

# **City of Moline, Illinois**

Comprehensive Annual Financial Report

Year Ended December 31, 2011

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**Prepared by:  
Finance Department**



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**Lewis J. Steinbrecher**  
City Administrator

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Moline, Illinois 61265

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Email:  
lsteinbrecher@moline.il.us

May 31, 2012

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

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, 2011.

Responsibility for the completeness and reliability of the information contained in this report rests with the City of Moline. Since the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

McGladrey LLP, Certified Public Accountants, have issued an unqualified opinion that the City of Moline's financial statements for the year ended December 31, 2011 are fairly stated. The independent auditor's report is located at the front of the Financial Section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The City of Moline's MD&A immediately follows the report of the independent auditor's report and complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

The City of Moline, located in western Illinois between the Mississippi and Rock Rivers, was incorporated as a town in 1848 and as a city in 1872. It currently occupies 15 square miles and serves a population of 43,483. Moline and Rock Island in Rock Island County, Illinois and Bettendorf and Davenport in Scott County, Iowa make up the "Quad Cities", a metropolitan area with a population of nearly 400,000. Chicago is 175 miles to the east and Des Moines is 160 miles to the west.

The City of Moline is organized under the Council-City Administrator form of government with legislative authority vested in a City Council made up of a Mayor and eight aldermen. The Council is elected on a non-partisan basis. Seven council members are elected from wards and the remaining council member and mayor are elected at large. They all serve four year staggered terms, with four council members elected every two years. The Council appoints the City Administrator, who in turn appoints the heads of various departments and oversees the day-to-day operation of municipal services and its 416 full time equivalent employees. The City considers its employees relations to be good.

The City became a home rule unit with the adoption of the 1970 Illinois Constitution. As such, the City of Moline has no tax rate or debt limits, nor is a referendum required to authorize issuance of debt or to increase property taxes. The City is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Moline provides a full range of services, including police and fire protection; emergency medical response and sanitation collection services; the construction and maintenance of highways, streets, alleys and other infrastructure; public water and wastewater utilities; and, recreational programs and library activities.

The City of 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 Activity and Outlook**

The City of Moline continues to experience residential and commercial development throughout the community. Previously adopted City Council Goals, including a Strong Local Economy, a Vibrant Downtown, and Expanded Housing Opportunities, reflect the city's interest in maintaining and enhancing local growth in a variety of economic sectors. As previously undeveloped sites become harder to find, much of the community's new development is occurring in the form of infill development, redevelopment, and adaptive reuse projects. Previously successful commercial redevelopment projects have rendered favorable economic impacts on the Moline community. These benefits include generating a higher economic multiplier effect, capitalizing on existing infrastructure, and adding value to existing structures or development sites. Examples of building reuse would include the Historic Block, the Heart of America headquarters, the Caxton Building and the old Moline High School.

The Bass Street Landing Project incorporates commercial and residential components unique to the Quad City area. Significant public improvements including an open "green" area, a riverfront bike/pedestrian trail, additional parking, an "active" public plaza with water features as well as significant improvements to 17th Street and River Drive have enhanced and leveraged substantial private developments. Phase III, KONE Centre, is a 10 story mixed use building with up to \$45 million dollars in investment and will house the North American Operational Headquarters of KONE, additional office, retail space, and luxury condominiums will occupy the first and upper floors. A parking deck is included to serve the building as well as provide additional parking for nearby office, retail and entertainment venues. Gorman & Company invested over \$12,000,000 in a mixed-use, mixed-income, 69-unit "live-work" development at 19<sup>th</sup> Street and River Drive which was completed in April and is now over 80% occupied. It is designed to serve up-and-coming entrepreneurs and other members of the region's evolving "creative class." The development features live-work units that have commercial street entrances, activating the street and allowing small business owners to combine their office, studio, and residence in one place. In addition 3,000 s.f. of commercial space has been recently leased and a convenience store will be finished out to serve the tenants of the building as well as other residential and office workers in the area.

The City of Moline and the Illinois Department of Transportation were also successful in obtaining a \$10,000,000 TIGER II and \$177,000,000 High Speed Rail (HSR) Funding for new passenger rail service between Chicago, IL and the Quad Cities. A \$16,000,000 Transit Oriented Development will be constructed at 12<sup>th</sup> Street and 4<sup>th</sup> Avenue and will be the location for the Quad Cities Multi-Modal Station. Service is expected to begin in late 2013. Restoration Saint Louis is the preferred developer and is in the process of completing their plans for the site which includes the renovation of the historic six story Sears Warehouse building as well as new construction. It will be a mixed use development with retail, entertainment, 94 residential units and a 150 room 3 – 4 star hotel and supportive services to Amtrak and the other transit modes in Centre Station which is adjacent to the new station. In addition Financial District Properties is working on plans to construct a 120,000 sq. ft. mixed use building containing retail, commercial and office uses and a 600 space parking deck on the property just west of the Multi-Modal facility.

Coupled with this is the City's desire to launch a Technology Corridor beginning along 19th Street and extending to the Western Illinois University (WIU) Campus along the Ben Butterworth Parkway east to 34th Street. This opportunity embraces existing attributes that allow the City to market new and existing knowledge-based businesses such as good broadband connectivity, an educated workforce, strategic properties, urban social and recreational amenities and the presence of Western Illinois University. In the capital construction plan approved by the Illinois Legislature and signed by the Governor, WIU-Quad Cities received \$15.8 million for phase I of renovation and construction of Building 1 at the new Riverfront Campus and \$42 million for phase II. Phase I was completed and classes began in January 2012. Phase II designs are nearing completion and will be bid for construction yet this year. It is anticipated that Phase II will be completed by spring 2014. The City has completed the acquisition of approximately 16 acres adjacent to the campus site and will begin redevelopment this summer leveraging city funds with both state and federal grant funds as well as private development. This will create construction as well as permanent full and part time jobs and expanded retail, commercial and residential opportunities. In an effort to meet the needs of local businesses the University began an Engineering Program in 2009 in leased space in Moline Centre which now has over 100 students completing Engineering Degrees.

Several new restaurants and a commercial building have been constructed in the out lots at SouthPark Mall. This includes a Kentucky Fried Chicken, a strip center with Buffalo Wild Wings and Qdooba Mexican Grill and two service businesses which opened in 2009 and spring of 2010. In addition a credit union was completed in the summer of 2009. The City with the Quad City Chamber of Commerce has been in discussions with Macerich on a repositioning of SouthPark Mall and the surrounding areas. Concept plans have been completed and the City has begun the process of establishing a Tax Increment Financing District to help facilitate this redevelopment.

There has also been increased interest in the east end of the John Deere Corridor as a major commercial destination. As one of the last open tracts of land in Moline, it is the City's intention that this development be an attractive eastern gateway into Moline. Pedcor Investments has completed 185 of a planned 385 townhouse style apartments. The remainder of the property is has been planned with infrastructure improvements completed including, streets, sewer and water. The first tenant, Menards has opened a 162,000 s.f. store, and Green Hyundai is under construction. Additional retail, office and commercial uses and could include up to 1,000,000 square feet of space with an estimated construction cost of over \$100,000,000. The City annexed

additional property east of 70<sup>th</sup> Street and John Deere Expressway to accommodate the construction of Zimmerman Honda. This new dealership will provide additional property and sales taxes and is providing opportunities for continued retail and commercial growth and opportunities for the City boundaries to continue to extend east and south.

The City Council adopted the Moline South Plan which calls for light industrial/ technology, commercial, and residential development south of the Rock River. Predicated upon the City Council's interest in annexation and quality development, the city has drafted an annexation policy and strategic annexation action plan to help facilitate these future growth opportunities. The City Council approved a contract with Gould Evans to complete an Airport South District Plan. The plan will include land use recommendations and review of infrastructure needs for sustained long term growth of the City as well as include marketing materials necessary to assist in developer recruitment of City owned properties.

Through a partnership with the City of Moline, the Quad City International Airport and RDC Case creek Trails, LLC, the City recently annexed approximately 65 acres and created a new Tax Increment Financing District of 134 acres which will be developed into retail, commercial, office, technology and light industry park. The City will issue \$6,500,000 in Bonds to complete the necessary infrastructure for the development. TIF increment will cover the Bond payments.

### **Long-Term Financial Planning Policies**

- Take advantage of new economic growth and appreciation of property values by capturing the increase in the aggregate Equalized Assessed Valuation (EAV) and not lower the property tax rate.
- Establish and maintain a 90-day unassigned fund balance in the General Fund to ensure an adequate cash flow cushion against the volatility of the amount of local sales tax revenues generated from retail sales caused by uncontrollable state and national economic conditions.
- Provided that the 90-day fund balance target is satisfied, use any excess or unexpected revenues to fund capital improvements, particularly street and alley improvements as a priority. Such revenues shall not be expended on personnel or other operating costs.
- Only offer new municipal services after identifying and generating new sources of revenues or in the alternative, identifying and implementing the reduction of expenditures or elimination of other services that offset the initial and ongoing costs (both direct and indirect costs) of delivering such new services.
- Recognize the condition of the City's capital assets, particularly the quality of its streets, alleys, watermains, sanitary sewer lines and stormwater drainage systems as an indicator of whether the City's financial health is improving or deteriorating.
- Continue to reduce the City's existing debt-service burden and avoid the issuance of any new or additional debt instruments until the year 2013, unless there is a corresponding new revenue source or cost savings identified to generate a cash flow to satisfy new debt service.

- Periodically study and re-evaluate existing municipal services that are no longer considered Council priorities or those services that can be provided by other governmental entities, to determine if such services should be reduced or eliminated.
- Establish special service areas to fund streetscape improvements and/or special maintenance costs for certain specific commercial districts.
- Review and increase user fees on a regular basis to recover the full cost associated with issuing and administering City licenses and providing services related to those licenses.

### **Other 2011 Accomplishments**

Moline is a great place to work, live, and raise a family. The City of Moline is dedicated to constantly improving the delivery of its services thereby enhancing the quality of life for its residents and the operating environment for its businesses. Among the City's more significant other accomplishments in 2011 were:

- Dredging of the Riverside Lagoon to eliminate the abundance of vegetation to allow the lagoon to be used for fishing and ice skating again.
- Completed repairs of Prospect Park Trails to allow all the trails to be used by the public.
- Initiation of wastewater system master planning for North Slope watershed to develop a prioritized 20-year plan to address system needs and open the door to low-cost funding alternatives, such as the State Revolving Loan Fund.
- Under the FEMA "Snow Assistance and Severe Winter Storm Policy" the City applied for and received assistance for the major snow storm of February 2011.
- Remodeled in-house 6,400 square foot area of the Main Fire Station to house the relocated Finance Department from the East Annex. Also coordinated the demolition of the East Annex Building to reduce the number of municipal buildings requiring annual maintenance.
- Partnered with the Navy to install a Naval-themed playground on Ben Butterworth Parkway to provide an excellent recreational opportunity for families and children.
- Extended street and utility infrastructure as part of the Menards development to provide infrastructure for future development to the east.
- Website Redesign of [www.moline.il.us](http://www.moline.il.us) that resulted in a superior website that enables each department to control its own website presence within a unified platform.
- Upgraded the virtual server environment to two new, identical physical servers to solidify the redundancy of the system to high availability status while also increasing performance and available resources.
- Assisted twenty three families to purchase homes in Moline through the Homebuyer Assistance Program and assisted thirty five families to rehabilitate their homes through the Single Family Owner Occupied Rehabilitation Program.

- Partnership with the Illinois State Police to host a Crime Scene Investigator and a Criminal Investigator out of the Moline Police Department.
- Used a Justice Administration Grant (JAG) to purchase additional Tasers for the Moline Police Department to reduce injuries and related cost for officers going “hands on” with a suspect.
- Awards and Recognition. In 2011 the City of Moline was recognized as the #7 Best Managed Fleet in North America.

The city’s record of achievement for 2011 was substantial. Given the professionalism and dedication of the Mayor, City Council, and city staff, we believe that the accomplishments of the future will be no less weighty. All are committed to seeing that Moline residents and businesses receive first-rate municipal services.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Moline for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2010. This was the nineteenth (19th) consecutive year that the City has received this prestigious award. The Certificate of Achievement is a national award recognizing conformance with the highest standard for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City Administration is of the opinion that the City’s current CAFR continues to meet the Certificate of Achievement Program’s requirements and it will be submitted to GFOA to determine its eligibility for another certificate award.

The timely completion and issuance of this report could not have been accomplished without the efficient and dedicated efforts of the entire staff of the Finance Department. We wish to express our appreciation to all members of other City departments who assisted and contributed to the preparation of this year’s report. Credit should also be given to the Mayor and City Council for their support of the City’s goal to maintain the highest standards of professionalism in the management of the City of Moline’s municipal treasury.

