	1,773,714	303,201	-
Advances to other funds	502,210	-	1,239
Total assets	<u>\$ 4,737,286</u>	<u>\$ 916,177</u>	<u>\$ 96,536</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 60,043	\$ 30,611	\$ 12,904
Fund cash deficit	2,262,284	-	-
Accrued liabilities	9,036	4,693	2,111
Advances from other funds	906,796	-	35,000
Total liabilities	<u>\$ 3,238,159</u>	<u>\$ 35,304</u>	<u>\$ 50,015</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 1,483,187	\$ 190,061	\$ -
Unavailable revenue - other taxes	39,411	-	-
Total deferred inflows of resources	<u>\$ 1,522,598</u>	<u>\$ 190,061</u>	<u>\$ -</u>
FUND BALANCES			
Nonspendable	\$ 502,210	\$ -	\$ 1,239
Restricted	1,765,676	-	-
Assigned	798,564	690,812	45,282
Unassigned	(3,089,921)	-	-
Total fund balances	<u>\$ (23,471)</u>	<u>\$ 690,812</u>	<u>\$ 46,521</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,737,286</u>	<u>\$ 916,177</u>	<u>\$ 96,536</u>

Economic Development	Non-Home Rule Sales Tax	Special Service Area - Downtown	Tax Increment Financing	
			North Hill	Downtown
\$ 27,936	\$ 100,983	\$ 214,677	\$ 631,188	\$ 224,760
-	448,521	-	-	-
-	118,314	64,066	510,530	59,748
181,052	-	-	6,436	-
<u>\$ 208,988</u>	<u>\$ 667,818</u>	<u>\$ 278,743</u>	<u>\$ 1,148,154</u>	<u>\$ 284,508</u>
\$ -	\$ 15,148	\$ 45	\$ 73	\$ 1,007
-	-	-	-	-
-	2,232	-	-	-
32,218	3,685	-	-	-
<u>\$ 32,218</u>	<u>\$ 21,065</u>	<u>\$ 45</u>	<u>\$ 73</u>	<u>\$ 1,007</u>
\$ -	\$ -	\$ 60,010	\$ 510,354	\$ 56,415
-	39,411	-	-	-
<u>\$ -</u>	<u>\$ 39,411</u>	<u>\$ 60,010</u>	<u>\$ 510,354</u>	<u>\$ 56,415</u>
\$ 181,052	\$ -	\$ -	\$ 6,436	\$ -
-	607,342	218,688	631,291	227,086
-	-	-	-	-
(4,282)	-	-	-	-
<u>\$ 176,770</u>	<u>\$ 607,342</u>	<u>\$ 218,688</u>	<u>\$ 637,727</u>	<u>\$ 227,086</u>
<u>\$ 208,988</u>	<u>\$ 667,818</u>	<u>\$ 278,743</u>	<u>\$ 1,148,154</u>	<u>\$ 284,508</u>

CITY OF EAST MOLINE, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2016

	Special		
	Tax Increment		
	Great River Industrial Park	Gateway Industrial Park	Port of Call
ASSETS			
Cash	\$ -	\$ -	\$ -
Investments	-	-	-
Receivables	146,715	1,288	14,763
Advances to other funds	-	-	-
Total assets	\$ 146,715	\$ 1,288	\$ 14,763
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 255	\$ -	\$ -
Fund cash deficit	1,005,394	167,585	101,259
Accrued liabilities	-	-	-
Advances from other funds	374,284	61,609	-
Total liabilities	\$ 1,379,933	\$ 229,194	\$ 101,259
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	\$ 146,712	\$ 1,288	\$ 10,262
Unavailable revenue - other taxes	-	-	-
Total deferred inflows of resources	\$ 146,712	\$ 1,288	\$ 10,262
FUND BALANCES			
Nonspendable	\$ -	\$ -	\$ -
Restricted	-	-	-
Assigned	-	-	-
Unassigned	(1,379,930)	(229,194)	(96,758)
Total fund balances	\$ (1,379,930)	\$ (229,194)	\$ (96,758)
Total liabilities, deferred inflows of resources, and fund balances	\$ 146,715	\$ 1,288	\$ 14,763

Revenue Funds			
Financing			
Kennedy Drive	Lucky Strike	Capital Projects	Debt Service
\$ -	\$ 42,554	\$ 62,470	\$ -
-	-	-	-
238,306	118,959	-	197,824
313,483	-	-	-
<u>\$ 551,789</u>	<u>\$ 161,513</u>	<u>\$ 62,470</u>	<u>\$ 197,824</u>
\$ -	\$ -	\$ -	\$ -
595,657	-	-	392,389
-	-	-	-
400,000	-	-	-
<u>\$ 995,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392,389</u>
\$ 238,302	\$ 80,244	\$ -	\$ 189,539
-	-	-	-
<u>\$ 238,302</u>	<u>\$ 80,244</u>	<u>\$ -</u>	<u>\$ 189,539</u>
\$ 313,483	\$ -	\$ -	\$ -
-	81,269	-	-
-	-	62,470	-
(995,653)	-	-	(384,104)
<u>\$ (682,170)</u>	<u>\$ 81,269</u>	<u>\$ 62,470</u>	<u>\$ (384,104)</u>
<u>\$ 551,789</u>	<u>\$ 161,513</u>	<u>\$ 62,470</u>	<u>\$ 197,824</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, 2016

	<u>Totals</u>	<u>Special</u>	
		<u>Garbage</u>	<u>Municipal Swimming Pool</u>
REVENUES			
Taxes:			
Property	\$ 1,458,184	\$ 204,576	\$ -
Sales	450,175	-	-
Charges for services and rents	976,473	732,502	242,625
Investment income	2,345	-	-
Grant	20,468	15,977	-
Miscellaneous	5,131	-	-
	<u> </u>	<u> </u>	<u> </u>
Total revenues	\$ 2,912,776	\$ 953,055	\$ 242,625
	<u> </u>	<u> </u>	<u> </u>
EXPENDITURES			
Current:			
General government	\$ 292	\$ -	\$ -
Public works	921,365	703,548	-
Recreation and culture	344,414	-	339,110
Economic development	197,361	-	-
Capital expenditures	24,097	-	-
Debt service:			
Principal	512,515	76,515	-
Interest	91,233	3,993	-
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	\$ 2,091,277	\$ 784,056	\$ 339,110
	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over (under) expenditures	\$ 821,499	\$ 168,999	\$ (96,485)
	<u> </u>	<u> </u>	<u> </u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 205,000	\$ -	\$ 115,000
Transfers out	(225,570)	(70,000)	-
	<u> </u>	<u> </u>	<u> </u>
Total other financing sources (uses)	\$ (20,570)	\$ (70,000)	\$ 115,000
	<u> </u>	<u> </u>	<u> </u>
Net change in fund balances	\$ 800,929	\$ 98,999	\$ 18,515
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES – Beginning	(824,400)	591,813	28,006
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES – Ending	\$ (23,471)	\$ 690,812	\$ 46,521
	<u> </u>	<u> </u>	<u> </u>

Revenue Funds			Tax Increment Financing		
<u>Economic Development</u>	<u>Non-Home Rule Sales Tax</u>	<u>Special Service Area - Downtown</u>	<u>North Hill</u>	<u>Downtown</u>	<u>Great River Industrial Park</u>
\$ -	\$ -	\$ 59,554	\$ 497,328	\$ 48,466	\$ 142,173
-	450,175	-	-	-	-
1,346	-	-	-	-	-
-	1,562	445	338	-	-
-	4,491	-	-	-	-
631	-	-	-	-	-
<u>\$ 1,977</u>	<u>\$ 456,228</u>	<u>\$ 59,999</u>	<u>\$ 497,666</u>	<u>\$ 48,466</u>	<u>\$ 142,173</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	217,817	-	-	-	-
-	-	-	-	-	-
-	-	52,560	1,076	11,246	50,437
-	14,097	-	-	-	-
-	-	-	-	-	145,000
-	-	-	-	-	5,438
<u>\$ -</u>	<u>\$ 231,914</u>	<u>\$ 52,560</u>	<u>\$ 1,076</u>	<u>\$ 11,246</u>	<u>\$ 200,875</u>
\$ 1,977	\$ 224,314	\$ 7,439	\$ 496,590	\$ 37,220	\$ (58,702)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,977	\$ 224,314	\$ 7,439	\$ 496,590	\$ 37,220	\$ (58,702)
174,793	383,028	211,249	141,137	189,866	(1,321,228)
<u>\$ 176,770</u>	<u>\$ 607,342</u>	<u>\$ 218,688</u>	<u>\$ 637,727</u>	<u>\$ 227,086</u>	<u>\$ (1,379,930)</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, 2016

	Special Revenue Funds			
	Tax Increment Financing			
	Gateway Industrial Park	Port of Call	Kennedy Drive	Lucky Strike
REVENUES				
Taxes:				
Property	\$ 1,123	\$ 9,013	\$ 229,536	\$ 77,616
Sales	-	-	-	-
Charges for services and rents	-	-	-	-
Investment income	-	-	-	-
Grant	-	-	-	-
Miscellaneous	-	4,500	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 1,123</u>	<u>\$ 13,513</u>	<u>\$ 229,536</u>	<u>\$ 77,616</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public works	-	-	-	-
Recreation and culture	-	-	-	-
Economic development	554	23,152	250	58,086
Capital expenditures	-	-	-	-
Debt service:				
Principal	-	-	205,000	-
Interest	-	-	64,088	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>\$ 554</u>	<u>\$ 23,152</u>	<u>\$ 269,338</u>	<u>\$ 58,086</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 569</u>	<u>\$ (9,639)</u>	<u>\$ (39,802)</u>	<u>\$ 19,530</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	\$ 569	\$ (9,639)	\$ (39,802)	\$ 19,530
FUND BALANCES – Beginning	<u>(229,763)</u>	<u>(87,119)</u>	<u>(642,368)</u>	<u>61,739</u>
FUND BALANCES – Ending	<u>\$ (229,194)</u>	<u>\$ (96,758)</u>	<u>\$ (682,170)</u>	<u>\$ 81,269</u>

<u>Capital Projects</u>	<u>Debt Service</u>
\$ -	\$ 188,799
-	-
-	-
-	-
-	-
<u>\$ -</u>	<u>\$ 188,799</u>
\$ -	\$ 292
-	-
5,304	-
-	-
10,000	-
-	86,000
-	17,714
<u>\$ 15,304</u>	<u>\$ 104,006</u>
<u>\$ (15,304)</u>	<u>\$ 84,793</u>
\$ 20,000	\$ 70,000
-	(155,570)
<u>\$ 20,000</u>	<u>\$ (85,570)</u>
\$ 4,696	\$ (777)
57,774	(383,327)
<u>\$ 62,470</u>	<u>\$ (384,104)</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, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes:			
Property	\$ 205,000	\$ 204,576	\$ (424)
Charges for services	708,200	732,502	24,302
Grant	15,900	15,977	77
	<u> </u>	<u> </u>	<u> </u>
Total revenues	\$ 929,100	\$ 953,055	\$ 23,955
EXPENDITURES			
Current, public works	\$ 759,240	\$ 703,548	\$ 55,692
Debt Service			
Principal	95,060	76,515	18,545
Interest	3,670	3,993	(323)
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	\$ 857,970	\$ 784,056	\$ 73,914
Excess of revenues over expenditures	\$ 71,130	\$ 168,999	\$ 97,869
OTHER FINANCING USES			
Transfers out	(70,000)	(70,000)	-
	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance	\$ 1,130	\$ 98,999	\$ 97,869
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE – Beginning		591,813	
FUND BALANCE – Ending		<u>\$ 690,812</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, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Charges for services and rents	\$ 218,500	\$ 242,625	\$ 24,125
EXPENDITURES			
Current, recreation, and culture	\$ 333,500	\$ 339,110	\$ (5,610)
Deficiency of revenues under expenditures	\$ (115,000)	\$ (96,485)	\$ 18,515
OTHER FINANCING SOURCES			
Transfers in	115,000	115,000	-
Net change in fund balance	<u>\$ -</u>	\$ 18,515	<u>\$ 18,515</u>
FUND BALANCE – Beginning		<u>28,006</u>	
FUND BALANCE – Ending		<u>\$ 46,521</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, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Sales tax	\$ 456,000	\$ 450,175	\$ (5,825)
Investment income	50	1,562	1,512
Grant income	-	4,491	4,491
	<u> </u>	<u> </u>	<u> </u>
Total revenues	\$ 456,050	\$ 456,228	\$ 178
EXPENDITURES			
Current:			
Public works	\$ 192,800	\$ 217,817	\$ (25,017)
Capital expenditures	-	14,097	14,097
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	\$ 192,800	\$ 231,914	\$ 39,114
Excess of revenues over expenditures	<u> 263,250</u>	\$ 224,314	<u> (38,936)</u>
FUND BALANCE – Beginning		<u>383,028</u>	
FUND BALANCE – Ending		<u> \$ 607,342</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, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 60,000	\$ 59,554	\$ (446)
Investment income	100	445	345
	<u>\$ 60,100</u>	<u>\$ 59,999</u>	<u>\$ (101)</u>
EXPENDITURES			
Current:			
Economic development	\$ 60,000	\$ 52,560	\$ 7,440
Excess of revenues over expenditures	<u>\$ 100</u>	\$ 7,439	<u>\$ 7,339</u>
FUND BALANCE – Beginning		<u>211,249</u>	
FUND BALANCE – Ending		<u>\$ 218,688</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, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 450,000	\$ 497,328	\$ 47,328
Investment income	200	338	138
	<u>\$ 450,200</u>	<u>\$ 497,666</u>	<u>\$ 47,466</u>
Total revenues	\$ 450,200	\$ 497,666	\$ 47,466
EXPENDITURES			
Current:			
Economic development	\$ 2,000	\$ 1,076	\$ 924
	<u>\$ 448,200</u>	\$ 496,590	<u>\$ 48,390</u>
Excess of revenues over expenditures			
		<u>141,137</u>	
FUND BALANCE – Beginning		<u>\$ 637,727</u>	
FUND BALANCE – Ending			

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND - DOWNTOWN
For the Year Ended December 31, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 46,000	\$ 48,466	\$ 2,466
EXPENDITURES			
Current:			
Economic development	\$ -	\$ 11,246	\$ (11,246)
Excess of revenues over expenditures	<u>\$ 46,000</u>	\$ 37,220	<u>\$ (8,780)</u>
FUND BALANCE – Beginning		<u>189,866</u>	
FUND BALANCE – Ending		<u>\$ 227,086</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, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 134,000	\$ 142,173	\$ 8,173
EXPENDITURES			
Current:			
Economic development	\$ 54,500	\$ 50,437	4,063
Debt service:			
Principal	145,000	145,000	-
Interest	5,440	5,438	2
Total expenditures	<u>\$ 204,940</u>	<u>\$ 200,875</u>	<u>\$ 4,065</u>
Deficiency of revenues under expenditures	<u>\$ (70,940)</u>	<u>\$ (58,702)</u>	<u>\$ 12,238</u>
FUND BALANCE – Beginning		<u>(1,321,228)</u>	
FUND BALANCE – Ending		<u>\$ (1,379,930)</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, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 900	\$ 1,123	\$ 223
EXPENDITURES			
Current:			
Economic development	\$ -	\$ 554	\$ (554)
Excess of revenues over expenditures	<u>\$ 900</u>	\$ 569	<u>\$ (331)</u>
FUND BALANCE – Beginning		<u>(229,763)</u>	
FUND BALANCE – Ending		<u>\$ (229,194)</u>	

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND - PORT OF CALL
For the Year Ended December 31, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 170	\$ 9,013	\$ 8,843
Miscellaneous	-	4,500	4,500
Total revenues	<u>\$ 170</u>	<u>\$ 13,513</u>	<u>\$ 13,343</u>
EXPENDITURES			
Current:			
Economic development	\$ -	\$ 23,152	\$ (23,152)
Capital expenditures	6,400,000	-	6,400,000
Total expenditures	<u>\$ 6,400,000</u>	<u>\$ 23,152</u>	<u>\$ 6,376,848</u>
Deficiency of revenues under expenditures	\$ (6,399,830)	\$ (9,639)	\$ 6,390,191
OTHER FINANCING SOURCES			
Loan proceeds	6,400,000	-	(6,400,000)
Net change in fund balance	<u>\$ 170</u>	<u>\$ (9,639)</u>	<u>\$ (9,809)</u>
FUND BALANCE – Beginning		<u>(87,119)</u>	
FUND BALANCE – Ending		<u>\$ (96,758)</u>	

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND - KENNEDY DRIVE
For the Year Ended December 31, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 200,000	\$ 229,536	\$ 29,536
EXPENDITURES			
Current:			
Economic development	\$ 250	\$ 250	\$ -
Debt service:			
Principal	205,000	205,000	
Interest	64,090	64,088	2
Total expenditures	<u>\$ 269,340</u>	<u>\$ 269,338</u>	<u>\$ 2</u>
Deficiency of revenues under expenditures	<u>\$ (69,340)</u>	<u>\$ (39,802)</u>	<u>\$ 29,538</u>
FUND BALANCE – Beginning		<u>(642,368)</u>	
FUND BALANCE – Ending		<u>\$ (682,170)</u>	

CITY OF EAST MOLINE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TAX INCREMENT FINANCING FUND - LUCKY STRIKE
For the Year Ended December 31, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 45,000	\$ 77,616	\$ 32,616
EXPENDITURES			
Current:			
Economic development	\$ 35,000	\$ 58,086	\$ (23,086)
Excess of revenues over expenditures	<u>\$ 10,000</u>	\$ 19,530	<u>\$ 9,530</u>
FUND BALANCE – Beginning		<u>61,739</u>	
FUND BALANCE – Ending		<u>\$ 81,269</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, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Miscellaneous	\$ -	\$ -	\$ -
EXPENDITURES			
Current:			
Recreation and culture	\$ -	\$ 5,304	\$ (5,304)
Capital expenditures	20,000	10,000	10,000
Total expenditures	<u>\$ 20,000</u>	<u>\$ 15,304</u>	<u>\$ 4,696</u>
Deficiency of revenues under expenditures	\$ (20,000)	\$ (15,304)	\$ 4,696
OTHER FINANCING SOURCES			
Transfers in	20,000	20,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 4,696</u>	<u>\$ 4,696</u>
FUND BALANCE – Beginning		<u>57,774</u>	
FUND BALANCE – Ending		<u>\$ 62,470</u>	

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

For the Year Ended December 31, 2016

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property taxes	\$ 189,285	\$ 188,799	\$ (486)
EXPENDITURES			
Current:			
General government	\$ 1,300	\$ 292	\$ 1,008
Debt service:			
Principal	86,000	86,000	-
Interest	17,715	17,714	1
Total expenditures	<u>\$ 105,015</u>	<u>\$ 104,006</u>	<u>\$ 1,009</u>
Excess of revenues over expenditures	<u>\$ 84,270</u>	<u>\$ 84,793</u>	<u>\$ 523</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 70,000	\$ 70,000	\$ -
Transfers out	<u>(155,570)</u>	<u>(155,570)</u>	<u>-</u>
Total other financing uses	<u>\$ (85,570)</u>	<u>\$ (85,570)</u>	<u>\$ -</u>
Net change in fund balance	<u><u>\$ (1,300)</u></u>	<u><u>\$ (777)</u></u>	<u><u>\$ 523</u></u>
FUND BALANCE – Beginning		<u>(383,327)</u>	
FUND BALANCE – Ending		<u><u>\$ (384,104)</u></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, 2016

	<u>Economic Development Loan</u>	<u>Housing Rehabilitation</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS			
Current assets:			
Cash	\$ 1,407	\$ 138,575	\$ 139,982
Investments	244,531	73,109	317,640
Receivables, net of allowance for uncollectible amounts	10,479	131,265	141,744
Total current assets	<u>\$ 256,417</u>	<u>\$ 342,949</u>	<u>\$ 599,366</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>\$ 616,417</u>	<u>\$ 342,949</u>	<u>\$ 959,366</u>
LIABILITIES			
Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION			
Restricted	<u>\$ 616,417</u>	<u>\$ 342,949</u>	<u>\$ 959,366</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, 2016