Respectfully submitted,



Lewis J. Steinbrecher  
City Administrator



Kathleen A. Carr  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Moline  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



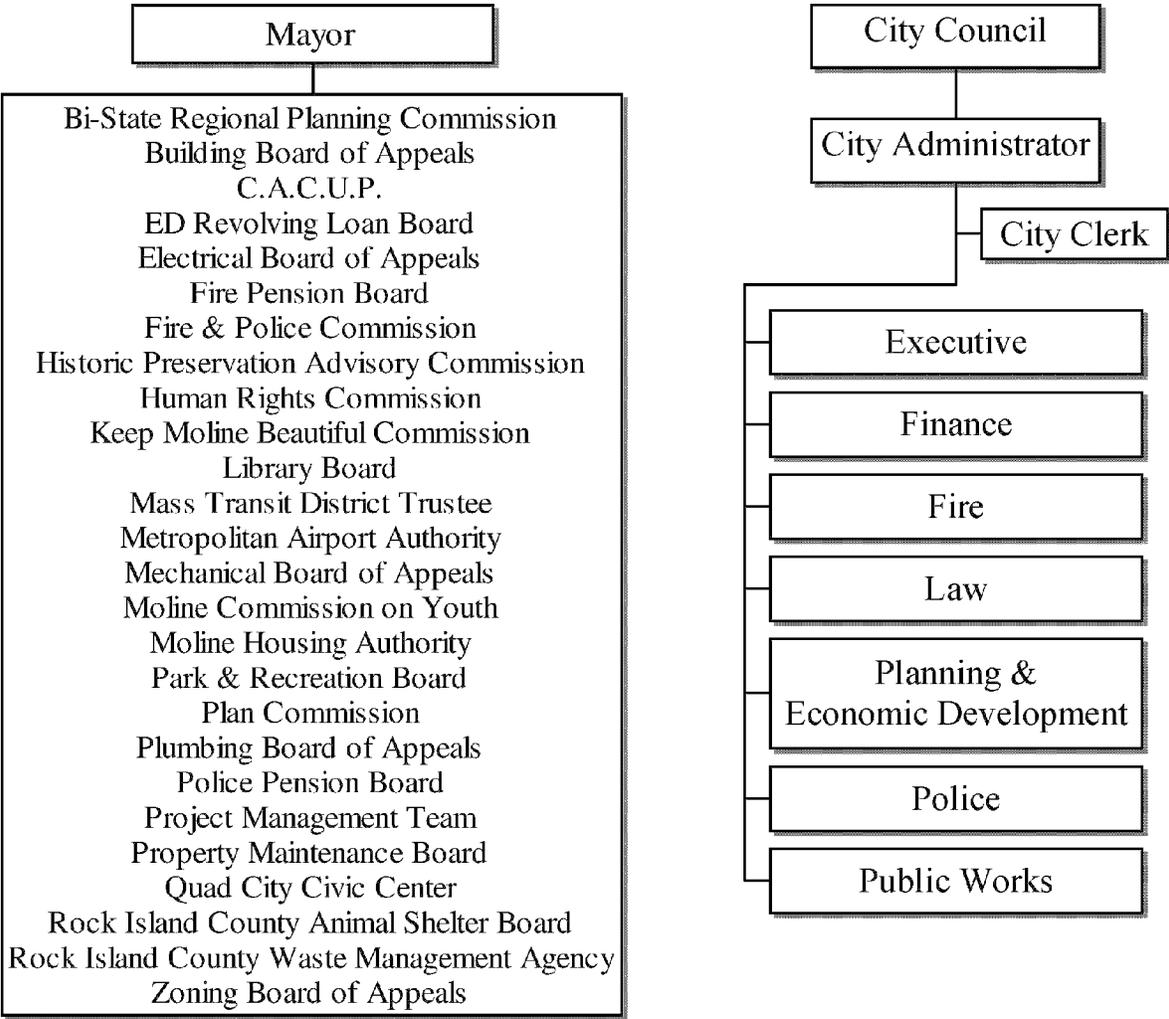
*Linda C. Davison*

President

*Jeffrey R. Emery*

Executive Director

# CITIZENS OF MOLINE



**City of Moline, Illinois**

**Principal City Officials  
December 31, 2011**

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**LEGISLATIVE**

Don Welvaert  
Mayor

|                   |                   | Term<br>Expiration<br>Date Of Elected<br>Officials |
|-------------------|-------------------|--|
| John Knaack       | 1st Ward Alderman | 4-30-15  |
| Richard Meredith  | 2nd Ward Alderman | 4-30-13  |
| J. Scott Raes     | 3rd Ward Alderman | 4-30-15  |
| Ted Ronk          | 4th Ward Alderman | 4-30-13  |
| Lori Turner       | 5th Ward Alderman | 4-30-15  |
| Kevin Schoonmaker | 6th Ward Alderman | 4-30-13  |
| Sean Liddell      | 7th Ward Alderman | 4-30-15  |
| Stephanie Acri    | At Large Alderman | 4-30-13  |

Tracy Koranda, City Clerk

**ADMINISTRATION**

Lewis Steinbrecher, City Administrator

**DEPARTMENTS**

Maureen E. Riggs, City Attorney  
Kathleen Carr, Finance  
Robert Hafeman, Library  
Laura Duran, Parks & Recreation  
Kim Hankins, Police and Fire  
Mike Waldron, Public Works  
Ray Forsythe, Planning Director

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## Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moline, Illinois, as of and for the year ended December 31, 2011 which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Moline, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moline, Illinois as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 16 to the basic financial statements, the City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed its method of accounting for governmental funds' fund balance classifications.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2012, on our consideration of the City of Moline, Illinois' internal control over financial reporting and 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* and should be considered in assessing the results of our audits.

The accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 12, budgetary comparison information on pages 77 through 81 and the Pension Plans and Other Postemployment Benefit Plan Schedules of Funding Progress and Schedules of Employer Contributions on pages 73 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB) 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 audits 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.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Moline, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has not been subjected to the auditing procedures applied in our audit of the basic financial statements, accordingly, we express no opinion on them. Accordingly, it is appropriate to and we do not express an opinion on the supplementary information referred to above.

*McGladrey LLP*

Davenport, Iowa  
May 30, 2012

## City of Moline, Illinois

### Management's Discussion and Analysis Fiscal Year Ended December 31, 2011

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It is an honor to present to you the financial picture of the City of Moline, Illinois. We offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Moline, Illinois for the fiscal year ended December 31, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

#### Financial Highlights

The assets of the City of Moline exceeded its liabilities as of December 31, 2011 and 2010 by \$153,266,220 and \$150,284,313 (net assets), respectively. Of this amount, \$17,900,425 and \$14,847,516 may be used to meet the government's ongoing obligations to citizens and creditors.

The government's total net assets increased by \$2,981,907 and \$5,404,619 during the years ended December 31, 2011 and 2010, respectively.

As of December 31, 2011, the City of Moline's governmental funds reported combined ending fund balances of \$15,922,265, an increase of \$1,476,742 in comparison with 2010. Approximately (13) percent of this total amount, \$(2,019,172), is unassigned fund balance. As of December 31, 2010, the City of Moline's governmental funds reported combined ending fund balances of \$14,445,523, a decrease of \$7,733,619 in comparison with 2009. Approximately 14 percent of this total amount, \$2,065,233, was available for spending at the government's discretion (unreserved fund balance).

As of December 31, 2011, unassigned fund balance for the General Fund was \$10,635,397 or 28 percent of total General Fund expenditures. As of December 31, 2010, unreserved undesignated fund balance for the General Fund was \$10,308,466 or 28 percent of total General Fund expenditures.

The City of Moline, Illinois' total long-term debt, excluding compensated absences, increased by \$1,724,325 (2.1 percent) during fiscal year ended December 31, 2011 and decreased by \$10,728,261 (11.4 percent) during fiscal year ended December 31, 2010. The increase was primarily due to the issuance of General Obligation Bonds Series 2011A and Advanced Refunding General Obligation Bonds Series 2011B and scheduled principal payments.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Moline, Illinois' basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** – The government-wide financial statements are designed to provide readers with a broad overview of the City of Moline, Illinois' finances in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City of Moline, Illinois' assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

## City of Moline, Illinois

### Management's Discussion and Analysis Fiscal Year Ended December 31, 2011

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Both of the government-wide financial statements distinguished functions of the City of Moline that are principally supported by taxes (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Moline include general government, public safety, public works, economic development, culture and recreation and libraries. The business-type activities of the City of Moline include water, water pollution control, storm water utility and curbside recycling.

There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the City of Moline, Illinois.

The government-wide financial statements can be found on pages 13 through 16 of this report.

**Fund financial statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Moline, Illinois, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

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

The City of Moline, Illinois maintains 34 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Park Fund, Tax Increment Financing #1 Fund and Debt Service Fund which are considered to be major funds. Data from the other 30 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided as required supplementary information for the General Fund, Park Fund and Tax Increment Financing #1 Fund to demonstrate compliance with this budget on pages 78 through 81.

The basic governmental fund financial statements can be found on pages 17 through 23 of this report.

## City of Moline, Illinois

### Management's Discussion and Analysis Fiscal Year Ended December 31, 2011

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**Proprietary funds** – The City of Moline maintains two types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Moline maintains four enterprise funds. Internal service funds are used to report the same functions presented as governmental-type activities in the government-wide financial statements. The City maintains four internal service funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, Water Pollution Control Fund and the Storm Water Utility Fund, which are considered to be major funds of the City and the nonmajor fund – Curbside Recycling. Data from the four internal service funds are combined into a single aggregated presentation. Individual fund data for each of these internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 24 through 35 of this report.

**Fiduciary funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Moline, Illinois' own programs. The fiduciary funds of the City are pension trust funds. Total net assets of the fiduciary funds were \$55,828,272.

The basic fiduciary funds financial statements can be found on pages 36 and 37 of this report.

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

**Other information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Moline, Illinois' progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees and the General Fund, Park Fund and Tax Increment Financing #1 Fund's budgetary comparison. This information can be found on pages 73 through 81 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds and pension trust funds are presented immediately following the notes to basic financial statements and the required supplementary information.

#### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's total net assets have increased from a year ago. Table 1 reflects total net assets of \$153,266,220, which represents an increase of \$2,981,907 from 2010.

Of the City of Moline's net assets, 86 percent reflects its investment in capital assets (e.g., land, construction-in-progress, land improvements, buildings and improvements, major movable equipment, vehicles and infrastructure), less depreciation and any related debt used to acquire those assets that is still outstanding. The City of Moline uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported, net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Moline, Illinois**

**Management's Discussion and Analysis  
Fiscal Year Ended December 31, 2011**

**Table 1 - City of Moline's Net Assets**

|  | Governmental-Type Activities |                      | Business-Type Activities |                      | Total City            |                       |
|--|------------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|  | 2011                         | 2010                 | 2011                     | 2010                 | 2011                  | 2010                  |
| Current and other assets                           | \$ 76,318,263                | \$ 68,867,092        | \$ 17,465,982            | \$ 16,423,199        | \$ 93,784,245         | \$ 85,290,291         |
| Capital assets                                     | 100,319,272                  | 102,363,556          | 85,448,054               | 86,937,738           | 185,767,326           | 189,301,294           |
| <b>Total assets</b>                                | <b>176,637,535</b>           | <b>171,230,648</b>   | <b>102,914,036</b>       | <b>103,360,937</b>   | <b>279,551,571</b>    | <b>274,591,585</b>    |
| Noncurrent liabilities outstanding                 | 67,739,058                   | 65,653,321           | 18,393,968               | 19,873,792           | 86,133,026            | 85,527,113            |
| Other liabilities                                  | 37,783,637                   | 35,987,697           | 2,368,688                | 2,792,462            | 40,152,325            | 38,780,159            |
| <b>Total liabilities</b>                           | <b>105,522,695</b>           | <b>101,641,018</b>   | <b>20,762,656</b>        | <b>22,666,254</b>    | <b>126,285,351</b>    | <b>124,307,272</b>    |
| Net assets:  |                              |                      |                          |                      |                       |                       |
| Invested in capital assets,<br>net of related debt | 64,773,235                   | 60,561,906           | 66,540,179               | 68,733,516           | 131,313,414           | 129,295,422           |
| Restricted   | 10,947,408                   | 3,178,920            | -                        | 2,962,455            | 10,947,408            | 6,141,375             |
| Unrestricted                                       | (4,605,803)                  | 5,848,804            | 15,611,201               | 8,998,712            | 11,005,398            | 14,847,516            |
| <b>Total net assets</b>                            | <b>\$ 71,114,840</b>         | <b>\$ 69,589,630</b> | <b>\$ 82,151,380</b>     | <b>\$ 80,694,683</b> | <b>\$ 153,266,220</b> | <b>\$ 150,284,313</b> |

A restricted portion of the City's net assets (3 percent for 2011 and 4 percent for 2010) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$11,005,398 for 2011 and \$14,847,516 for 2010, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Moline, Illinois is able to report positive balances in all three categories of net assets for the government as a whole. The same situation held true for the prior fiscal year.

The City's total net assets increased by \$2,981,907 during the current fiscal year as compared to \$5,404,619 in 2010. The governmental-type activities' net assets increased by \$1,525,210 in 2011 and increased by \$3,930,870 in 2010. The total business-type activities' net assets increased by \$1,456,697 in 2011 and \$1,473,749 in 2010. This increase was mainly attributable to the implementation of an automated meter reading project for water and wastewater billing to increase the accuracy of the water consumption to be billed. Increases in unspent bond proceeds, successful use of federal and state grants and the self-supporting capabilities of the Water Pollution Control Fund to cover the expenses of the program with a rate increase to enhance revenues generated through user charges.

Table 2 highlights the City's revenues and expenses for the fiscal years ended December 31, 2011 and 2010. These two main components are subtracted to yield the change in net assets. This table utilizes the full accrual method of accounting.

Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for sales and services, operating grants and contributions and capital grants and contributions. General revenue includes taxes, investment income and other unrestricted revenue sources.

City of Moline, Illinois

Management's Discussion and Analysis  
Fiscal Year Ended December 31, 2011

Table 2 - City of Moline's Changes in Net Assets

|                                    | Governmental-Type    |                      | Business-Type Activities |                      | Total City            |                       |
|------------------------------------|----------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|                                    | Activities           |                      |                          |                      |                       |                       |
|                                    | 2011                 | 2010                 | 2011                     | 2010                 | 2011                  | 2010                  |
| <b>Revenues:</b>                   |                      |                      |                          |                      |                       |                       |
| Program revenues:                  |                      |                      |                          |                      |                       |                       |
| Charges for services               | \$ 5,899,233         | \$ 5,104,121         | \$ 15,138,856            | \$ 15,188,299        | \$ 21,038,089         | \$ 20,292,420         |
| Operating grants and contributions | 8,342,797            | 4,014,068            | -                        | -                    | 8,342,797             | 4,014,068             |
| Capital grants and contributions   | 44,790               | 44,692               | -                        | 1,347,818            | 44,790                | 1,392,510             |
| General revenues:                  |                      |                      |                          |                      |                       |                       |
| Property taxes                     | 17,830,538           | 17,855,293           | -                        | -                    | 17,830,538            | 17,855,293            |
| Sales taxes                        | 10,683,518           | 10,989,828           | -                        | -                    | 10,683,518            | 10,989,828            |
| Other taxes                        | 19,092,116           | 16,943,096           | -                        | -                    | 19,092,116            | 16,943,096            |
| Franchise taxes                    | 2,305,142            | 2,257,915            | -                        | -                    | 2,305,142             | 2,257,915             |
| Investment earnings                | 543,568              | 402,708              | 15,132                   | 35,068               | 558,700               | 437,776               |
| Miscellaneous                      | 741,666              | 1,227,715            | 10,674                   | 6,103                | 752,340               | 1,233,818             |
| <b>Total revenues</b>              | <b>65,483,368</b>    | <b>58,839,436</b>    | <b>15,164,662</b>        | <b>16,577,288</b>    | <b>80,648,030</b>     | <b>75,416,724</b>     |
| <b>Expenses:</b>                   |                      |                      |                          |                      |                       |                       |
| General government                 | 3,048,061            | 2,573,283            | -                        | -                    | 3,048,061             | 2,573,283             |
| Public safety                      | 23,931,072           | 25,475,065           | -                        | -                    | 23,931,072            | 25,475,065            |
| Public works                       | 14,854,483           | 13,289,803           | -                        | -                    | 14,854,483            | 13,289,803            |
| Economic development               | 12,199,242           | 4,366,582            | -                        | -                    | 12,199,242            | 4,366,582             |
| Culture and recreation             | 2,290,352            | 2,499,745            | -                        | -                    | 2,290,352             | 2,499,745             |
| Libraries                          | 4,296,255            | 3,119,042            | -                        | -                    | 4,296,255             | 3,119,042             |
| Debt service, interest             | 3,367,407            | 3,585,046            | -                        | -                    | 3,367,407             | 3,585,046             |
| Water                              | -                    | -                    | 6,931,688                | 7,664,423            | 6,931,688             | 7,664,423             |
| Water pollution control            | -                    | -                    | 5,874,480                | 6,091,218            | 5,874,480             | 6,091,218             |
| Storm water utility                | -                    | -                    | 873,083                  | 908,505              | 873,083               | 908,505               |
| Curbside recycling                 | -                    | -                    | -                        | 439,393              | -                     | 439,393               |
| <b>Total expenses</b>              | <b>63,986,872</b>    | <b>54,908,566</b>    | <b>13,679,251</b>        | <b>15,103,539</b>    | <b>77,666,123</b>     | <b>70,012,105</b>     |
| Transfers                          | 28,714               | -                    | (28,714)                 | -                    | -                     | -                     |
| Increase in net assets             | 1,525,210            | 3,930,870            | 1,456,697                | 1,473,749            | 2,981,907             | 5,404,619             |
| Net assets, beginning              | 69,589,630           | 65,658,760           | 80,694,683               | 79,220,934           | 150,284,313           | 144,879,694           |
| Net assets, ending                 | <b>\$ 71,114,840</b> | <b>\$ 69,589,630</b> | <b>\$ 82,151,380</b>     | <b>\$ 80,694,683</b> | <b>\$ 153,266,220</b> | <b>\$ 150,284,313</b> |

City of Moline, Illinois

Management's Discussion and Analysis  
Fiscal Year Ended December 31, 2011

Table 3 below discloses cost of services for governmental activities. The total cost of services column contains all costs related to the programs and the net (expense) column shows how much of the total amount is not covered by program revenues. Succinctly put, net (expenses) are costs that must be covered by local taxes or other general revenue or transfers.

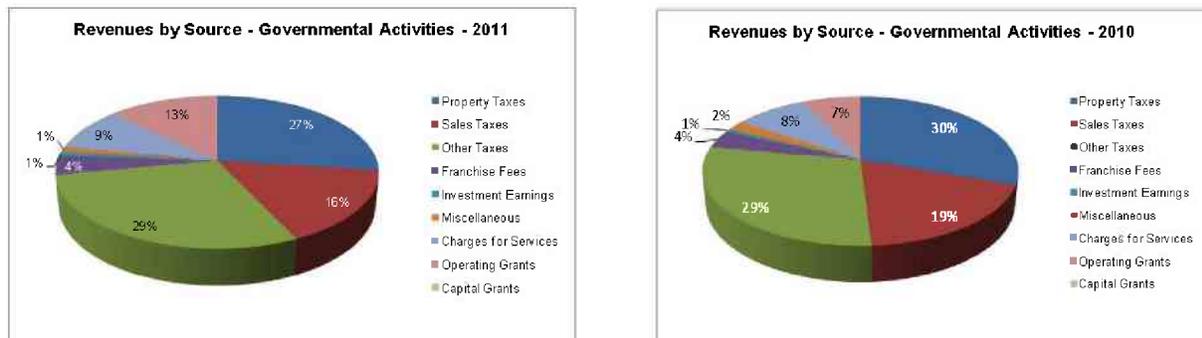
Table 3 - Governmental Activities

| Programs                | Total Cost of Services 2011 | Total Cost of Services 2010 | Net Revenue (Expense) of Services 2011 | Net Revenue (Expense) of Services 2010 |
|-------------------------|-----------------------------|-----------------------------|--|--|
| General government      | \$ 3,048,061                | \$ 2,573,283                | \$ (932,179)                           | \$ (510,539)                           |
| Public safety           | 23,931,072                  | 25,475,065                  | (21,654,282)                           | (23,323,543)                           |
| Public works            | 14,854,483                  | 13,289,803                  | (12,609,649)                           | (11,920,090)                           |
| Economic development    | 12,199,242                  | 4,366,582                   | (5,516,298)                            | (1,872,412)                            |
| Culture and recreation  | 2,290,352                   | 2,499,745                   | (1,542,876)                            | (1,586,383)                            |
| Libraries               | 4,296,255                   | 3,119,042                   | (4,077,361)                            | (2,947,672)                            |
| Debt service, interest  | 3,367,407                   | 3,585,046                   | (3,367,407)                            | (3,585,046)                            |
| Water                   | 6,931,688                   | 7,664,423                   | 192,940                                | 752,471                                |
| Water pollution control | 5,874,480                   | 6,091,218                   | 1,141,660                              | 585,808                                |
| Storm water utility     | 873,083                     | 908,505                     | 125,005                                | 56,822                                 |
| Curbside recycling      | -                           | 439,393                     | -                                      | 37,477                                 |
| <b>Total</b>            | <b>\$ 77,666,123</b>        | <b>\$ 70,012,105</b>        | <b>\$ (48,240,447)</b>                 | <b>\$ (44,313,107)</b>                 |

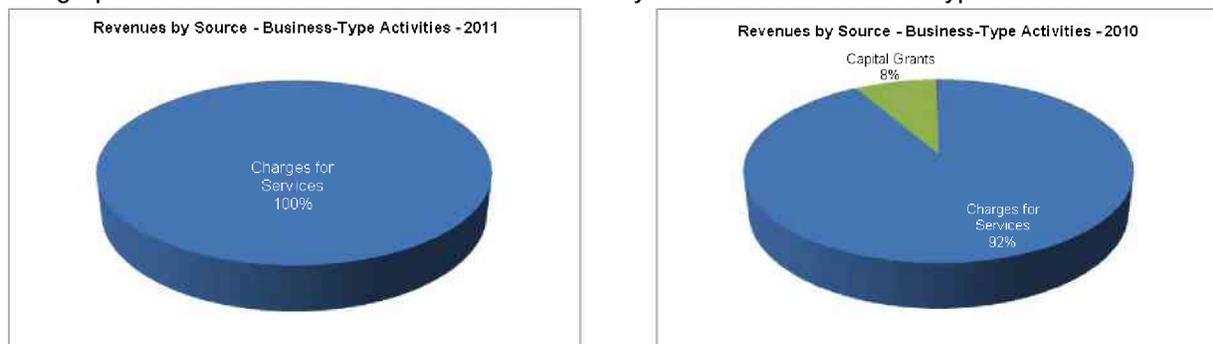
Net cost of services is 62 percent of total cost of services in 2011, compared to 63 percent for the year ended December 31, 2010. This reflects a continued reliance on taxes and other general revenue sources to fund the cost of services.

Governmental Activities

The graph below shows the percentage of the total governmental activities' revenues allocated by each revenue type for 2011 and 2010:



The graphs below show the breakdown of revenues by source for the business-type activities



## City of Moline, Illinois

### Management's Discussion and Analysis Fiscal Year Ended December 31, 2011

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**Business-type activities:** Business-type activities increased the City of Moline's net assets by \$1,456,697, accounting for 50 percent of the growth in the government's net assets in fiscal year ended December 31, 2011 compared to \$1,473,749 and 27 percent in fiscal year ended December 31, 2010. The Water Fund is responsible for the majority of this increase.

#### Financial Analysis of the Government's Funds

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

**Governmental funds** – The focus of the City of Moline, Illinois' 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2011, the City of Moline, Illinois' governmental funds reported combined ending fund balances of \$15,922,265, an increase of \$1,476,742 in comparison with the prior year fund balance of \$14,445,523. Approximately (13) percent of this total amount, \$(2,019,172), constitutes unassigned fund balance deficit, which is available for spending at the government's discretion. The remainder of the fund balance is nonspendable, restricted, committed or assigned.

As of December 31, 2010, the City of Moline, Illinois' governmental funds reported combined ending fund balances of \$14,445,523, a decrease of \$7,733,619 in comparison with the prior year fund balance of \$22,179,142. Approximately 14 percent of this total amount, \$2,065,233, constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the City. The unassigned fund balance of the General Fund was \$10,635,397 for 2011 and an unreserved fund balanced of \$10,308,466 for 2010 while total fund balance was \$15,012,328 for 2011 and \$14,108,781 for 2010. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned or unreserved fund balance and total fund balance to fund expenditures. For 2011, unassigned fund balance represents 28 percent of total General Fund expenditures, while total fund balance represents 40 percent of that same amount. For 2010, unreserved fund balance represents 28 percent of total General Fund expenditures, while total fund balance represents 38 percent of that same amount.

The fund balance of the City's General Fund increased by \$903,547 for 2011 and decreased by \$290,129 during 2010. Revenues were realized over budget by \$295,150. The key factors in this increase is due to the sale of capital assets in the amount of \$441,000 and sales taxes coming in \$453,900 better than projected. The decline was due to the delay in income tax receipts from the State of Illinois.

Expenditures were under budget by \$967,930. The under budget was a result of required furlough days for all nonpolice and fire employees, vacant positions not filled in a timely manner and at lower salaries and unused contingency funds of \$174,583.

The Park Fund had an ending fund balance of \$459,854, an increase of \$64,920 from 2010. The increase was mainly attributable to the delay of various park projects to be carried over to the 2011 budget.

The Tax Increment Financing #1 Fund had an ending fund balance deficit of \$8,019,510, an increase in the deficit of \$1,389,041 from 2010 mainly attributable to the continued constraints of the downtown TIF cash flow to be recovered in future years.

## City of Moline, Illinois

### Management's Discussion and Analysis Fiscal Year Ended December 31, 2011

The Debt Service Fund had an ending fund balance of \$1,100,634, an increase of \$1,050,515 from 2010. The increase is attributed to the capitalized interest included in the 2011A General Obligation Bond.

**Proprietary funds** – The City of Moline, Illinois' proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

#### General Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the General Fund can be summarized as follows:

- The total original revenue and other financing sources budget of \$38,521,400 was increased to \$39,022,030 (an increase of \$500,630).
- The total original expenditure and other financing uses budget of \$38,790,685 was increased to \$39,205,445 (an increase of \$414,760).

#### Capital Asset and Debt Administration

**Capital assets** – The City of Moline's investment in capital assets for its governmental and business-type activities as of December 31, 2011 and 2010 amounted to \$185,767,326 and \$189,301,294 (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and improvements, major movable equipment, vehicles and infrastructure. The total decrease in capital assets for 2011 was 2 percent (a 2 percent decrease for governmental activities and a 2 percent decrease for business-type activities) and for 2010 was 2 percent (a 1 percent decrease for governmental activities and a 5 percent increase for business-type activities).

Major capital asset events during the year ended December 31, 2011 included Riverside Lagoon dredging, Prospect Park Trails renovation, various property acquisition, several vehicle purchases and a variety of infrastructure (watermain, sewermain, roadway) projects.

Major capital asset events during the year ended December 31, 2010 included automated meter reading system, Greenvally Diamond Upgrade, various property acquisition, several vehicle purchases and a variety of infrastructure replacement projects.

Table 4 - City of Moline's Capital Assets

|                            | Governmental-<br>Type Activities |                       | Business-Type Activities |                      | Total                 |                       |
|----------------------------|----------------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|                            | 2011                             | 2010                  | 2011                     | 2010                 | 2011                  | 2010                  |
| Land                       | \$ 13,808,738                    | \$ 13,982,142         | \$ 389,419               | \$ 389,419           | \$ 14,198,157         | \$ 14,371,561         |
| Construction-in-progress   | 848,870                          | 1,079,448             | -                        | 113,017              | 848,870               | 1,192,465             |
| Land improvements          | 10,360,614                       | 10,253,133            | 799,830                  | 467,434              | 11,160,444            | 10,720,567            |
| Buildings and improvements | 53,662,556                       | 54,683,797            | 56,309,917               | 56,309,917           | 109,972,473           | 110,993,714           |
| Major movable equipment    | 3,820,858                        | 3,800,470             | 14,929,374               | 14,900,130           | 18,750,232            | 18,700,600            |
| Vehicles                   | 11,959,328                       | 11,810,950            | -                        | -                    | 11,959,328            | 11,810,950            |
| Infrastructure             | 70,490,397                       | 66,931,105            | 67,564,928               | 66,492,889           | 138,055,325           | 133,423,994           |
| Accumulated depreciation   | (64,632,089)                     | (60,177,489)          | (54,545,414)             | (51,735,068)         | (119,177,503)         | (111,912,557)         |
| <b>Total</b>               | <b>\$ 100,319,272</b>            | <b>\$ 102,363,556</b> | <b>\$ 85,448,054</b>     | <b>\$ 86,937,738</b> | <b>\$ 185,767,326</b> | <b>\$ 189,301,294</b> |

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

## City of Moline, Illinois

### Management's Discussion and Analysis Fiscal Year Ended December 31, 2011

**Debt** – As of December 31, 2011, the City of Moline, Illinois had general obligation bonds outstanding totaling \$74,330,002, installment notes totaling \$2,819,228 and IEPA loans totaling \$8,375,452. In 2011, the City paid \$15,095,675 in principal.

As of December 31, 2010, the City of Moline, Illinois had general obligation bonds outstanding totaling \$71,595,001, installment notes totaling \$3,286,226 and IEPA loans totaling \$8,919,130. In 2010, the City paid \$11,769,437 in principal.