	<u>Economic Development Loan</u>	<u>Housing Rehabilitation</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES			
Interest income	\$ 812	\$ 935	\$ 1,747
OPERATING EXPENSES			
Administration and claims	\$ -	\$ 192,000	\$ 192,000
OPERATING INCOME (LOSS)	<u>\$ 812</u>	<u>\$ (191,065)</u>	<u>\$ (190,253)</u>
NONOPERATING REVENUES			
Investment income	\$ 838	\$ 788	\$ 1,626
Total nonoperating revenues	<u>\$ 838</u>	<u>\$ 788</u>	<u>\$ 1,626</u>
INCOME BEFORE TRANSFERS	\$ 1,650	\$ (190,277)	\$ (188,627)
TOTAL NET POSITION - Beginning	<u>614,767</u>	<u>533,226</u>	<u>1,147,993</u>
TOTAL NET POSITION - Ending	<u><u>\$ 616,417</u></u>	<u><u>\$ 342,949</u></u>	<u><u>\$ 959,366</u></u>

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2016

	<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	\$ 5,627	\$ 23,206	\$ 28,833
Other receipts	-	-	-
Payments to suppliers	-	(226,587)	(226,587)
Net cash provided (used) by operating activities	<u>\$ 5,627</u>	<u>\$ (203,381)</u>	<u>\$ (197,754)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	\$ 838	\$ 788	\$ 1,626
Purchase of investments	(6,934)	(254)	(7,188)
Net cash provided (used) by investing activities	<u>\$ (6,096)</u>	<u>\$ 534</u>	<u>\$ (5,562)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>\$ (469)</u>	<u>\$ (202,847)</u>	<u>\$ (203,316)</u>
CASH AND CASH EQUIVALENTS - Beginning	<u>1,876</u>	<u>341,422</u>	<u>343,298</u>
CASH AND CASH EQUIVALENTS - Ending	<u><u>\$ 1,407</u></u>	<u><u>\$ 138,575</u></u>	<u><u>\$ 139,982</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ 812	\$ (191,065)	\$ (190,253)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
(Increase) decrease in receivables	4,815	(12,218)	(7,403)
Increase (decrease) in payables	-	(98)	(98)
Net cash provided (used) by operating activities	<u><u>\$ 5,627</u></u>	<u><u>\$ (203,381)</u></u>	<u><u>\$ (197,754)</u></u>

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INTERNAL SERVICE FUNDS

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

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

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

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

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
December 31, 2016

	<u>Employee Insurance</u>	<u>Insurance Reserve Fund</u>	<u>Motor Pool Fund</u>	<u>Total Internal Service Funds</u>
ASSETS				
Current assets:				
Cash	\$ 3,339,640	\$ 730,318	\$ 745,909	\$ 4,815,867
Accounts Receivable	-	82,563	-	82,563
Advances to other funds	2,000	-	-	2,000
Total current assets	<u>\$ 3,341,640</u>	<u>\$ 812,881</u>	<u>\$ 745,909</u>	<u>\$ 4,900,430</u>
Noncurrent assets:				
Capital assets:				
Vehicles and equipment	\$ -	\$ -	\$ 826,492	\$ 826,492
Less accumulated depreciation	-	-	(808,616)	(808,616)
Total capital assets, net of accumulated depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,876</u>	<u>\$ 17,876</u>
Total assets	<u>\$ 3,341,640</u>	<u>\$ 812,881</u>	<u>\$ 763,785</u>	<u>\$ 4,918,306</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 216,661	\$ 182,846	\$ 39,347	\$ 438,854
Accrued salaries	-	2,879	3,579	6,458
Compensated absences	-	-	1,169	1,169
Other accrued liabilities	-	236,000	-	236,000
Total liabilities	<u>\$ 216,661</u>	<u>\$ 421,725</u>	<u>\$ 44,095</u>	<u>\$ 682,481</u>
NET POSITION				
Net investment in capital assets	\$ -	\$ -	\$ 17,876	\$ 17,876
Unrestricted	3,124,979	391,156	701,814	4,217,949
Total net position	<u>\$ 3,124,979</u>	<u>\$ 391,156</u>	<u>\$ 719,690</u>	<u>\$ 4,235,825</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, 2016

	<u>Employee Insurance</u>	<u>Insurance Reserve Fund</u>	<u>Motor Pool Fund</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES				
Charges for services	\$ 3,461,809	\$ -	\$ 730,920	\$ 4,192,729
Other revenues	75	47,642	10,547	58,264
Total operating revenues	<u>\$ 3,461,884</u>	<u>\$ 47,642</u>	<u>\$ 741,467</u>	<u>\$ 4,250,993</u>
OPERATING EXPENSES				
Administration and claims	\$ 3,504,886	\$ 399,941	\$ -	\$ 3,904,827
Travel and motor vehicles	-	-	654,646	654,646
Depreciation	-	-	768	768
Total operating expenses	<u>\$ 3,504,886</u>	<u>\$ 399,941</u>	<u>\$ 655,414</u>	<u>\$ 4,560,241</u>
OPERATING INCOME (LOSS)	<u>\$ (43,002)</u>	<u>\$ (352,299)</u>	<u>\$ 86,053</u>	<u>\$ (309,248)</u>
NONOPERATING REVENUES				
Investment income	\$ 11,554	\$ 2,274	\$ 1,344	\$ 15,172
INCOME (LOSS) BEFORE TRANSFERS	\$ (31,448)	\$ (350,025)	\$ 87,397	\$ (294,076)
TRANSFERS IN	155,000	293,871	23,574	472,445
TRANSFERS OUT	-	(351,129)	-	(351,129)
CHANGES IN NET POSITION	\$ 123,552	\$ (407,283)	\$ 110,971	\$ (172,760)
TOTAL NET POSITION - Beginning	<u>3,001,427</u>	<u>798,439</u>	<u>608,719</u>	<u>4,408,585</u>
TOTAL NET POSITION - Ending	<u>\$ 3,124,979</u>	<u>\$ 391,156</u>	<u>\$ 719,690</u>	<u>\$ 4,235,825</u>

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
GOVERNMENTAL ACTIVITIES
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016

	<u>Employee Insurance</u>	<u>Insurance Reserve Fund</u>	<u>Motor Pool Fund</u>	<u>Total Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$ 3,476,527	\$ -	\$ 730,920	\$ 4,207,447
Other receipts	75	9,870	10,547	20,492
Payments to suppliers	(3,532,292)	(19,885)	(450,209)	(4,002,386)
Payments to employees	-	(68,644)	(179,137)	(247,781)
Payments for interfund services used	-	(12,000)	(30,000)	(42,000)
Net cash provided (used) by operating activities	<u>\$ (55,690)</u>	<u>\$ (90,659)</u>	<u>\$ 82,121</u>	<u>\$ (64,228)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	\$ 155,000	\$ 293,871	\$ 23,574	\$ 472,445
Transfers to other funds	-	(351,129)	-	(351,129)
Net cash provided (used) by noncapital financing activities	<u>\$ 155,000</u>	<u>\$ (57,258)</u>	<u>\$ 23,574</u>	<u>\$ 121,316</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	<u>\$ 11,554</u>	<u>\$ 2,274</u>	<u>\$ 1,344</u>	<u>\$ 15,172</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>\$ 110,864</u>	<u>\$ (145,643)</u>	<u>\$ 107,039</u>	<u>\$ 72,260</u>
CASH AND CASH EQUIVALENTS - Beginning	<u>3,228,776</u>	<u>875,961</u>	<u>638,870</u>	<u>4,743,607</u>
CASH AND CASH EQUIVALENTS - Ending	<u><u>\$ 3,339,640</u></u>	<u><u>\$ 730,318</u></u>	<u><u>\$ 745,909</u></u>	<u><u>\$ 4,815,867</u></u>

CITY OF EAST MOLINE, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
GOVERNMENTAL ACTIVITIES
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2016

	<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)	\$ (43,002)	\$ (352,299)	\$ 86,053	\$ (309,248)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	-	768	768
(Increase) decrease in accounts receivable	14,718	(37,772)	-	(23,054)
Increase (decrease) in accounts payable	(27,406)	163,911	277	136,782
Increase (decrease) in accrued liabilities	-	135,501	(4,977)	130,524
Net cash provided (used) by operating activities	<u>\$ (55,690)</u>	<u>\$ (90,659)</u>	<u>\$ 82,121</u>	<u>\$ (64,228)</u>

CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES

CITY OF EAST MOLINE, ILLINOIS
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES
SCHEDULE OF CAPITAL ASSETS *
December 31, 2016

CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES

Land	\$ 1,921,873
Improvements other than buildings	2,155,621
Buildings	4,906,725
Vehicles and equipment	7,229,453
Infrastructure	27,404,015
Construction in progress	<u>1,538,631</u>
 Total capital assets used in governmental activities	 <u><u>\$ 45,156,318</u></u>

INVESTMENTS IN CAPITAL ASSETS

\$ 45,156,318

* 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, 2016

	<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	\$ 76,027	\$ 126,236
Public works	-	-	29,141
Total general governmental	<u>\$ 5,613</u>	<u>\$ 76,027</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	\$ 5,551	\$ 1,885,002
Sidewalk	-	-	-
Street system	95,000	-	-
Total public works	<u>\$ 109,962</u>	<u>\$ 5,551</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>\$ 68,703</u>	<u>\$ 415,274</u>	<u>\$ 845,875</u>
Capital assets allocated to functions	<u>\$ 184,278</u>	<u>\$ 1,908,948</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	\$ -	\$ -	\$ 545,394
-	93,159	239,553	361,853
\$ 337,518	\$ 93,159	\$ 239,553	\$ 907,247
\$ 2,305,917	\$ -	\$ -	\$ 2,563,759
2,017,695	69,627	-	2,474,567
\$ 4,323,612	\$ 69,627	\$ -	\$ 5,038,326
\$ 1,622,002	\$ -	\$ -	\$ 3,527,517
-	12,528	-	12,528
93,017	27,208,306	1,154,784	28,551,107
\$ 1,715,019	\$ 27,220,834	\$ 1,154,784	\$ 32,091,152
\$ 450,541	\$ 20,395	\$ 131,586	\$ 2,140,265
-	-	-	-
\$ 450,541	\$ 20,395	\$ 131,586	\$ 2,140,265
\$ 40,104	\$ -	\$ 12,708	\$ 1,382,664
\$ 6,866,794	\$ 27,404,015	\$ 1,538,631	\$ 41,559,654
			\$ 45,156,318