Table 5 - Outstanding Debt, December 31

|                          | <b>Governmental-<br/>Type<br/>Activities 2011</b> | Governmental-<br>Type<br>Activities 2010 | <b>Business-Type<br/>Activities 2011</b> | Business-Type<br>Activities 2010 | Maturity  |
|--------------------------|---|--|--|----------------------------------|-----------|
| General obligation bonds | \$ 65,604,915                                     | \$ 62,316,949                            | \$ 8,725,087                             | \$ 9,278,052                     | 2007-2030 |
| Installment notes        | 943,526   | 1,293,526                                | 1,875,702                                | 1,992,700                        | 2007-2023 |
| IEPA loans               | -   | -  | 8,375,452                                | 8,919,130                        | 2012-2024 |
|                          | <b>\$ 66,548,441</b>                              | <b>\$ 63,610,475</b>                     | <b>\$ 18,976,241</b>                     | <b>\$ 20,189,882</b>             |           |

Additional information about the City's long-term debt can be found in Note 6 to the financial statements.

#### Economic Factors and Next Year's Budgets and Rates

Real property assessed values have increased \$1,014,045 for tax year 2011 as a result of updated equalized assessed valuations provided by the Rock Island Assessment Office.

The equalized assessed value remains steady, increasing an average of 1.7 percent over the past five years and 2.87 percent over the past ten years. The City of Moline continues to be aggressive in encouraging new business development and new housing construction.

Salaries, wages and benefits have been updated to reflect changes per our most recent employment contracts. Since the beginning of the economic downturn in the fall of 2008, the City has eliminated 27 positions. The vast majority of these positions were eliminated through attrition after the positions became vacant with a retirement or resignation. Health care costs and personnel costs which make up a significant portion of the City's operating costs continue to rise. All four union contracts expired on December 31, 2011. As of this report, two unions have negotiated a zero percent cost of living increase for 2012 and the non-union employees will also receive a zero percent cost of living increase for 2012.

The unemployment rate for the City of Moline decreased to 8.1 percent. This is a decrease from a rate of 9.1 percent a year ago. This compares favorably to the state's average unemployment rate of 9.7 percent and the United States unemployment rate of 8.5 percent.

The City continues to develop a budget based on conservative estimates in revenues. Declining or sluggish revenue growth continues to impact governmental activity revenues and provides significant budget challenges for management. Although revenue growth will be limited, the 2012 budget will sustain City services for another year, will enable the City to undertake a variety of capital projects and continue to maintain a 90-day reserve in the undesignated fund balance of the General Fund.

In 2012, several capital improvement projects are planned to include street projects, 17th street Water Tank Rehabilitation, River Drive Sanitary Sewer Overflow Elimination project mandated by the EPA and various stormwater projects. In total, \$10,121,200 has been allocated for fiscal year 2012 with grants offsetting \$1,866,070 of the project costs. The remainder of the funding will come from the City's home rule sales tax, utility tax, state motor fuel tax allocation and user fees from the water, water pollution control and stormwater utilities.

## **City of Moline, Illinois**

### **Management's Discussion and Analysis Fiscal Year Ended December 31, 2011**

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The City continues to experience declines or stagnant growth in major revenue sources coupled with significant increases in uncontrollable expenditures such as police and fire pensions, contractual union wage rates, road salt, fuel, health care coverage, liability insurance and workers compensation. The City has also had to absorb the adverse impacts of actions by the State of Illinois in recent years, including reductions in state shared revenues, delayed payments, increased property tax exemptions, and new or increased state mandated fees. In an effort to confront these challenges, the City not only has fewer employees, but has eliminated or delayed general wage increases, implemented furlough days, eliminated the tuition reimbursement program and reduced employee training and professional development opportunities.

All of these factors were considered in preparing the City of Moline, Illinois' budget for the December 31, 2012 fiscal year.

#### **Requests for Information**

These financial statements and discussions are designed to provide our citizens, taxpayers, investors and creditors with a complete disclosure of the City's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write Kathleen A. Carr, Finance Director, City of Moline, 1630 – 8<sup>th</sup> Avenue, Moline, Illinois 61265.

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City of Moline, Illinois

Statement of Net Assets  
December 31, 2011

|   | Primary Government         |                             |                       |
|---|----------------------------|-----------------------------|-----------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total                 |
| <b>Assets</b>   |                            |                             |                       |
| Current assets:   |                            |                             |                       |
| Cash and cash equivalents                                   | \$ 12,926,618              | \$ 3,150,364                | \$ 16,076,982         |
| Restricted cash and cash equivalents                        | 5,784,200                  | -                           | 5,784,200             |
| Investments   | 15,445,724                 | 6,500,554                   | 21,946,278            |
| Receivables:  |                            |                             |                       |
| Property taxes  | 19,489,928                 | -                           | 19,489,928            |
| Accounts, net of allowances for uncollectibles of \$130,074 | 1,896,864                  | 3,135,512                   | 5,032,376             |
| Accrued interest  | 29,634                     | -                           | 29,634                |
| Loans   | 1,276,900                  | -                           | 1,276,900             |
| Other taxes   | 7,054,630                  | -                           | 7,054,630             |
| Due from other governmental units                           | 3,561,836                  | 145,256                     | 3,707,092             |
| Internal balances   | (4,390,116)                | 4,390,116                   | -                     |
| Inventories   | 163,230                    | 73,194                      | 236,424               |
| Prepaid expenses  | 18,462                     | -                           | 18,462                |
| <b>Total current assets</b>                                 | <b>63,257,910</b>          | <b>17,394,996</b>           | <b>80,652,906</b>     |
| Noncurrent assets:  |                            |                             |                       |
| Loans   | 6,314,998                  | -                           | 6,314,998             |
| Bond issuance costs   | 531,938                    | 70,986                      | 602,924               |
| Pension assets  | 6,213,417                  | -                           | 6,213,417             |
| Capital assets:   |                            |                             |                       |
| Land  | 13,808,738                 | 389,419                     | 14,198,157            |
| Construction-in-progress                                    | 848,870                    | -                           | 848,870               |
| Land improvements   | 10,360,614                 | 799,830                     | 11,160,444            |
| Buildings and improvements                                  | 53,662,556                 | 56,309,917                  | 109,972,473           |
| Major movable equipment                                     | 3,820,858                  | 14,929,374                  | 18,750,232            |
| Vehicles  | 11,959,328                 | -                           | 11,959,328            |
| Infrastructure  | 70,490,397                 | 67,564,928                  | 138,055,325           |
| Less accumulated depreciation                               | (64,632,089)               | (54,545,414)                | (119,177,503)         |
| <b>Total capital assets</b>                                 | <b>100,319,272</b>         | <b>85,448,054</b>           | <b>185,767,326</b>    |
| <b>Total noncurrent assets</b>                              | <b>113,379,625</b>         | <b>85,519,040</b>           | <b>198,898,665</b>    |
| <b>Total assets</b>   | <b>\$ 176,637,535</b>      | <b>\$ 102,914,036</b>       | <b>\$ 279,551,571</b> |

See Notes to Basic Financial Statements.

|  | Primary Government    |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
|  | Governmental          | Business-Type         | Total                 |
|  | Activities            | Activities            |                       |
| <b>Liabilities and Net Assets</b>  |                       |                       |                       |
| Liabilities  |                       |                       |                       |
| Current liabilities:   |                       |                       |                       |
| Accounts payable   | \$ 2,070,436          | \$ 301,468            | \$ 2,371,904          |
| Accrued expenses   | 989,026               | 192,634               | 1,181,660             |
| Claims payable   | 1,338,970             | -                     | 1,338,970             |
| Compensated absences   | 1,174,820             | 219,328               | 1,394,148             |
| Accrued interest payable   | 420,140               | 211,946               | 632,086               |
| Unearned revenue   | 18,290,372            | -                     | 18,290,372            |
| Deposits   | 76,940                | 172,942               | 249,882               |
| Line of credit   | 8,678,236             | -                     | 8,678,236             |
| Current maturities of long-term debt   | 4,744,697             | 1,270,370             | 6,015,067             |
| <b>Total current liabilities</b>   | <b>37,783,637</b>     | <b>2,368,688</b>      | <b>40,152,325</b>     |
| Noncurrent liabilities:  |                       |                       |                       |
| Claims payable   | 814,662               | -                     | 814,662               |
| Compensated absences   | 3,524,460             | 657,984               | 4,182,444             |
| Other postemployment benefits obligation   | 783,349               | 98,479                | 881,828               |
| IMRF pension obligation  | 708,338               | -                     | 708,338               |
| Due to other governments   | 50,000                | -                     | 50,000                |
| IEPA loan, net of current maturities   | -                     | 7,817,133             | 7,817,133             |
| Installment notes, net of current maturities   | -                     | 1,752,479             | 1,752,479             |
| General obligation bonds payable, net of deferred amount on<br>refunding, bond discounts and premium | 61,858,249            | 8,067,893             | 69,926,142            |
| <b>Total noncurrent liabilities</b>  | <b>67,739,058</b>     | <b>18,393,968</b>     | <b>86,133,026</b>     |
| <b>Total liabilities</b>   | <b>105,522,695</b>    | <b>20,762,656</b>     | <b>126,285,351</b>    |
| Net assets:  |                       |                       |                       |
| Invested in capital assets, net of related debt  | 64,773,235            | 66,540,179            | 131,313,414           |
| Restricted for:  |                       |                       |                       |
| Tax increment financing districts  | 179,098               | -                     | 179,098               |
| Special service areas  | 246,074               | -                     | 246,074               |
| Tourism  | 1,052,462             | -                     | 1,052,462             |
| Debt service   | 680,494               | -                     | 680,494               |
| Cemeteries   | 238,840               | -                     | 238,840               |
| Culture and recreation   | 629,458               | -                     | 629,458               |
| Libraries  | 498,092               | -                     | 498,092               |
| Community development block grant  | 227,950               | -                     | 227,950               |
| Public safety  | 194,916               | -                     | 194,916               |
| Capital improvements and equipment   | 786,607               | -                     | 786,607               |
| Pension benefits   | 6,213,417             | -                     | 6,213,417             |
| Unrestricted   | (4,605,803)           | 15,611,201            | 11,005,398            |
| <b>Total net assets</b>  | <b>71,114,840</b>     | <b>82,151,380</b>     | <b>153,266,220</b>    |
| <b>Total liabilities and net assets</b>  | <b>\$ 176,637,535</b> | <b>\$ 102,914,036</b> | <b>\$ 279,551,571</b> |

City of Moline, Illinois

Statement of Activities  
Year Ended December 31, 2011

| Functions/Programs                    | Expenses             | Program Revenues               |                                    |                                  |
|---------------------------------------|----------------------|--------------------------------|------------------------------------|----------------------------------|
|                                       |                      | Charges for Sales and Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary Government</b>             |                      |                                |                                    |                                  |
| Governmental activities:              |                      |                                |                                    |                                  |
| General government                    | \$ 3,048,061         | \$ 1,663,452                   | \$ 452,430                         | \$ -                             |
| Public safety                         | 23,931,072           | 1,692,816                      | 583,974                            | -                                |
| Public works                          | 14,854,483           | 869,270                        | 1,375,564                          | -                                |
| Economic development                  | 12,199,242           | 890,973                        | 5,791,971                          | -                                |
| Culture and recreation                | 2,290,352            | 694,276                        | 53,200                             | -                                |
| Libraries                             | 4,296,255            | 88,446                         | 85,658                             | 44,790                           |
| Interest on long-term debt            | 3,367,407            | -                              | -                                  | -                                |
| <b>Total governmental activities</b>  | <b>63,986,872</b>    | <b>5,899,233</b>               | <b>8,342,797</b>                   | <b>44,790</b>                    |
| Business-type activities:             |                      |                                |                                    |                                  |
| Water                                 | 6,931,688            | 7,124,628                      | -                                  | -                                |
| Water pollution control               | 5,874,480            | 7,016,140                      | -                                  | -                                |
| Storm water utility                   | 873,083              | 998,088                        | -                                  | -                                |
| <b>Total business-type activities</b> | <b>13,679,251</b>    | <b>15,138,856</b>              | <b>-</b>                           | <b>-</b>                         |
| <b>Total primary government</b>       | <b>\$ 77,666,123</b> | <b>\$ 21,038,089</b>           | <b>\$ 8,342,797</b>                | <b>\$ 44,790</b>                 |

**General Revenues**

- Taxes:
  - Property taxes
  - Sales taxes
  - Home rule tax
  - Income tax
  - Personal property replacement tax
  - Hotel/motel tax
  - Other taxes
  - Franchise taxes
  - Investment earnings
  - Miscellaneous

**Transfers**

**Total general revenues and transfers**

- Changes in net assets
- Net assets, beginning of year
- Net assets, end of year

See Notes to Basic Financial Statements.

| Net (Expense) Revenue and Changes in Net Assets |                             |                |
|---|-----------------------------|----------------|
| Primary Government                              |                             |                |
| Governmental<br>Activities                      | Business-Type<br>Activities | Total          |
| \$ (932,179)                                    | \$ -                        | \$ (932,179)   |
| (21,654,282)                                    | -                           | (21,654,282)   |
| (12,609,649)                                    | -                           | (12,609,649)   |
| (5,516,298)                                     | -                           | (5,516,298)    |
| (1,542,876)                                     | -                           | (1,542,876)    |
| (4,077,361)                                     | -                           | (4,077,361)    |
| (3,367,407)                                     | -                           | (3,367,407)    |
| (49,700,052)                                    | -                           | (49,700,052)   |
| -   | 192,940                     | 192,940        |
| -   | 1,141,660                   | 1,141,660      |
| -   | 125,005                     | 125,005        |
| -   | 1,459,605                   | 1,459,605      |
| (49,700,052)                                    | 1,459,605                   | (48,240,447)   |
| 17,830,538                                      | -                           | 17,830,538     |
| 10,683,518                                      | -                           | 10,683,518     |
| 8,207,285                                       | -                           | 8,207,285      |
| 3,108,624                                       | -                           | 3,108,624      |
| 2,245,652                                       | -                           | 2,245,652      |
| 1,269,800                                       | -                           | 1,269,800      |
| 4,260,755                                       | -                           | 4,260,755      |
| 2,305,142                                       | -                           | 2,305,142      |
| 543,568   | 15,132                      | 558,700        |
| 741,666   | 10,674                      | 752,340        |
| 28,714  | (28,714)                    | -              |
| 51,225,262                                      | (2,908)                     | 51,222,354     |
| 1,525,210                                       | 1,456,697                   | 2,981,907      |
| 69,589,630                                      | 80,694,683                  | 150,284,313    |
| \$ 71,114,840                                   | \$ 82,151,380               | \$ 153,266,220 |

City of Moline, Illinois

**Balance Sheet**  
**Governmental Funds**  
**December 31, 2011**

| Assets   | Primary Government   |                     |                               |                     |
|--|----------------------|---------------------|-------------------------------|---------------------|
|  | General              | Park                | Tax Increment<br>Financing #1 | Debt Service        |
| Cash and cash equivalents  | \$ 745,276           | \$ 381,626          | \$ -                          | \$ 1,100,634        |
| Restricted cash and cash equivalents                             | -                    | -                   | -                             | -                   |
| Investments  | 4,840,420            | -                   | -                             | -                   |
| Receivables:   |                      |                     |                               |                     |
| Property taxes   | 9,450,552            | 2,715,036           | 3,214,782                     | -                   |
| Accounts, net of allowance for<br>collection losses of \$116,454 | 1,778,120            | 30,276              | 2,500                         | -                   |
| Accrued interest   | -                    | -                   | 1,442                         | -                   |
| Loans  | -                    | -                   | 916,900                       | 6,556,760           |
| Other taxes  | 5,360,364            | -                   | 68,922                        | -                   |
| Due from other governmental units                                | 116,218              | 36,468              | 587,690                       | -                   |
| Due from other funds   | 1,611,896            | -                   | -                             | -                   |
| Inventories  | 12,504               | -                   | -                             | -                   |
| Prepaid items  | -                    | 18,462              | -                             | -                   |
| Interfund advances   | 4,018,818            | -                   | -                             | -                   |
| <b>Total assets</b>  | <b>\$ 27,934,168</b> | <b>\$ 3,181,868</b> | <b>\$ 4,792,236</b>           | <b>\$ 7,657,394</b> |
| <b>Liabilities and Fund Balances (Deficits)</b>                  |                      |                     |                               |                     |
| Liabilities:   |                      |                     |                               |                     |
| Accounts payable   | \$ 404,914           | \$ 86,814           | \$ 11,978                     | \$ -                |
| Accrued expenses   | 783,158              | 22,234              | 7,226                         | -                   |
| Due to other funds   | 250                  | -                   | 4,418,888                     | -                   |
| Due to other governments   | -                    | -                   | 50,000                        | -                   |
| Deferred and unearned revenue                                    | 11,668,438           | 2,612,266           | 4,304,836                     | -                   |
| Deposits   | 65,080               | 700                 | -                             | -                   |
| Line of credit   | -                    | -                   | -                             | 6,556,760           |
| Interfund advances   | -                    | -                   | 4,018,818                     | -                   |
| <b>Total liabilities</b>   | <b>12,921,840</b>    | <b>2,722,014</b>    | <b>12,811,746</b>             | <b>6,556,760</b>    |
| Fund balances (deficits):  |                      |                     |                               |                     |
| Nonspendable   | 4,031,322            | 18,462              | -                             | -                   |
| Restricted   | 345,609              | 441,392             | -                             | 1,100,634           |
| Committed  | -                    | -                   | -                             | -                   |
| Assigned   | -                    | -                   | -                             | -                   |
| Unassigned   | 10,635,397           | -                   | (8,019,510)                   | -                   |
| <b>Total fund balances (deficits)</b>                            | <b>15,012,328</b>    | <b>459,854</b>      | <b>(8,019,510)</b>            | <b>1,100,634</b>    |
| <b>Total liabilities and<br/>fund balances</b>                   | <b>\$ 27,934,168</b> | <b>\$ 3,181,868</b> | <b>\$ 4,792,236</b>           | <b>\$ 7,657,394</b> |

See Notes to Basic Financial Statements.

| Nonmajor             |           |                   |  |
|----------------------|-----------|-------------------|--|
| Governmental Funds   |           | Total             |  |
| \$ 3,290,468         | \$        | 5,518,004         |  |
| 5,784,200            |           | 5,784,200         |  |
| 1,004,732            |           | 5,845,152         |  |
| 4,109,558            |           | 19,489,928        |  |
| 85,968               |           | 1,896,864         |  |
| 23,778               |           | 25,220            |  |
| 118,238              |           | 7,591,898         |  |
| 1,625,344            |           | 7,054,630         |  |
| 2,821,460            |           | 3,561,836         |  |
| 504,322              |           | 2,116,218         |  |
| -                    |           | 12,504            |  |
| -                    |           | 18,462            |  |
| 431,602              |           | 4,450,420         |  |
| <u>\$ 19,799,670</u> | <u>\$</u> | <u>63,365,336</u> |  |
| <br>                 |           |                   |  |
| \$ 1,223,563         | \$        | 1,727,269         |  |
| 117,226              |           | 929,844           |  |
| 3,131,576            |           | 7,550,714         |  |
| -                    |           | 50,000            |  |
| 5,394,108            |           | 23,979,648        |  |
| 11,160               |           | 76,940            |  |
| 2,121,476            |           | 8,678,236         |  |
| 431,602              |           | 4,450,420         |  |
| <u>12,430,711</u>    |           | <u>47,443,071</u> |  |
| <br>                 |           |                   |  |
| 527,840              |           | 4,577,624         |  |
| 9,396,305            |           | 11,283,940        |  |
| 2,034,819            |           | 2,034,819         |  |
| 45,054               |           | 45,054            |  |
| (4,635,059)          |           | (2,019,172)       |  |
| <u>7,368,959</u>     |           | <u>15,922,265</u> |  |
| <br>                 |           |                   |  |
| <u>\$ 19,799,670</u> | <u>\$</u> | <u>63,365,336</u> |  |

**City of Moline, Illinois**

**Reconciliation of Governmental Funds Balance Sheet  
to the Statement of Net Assets  
December 31, 2011**

|   |    |                     |                   |
|---|----|---------------------|-------------------|
| Total governmental fund balances  |    | \$                  | 15,922,265        |
| Amounts reported for governmental activities in the statement of net assets are different because capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds: |    |                     |                   |
| Land  | \$ | 13,808,738          |                   |
| Construction-in-progress  |    | 848,870             |                   |
| Land improvements   |    | 10,360,614          |                   |
| Buildings and improvements  |    | 53,662,556          |                   |
| Major movable equipment   |    | 3,513,487           |                   |
| Infrastructure  |    | 70,490,397          |                   |
| Accumulated depreciation  |    | <u>(57,733,988)</u> | 94,950,674        |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:  |    |                     |                   |
| Deferred revenues   |    | 5,689,276           |                   |
| Police net pension asset  |    | 2,070,930           |                   |
| Firefighters' net pension asset   |    | <u>4,142,487</u>    | 11,902,693        |
| Internal service funds are used by management to charge the costs of certain services to individual funds.  |    |                     |                   |
| The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets:  |    |                     |                   |
| Capital assets:   |    |                     |                   |
| Vehicles  |    | 11,959,328          |                   |
| Major movable equipment   |    | 307,371             |                   |
| Accumulated depreciation  |    | (6,898,101)         |                   |
| Other current assets  |    | 17,164,326          |                   |
| Internal balances   |    | 5,450,554           |                   |
| Compensated absences, current   |    | (37,489)            |                   |
| Other current liabilities   |    | (1,741,319)         |                   |
| Compensated absences, noncurrent  |    | (112,468)           |                   |
| Claims payable  |    | <u>(814,662)</u>    | 25,277,540        |
| Internal service funds allocated to business-type activities  |    |                     | (4,406,174)       |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:  |    |                     |                   |
| Compensated absences, current   |    | (1,137,331)         |                   |
| Compensated absences, noncurrent  |    | (3,411,992)         |                   |
| Other postemployment benefits obligation  |    | (783,349)           |                   |
| IMRF pension obligation   |    | (708,338)           |                   |
| Accrued interest payable  |    | (420,140)           |                   |
| General obligation bonds payable, current   |    | (3,801,171)         |                   |
| General obligation bonds payable, noncurrent  |    | (61,803,744)        |                   |
| Installment, current  |    | (943,526)           |                   |
| Bond issuance costs   |    | 531,938             |                   |
| Bond discounts  |    | 287,220             |                   |
| Bond deferred amount on refunding   |    | 472,291             |                   |
| Bond premiums   |    | <u>(814,016)</u>    | (72,532,158)      |
| <b>Net assets of governmental activities</b>  |    | <u>\$</u>           | <u>71,114,840</u> |

See Notes to Basic Financial Statements.

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City of Moline, Illinois

Statement of Revenues, Expenditures and Changes In Fund Balances (Deficits)  
 Governmental Funds  
 Year Ended December 31, 2011

|  | Primary Government |                  |                               |                    |
|--|--------------------|------------------|-------------------------------|--------------------|
|  | General            | Park             | Tax Increment<br>Financing #1 | Debt Service       |
| <b>Revenues:</b>   |                    |                  |                               |                    |
| Taxes  | \$ 31,521,808      | \$ 2,784,574     | \$ 3,197,128                  | \$ -               |
| Licenses and permits   | 826,474            | -                | -                             | -                  |
| Intergovernmental  | 583,974            | 26,924           | 127,614                       | -                  |
| Charges for services   | 4,724,640          | 691,556          | 77,770                        | -                  |
| Fines and forfeitures  | 387,682            | -                | -                             | -                  |
| Use of money and property                                    | 39,722             | 133,590          | 115,512                       | 198,033            |
| Contributions  | -                  | 3,900            | -                             | -                  |
| Miscellaneous  | 437,185            | 4,574            | 8,701                         | -                  |
| <b>Total revenues</b>  | <b>38,521,485</b>  | <b>3,645,118</b> | <b>3,526,725</b>              | <b>198,033</b>     |
| <b>Expenditures:</b>   |                    |                  |                               |                    |
| <b>Current:</b>  |                    |                  |                               |                    |
| General government   | 2,322,864          | -                | -                             | -                  |
| Public safety  | 25,130,024         | -                | -                             | -                  |
| Public works   | 8,943,954          | -                | -                             | -                  |
| Economic development   | 1,104,562          | -                | 2,282,398                     | -                  |
| Culture and recreation                                       | -                  | 3,453,168        | -                             | -                  |
| Libraries  | -                  | -                | -                             | -                  |
| Capital outlay   | 487,626            | 348,980          | 313,696                       | -                  |
| <b>Debt Service:</b>   |                    |                  |                               |                    |
| Principal  | -                  | -                | -                             | 4,272,034          |
| Interest and fiscal agent fees                               | -                  | -                | 3,600                         | 3,362,482          |
| Bond issuance costs  | -                  | -                | -                             | 130,876            |
| <b>Total expenditures</b>                                    | <b>37,989,030</b>  | <b>3,802,148</b> | <b>2,599,694</b>              | <b>7,765,392</b>   |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>532,455</b>     | <b>(157,030)</b> | <b>927,031</b>                | <b>(7,567,359)</b> |
| <b>Other financing sources (uses):</b>                       |                    |                  |                               |                    |
| Issuance of long-term debt                                   | -                  | -                | -                             | 10,195,358         |
| Premium on bond issuance                                     | -                  | -                | -                             | 784,282            |
| Payment to bond escrow agent                                 | -                  | -                | -                             | (9,862,838)        |
| Transfers in   | 255,092            | 221,950          | 75,000                        | 7,501,072          |
| Transfers out  | (325,000)          | -                | (2,391,072)                   | -                  |
| Proceeds from sale of capital assets                         | 441,000            | -                | -                             | -                  |
| <b>Total other financing<br/>sources (uses)</b>              | <b>371,092</b>     | <b>221,950</b>   | <b>(2,316,072)</b>            | <b>8,617,874</b>   |
| <b>Net change in fund balances</b>                           | <b>903,547</b>     | <b>64,920</b>    | <b>(1,389,041)</b>            | <b>1,050,515</b>   |
| Fund balances (deficits), beginning of year                  | 14,108,781         | 394,934          | (6,630,469)                   | 50,119             |
| Fund balances (deficits), end of year                        | \$ 15,012,328      | \$ 459,854       | \$ (8,019,510)                | \$ 1,100,634       |

See Notes to Basic Financial Statements.

| Nonmajor            |  |                      |  |
|---------------------|--|----------------------|--|
| Governmental Funds  |  | Total                |  |
| \$ 12,105,746       |  | \$ 49,609,256        |  |
| -                   |  | 826,474              |  |
| 5,717,497           |  | 6,456,009            |  |
| 909,858             |  | 6,403,824            |  |
| 58,568              |  | 446,250              |  |
| 52,119              |  | 538,976              |  |
| 486,184             |  | 490,084              |  |
| 215,013             |  | 665,473              |  |
| <u>19,544,985</u>   |  | <u>65,436,346</u>    |  |
| 506,080             |  | 2,828,944            |  |
| -                   |  | 25,130,024           |  |
| 2,182,908           |  | 11,126,862           |  |
| 8,867,218           |  | 12,254,178           |  |
| 73,268              |  | 3,526,436            |  |
| 3,026,917           |  | 3,026,917            |  |
| 5,223,136           |  | 6,373,438            |  |
| -                   |  | 4,272,034            |  |
| 18,886              |  | 3,384,968            |  |
| 162,856             |  | 293,732              |  |
| <u>20,061,269</u>   |  | <u>72,217,533</u>    |  |
| <u>(516,284)</u>    |  | <u>(6,781,187)</u>   |  |
| 6,624,642           |  | 16,820,000           |  |
| 46,771              |  | 831,053              |  |
| -                   |  | (9,862,838)          |  |
| 42,480              |  | 8,095,594            |  |
| (5,350,808)         |  | (8,066,880)          |  |
| -                   |  | 441,000              |  |
| <u>1,363,085</u>    |  | <u>8,257,929</u>     |  |
| 846,801             |  | 1,476,742            |  |
| 6,522,158           |  | 14,445,523           |  |
| <u>\$ 7,368,959</u> |  | <u>\$ 15,922,265</u> |  |

**City of Moline, Illinois**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended December 31, 2011**

---

Net change in fund balances - governmental funds \$ 1,476,742

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which capital outlays exceeded depreciation in the current year:

|                |              |          |
|----------------|--------------|----------|
| Capital outlay | \$ 4,490,948 |          |
| Depreciation   | (4,532,369)  | (41,421) |
|                |              |          |