* 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, 2016

<u>Function and Activity</u>	<u>Land</u>	<u>Improvements Other Than Buildings</u>	<u>Buildings</u>
Balance, January 1, 2016	\$ 1,894,250	\$ 2,100,450	\$ 4,906,725
Additions			
General government	\$ -	\$ 49,620	\$ -
Public safety			
Police	-	-	-
Fire	-	-	-
Public works			
Street system	-	-	-
Public Services	-	5,551	-
Economic development	27,623	-	-
Recreation and culture			
Library	-	-	-
Parks and recreation	-	-	-
Total additions	<u>\$ 27,623</u>	<u>\$ 55,171</u>	<u>\$ -</u>
Dispositions			
General government	\$ -	\$ -	\$ -
Public safety			
Police	-	-	-
Public Works			
Public Services	-	-	-
Street System	-	-	-
Balance, December 31, 2016	<u>\$ 1,921,873</u>	<u>\$ 2,155,621</u>	<u>\$ 4,906,725</u>

<u>Vehicles and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 7,046,641	\$ 27,404,015	\$ 929,312	\$ 44,281,393
\$ -	\$ -	\$ 239,553	\$ 289,173
92,393	-	-	92,393
-	-	-	-
-	-	357,058	357,058
139,341	-	-	144,892
-	-	12,708	40,331
-	-	-	-
10,000	-	-	10,000
<u>\$ 241,734</u>	<u>\$ -</u>	<u>\$ 609,319</u>	<u>\$ 933,847</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
58,922	-	-	58,922
-	-	-	-
<u>\$ 7,229,453</u>	<u>\$ 27,404,015</u>	<u>\$ 1,538,631</u>	<u>\$ 45,156,318</u>

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

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City of East Moline Statistical Section

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<i>These schedules contain trend information to help understand how the City of East Moline's financial performance and well-being have changed over time.</i>	
Revenue Capacity	163
<i>These schedules contain information to help assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	172
<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	177
<i>These schedules offer demographic and economic indicators to help understand the environment which the City's financial activities take place.</i>	
Operating Information	179
<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

	12/31/2016	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
Governmental Activities										
Net Investment in Capital Assets	\$ 20,814,937	\$ 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
Restricted	\$ 1,175,299	\$ 1,623,335	\$ 1,869,309	\$ 2,607,925	\$ 2,909,625	\$ 4,550,569	\$ 405,134	\$ 577,595	\$ 643,219	\$ 498,050
Unrestricted	\$ (20,908,656)	\$ (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
Total governmental activities net position	\$ 1,081,580	\$ 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
Business-type Activities										
Net Investment in Capital Assets	\$ 29,544,675	\$ 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
Restricted	\$ 959,366	\$ 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
Unrestricted	\$ 4,848,491	\$ 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
Total business-type activities net position	\$ 35,352,532	\$ 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
Primary Government										
Net Investment in Capital Assets	\$ 50,359,612	\$ 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
Restricted	\$ 2,134,665	\$ 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
Unrestricted	\$ (16,060,165)	\$ (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
Total Primary Government net position	\$ 36,434,112	\$ 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

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

	Fiscal Year									
	12/31/2016	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
Expenses										
Governmental Activities										
General Government	\$ 909,755	\$ 886,462	\$ 875,915	\$ 330,772	\$ 704,666	\$ 1,005,490	\$ 961,755	\$ 757,643	\$ 804,614	\$ 671,284
Public Safety	\$ 21,432,153	\$ 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
Public Works	\$ 4,171,860	\$ 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
Recreation and culture	\$ 1,013,102	\$ 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
Economic development	\$ 326,676	\$ 1,401,683	\$ 374,145	\$ 525,324	\$ 479,794	\$ 737,784	\$ 868,242	\$ 1,402,932	\$ 1,167,637	\$ 455,388
Interest on long term debt	\$ 149,763	\$ 183,287	\$ 214,882	\$ 162,611	\$ 263,041	\$ 336,647	\$ 392,628	\$ 460,095	\$ 465,768	\$ 483,278
Total Governmental Activities	\$ 28,003,309	\$ 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
Business-Type Activities										
Waterworks & Sewerage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,534,380
Water Treatment	\$ 4,849,171	\$ 4,577,455	\$ 4,519,641	\$ 3,321,362	\$ 4,806,188	\$ 4,889,671	\$ 4,823,255	\$ 5,644,247	\$ 5,352,395	\$ -
Waste Water Treatment	\$ 5,715,340	\$ 5,961,498	\$ 5,556,400	\$ 3,984,347	\$ 5,073,341	\$ 5,204,720	\$ 4,766,973	\$ 5,951,060	\$ 5,507,878	\$ -
Drainage	\$ 735,345	\$ 710,247	\$ 716,419	\$ 459,268	\$ 706,973	\$ 694,496	\$ 900,444	\$ -	\$ -	\$ -
Development loans	\$ 192,000	\$ 3,100	\$ 134,423	\$ 134	\$ 20,200	\$ 4,306	\$ 5,124	\$ 14,635	\$ 98,449	\$ 12,844
Total Business-Type Activities	\$ 11,491,856	\$ 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
Total Primary Government Expenses	\$ 39,495,165	\$ 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
Program Revenues										
Government Activities										
Charges for services	\$ 341,285	\$ 272,521	\$ 273,511	\$ 255,755	\$ 270,404	\$ 301,063	\$ 540,348	\$ 220,312	\$ 222,421	\$ 262,452
Public Safety	\$ 608,111	\$ 715,029	\$ 783,439	\$ 449,035	\$ 757,901	\$ 969,120	\$ 1,361,422	\$ 549,713	\$ 613,020	\$ 672,856
Public Works	\$ 1,323,688	\$ 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
Recreation and culture	\$ 570,268	\$ 552,641	\$ 534,728	\$ 394,042	\$ 680,590	\$ 600,108	\$ 597,147	\$ 598,415	\$ 595,479	\$ 709,411
Economic development	\$ 6,477	\$ 14,307	\$ 938	\$ 938	\$ 34,319	\$ 43,088	\$ -	\$ 58,489	\$ 5,201	\$ 2,655
Operating grants and contributions	\$ 29,830	\$ 56,254	\$ 58,338	\$ 131,994	\$ 157,258	\$ 218,705	\$ 130,773	\$ 388,714	\$ 200,296	\$ 348,602
Capital grants and contributions	\$ 88,951	\$ 627,466	\$ 163,077	\$ 133,209	\$ 1,689,279	\$ 3,951,882	\$ 549,711	\$ 498,815	\$ 456,238	\$ 43,425
Total Governmental Activities Program Revenues	\$ 2,968,610	\$ 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
Business-Type Activities										
Waterworks & Sewerage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,549,034
Water Treatment	\$ 5,437,421	\$ 5,023,839	\$ 4,937,661	\$ 3,238,233	\$ 4,875,257	\$ 4,615,887	\$ 4,640,258	\$ 3,988,183	\$ 3,816,288	\$ -
Waste Water Treatment	\$ 6,045,503	\$ 5,762,049	\$ 5,617,043	\$ 3,691,785	\$ 5,558,488	\$ 5,618,251	\$ 5,582,391	\$ 6,069,786	\$ 5,581,313	\$ -
Drainage	\$ 859,983	\$ 870,150	\$ 897,123	\$ 599,505	\$ 898,294	\$ 885,943	\$ 750,681	\$ -	\$ -	\$ -
Development loans	\$ 1,747	\$ 1,839	\$ 11,066	\$ 915	\$ 4,369	\$ 2,580	\$ 3,138	\$ 4,738	\$ 4,592	\$ 4,095
Operating grants and contributions	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 33,679	\$ 244,198	\$ 221,573	\$ 128,541
Capital grants and contributions	\$ -	\$ -	\$ -	\$ 48,330	\$ 1,504,657	\$ 2,189,511	\$ 681,871	\$ -	\$ -	\$ -
Total Business-Type Activities Revenues	\$ 12,344,654	\$ 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
Total Primary Government Revenues	\$ 15,313,264	\$ 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

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

	Fiscal Year										
	12/31/2015	12/31/2015	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
NET (EXPENSE) REVENUE											
Governmental Activities	\$ (25,034,699)	\$ (17,239,777)	\$ (15,430,280)	\$ (15,430,280)	\$ (10,284,594)	\$ (12,201,171)	\$ (6,108,050)	\$ (13,663,855)	\$ (12,988,121)	\$ (12,750,519)	\$ (12,371,081)
Business-type Activities	\$ 852,798	\$ 655,477	\$ 536,010	\$ 536,010	\$ (186,343)	\$ 2,234,363	\$ 2,518,979	\$ 1,196,122	\$ (1,303,037)	\$ (1,334,956)	\$ (865,554)
Total Primary Government Net Expense	\$ (24,181,901)	\$ (16,584,300)	\$ (14,894,270)	\$ (14,894,270)	\$ (10,470,937)	\$ (9,966,808)	\$ (3,589,071)	\$ (12,467,733)	\$ (14,292,158)	\$ (14,085,475)	\$ (13,236,635)
General Revenues and Other Changes in Net Position											
Governmental Activities	\$ 6,093,364	\$ 6,082,899	\$ 5,981,170	\$ 5,981,170	\$ 6,120,224	\$ 6,703,171	\$ 6,238,391	\$ 6,001,373	\$ 5,654,321	\$ 5,811,064	\$ 5,389,693
Property taxes	-	-	-	-	-	-	1,319,131	1,465,931	1,174,524	1,391,582	1,593,715
Replacement taxes	1,312,788	1,427,702	1,678,085	1,678,085	979,663	1,583,274	1,379,793	1,453,284	1,463,396	1,023,876	1,537,565
Utilities taxes	-	-	-	-	-	-	2,600,484	2,563,488	2,394,654	3,034,990	2,572,540
Sales taxes	-	-	-	-	-	-	2,250,965	1,658,481	1,652,905	1,887,332	2,019,151
State income taxes	-	-	-	-	-	-	2,281	2,127	777	1,700	1,624
Admission taxes	1,837	3,720	3,326	3,326	2,241	1,357	-	-	-	-	-
Non home rule sales tax	\$ 448,807	\$ 464,744	\$ 482,759	\$ 482,759	\$ 318,881	\$ 464,784	-	-	-	-	-
Intergovernmental	\$ 6,189,243	\$ 6,096,949	\$ 5,728,763	\$ 5,728,763	\$ 3,474,643	\$ 5,603,973	-	-	125,319	182,472	258,313
Unrestricted investment earnings	\$ 36,998	\$ 19,374	\$ 12,167	\$ 12,167	\$ 14,806	\$ 15,921	36,407	80,845	13,000	33,604	5,266
Gain on sale of capital assets	\$ 14,597	\$ 6,920	\$ 12,779	\$ 12,779	\$ 10,434	\$ 38,598	-	17,540	13,000	33,604	5,266
Transfers	\$ (557,456)	\$ (306,765)	\$ (259,744)	\$ (259,744)	\$ (37,241)	\$ (391,857)	27,702	220	(178,806)	(42,762)	(477,042)
Total Governmental Activities	\$ 13,540,178	\$ 13,795,543	\$ 13,639,305	\$ 13,639,305	\$ 10,883,651	\$ 14,019,221	\$ 13,855,144	\$ 13,243,289	\$ 12,300,090	\$ 13,323,858	\$ 12,900,825
Business-type activities											
Unrestricted investment earnings	\$ 8,336	\$ 6,773	\$ 7,670	\$ 7,670	\$ 3,462	\$ 5,255	\$ 8,666	\$ 34,211	\$ 99,730	\$ 423,714	\$ 388,823
Gain on sale of capital assets	-	-	-	-	2,126	1,041	665	-	12,936	726	1,002
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Transfers	\$ 557,456	\$ 306,765	\$ 259,744	\$ 259,744	\$ 37,241	\$ 391,857	(27,702)	(220)	178,806	42,762	477,042
Total Business-type Activities	\$ 565,792	\$ 313,538	\$ 267,414	\$ 267,414	\$ 42,829	\$ 398,153	\$ (18,371)	\$ 33,991	\$ 291,472	\$ 467,202	\$ 876,867
Total Primary Government	\$ 14,105,970	\$ 14,109,081	\$ 13,906,719	\$ 13,906,719	\$ 10,926,480	\$ 14,417,374	\$ 13,836,773	\$ 13,277,280	\$ 12,591,562	\$ 13,791,060	\$ 13,777,692
Change In Net Position											
Governmental activities	\$ (11,494,521)	\$ (3,444,234)	\$ (1,790,975)	\$ (1,790,975)	\$ 599,057	\$ 1,818,050	\$ 7,747,094	\$ (420,566)	\$ (689,031)	\$ 573,339	\$ 529,744
Business-type activities	\$ 1,418,590	\$ 969,015	\$ 803,424	\$ 803,424	\$ (143,514)	\$ 2,632,516	\$ 2,500,608	\$ 1,230,113	\$ (1,011,565)	\$ (867,754)	\$ 11,313
Total Primary Government	\$ (10,075,931)	\$ (2,475,219)	\$ (987,551)	\$ (987,551)	\$ 455,543	\$ 4,450,566	\$ 10,247,702	\$ 809,547	\$ (1,700,596)	\$ (294,415)	\$ 541,057

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

	Fiscal Year									
	12/31/2016	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
General Fund										
Nonspendable	\$ 863,630	\$ 877,412	\$ 891,126	\$ 881,412	\$ 692,771	\$ 692,771	\$ -	\$ -	\$ -	\$ -
Restricted	\$ 866,831	\$ 908,877	\$ 844,350	\$ 1,064,635	\$ 714,072	\$ 618,512	\$ -	\$ -	\$ -	\$ -
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	\$ 2,767,311	\$ 3,128,021	\$ 3,137,343	\$ 2,944,091	\$ 3,570,434	\$ 3,414,016	\$ -	\$ -	\$ -	\$ -
Unassigned	\$ 3,241,344	\$ 3,227,237	\$ 2,876,320	\$ 2,328,356	\$ 1,020,935	\$ 134,839	\$ -	\$ -	\$ -	\$ -
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 692,771	\$ 692,771	\$ 692,771	\$ 692,771
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,434,733	\$ 3,777,956	\$ 3,965,868	\$ 3,870,655
Total General Fund	\$ 7,739,116	\$ 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
All Other Governmental Funds										
Nonspendable	\$ 505,895	\$ 505,895	\$ 505,895	\$ 505,895	\$ 740,759	\$ 813,677	\$ -	\$ -	\$ -	\$ -
Restricted	\$ 2,874,820	\$ 2,542,459	\$ 3,666,636	\$ 3,930,304	\$ 4,048,026	\$ 5,013,092	\$ -	\$ -	\$ -	\$ -
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	\$ 798,564	\$ 676,354	\$ 598,921	\$ 467,591	\$ 1,225,564	\$ 1,352,459	\$ -	\$ -	\$ -	\$ -
Unassigned	\$ (5,977,630)	\$ (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
Unreserved, reported in										
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 124,196	\$ (1,324,647)	\$ (897,359)	\$ (434,992)
Capital project funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (473,742)	\$ (422,814)	\$ -	\$ -
Total All Other Governmental Funds	\$ (1,798,351)	\$ (1,957,800)	\$ (581,227)	\$ (66,042)	\$ 693,137	\$ 2,088,664	\$ 494,173	\$ (731,281)	\$ 178,745	\$ 495,943

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									
	12/31/2016	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
Taxes	\$ 7,888,064	\$ 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
Licenses, permits and fees	\$ 252,745	\$ 344,567	\$ 375,847	\$ 287,889	\$ 432,455	\$ 440,898	\$ 772,657	\$ 750,189	\$ 875,973	\$ 870,509
Intergovernmental	\$ 6,960,627	\$ 6,790,177	\$ 6,649,790	\$ 4,220,197	\$ 6,527,287	\$ 4,562,000	\$ 701,894	\$ 606,311	\$ 604,097	\$ 651,869
Charges for services and rents	\$ 1,517,749	\$ 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
Special assessments	-	-	\$ 286	\$ 1,974	\$ 2,388	\$ 3,427	\$ 5,684	\$ 479	\$ 8,515	\$ 3,544
Investment income	\$ 36,998	\$ 19,374	\$ 12,167	\$ 14,806	\$ 15,921	\$ 36,407	\$ 80,845	\$ 125,319	\$ 182,472	\$ 258,313
Fines	\$ 195,717	\$ 198,779	\$ 234,331	\$ 148,453	\$ 276,738	\$ 436,303	\$ 1,091,438	\$ 268,658	\$ 241,595	\$ 359,900
Grant	\$ 125,735	\$ 676,766	\$ 221,415	\$ 265,203	\$ 1,898,249	\$ 742,726	\$ 680,484	\$ 887,529	\$ 656,534	\$ 392,027
Miscellaneous	\$ 125,589	\$ 104,208	\$ 110,097	\$ 68,722	\$ 181,956	\$ 184,067	\$ 77,552	\$ 137,206	\$ 104,626	\$ 195,836
Total Revenues	\$ 17,083,224	\$ 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
Expenditures										
General government	\$ 503,795	\$ 462,231	\$ 487,770	\$ 297,863	\$ 461,242	\$ 514,734	\$ 501,022	\$ 515,366	\$ 565,638	\$ 597,171
Public safety	\$ 9,947,620	\$ 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
Public works	\$ 3,275,175	\$ 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
Recreation and culture	\$ 789,549	\$ 807,894	\$ 766,305	\$ 585,791	\$ 1,413,315	\$ 1,355,835	\$ 1,500,071	\$ 1,479,473	\$ 1,401,618	\$ 1,375,042
Economic development	\$ 312,709	\$ 1,387,716	\$ 360,178	\$ 516,013	\$ 465,827	\$ 723,817	\$ 851,991	\$ 1,392,640	\$ 1,164,733	\$ 440,439
Capital expenditures	\$ 933,847	\$ 1,241,577	\$ 644,550	\$ 1,245,784	\$ 2,850,296	\$ 970,125	\$ 1,095,980	\$ 967,314	\$ 1,905,857	\$ 884,405
Debt Service										
Principal	\$ 752,515	\$ 1,052,984	\$ 1,276,297	\$ 481,329	\$ 1,166,380	\$ 1,068,210	\$ 951,000	\$ 879,001	\$ 774,000	\$ 922,763
Interest	\$ 146,821	\$ 178,658	\$ 209,645	\$ 139,586	\$ 256,899	\$ 328,056	\$ 390,963	\$ 459,607	\$ 448,661	\$ 483,415
Bond issue costs	-	-	-	-	-	\$ 45,003	\$ 81,727	-	\$ 23,116	-
Total Expenditures	\$ 16,662,031	\$ 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
Excess of Revenues Over (Under) Expenditures	\$ 421,193	\$ (361,331)	\$ 586,599	\$ 1,563,498	\$ 239,518	\$ 4,238,051	\$ 523,721	\$ (199,002)	\$ (502,984)	\$ 587,519
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	-	-	-	\$ 186,732	-	\$ 183,713	-	-	-	-
Sale of property	\$ 14,597	\$ 6,920	\$ 13,217	\$ 26,843	\$ 296,098	\$ 34,717	\$ 17,540	\$ 13,000	\$ 33,604	\$ 10,075
Transfers In	\$ 422,129	\$ 347,600	\$ 482,217	\$ 540,931	\$ 321,706	\$ 1,156,421	\$ 2,701,242	\$ 1,297,278	\$ 1,878,187	\$ 570,555
Transfers Out	\$ (1,100,901)	\$ (977,354)	\$ (1,086,573)	\$ (958,974)	\$ (1,114,775)	\$ (1,957,979)	\$ (2,423,741)	\$ (2,261,124)	\$ (2,820,792)	\$ (1,359,529)
Total Other Financing Services	\$ (664,175)	\$ (622,834)	\$ (571,139)	\$ (204,468)	\$ (496,971)	\$ (538,125)	\$ 358,510	\$ (950,846)	\$ 280,999	\$ (778,899)
Net Change in Fund Balances	\$ (242,982)	\$ (984,165)	\$ 15,460	\$ 1,359,030	\$ (257,453)	\$ 3,699,926	\$ 882,231	\$ (1,149,848)	\$ (221,985)	\$ (191,380)
Debt Service as a percentage of noncapital expenditures	5.72%	7.39%	9.34%	5.87%	8.70%	8.80%	8.20%	8.66%	7.89%	9.10%