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations and disposals) is to increase/decrease net assets:

|                                      |             |             |
|--------------------------------------|-------------|-------------|
| Loss on the sale of capital assets   | (1,140,950) |             |
| Proceeds from sale of capital assets | (441,000)   | (1,581,950) |
|                                      |             |             |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

|                       |           |           |
|-----------------------|-----------|-----------|
| Home rule tax revenue | (26,819)  |           |
| Sales tax revenue     | (53,290)  |           |
| Local use tax revenue | 331,130   |           |
| Other tax revenue     | 51,037    |           |
| Charges for services  | (77,771)  |           |
| Grant revenues        | 1,441,495 | 1,665,782 |
|                       |           |           |

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:

|  |           |           |
|--|-----------|-----------|
| Change in compensated absences                     | 2,409,203 |           |
| Change in other postemployment benefits obligation | 63,355    |           |
| Change in IMRF pension obligation                  | (293,384) | 2,179,174 |
|  |           |           |

The issuance of long-term debt (e.g. bonds, loan, leases) 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 assets. 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. In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds an interest expenditure is reported when due. The following is the detail of the net effect of these differences in the treatment of long-term debt and related items:

|   |              |             |
|---|--------------|-------------|
| Issuance of long-term debt  | (16,820,000) |             |
| Payment to escrow agent, including \$252,838 deferred amount on refunding                 | 9,862,838    |             |
| Repayment of bond principal   | 4,272,034    |             |
| Bond issuance costs   | 293,732      |             |
| Bond premium  | (831,053)    |             |
| Decrease in accrued interest payable  | 145,713      |             |
| Amortization of bond issuance costs, discounts, deferred amount on refunding and premiums | (128,152)    | (3,204,888) |
|   |              |             |

(Continued)

City of Moline, Illinois

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities (Continued)  
Year Ended December 31, 2011**

---

|   |                            |
|---|----------------------------|
| Internal service funds are used by management to charge the costs of various activities internally to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities. | 1,475,594                  |
| Change in internal service fund allocation to business-type activities.   | (426,700)                  |
| The increase in pension asset resulting from contributions in excess of the annual required contribution for 2011 is not a financial resource and is not reported in the funds.   | (17,123)                   |
| <b>Change in net assets of governmental activities</b>  | <u><u>\$ 1,525,210</u></u> |

See Notes to Basic Financial Statements.

City of Moline, Illinois

**Balance Sheet  
Proprietary Funds  
December 31, 2011**

| Assets  | Business-Type Activities - Enterprise Funds |                         |                      |
|---|---|-------------------------|----------------------|
|   | Water                                       | Water Pollution Control | Storm Water Utility  |
| Current assets:   |   |                         |                      |
| Cash and cash equivalents                                     | \$ 1,522,804                                | \$ 985,686              | \$ 641,874           |
| Investments   | 3,000,208                                   | 3,500,346               | -                    |
| Receivables, net of allowance for uncollectibles of \$13,620: |   |                         |                      |
| Accounts  | 1,533,240                                   | 1,345,020               | 257,252              |
| Accrued interest  | -   | -                       | -                    |
| Due from other governmental units                             | 9,858                                       | 135,398                 | -                    |
| Due from other funds  | 250   | -                       | -                    |
| Inventory   | 64,244                                      | 8,950                   | -                    |
| <b>Total current assets</b>                                   | <b>6,130,604</b>                            | <b>5,975,400</b>        | <b>899,126</b>       |
| Noncurrent assets:  |   |                         |                      |
| Bond issuance costs   | 70,986                                      | -                       | -                    |
| Capital assets:   |   |                         |                      |
| Land  | 170,124                                     | 219,295                 | -                    |
| Land improvements   | 452,968                                     | 14,466                  | 332,396              |
| Buildings and improvements                                    | 34,920,667                                  | 21,389,250              | -                    |
| Major movable equipment                                       | 6,406,912                                   | 8,522,462               | -                    |
| Infrastructure  | 26,273,360                                  | 27,783,572              | 13,507,996           |
| Vehicles  | -   | -                       | -                    |
| Less accumulated depreciation                                 | (19,729,476)                                | (30,991,470)            | (3,824,468)          |
| <b>Total noncurrent assets</b>                                | <b>48,565,541</b>                           | <b>26,937,575</b>       | <b>10,015,924</b>    |
| <b>Total assets</b>   | <b>\$ 54,696,145</b>                        | <b>\$ 32,912,975</b>    | <b>\$ 10,915,050</b> |

(Continued)

|                           |                     | Governmental<br>Activities |                    |
|---------------------------|---------------------|----------------------------|--------------------|
| Total Enterprise<br>Funds |                     | Internal Service<br>Funds  |                    |
| \$                        | 3,150,364           | \$                         | 7,408,614          |
|                           | 6,500,554           |                            | 9,600,572          |
|                           | 3,135,512           |                            | -                  |
|                           | -                   |                            | 4,414              |
|                           | 145,256             |                            | -                  |
|                           | 250                 |                            | 5,450,554          |
|                           | 73,194              |                            | 150,726            |
|                           | <u>13,005,130</u>   |                            | <u>22,614,880</u>  |
|                           | 70,986              |                            | -                  |
|                           | 389,419             |                            | -                  |
|                           | 799,830             |                            | -                  |
|                           | 56,309,917          |                            | -                  |
|                           | 14,929,374          |                            | 307,371            |
|                           | 67,564,928          |                            | -                  |
|                           | -                   |                            | 11,959,328         |
|                           | <u>(54,545,414)</u> |                            | <u>(6,898,101)</u> |
|                           | <u>85,519,040</u>   |                            | <u>5,368,598</u>   |
| \$                        | <u>98,524,170</u>   | \$                         | <u>27,983,478</u>  |

City of Moline, Illinois

Balance Sheet (Continued)  
 Proprietary Funds  
 December 31, 2011

| Liabilities and Net Assets  | Business-Type Activities - Enterprise Funds |                         |                      |
|---|---|-------------------------|----------------------|
|   | Water                                       | Water Pollution Control | Storm Water Utility  |
| Current liabilities:  |   |                         |                      |
| Accounts payable  | \$ 117,668                                  | \$ 136,824              | \$ 46,976            |
| Accrued expenses  | 93,112                                      | 93,102                  | 6,420                |
| Claims payable  | -   | -                       | -                    |
| Compensated absences  | 95,036                                      | 121,594                 | 2,698                |
| Accrued interest payable  | 206,538                                     | -                       | 5,408                |
| Due to other funds  | 1,400                                       | 13,716                  | 1,192                |
| Deposits  | 172,942                                     | -                       | -                    |
| IEPA loan, current  | 558,319                                     | -                       | -                    |
| Installment note, current   | 123,223                                     | -                       | -                    |
| General obligation bonds  | 545,932                                     | -                       | 42,896               |
| <b>Total current liabilities</b>  | <b>1,914,170</b>                            | <b>365,236</b>          | <b>105,590</b>       |
| Noncurrent liabilities:   |   |                         |                      |
| Claims payable  | -   | -                       | -                    |
| Compensated absences  | 285,110                                     | 364,780                 | 8,094                |
| Other postemployment benefits obligation  | 47,174                                      | 51,305                  | -                    |
| IEPA loan, net of current maturities  | 7,817,133                                   | -                       | -                    |
| Installment note, net of current maturities   | 1,752,479                                   | -                       | -                    |
| General obligation bonds, net of deferred amount on refunding, bond discounts and premium | 7,387,379                                   | -                       | 680,514              |
| <b>Total noncurrent liabilities</b>   | <b>17,289,275</b>                           | <b>416,085</b>          | <b>688,608</b>       |
| <b>Total liabilities</b>  | <b>19,203,445</b>                           | <b>781,321</b>          | <b>794,198</b>       |
| Net assets:   |   |                         |                      |
| Invested in capital assets, net of related debt   | 30,310,090                                  | 26,937,575              | 9,292,514            |
| Restricted for construction   | -   | -                       | -                    |
| Unrestricted  | 5,182,610                                   | 5,194,079               | 828,338              |
| <b>Total net assets</b>   | <b>35,492,700</b>                           | <b>32,131,654</b>       | <b>10,120,852</b>    |
| <b>Total liabilities and net assets</b>   | <b>\$ 54,696,145</b>                        | <b>\$ 32,912,975</b>    | <b>\$ 10,915,050</b> |

See Notes to Basic Financial Statements.

|                           |                   | Governmental<br>Activities |                   |
|---------------------------|-------------------|----------------------------|-------------------|
| Total Enterprise<br>Funds |                   | Internal Service<br>Funds  |                   |
| \$                        | 301,468           | \$                         | 343,167           |
|                           | 192,634           |                            | 59,182            |
|                           | -                 |                            | 1,338,970         |
|                           | 219,328           |                            | 37,489            |
|                           | 211,946           |                            | -                 |
|                           | 16,308            |                            | -                 |
|                           | 172,942           |                            | -                 |
|                           | 558,319           |                            | -                 |
|                           | 123,223           |                            | -                 |
|                           | 588,828           |                            | -                 |
|                           | <u>2,384,996</u>  |                            | <u>1,778,808</u>  |
|                           | -                 |                            | 814,662           |
|                           | 657,984           |                            | 112,468           |
|                           | 98,479            |                            | -                 |
|                           | 7,817,133         |                            | -                 |
|                           | 1,752,479         |                            | -                 |
|                           | 8,067,893         |                            | -                 |
|                           | <u>18,393,968</u> |                            | <u>927,130</u>    |
|                           | <u>20,778,964</u> |                            | <u>2,705,938</u>  |
|                           | 66,540,179        |                            | 5,368,598         |
|                           | -                 |                            | -                 |
|                           | 11,205,027        |                            | 19,908,942        |
|                           | <u>77,745,206</u> |                            | <u>25,277,540</u> |
| \$                        | <u>98,524,170</u> | \$                         | <u>27,983,478</u> |

City of Moline, Illinois

Reconciliation of Proprietary Funds Net Assets to the Statement of Net Assets  
December 31, 2011

---

|   |                      |
|---|----------------------|
| Total enterprise funds net assets   | \$ 77,745,206        |
| Amounts reported for enterprise activities in the statement of net assets are different because:  |                      |
| Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. | 4,406,174            |
| <b>Net assets of business-type activities</b>   | <u>\$ 82,151,380</u> |

See Notes to Basic Financial Statements.

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City of Moline, Illinois

Statement of Revenues, Expenses and Changes in Net Assets  
 Proprietary Funds  
 Year Ended December 31, 2011

|  | Business-Type Activities - Enterprise Funds |                         |                      |
|--|---|-------------------------|----------------------|
|  | Water                                       | Water Pollution Control | Storm Water Utility  |
| Operating revenues:  |   |                         |                      |
| Charges for services   | \$ 6,979,162                                | \$ 6,936,212            | \$ 998,088           |
| Fines and forfeitures  | -   | -                       | -                    |
| Penalties  | 72,936                                      | 64,558                  | -                    |
| Miscellaneous  | 72,530                                      | 23,264                  | 2,780                |
| <b>Total operating revenues</b>                                  | <b>7,124,628</b>                            | <b>7,024,034</b>        | <b>1,000,868</b>     |
| Operating expenses:  |   |                         |                      |
| Salaries   | 1,951,232                                   | 1,737,078               | 136,714              |
| Employee benefits  | 598,674                                     | 625,451                 | 50,548               |
| Professional services  | 493,210                                     | 952,192                 | 114,674              |
| Property services  | 1,048,134                                   | 1,218,898               | 238,890              |
| Other services   | 268,676                                     | 190,460                 | 8,672                |
| Supplies   | 696,193                                     | 271,576                 | 15,786               |
| Depreciation   | 1,435,558                                   | 1,089,322               | 285,466              |
| Insurance claims and changes in reserves                         | -   | -                       | -                    |
| <b>Total operating expenses</b>                                  | <b>6,491,677</b>                            | <b>6,084,977</b>        | <b>850,750</b>       |
| <b>Operating income</b>  | <b>632,951</b>                              | <b>939,057</b>          | <b>150,118</b>       |
| Nonoperating revenues (expenses):                                |   |                         |                      |
| Investment earnings  | 13,028                                      | 1,750                   | 354                  |
| Interest expense   | (644,279)                                   | -                       | (34,268)             |
| Gain (loss) on sale of capital assets                            | -   | -                       | -                    |
| <b>Total nonoperating revenues (expenses)</b>                    | <b>(631,251)</b>                            | <b>1,750</b>            | <b>(33,914)</b>      |
| <b>Income before capital grants, contributions and transfers</b> | <b>1,700</b>                                | <b>940,807</b>          | <b>116,204</b>       |
| Capital grants and contributions                                 | -   | -                       | -                    |
| Transfers in   | -   | -                       | -                    |
| Transfers out  | -   | -                       | -                    |
| <b>Change in net assets</b>                                      | <b>1,700</b>                                | <b>940,807</b>          | <b>116,204</b>       |
| Total net assets, beginning of year                              | 35,491,000                                  | 31,190,847              | 10,004,648           |
| Total net assets, end of year                                    | <b>\$ 35,492,700</b>                        | <b>\$ 32,131,654</b>    | <b>\$ 10,120,852</b> |

See Notes to Basic Financial Statements.

| Nonmajor Enterprise Fund |               | Total Enterprise Funds | Governmental Activities Internal Service Funds |
|--------------------------|---------------|------------------------|--|
| Curbside Recycling       |               |                        |  |
| \$ -                     | \$ 14,913,462 | \$ 13,781,968          |  |
| -                        | -             | 12,668                 |  |
| -                        | 137,494       | -                      |  |
| -                        | 98,574        | 94,464                 |  |
| -                        | 15,149,530    | 13,889,100             |  |
| -                        | 3,825,024     | 1,169,429              |  |
| -                        | 1,274,673     | 418,078                |  |
| -                        | 1,560,076     | 740,974                |  |
| -                        | 2,505,922     | 480,500                |  |
| -                        | 467,808       | 338,236                |  |
| -                        | 983,555       | 1,394,560              |  |
| -                        | 2,810,346     | 953,021                |  |
| -                        | -             | 6,972,870              |  |
| -                        | 13,427,404    | 12,467,668             |  |
| -                        | 1,722,126     | 1,421,432              |  |
| -                        | 15,132        | 69,096                 |  |
| -                        | (678,547)     | -                      |  |
| -                        | -             | (30,698)               |  |
| -                        | (663,415)     | 38,398                 |  |
| -                        | 1,058,711     | 1,459,830              |  |
| -                        | -             | 15,764                 |  |
| -                        | -             | 31,340                 |  |
| (28,714)                 | (28,714)      | (31,340)               |  |
| (28,714)                 | 1,029,997     | 1,475,594              |  |
| 28,714                   | 76,715,209    | 23,801,946             |  |
| \$ -                     | \$ 77,745,206 | \$ 25,277,540          |  |

City of Moline, Illinois

**Reconciliation of the Change in Net Assets of Enterprise Funds to the Statement of Activities  
Year Ended December 31, 2011**

---

Net changes in net assets in enterprise funds \$ 1,029,997

Amounts reported for proprietary activities in the statement of activities  
are different because:

Internal service funds are used by management to charge the costs of  
various activities internally to individual funds. The net expense of certain  
activities of internal service funds is reported with business-type activities.