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									
	12/31/2016	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
Additions										
Employer contributions	\$ 704,267	\$ 897,039	\$ 782,786	\$ 629,991	\$ 836,859	\$ 878,524	\$ 709,342	\$ 548,793	\$ 533,518	\$ 582,831
Member contributions	\$ 253,760	\$ 249,771	\$ 261,574	\$ 161,549	\$ 298,877	\$ 254,502	\$ 250,706	\$ 256,666	\$ 229,742	\$ 187,620
Investment income (net of expenses)	\$ 1,527,456	\$ (308,874)	\$ 652,647	\$ 1,435,913	\$ 1,464,910	\$ (2,711)	\$ 1,601,330	\$ 2,086,650	\$ (1,876,512)	\$ 422,506
Total Addition To Plan Net Position	\$ 2,485,483	\$ 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
Deductions										
Benefit Payments	\$ 1,703,435	\$ 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
Administrative expenses	\$ 22,962	\$ 64,372	\$ 24,221	\$ 4,746	\$ 29,156	\$ 9,036	\$ 5,522	\$ 24,231	\$ 10,142	\$ 8,935
Total Deductions From Plan Net Position	\$ 1,726,397	\$ 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
Change in Net Position	\$ 759,086	\$ (941,402)	\$ 195,197	\$ 1,259,669	\$ 1,169,737	\$ (234,722)	\$ 1,229,790	\$ 1,600,762	\$ (2,386,639)	\$ (5,266)

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

	Fiscal Year									
	12/31/2016	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
Additions										
Employer contributions	\$ 487,531	\$ 634,464	\$ 679,363	\$ 567,522	\$ 960,775	\$ 535,376	\$ 434,973	\$ 379,195	\$ 391,894	\$ 400,557
Member contributions	\$ 241,344	\$ 237,806	\$ 242,314	\$ 148,555	\$ 214,051	\$ 207,088	\$ 208,797	\$ 191,354	\$ 171,970	\$ 171,820
Investment income (net of expenses)	\$ 1,785,271	\$ (644,585)	\$ 717,379	\$ 1,761,668	\$ 1,906,230	\$ (29,352)	\$ 1,831,268	\$ 2,793,317	\$ (2,430,084)	\$ 296,963
Total Addition To Plan Net Position	\$ 2,514,146	\$ 227,685	\$ 1,639,056	\$ 2,477,745	\$ 3,081,056	\$ 713,112	\$ 2,475,038	\$ 3,363,866	\$ (1,866,220)	\$ 869,340
Deductions										
Benefit Payments	\$ 1,663,308	\$ 1,558,304	\$ 1,503,645	\$ 978,147	\$ 1,477,768	\$ 1,365,315	\$ 1,323,098	\$ 1,283,997	\$ 1,234,704	\$ 1,083,425
Administrative expenses	\$ 22,273	\$ 32,130	\$ 39,533	\$ 28,060	\$ 28,529	\$ 24,955	\$ 22,409	\$ 51,164	\$ 33,657	\$ 25,520
Total Deductions From Plan Net Position	\$ 1,685,581	\$ 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
Change in Net Position	\$ 828,565	\$ (1,362,749)	\$ 95,878	\$ 1,471,538	\$ 1,574,759	\$ (677,158)	\$ 1,129,531	\$ 2,028,705	\$ (3,134,581)	\$ (239,605)

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

	Fiscal Year									
	12/31/2016	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
Program Revenues										
Governmental Activities:										
Charges for services										
General Government	\$ 341,285	\$ 272,521	\$ 273,511	\$ 255,755	\$ 270,404	\$ 301,063	\$ 540,348	\$ 220,312	\$ 222,421	\$ 262,452
Public Safety	\$ 608,111	\$ 715,029	\$ 783,439	\$ 449,035	\$ 757,901	\$ 969,120	\$ 1,361,422	\$ 549,713	\$ 613,020	\$ 672,856
Public Works	\$ 1,323,688	\$ 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
Recreation and culture	\$ 570,268	\$ 552,641	\$ 534,728	\$ 394,042	\$ 680,590	\$ 600,103	\$ 597,147	\$ 598,415	\$ 595,479	\$ 709,411
Economic development	\$ 6,477	\$ 14,307	\$ 938	\$ 938	\$ 34,319	\$ 43,088	\$ -	\$ 58,489	\$ 5,201	\$ 2,655
Operating grants and contributions	\$ 29,830	\$ 56,254	\$ 58,338	\$ 131,994	\$ 157,258	\$ 218,705	\$ 130,773	\$ 388,714	\$ 200,296	\$ 348,602
Capital grants and contributions	\$ 88,951	\$ 627,466	\$ 163,077	\$ 133,209	\$ 1,689,279	\$ 3,951,882	\$ 549,711	\$ 498,815	\$ 456,238	\$ 43,425
Total Governmental Activities Program Revenues	\$ 2,968,610	\$ 3,502,465	\$ 3,256,082	\$ 2,312,127	\$ 4,958,032	\$ 11,131,017	\$ 4,495,033	\$ 3,769,552	\$ 3,572,933	\$ 3,549,355
Business-Type Activities										
Charges for services										
Waterworks & Sewerage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,549,034
Water Treatment	\$ 5,437,421	\$ 5,023,839	\$ 4,937,661	\$ 3,238,233	\$ 4,875,257	\$ 4,615,887	\$ 4,640,258	\$ 3,988,183	\$ 3,816,288	\$ -
Wastewater Treatment	\$ 6,045,503	\$ 5,762,049	\$ 5,617,043	\$ 3,691,785	\$ 5,558,488	\$ 5,618,251	\$ 5,582,391	\$ 6,069,786	\$ 5,581,313	\$ -
Drainage	\$ 859,983	\$ 870,150	\$ 897,123	\$ 599,505	\$ 898,294	\$ 885,943	\$ 750,581	\$ -	\$ -	\$ -
Development loans	\$ 1,747	\$ 1,839	\$ 11,066	\$ 915	\$ 4,369	\$ 2,580	\$ 3,138	\$ 4,738	\$ 4,592	\$ 4,095
Operating grants and contributions	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 33,679	\$ 244,198	\$ 221,573	\$ 128,541
Capital grants and contributions	\$ -	\$ -	\$ -	\$ 48,330	\$ 1,504,657	\$ 2,189,511	\$ 681,871	\$ -	\$ -	\$ -
Total Business-Type Activities Revenues	\$ 12,344,654	\$ 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
Total Primary Government Revenues	\$ 15,313,264	\$ 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

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							
4/30/2008	\$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
12/31/2016	\$2,073,623	\$1,294,559	\$1,322,688	\$6,093,364	\$2,940,947	\$114,068	\$13,839,249
Change							
2008 to 2016	2.70%	-18.77%	-13.98%	13.06%	14.32%	6923.89%	5.53%

**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				
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%
2016	\$170,867,462	\$1,103,571	\$56,424,063	\$30,961,629	\$1,716,691	\$261,073,416	\$2.1936	\$ 783,220,248	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				
4/30/2008	\$ 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	\$ 2.8714	\$ 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	\$ 0.1603	\$ 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				
12/31/2016	\$ -	\$ 1.2717	\$ 6.5042	\$ -	\$ 7.7758	\$ 0.4059	\$ 0.3136	\$ 7.0086	\$ 0.0003	\$ 0.0039	\$ 1.4355	\$ 0.6717	\$ 0.1404	\$ 0.8970	\$ 0.3950	\$ 0.9872				

Sources Rock Island County
City Department of Finance

Note Overlapping percentages based on 2016 EAV's

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

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

2016		2007	
Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value
	Rank		Rank
	Percentage of Total City Taxable Assessed Valuation		Percentage of Total City Taxable Assessed Valuation
Deere & Company	\$ 13,415,096	Deere & Company	\$ 13,819,115
Fed Ex	\$ 5,175,316		
Genva Management Service	\$ 4,710,552	Genva Management Service	\$ 6,168,892
OFI Properties LLC	\$ 3,375,225		
Edward Rose Building Co.	\$ 3,313,318	Edward Rose Building Co.	\$ 3,299,873
VanPelt Corp	\$ 2,231,856		
Blackhawk Hills LLC	\$ 2,057,944		
USGI Inc., Deerfield Woods	\$ 2,032,454	USGI Inc., Deerfield Woods	\$ 2,024,207
Green, Jill A Trust	\$ 1,477,261		
Kennedy Square Properties	\$ 1,464,395	Kennedy Square Properties	\$ 1,458,452
		Quad City Downs	\$ 2,189,981
		IL Housing Authority	\$ 2,049,590
		J. I. Case Co.	\$ 1,991,913
		Moline Apartments	\$ 1,658,341
		Colona House	\$ 1,451,456
Total 10 Largest	\$ 39,253,417	Total 10 Largest	\$ 36,111,820
City's Taxable EAV	\$ 262,381,802	City's Taxable EAV	\$ 253,403,039
	15.08%		14.24%
	14.95%		

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
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%	5,728	\$ 5,465,594	99.88%
2016	\$ 5,516,103	\$ 5,520,443	100.08%	-	\$ 5,520,443	100.08%

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									
	12/31/2016	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
Residential	281,544	303,681	314,653	230,311	341,588	335,229	333,387	357,030	357,200	377,655
Industrial	565,925	582,360	650,303	473,554	694,425	694,947	776,994	733,363	695,766	451,343
Commercial	119,363	103,803	80,037	106,966	133,688	120,575	126,308	122,316	115,836	466,595
Total	966,832	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
Total Direct Rate per 1,000 Gallons \$	9.26 \$	8.09 \$	7.74 \$	7.51 \$	7.15 \$	6.75 \$	6.36 \$	5.84 \$	5.56 \$	5.31

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									
	12/31/2016	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
Residential	283,170	305,190	316,179	231,438	343,239	337,099	329,064	381,445	357,200	397,021
Industrial	644,137	682,131	727,497	527,282	770,355	1,142,515	648,689	737,133	612,330	507,273
Commercial	122,823	108,657	84,828	108,784	137,372	124,025	115,703	122,203	115,836	101,960
Total	1,050,130	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
Total Direct Rate per 1,000 Gallons \$	6.42	5.96	6.20	6.02	5.84	5.67	5.51	5.51	5.08	4.79

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
4/30/2008	\$ 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
12/31/2016	\$ 16.68	\$ 9.26	12/31/2016	\$ 12.33	\$ 6.42

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Merchandise	\$ 26,361	\$ 28,203	\$ 28,166	\$ 24,658	\$ 25,585	\$ 24,191	\$ 19,843	\$ 19,892	\$ 13,648	\$ 10,645
Food	\$ 263,477	\$ 281,216	\$ 322,958	\$ 324,725	\$ 328,043	\$ 319,724	\$ 327,654	\$ 309,259	\$ 346,615	\$ 335,470
Drinking & Eating	\$ 231,918	\$ 236,215	\$ 226,276	\$ 223,377	\$ 224,874	\$ 210,452	\$ 212,648	\$ 204,414	\$ 211,935	\$ 202,050
Apparel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,503	\$ 0	\$ 944	\$ 0
Furniture, Household	\$ 6,571	\$ 7,413	\$ 7,463	\$ 8,227	\$ 5,953	\$ 10,067	\$ 10,574	\$ 9,585	\$ 12,072	\$ 12,480
Lumber, Building & Hardware	\$ 44,110	\$ 41,819	\$ 55,016	\$ 48,072	\$ 44,351	\$ 32,124	\$ 38,114	\$ 33,111	\$ 31,041	\$ 49,201
Automotive & Gasoline	\$ 836,805	\$ 802,406	\$ 717,379	\$ 733,015	\$ 736,024	\$ 699,612	\$ 706,266	\$ 686,586	\$ 672,632	\$ 662,475
Drugs and other retail	\$ 371,670	\$ 350,246	\$ 297,528	\$ 293,707	\$ 275,547	\$ 279,056	\$ 283,720	\$ 313,001	\$ 313,270	\$ 311,570
Agriculture & Extractive	\$ 161,149	\$ 183,827	\$ 195,068	\$ 159,033	\$ 155,998	\$ 189,058	\$ 166,127	\$ 161,807	\$ 166,762	\$ 167,259
Manufacturers	\$ 27,234	\$ 38,052	\$ 44,241	\$ 50,897	\$ 44,619	\$ 62,894	\$ 25,288	\$ 21,982	\$ 26,372	\$ 24,693
Totals	\$ 1,969,295	\$ 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
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	Total		
	City Rate	County Rate	State Rate
4/30/2008	1.50%	0.25%	5.00%
4/30/2009	1.50%	0.25%	5.00%
4/30/2010	1.50%	0.25%	5.00%
4/30/2011	1.50%	0.25%	5.00%
4/30/2012	1.50%	0.25%	5.00%
4/30/2013	1.50%	0.25%	5.00%
12/31/2013	1.50%	0.25%	5.00%
12/31/2014	1.50%	0.25%	5.00%
12/31/2015	1.50%	0.25%	5.00%
12/31/2016	1.50%	0.25%	5.00%

Source: City Department of Finance Office

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City of East Moline
Debt Capacity

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

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Governmental Activities										Business-Type Activities									
			Per Capita	Alternate Revenue Bonds	Tax Increment Bonds	Motor Fuel Tax Bonds	Capital Leases & Notes Payable	Water Bonds	Sewer Bonds	Debt Certificates	Capital Leases & Notes Payable	Total Primary Government	Percent of Personal Income ***	Per Capita	Alternate Revenue Bonds	Tax Increment Bonds	Motor Fuel Tax Bonds	Capital Leases & Notes Payable	Water Bonds	Sewer Bonds	Debt Certificates	Capital Leases & Notes Payable
4/30/2008	\$ 50,000	0.01%	\$2.38	\$ 1,133,000	\$ 7,855,000	\$ 1,490,000	\$ 35,000	\$ 9,212,328	\$ 6,299,672	\$ 6,915,000	\$ -	\$ 32,990,000	N/A	\$ 1,571.85								
4/30/2009	\$ 1,190,000	0.15%	\$57.06	\$ 1,162,000	\$ 7,430,000	\$ 1,255,000	\$ 35,000	\$ 8,785,402	\$ 6,027,598	\$ 6,745,000	\$ 300,000	\$ 32,930,000	N/A	\$ 1,578.92								
4/30/2010	\$ 1,090,000	0.14%	\$52.24	\$ 1,098,000	\$ 6,985,000	\$ 1,020,000	\$ -	\$ 9,388,500	\$ 4,823,500	\$ 8,942,630	\$ -	\$ 33,347,630	N/A	\$ 1,598.10								
4/30/2011	\$ 925,000	0.12%	\$43.42	\$ 1,032,000	\$ 6,655,000	\$ 785,000	\$ -	\$ 6,641,736	\$ 11,174,764	\$ 8,501,964	\$ 2,044,808	\$ 37,760,272	N/A	\$ 1,772.62								
4/30/2012	\$ 755,000	0.10%	\$35.29	\$ 984,000	\$ 6,135,000	\$ 530,000	\$ 165,503	\$ 11,060,769	\$ 10,182,512	\$ 2,164,985	\$ 5,772,869	\$ 37,750,638	N/A	\$ 1,764.46								
4/30/2013	\$ 575,000	0.07%	\$26.87	\$ 893,953	\$ 5,456,389	\$ 269,909	\$ 131,123	\$ 10,428,367	\$ 9,712,385	\$ 751,983	\$ 6,493,320	\$ 34,712,429	N/A	\$ 1,622.23								
12/31/2013	\$ 390,000	0.05%	\$18.26	\$ 894,581	\$ 5,204,560	\$ 269,955	\$ 281,525	\$ 10,314,339	\$ 9,708,110	\$ 658,041	\$ 6,317,275	\$ 34,038,386	N/A	\$ 1,593.56								
12/31/2014	\$ 200,000	0.03%	\$9.35	\$ 811,804	\$ 4,557,129	\$ -	\$ 209,229	\$ 9,688,293	\$ 15,146,864	\$ 464,860	\$ 68,098	\$ 31,146,277	N/A	\$ 1,455.57								
12/31/2015	\$ -	0.00%	\$0.00	\$ 728,953	\$ 3,872,739	\$ -	\$ 135,245	\$ 9,011,734	\$ 14,306,563	\$ 265,007	\$ 34,578	\$ 28,354,809	N/A	\$ 1,325.11								
12/31/2016	\$ -	0.00%	\$0.00	\$ 644,020	\$ 3,292,039	\$ -	\$ 58,730	\$ 8,335,810	\$ 13,388,345	\$ 1,240,551	\$ -	\$ 26,959,495	N/A	\$ 1,258.50								

Source City Finance Department, Bi-State Regional Commission

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

CITY OF EAST MOLINE

SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT

Schools	Outstanding Debt (4)	Applicable to the City	
		Percent (2)	Amount
School District No. 29	\$595,000	0.13%	\$774
School District No. 34	\$3,350,000	24.44%	\$818,740
School District No. 36	\$535,000	1.92%	\$10,272
School District No. 37	\$27,310,000	67.00%	\$18,297,700
U.T.H.S. District No. 30	\$2,010,000	52.72%	\$1,059,672
Black Hawk College District No. 503	\$50,170,000	7.47%	\$3,747,699
Other -			
Rock Island County (3)	\$17,010,000	10.31%	\$1,753,731
Rock Island Forest Preserve	\$3,555,000	10.31%	\$366,521
Genesis Medical Center (Illini Hospital)	\$4,190,000	55.89%	\$2,341,791
Metropolitan Mass Transit District	\$6,925,000	14.89%	\$1,031,133
Metropolitan Airport	\$19,660,000	13.11%	\$2,577,426
Subtotal, overlapping debt			\$32,005,459
City Direct Debt			\$3,994,789
Total Direct debt			\$36,000,248

Source -

- (1) Rock Island County
- (2) Overlapping debt percentages are based on 2016 EAV
- (3) Includes bonds issued by the Public Building Commission and by the County for the Nursing Home.
- (4) As of December 31, 2016

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

	12/31/2016	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
Equalized Assessed Valuation	\$ 261,073,416	\$ 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
State of Illinois Legal Debt Limit	8.625%	8.625%	8.625%	8.625%	8.625%	8.625%	8.625%	8.625%	8.625%	8.625%
Debt Limit	\$ 22,517,582	\$ 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
Total Net Debt Applicable to Limit	\$ 1,299,281	\$ 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
Legal Debt Margin Available	\$ 21,218,301	\$ 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
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.77%	1.98%	4.29%	6.54%	7.13%	12.78%	41.25%	44.03%	35.65%	31.79%

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	Interest					Principal	Interest	
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	
12/31/2016	\$ 1,204,885	\$ 590,000	\$ 125,012	1.685	\$ 12,342,907	\$ 8,617,910	\$ 3,724,997	\$ 1,674,908	\$ 577,303	1.654	

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											Riverfront "The Quarter"	Kennedy Drive	Riverfront "The Quarter"
	General			Water-Sewer			Storm Water			Water Revenues				
Municipal Garage	Water/Sewer Plant	Water/Sewer Plant	Municipal Garage	Water/Sewer Refunded	Storm Water	Water Plant	Water Plant	Water Plant	Sewer Plant	Storm Water	Riverfront "The Quarter"	Kennedy Drive	Riverfront "The Quarter"	
2017	\$88,000	\$115,000	\$20,000	\$132,000	\$620,000	\$57,248	\$121,492	\$320,000	\$302,917	\$102,402	\$170,000	\$225,000	\$85,000	
2018	\$88,000		\$135,000	\$132,000	\$630,000		\$121,700	\$330,000	\$306,715	\$106,096	\$185,000	\$245,000	\$85,000	
2019	\$90,000		\$135,000	\$135,000	\$650,000		\$121,912	\$340,000	\$310,561	\$109,922	\$195,000	\$270,000	\$85,000	
2020	\$92,000		\$140,000	\$138,000	\$655,000		\$122,125	\$360,000	\$314,455	\$113,803	\$215,000	\$290,000	\$90,000	
2021	\$94,000		\$140,000	\$141,000	\$675,000		\$122,342	\$375,000	\$318,398	\$118,179	\$230,000	\$320,000	\$90,000	
2022	\$96,000		\$140,000	\$144,000	\$700,000		\$122,561	\$390,000	\$322,390	\$123,119		\$345,000	\$95,000	
2023	\$100,000		\$560,000	\$150,000			\$122,783		\$326,433	\$127,083			\$100,000	
2024			\$580,000				\$123,008		\$330,526	\$131,143				
2025			\$605,000				\$123,235		\$334,670	\$135,398				
2026			\$625,000				\$123,466		\$338,867	\$116,158				
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	\$648,000	\$115,000	\$7,460,000	\$972,000	\$3,930,000	\$57,248	\$1,740,648	\$2,115,000	\$5,330,254	\$1,183,303	\$995,000	\$1,695,000	\$630,000	