**Change in net assets of business-type activities**

426,700  
\$ 1,456,697

See Notes to Basic Financial Statements.

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City of Moline, Illinois

Statement of Cash Flows  
 Proprietary Funds  
 Year Ended December 31, 2011

|  | Business-Type Activities - Enterprise Funds |                         |                     |
|--|---|-------------------------|---------------------|
|  | Water                                       | Water Pollution Control | Storm Water Utility |
| Cash flows from operating activities:                              |   |                         |                     |
| Receipts from customers and users                                  | \$ 7,096,726                                | \$ 7,132,393            | \$ 993,696          |
| Payments to suppliers  | (2,724,227)                                 | (2,579,931)             | (533,453)           |
| Payments to employees  | (2,648,098)                                 | (2,546,243)             | (187,924)           |
| Claims paid  | -   | -                       | -                   |
| Other receipts   | 72,530                                      | 23,264                  | 2,780               |
| <b>Net cash provided by operating activities</b>                   | <b>1,796,931</b>                            | <b>2,029,483</b>        | <b>275,099</b>      |
| Cash flows from noncapital financing activities:                   |   |                         |                     |
| Proceeds from interfund accounts and advances                      | 1,208                                       | 100,750                 | -                   |
| (Payments on) interfund accounts and advances                      | (673,386)                                   | (165,362)               | (3,406)             |
| Transfers in   | -   | -                       | -                   |
| Transfers out  | -   | -                       | -                   |
| <b>Net cash (used in) noncapital financing activities</b>          | <b>(672,178)</b>                            | <b>(64,612)</b>         | <b>(3,406)</b>      |
| Cash flows from capital and related financing activities:          |   |                         |                     |
| Purchase of capital assets   | (237,561)                                   | (542,324)               | (540,777)           |
| Proceeds from sale of capital assets                               | -   | -                       | -                   |
| Payment on debt  | (1,172,417)                                 | -                       | (41,225)            |
| Interest paid on debt  | (652,098)                                   | -                       | (34,050)            |
| Capital grants and contributions                                   | -   | -                       | -                   |
| <b>Net cash (used in) capital and related financing activities</b> | <b>(2,062,076)</b>                          | <b>(542,324)</b>        | <b>(616,052)</b>    |
| Cash flows from investing activities:                              |   |                         |                     |
| Interest and dividends received                                    | 12,820                                      | 1,404                   | 354                 |
| Purchase of investments  | (3,000,000)                                 | (3,500,000)             | -                   |
| Maturity of investments  | -   | -                       | -                   |
| <b>Net cash provided by (used in) investing activities</b>         | <b>(2,987,180)</b>                          | <b>(3,498,596)</b>      | <b>354</b>          |
| <b>Increase (decrease) in cash and cash equivalents</b>            | <b>(3,924,503)</b>                          | <b>(2,076,049)</b>      | <b>(344,005)</b>    |
| Cash and cash equivalents, beginning of year                       | 5,447,307                                   | 3,061,735               | 985,879             |
| Cash and cash equivalents, end of year                             | <b>\$ 1,522,804</b>                         | <b>\$ 985,686</b>       | <b>\$ 641,874</b>   |

(Continued)

| Nonmajor Enterprise |                  | Governmental     |  |
|---------------------|------------------|------------------|--|
| Fund                |                  | Activities       |  |
| Curbside            | Total Enterprise | Internal Service |  |
| Recycling           | Funds            | Funds            |  |
| \$ 11,114           | \$ 15,233,929    | \$ 13,794,636    |  |
| -                   | (5,837,611)      | (2,977,485)      |  |
| -                   | (5,382,265)      | (1,719,936)      |  |
| -                   | -                | (7,306,184)      |  |
| -                   | 98,574           | 94,464           |  |
| 11,114              | 4,112,627        | 1,885,495        |  |
| -                   | 101,958          | 784,442          |  |
| -                   | (842,154)        | (4,274,329)      |  |
| -                   | -                | 31,340           |  |
| (28,714)            | (28,714)         | (31,340)         |  |
| (28,714)            | (768,910)        | (3,489,887)      |  |
| -                   | (1,320,662)      | (604,504)        |  |
| -                   | -                | 41,698           |  |
| -                   | (1,213,642)      | -                |  |
| -                   | (686,148)        | -                |  |
| -                   | -                | 15,764           |  |
| -                   | (3,220,452)      | (547,042)        |  |
| -                   | 14,578           | 72,366           |  |
| -                   | (6,500,000)      | (2,000,000)      |  |
| -                   | -                | 5,000,000        |  |
| -                   | (6,485,422)      | 3,072,366        |  |
| (17,600)            | (6,362,157)      | 920,932          |  |
| 17,600              | 9,512,521        | 6,487,682        |  |
| \$ -                | \$ 3,150,364     | \$ 7,408,614     |  |

City of Moline, Illinois

Statement of Cash Flows (Continued)  
 Proprietary Funds  
 Year Ended December 31, 2011

|  | Business-Type Activities - Enterprise Funds |                         |                     |
|--|---|-------------------------|---------------------|
|  | Water                                       | Water Pollution Control | Storm Water Utility |
| Reconciliation of operating income to net cash provided by operating activities:                     |   |                         |                     |
| Operating income   | \$ 632,951                                  | \$ 939,057              | \$ 150,118          |
| Adjustments to reconcile operating income to net cash provided by operating activities, depreciation | 1,435,558                                   | 1,089,322               | 285,466             |
| Change in assets and liabilities:  |   |                         |                     |
| Receivables  | 52,679                                      | 131,623                 | (4,392)             |
| Inventories  | 29,322                                      | (1,265)                 | -                   |
| Prepaid items  | -   | -                       | -                   |
| Accounts payable   | (247,336)                                   | 54,460                  | (155,431)           |
| Accrued expenses   | 2,495                                       | 4,712                   | 1,089               |
| Compensated absences   | (95,285)                                    | (183,543)               | (1,751)             |
| Other postemployment benefits obligation   | (5,402)                                     | (4,883)                 | -                   |
| Deposits   | (8,051)                                     | -                       | -                   |
| Claims payable   | -   | -                       | -                   |
| <b>Net cash provided by operating activities</b>   | <b>\$ 1,796,931</b>                         | <b>\$ 2,029,483</b>     | <b>\$ 275,099</b>   |
| Schedule of noncash items:   |   |                         |                     |
| Investing activities, increase in fair value of investments  | \$ 208                                      | \$ 346                  | \$ -                |

See Notes to Basic Financial Statements.

| Nonmajor Enterprise |                     | Governmental     |                  |
|---------------------|---------------------|------------------|------------------|
| Fund                | Total Enterprise    | Activities       |                  |
| Curbside Recycling  | Funds               | Internal Service | Funds            |
| \$ -                | \$ 1,722,126        | \$               | 1,421,432        |
| -                   | 2,810,346           |                  | 953,021          |
| 51,736              | 231,646             |                  | -                |
| -                   | 28,057              |                  | (40,420)         |
| -                   | -                   |                  | -                |
| (40,622)            | (388,929)           |                  | 17,205           |
| -                   | 8,296               |                  | 3,948            |
| -                   | (280,579)           |                  | (136,377)        |
| -                   | (10,285)            |                  | -                |
| -                   | (8,051)             |                  | -                |
| -                   | -                   |                  | (333,314)        |
| <u>\$ 11,114</u>    | <u>\$ 4,112,627</u> | <u>\$</u>        | <u>1,885,495</u> |
| \$ -                | \$ 554              | \$               | 7,377            |

City of Moline, Illinois

Statement of Fiduciary Net Assets  
Pension Trust Funds  
December 31, 2011

---

**Assets**

|  |                      |
|--|----------------------|
| Cash and cash equivalents                              | \$ 3,391,862         |
| Investments:   |                      |
| Common stock   | 18,418,962           |
| Mutual funds   | 27,932,782           |
| Receivables:   |                      |
| Employer contributions                                 | 6,084,640            |
| Accrued interest                                       | 26                   |
| <b>Total assets</b>                                    | <u>\$ 55,828,272</u> |
| <b>Net assets</b> , held in trust for pension benefits | <u>\$ 55,828,272</u> |

See Notes to Basic Financial Statements.

City of Moline, Illinois

Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended December 31, 2011

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Additions:

Contributions:

|                            |                  |
|----------------------------|------------------|
| Employer                   | \$ 6,082,002     |
| Plan member deposits       | 1,006,320        |
| <b>Total contributions</b> | <u>7,088,322</u> |

Net investment income (expense):

|   |                  |
|---|------------------|
| Net appreciation in fair value of investments | (1,464)          |
| Interest                                      | 1,319,690        |
| Investment expense                            | (148,660)        |
| <b>Net investment income (expense)</b>        | <u>1,169,566</u> |

|                        |                  |
|------------------------|------------------|
| <b>Total additions</b> | <u>8,257,888</u> |
|------------------------|------------------|

Deductions:

|                         |                  |
|-------------------------|------------------|
| Benefits                | 7,223,594        |
| Administrative expenses | 73,209           |
| <b>Total deductions</b> | <u>7,296,803</u> |

|                             |         |
|-----------------------------|---------|
| <b>Change in net assets</b> | 961,085 |
|-----------------------------|---------|

Net assets held in trust for benefits:

|                   |                      |
|-------------------|----------------------|
| Beginning of year | 54,867,187           |
| End of year       | <u>\$ 55,828,272</u> |

See Notes to Basic Financial Statements.

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## City of Moline, Illinois

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies**

##### **Nature of operations:**

The City of Moline, Illinois (the City) was incorporated in 1872 under the laws of the state of Illinois. The City is a home rule city and operates under a city administrator form of government. The City provides a full range of services to its residents including recreation and cultural events, community development, general administration services, individual and community protection, health, leisure time, environment preservation, planning and zoning, water and sewer service and highway and street construction and maintenance.

##### **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 these criteria, there were no other organizations, agencies, boards, commissions or authorities required to be included in the City's basic financial statements.

##### **Basis of presentation:**

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported as general revenues.

Notes to Basic Financial Statements

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**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

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. The focus of fund financial statements is on major funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

**Fund accounting:** The accounts of the City are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance/net assets, revenues and expenditures or expenses, as appropriate. The City has the following funds:

**Governmental Fund Types:** Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are paid; and the difference between governmental fund assets and liabilities, the fund equity, is referred to as “fund balance.” The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City’s major governmental funds:

**General Fund:** The General Fund is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Park Fund:** A special revenue fund that accounts for supplies and services necessary to operate the parks and recreational programs of the City. This fund is presented as major for public interest purposes.

**Tax Increment Financing #1 Fund:** A special revenue fund that accounts for the revenue and expenditures related to the 1st Tax Increment Financing District in Moline’s downtown.

**Debt Service Fund:** To account for the servicing of the general long-term debt related to the acquisition and construction of capital facilities and other capital assets of the City with the exception of those that are financed through proprietary funds.

**Proprietary Fund Types:** Proprietary fund types are used to account for a government’s ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows.

**Enterprise Funds:** To account for those operations that are financed and operated in a manner similar to private business or where the City has decided the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the City has elected to apply all applicable Financial Accounting Standards Board (FASB) guidance, issued on or before November 30, 1989, except for guidance which conflicts with or contradicts GASB pronouncements and has elected to not apply FASBs guidance issued subsequent to November 30, 1989.

City of Moline, Illinois

Notes to Basic Financial Statements

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**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

The following are the City's major enterprise funds:

**Water Fund:** To account for the operations of the City's water system.

**Water Pollution Control Fund:** To account for the operations of the City's sanitary sewer system.

**Storm Water Utility Fund:** To account for the operations of the City's storm water system.

**Internal Service Funds:** To finance and account for services and commodities provided by designated departments or agencies to other departments and agencies of the City.

The following are the City's internal service funds:

**Health Fund:** To account for the premiums and medical claims of all covered City employees and their covered dependents.

**Liability Fund:** To account for the premiums and the payment of claims for general worker's compensation, auto and property insurance.

**Fleet Fund:** To account for monies set aside annually for future vehicle replacement purchases.

**Information Technology Fund:** To account for monies set aside annually for future technology equipment replacement purchases.

**Fiduciary Fund Types:** Fiduciary fund types are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City has the following fiduciary fund types:

**Pension Trust Funds:** To account for the trust funds in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The pension trust funds account for the assets of the City's police and firefighter's pension plans.

**Police Pension Fund:** To account for the accumulation of resources needed to pay pension costs when due. Resources are contributions from police force members at rates fixed by state statutes and City contributions in the form of an annual property tax levy.

**Firefighters' Pension Fund:** To account for the accumulation of resources needed to pay pension costs when due. Resources are contributions from fire department members at rates fixed by state statutes and City contributions in the form of an annual property tax levy.

Notes to Basic Financial Statements

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**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

**Measurement focus and basis of accounting:**

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 budgeted. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City 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, pensions, other postemployment benefits, and claims and judgments, are recorded only when payment is due or matured.

Enterprise 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 an enterprise fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

**Summary of significant accounting policies:**

The significant accounting policies followed by the City include the following:

**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:** Are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales prices at current exchange rates.