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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
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	\$ 5,893,826	\$ 40,332	6.50%
2016	21,422	N/A	N/A	6.30%

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

	2016				2007			
	Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	
	John Deere Harvester	2,200	1	25.21%	1,750	1	19.09%	
	Illini Hospital	690	2	7.91%	600	2	6.55%	
	East Moline Elementary	440	3	5.04%	376	3	4.10%	
	East Moline Correctional	270	4	3.09%	260	5	2.84%	
	4C Solutions	250	5	2.87%				
	United Township High School	230	6	2.64%	223	7	2.43%	
	Jacobson Warehouse	200	7	2.29%				
	Comprehensive Logistics	200	8	2.29%				
	H.C. Duke & Son, Inc.	160	9	1.83%	123	9	1.34%	
	Aramark	150	10	1.72%				
	Standard Forwarding				300	4	3.27%	
	Johnson Contracting				100	10	1.09%	
	McLaughlin Body Co.				250	6	2.73%	
	Creative Machining Technologies				140	8	1.53%	
	Total City-wide Employment	8,725			9,165			

Source - 2016 Illinois Manufacturers Directory
2016 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	12/31/2016	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
General Government										
Management Services	18	18	18	18	19	19	20	20	20	20
Finance	4	4	4	4	4	5	5	5	5	5
Development & Planning	0	0	0	0	0	0	1	1	2	2
Inspections	3	3	3	3	3	3	3	3	3	3
Other	5	5	5	5	5	5	5	6	6	6
Police										
Officers	37	37	37	37	37	37	39	40	39	39
Civilians	7	7	9	10	9	9	11	10	10	10
Fire										
Firefighters	34	34	35	35	35	34	34	35	33	33
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works										
Garbage collection	3	3	4	4	4	4	4	4	4	4
Street and bridge	3	3	4	5	4	4	5	4	4	4
Motor pool	3	3	3	3	3	4	5	5	5	4
Parks and Recreation										
Library	14	14	14	14	14	14	14	14	14	15
Water										
Water plant	9	9	9	9	9	14	10	10	10	9
Water distribution	5	5	5	5	6	9	6	6	6	5
Sewer										
Sewer plant	12	12	12	13	13	14	13	13	13	12
Sewer collection	4	4	4	4	4	3	4	4	4	5
Drainage	3	3	3	3	3	3	3	5	5	3
Total	168	168	173	176	176	176	186	190	188	184
Per audit	168	168	173	176	176	186	187	190	188	170

Source - City Department of Finance

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

	12/31/2016	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
Police - reported on a calendar year basis										
Calls answered	24,613	25,753	22,395	22,183	22,445	22,623	23,646	25,143	26,943	26,943
Incident numbers	5,079	5,830	5,595	5,586	6,104	7,026	7,212	9,036	8,948	8,948
Cases investigated	1,058	990	932	984	894	879	950	852	859	859
Arrests	758	705	698	710	894	1,035	1,115	1,481	1,655	1,655
Traffic stops	1,412	2,294	2,173	1,966	2,391	2,797	2,833	3,435	3,438	3,438
Traffic citations	977	1,577	1,592	1,451	1,620	2,126	2,159	3,227	2,983	2,983
Community Service Officer Calls	1,493	1,067	1,198	1,174	1,308	1,268	1,302	693	1,395	1,395
Fire - Reported on a calendar year basis										
Total incidents	2,789	2,666	2,838	1,853	2,772	2,932	2,964	2,857	2,713	2,713
Fire calls	58	62	102	86	86	91	81	102	-	-
Residential fires	17	14	25	24	18	23	-	-	20	20
Commercial fires	-	2	-	-	2	-	-	-	-	5
Other fires	44	46	16	10	13	5	3	3	55	55
Rescue/emergency medical	2,242	2,122	2,088	1,320	2,036	2,194	2,280	2,095	2,027	2,027
False alarms	112	124	152	103	130	130	154	146	141	141
Mutual aid calls	17	17	-	-	-	-	-	-	17	17
Haz-mat responses	37	20	12	28	36	37	46	64	32	32
Good Intent Call	166	293	291	207	312	298	273	222	-	-
Other hazardous responses	3	-	53	-	-	-	-	4	41	41
Other responses	165	293	146	90	152	34	127	129	375	375
Total Property Damage	583	\$ 130,900	\$ 839,500	\$ 914,050	\$ 628,400	\$ 502,710	\$ 340,190	\$ 172,850		
Public Works - Reported on a calendar year basis										
Garbage Users	6,305	6,359	6,243	6,243	6,059	5,812	6,310	6,307	6,337	6,337
Garbage collection - Tons	6,481	5,114	8,576	5,947	5,850	3,087	5,458	5,957	6,525	6,691
Yard Waste - Tons	325	294	302	240	709	101	173	236	286	423
Bulky Collection - Tons	885	738	1,887	880	974	489	731	696	852	806
Recycling Drop Off - Tons	134	139	464	280	243	145	347	390	959	959
Parks and Recreation - Reported on a calendar year basis										
Shelter reservations	295	295	274	363	246	246	304	306	305	249
Library										
Books loaned	75,848	69,940	74,343	53,997	87,056	82,970	85,288	144,013	135,518	135,200
Other formats loaned	57,637	58,793	64,582	41,968	63,875	55,055	53,458	16,897	18,435	16,567
Questions answered	16,858	16,837	14,908	10,266	16,901	17,129	16,151	16,605	16,277	16,133
Card holders	10,107	10,647	9,146	9,780	9,968	10,484	10,328	10,022	9,592	10,975
Attendance	100,724	101,615	116,537	75,968	122,211	120,336	125,466	130,755	137,912	136,716
Website hits	32,586	38,149	343,698	471,986	688,862	596,579	353,478	276,414	-	-
Water										
Customers	6,765	6,855	6,781	6,801	6,615	6,372	6,894	7,047	6,903	6,894
Main breaks	31	26	39	66	14	14	20	37	30	28
Average daily consumption (1000 Gallons)	3,200	3,750	4,376	4,426	4,200	4,400	4,600	4,519	4,522	4,280
Peak daily consumption (1000 Gallons)	5,923	5,793	6,384	7,197	6,208	6,600	6,500	6,408	6,204	6,717
Waste Water										
Customers	6,740	6,830	6,755	6,778	6,591	6,349	6,859	6,946	6,815	6,785
Avg daily treatment - (1000 Gallons)	4,045	5,200	4,900	5,100	4,400	5,149	5,800	5,600	6,558	5,700

Source - Various City Departments

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

	12/31/2016	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
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	3	4	4	4	4	4
Quints	1	1	1	1	1	1	1	1	1	1
Telesquirts	-	-	-	-	-	2	2	2	2	2
Other vehicles	5	5	5	4	4	4	4	4	4	4
Public Works										
Garbage trucks	4	4	4	4	4	5	5	5	5	5
Streets (miles)	87	87	87	87	87	87	80	80	80	80
Streets with curb & gutter	64	64	64	64	64	64	64	64	61	60
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	14	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	3.8	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	10
Disc Golf Course	1	1	1	1	1	1	1	1	1	1
Cricket Field	1	1	1	1	1	1	1	1	1	1
Library										
Buildings	1	1	1	1	1	1	1	1	1	1
Books in collection	53,592	55,071	55,405	62,510	58,352	57,921	57,200	57,097	57,741	57,816
Other formats in collection	33,215	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	110	92	92	92	92
Pump stations	2	2	2	2	2	2	3	3	3	3
Storage capacity (1,000 gal)	4,000	4,000	4,000	4,000	4,000	4,000	4,350	5,350	5,350	5,350
Waste Water										
Sanitary sewer (miles)	87	87	87	87	87	87	85	80	80	80
Treatment capacity (1000 gallons)	11,100	11,100	11,100	11,100	11,100	11,100	11,100	9,500	9,500	9,500
Lift Stations	6	6	6	6	6	6	6	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
2007	\$ 16,978,156	1,780	\$ 9,538	N/A	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%
2016	\$ 19,549,428	1,709	\$ 10,851	-0.81%	98	17.44	86.07%

*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
2007	\$ 21,635,836	2,508	\$ 8,627	N/A	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%
2016	\$ 32,697,448	2,804	\$ 10,982	-0.85%	179	18.0	95.00%

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
2007	\$ 5,131,026	660	\$ 7,418	N/A	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%
2016	\$ 5,487,815	642	\$ 8,547	1.50%	41	15.7	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							
12/31/2016	540	32	124	205	197	4	6	25	1133					\$124,710	294	
12/31/2015	450	21	105	183	201	2	11	14	987					\$88,707	320	
12/31/2014	385	26	108	173	186	10	12	40	940					\$80,705	372	
12/31/2013	417	31	82	110	119	6	6	29	800					\$93,458	352	
4/30/2013	424	25	121	129	191	8	8	38	944					\$92,016	345	
4/30/2012	468	27	131	123	223	13	10	0	995					\$87,290	458	
4/30/2011	566	44	112	136	219	8	9	0	1,094					\$157,441	398	
4/30/2010	469	42	70	108	187	4	10	49	939					\$140,180	385	
4/30/2009	586	32	111	176	203	8	8	0	1,124					\$81,834	464	
4/30/2008	611	42	105	144	233	12	11	81	1,239					\$116,645	409	

Source - Inspections Department
City of East Moline

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