The City invests in an external investment pool not SEC-registered, the Illinois Funds Money Market Fund. The Illinois Funds Money Market Fund is regulated by the State Treasurer's Office. The fair value of the position in the external investment pool is recorded at amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

**Revenue recognition:** In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. For derived tax revenues (i.e. sales taxes) revenues are recorded when the underlying exchange has occurred and the resources meet the availability criteria for government-mandated or voluntary nonexchange transactions, revenues are recognized when all eligibility requirements have been met and the resources meet the availability criteria.

## City of Moline, Illinois

### Notes to Basic Financial Statements

---

#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

Licenses and permits, fines and forfeitures, charges for sales and services (other than utility) and miscellaneous revenues are generally recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are measurable and available.

**Property tax revenue and receivables:** Property taxes are recognized as a receivable at the time an enforceable lien is placed on the property. The current taxes receivable represent the 2011 levy applicable to the fiscal year ended December 31, 2012. Property taxes are assessed in December and attach as an enforceable lien on the property as of the preceding January 1. These taxes become due and collectible in June, August, September and November of the following year and are collected by the County Collector who, in turn, remits to the City its respective share. The City receives these remittances approximately one month after the collection dates.

The City maintains home-rule status under Illinois statutes and, as such, no property tax limitations are imposed on the City by state law.

Taxes receivable represent property, sales and franchise taxes, including interest and penalties, reduced by an appropriate allowance for uncollectible taxes.

**Accounts receivable:** Result primarily from services provided to citizens and are accounted for in the governmental funds. Water services are accounted for in the Water Fund, and sewer and storm water utility services are accounted for in the Water Pollution Control Fund and Storm Water Utility Fund. The accounts receivable also include amounts unbilled. All are net of an allowance for uncollectibles.

**Inventories and prepaid items:** Consist of consumable supplies and are valued at cost using the first-in first-out (FIFO) method. The costs of Governmental Fund Type inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid items represent current expenditures which benefit future periods.

**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 statement of net assets. Bond premiums, discounts and deferred amounts of refunding, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

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. Bond principal payments are reported as debt service expenditures.

Notes to Basic Financial Statements

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**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

**Capital assets:** Including land, construction-in-progress, buildings and improvements, land improvements, major movable equipment, vehicles and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund type financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$15,000 and an initial useful life of one year or greater. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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 the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, net of investment income on project specific debt service expenditures, during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives for each capital asset type are as follows:

|  |               |
|--|---------------|
| Land improvements                            | 10 - 40 years |
| Buildings and improvements                   | 20 - 50 years |
| Major movable equipment                      | 4 - 40 years  |
| Vehicles                                     | 5 - 10 years  |
| General infrastructure                       | 7 - 50 years  |
| Water, storm and sewer system infrastructure | 40 -100 years |

The City's collection of works of art, library books and other similar assets are not capitalized. These collections are unencumbered, held for public exhibition and education, protected, cared for and preserved and subject to City policy that requires proceeds from the sale of these items to be used to acquire other collection items.

**Deferred and unearned revenues:** In the governmental funds, deferred revenues represent amounts due, which are measurable, but not available. In the statement of net assets and governmental funds, unearned revenues represent the deferral of property tax receivables which are levied for a future period and resources which have been received but are not yet earned.

**Interfund transactions:** Transactions among City funds that would be treated as revenues and expenditures or expenses if they involved organizations external to City government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

Notes to Basic Financial Statements

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**Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Noncurrent portions of long-term inter-fund loan receivables are reported as advances within the governmental funds and are offset equally by a nonspendable fund balance reserve amount which indicates they do not constitute expendable and available financial resources and, therefore, are not available for appropriation.

**Compensated absences:** Employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is compensated for accumulated vacation days. Employees are reimbursed for 50 percent of accumulated sick leave upon retirement, as defined by the different employee pension plans. Employees with 10 years of service but not eligible for retirement are reimbursed for 25 percent of accumulated sick leave, up to \$1,000 upon voluntary termination of employment. Employees, other than police and fire personnel, with eight years of service and who are at least 55 years of age, are reimbursed for 25 percent of accumulated sick leave upon voluntary termination of employment. Police officers and firefighters with 20 years of service, regardless of age, are reimbursed for 25 percent of accumulated sick leave.

For proprietary fund types and the government-wide statements, these accumulations are recorded as expenses and liabilities of the appropriate fund and activity in the fiscal year earned. For governmental fund types, the amount of accumulated unpaid compensated absences which are payable from available resources are recorded as a liability of the respective fund if they have matured, for example, as a result of employee retirements and resignations.

**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 ordinance or resolution approved prior to year-end. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to commit those amounts.

Assigned: Amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Administrator.

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.

## City of Moline, Illinois

### Notes to Basic Financial Statements

---

#### **Note 1. Nature of Operations, Reporting Entity, Basis of Presentation, Measurement Focus and Basis of Accounting and Summary of Significant Accounting Policies (Continued)**

**Net assets:** Represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt, excludes unspent debt proceeds. Unspent proceeds for the Tax Increment Financing #7 Fund was \$5,784,200. Net assets are reported as restricted when there are limitations imposed on their use through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Net assets restricted by enabling legislation includes \$179,098 for tax increment financing districts, \$246,074 for special service areas, \$1,052,462 for tourism, \$69,394 for fire department supplies and \$700,728 for motor fuel tax projects.

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Note 2. Deposits and Investments**

**Authorized investments:** State statutes authorize the City to make deposits/invest 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 agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Money Market Fund. Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, obligations of the state of Illinois and its political subdivisions, Illinois insurance company general and separate accounts and equity securities. By policy, the City will specifically avoid any purchase of financial forwards or futures, derivatives, inverse floaters, any leveraged investments, lending securities or reverse repurchase agreements. All investments, except for cash management accounts and the Illinois Public Treasurer's Investment Pool, shall be selected on the basis of negotiated bids.

The City maintains a cash and investment pool which is available for use by all funds, except the pension trust funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents." Income from investments purchased with pooled cash is allocated to individual funds based on the fund's average cash balance and legal requirements. In addition, investments are separately held by several of the City's funds.

The Trustees of both the Police and Firefighters' Pension Funds have adopted an asset allocation mix to serve as a general guide to the trustees and the Fund's investment manager. The following percentages dictate the specific allowable asset allocation structure for the plan: Domestic Equity Large Capitalization – 35 percent, Cash – 2 percent, Intermediate Duration Fixed Income – 53 percent, and Variable Annuity – 10 percent.

**City of Moline, Illinois**

**Notes to Basic Financial Statements**

**Note 2. Deposits and Investments (Continued)**

Interest rate risk: Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of a debt investment security. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Currently the City, the Police Pension Fund and the Firefighters' Pension Fund do not have a policy relating to the length of the maturity of a debt investment security. The investments held by the City and Pension Funds are not debt instruments and are therefore not subject to interest rate risk.

Credit risk: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City may invest in any type of security included on its allowable investment list as authorized by the Illinois Revised Statutes.

As of December 31, 2011, the City's investments were rated as follows:

| Investment type                             | Fair Value           | Moody's<br>Investor's Service | Standard and Poor's |
|---|----------------------|-------------------------------|---------------------|
| <b>The City of Moline</b>                   |                      |                               |                     |
| <b>Money Market Mutual Fund,</b>            |                      |                               |                     |
| Illinois Funds Money Market                 | <u>\$ 21,946,278</u> | N/R                           | AAAm                |
| <b>Police Pension Fund</b>                  |                      |                               |                     |
| <b>Mutual Funds:</b>                        |                      |                               |                     |
| DFA Invt Dimensions Group In Intr Gvt Bd Pt | \$ 4,338,592         | N/R                           | AAA                 |
| Pimco Investment Grd Corp Fund              | 4,234,500            | N/R                           | N/R                 |
| Vanguard GNMA Fund #536 Admiral Shares      | <u>5,079,705</u>     | N/R                           | AAA                 |
|   | <u>\$ 13,652,797</u> |                               |                     |
| <b>Firefighters' Pension Fund</b>           |                      |                               |                     |
| <b>Mutual Funds:</b>                        |                      |                               |                     |
| DFA Invt Dimensions Group In Intr Gvt Bd Pt | \$ 4,765,725         | N/R                           | AAA                 |
| Pimco Investment Grd Corp Fund              | 4,573,397            | N/R                           | N/R                 |
| Vanguard GNMA Fund #536 Admiral Shares      | <u>4,940,863</u>     | N/R                           | AAA                 |
|   | <u>\$ 14,279,985</u> |                               |                     |

## City of Moline, Illinois

### Notes to Basic Financial Statements

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#### Note 2. Deposits and Investments (Continued)

Concentration of credit risk: It is the policy of the City of Moline to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of a loss resulting in over concentration in a specific maturity, issuer or class of securities. It is the policy of the City of Moline to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of a loss resulting in over concentration in a specific maturity, issuer or class of securities. Money market mutual funds and mutual funds are not subject to this risk as the City and Pension Fund do not hold the underlying investments.

The trustees of the police and firefighters' pension plans desire to maintain a portfolio which provides a consistent flow of income to the fund while maintaining a relatively low degree of volatility and moderate growth. Fixed income and equity investments will be utilized in accordance with these purposes. There is no policy regarding the specific concentration of investments.

The investments above are investments in an external investment pool and, therefore, are not subject to concentration of credit risk.

Custodial credit risk: Custodial credit risk for deposits 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 custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

It is the policy of the City of Moline to require that funds on deposit in excess of FDIC or insurable limits be secured by some form of collateral to protect public deposits in a single financial institution if it were to default due to poor management or economic factors. The amount of collateral provided will be not less than 110 percent of the fair market value of the net amount of public funds secured. The City will not maintain funds in any financial institution that is not a member of the FDIC system. In addition, the City will not maintain funds in any institution not willing or capable of posting required collateral for funds in excess of FDIC insurable limits.

The Police and Firefighters' Pension Funds investment policies do not address custodial credit risk.

As of December 31, 2011, none of the City's bank balance of \$19,789,960 was exposed to custodial credit risk. None of the total Police Pension Fund bank balance of \$1,383,339 and Firefighters' Pension Fund bank balance of \$1,514,166 was exposed to custodial credit risk.

As of December 31, 2011, the City and pension funds did not have any investments exposed to custodial credit risk.

**City of Moline, Illinois**

**Notes to Basic Financial Statements**

**Note 3. Capital Assets**

The following is a summary of changes in capital assets for the year ended December 31, 2011:

|  | 2010 Balance          | Additions         | Deletions           | 2011 Balance          |
|--|-----------------------|-------------------|---------------------|-----------------------|
| <b>Governmental Activities</b>                     |                       |                   |                     |                       |
| Capital assets not being depreciated:              |                       |                   |                     |                       |
| Land   | \$ 13,982,142         | \$ 498,718        | \$ 672,122          | \$ 13,808,738         |
| Construction-in-progress                           | 1,079,448             | 152,514           | 383,092             | 848,870               |
| <b>Total capital assets not being depreciated</b>  | <b>15,061,590</b>     | <b>651,232</b>    | <b>1,055,214</b>    | <b>14,657,608</b>     |
| Capital assets being depreciated:                  |                       |                   |                     |                       |
| Land improvements                                  | 10,253,133            | 107,481           | -                   | 10,360,614            |
| Buildings and improvements                         | 54,683,797            | 477,591           | 1,498,832           | 53,662,556            |
| Major movable equipment                            | 3,800,470             | 118,425           | 98,037              | 3,820,858             |
| Vehicles   | 11,810,950            | 564,524           | 416,146             | 11,959,328            |
| Infrastructure                                     | 66,931,105            | 3,559,292         | -                   | 70,490,397            |
| <b>Total capital assets being depreciated</b>      | <b>147,479,455</b>    | <b>4,827,313</b>  | <b>2,013,015</b>    | <b>150,293,753</b>    |
| Less accumulated depreciation for:                 |                       |                   |                     |                       |
| Land improvements                                  | 5,052,297             | 438,536           | -                   | 5,490,833             |
| Buildings and improvements                         | 12,337,324            | 1,530,514         | 589,004             | 13,278,834            |
| Major movable equipment                            | 2,622,413             | 138,838           | 98,037              | 2,663,214             |
| Vehicles   | 6,256,596             | 948,897           | 343,749             | 6,861,744             |
| Infrastructure                                     | 33,908,859            | 2,428,605         | -                   | 36,337,464            |
| <b>Total accumulated depreciation</b>              | <b>60,177,489</b>     | <b>5,485,390</b>  | <b>1,030,790</b>    | <b>64,632,089</b>     |
| <b>Total capital assets being depreciated, net</b> | <b>87,301,966</b>     | <b>(658,077)</b>  | <b>982,225</b>      | <b>85,661,664</b>     |
| <b>Governmental activities capital assets, net</b> | <b>\$ 102,363,556</b> | <b>\$ (6,845)</b> | <b>\$ 2,037,439</b> | <b>\$ 100,319,272</b> |

City of Moline, Illinois

Notes to Basic Financial Statements

Note 3. Capital Assets (Continued)

|   | 2010 Balance         | Additions             | Deletions         | 2011 Balance         |
|---|----------------------|-----------------------|-------------------|----------------------|
| <b>Business-Type Activities</b>                     |                      |                       |                   |                      |
| Capital assets not being depreciated:               |                      |                       |                   |                      |
| Land  | \$ 389,419           | \$ -                  | \$ -              | \$ 389,419           |
| Construction-in-progress                            | 113,017              | -                     | 113,017           | -                    |
| <b>Total capital assets not being depreciated</b>   | <b>502,436</b>       | <b>-</b>              | <b>113,017</b>    | <b>389,419</b>       |
| Capital assets being depreciated:                   |                      |                       |                   |                      |
| Land improvements                                   | 467,434              | 332,396               | -                 | 799,830              |
| Buildings and improvements                          | 56,309,917           | -                     | -                 | 56,309,917           |
| Major movable equipment                             | 14,900,130           | 29,244                | -                 | 14,929,374           |
| Infrastructure                                      | 66,492,889           | 1,072,039             | -                 | 67,564,928           |
| <b>Total capital assets being depreciated</b>       | <b>138,170,370</b>   | <b>1,433,679</b>      | <b>-</b>          | <b>139,604,049</b>   |
| Less accumulated depreciation for:                  |                      |                       |                   |                      |
| Land improvements                                   | 419,787              | 34,079                | -                 | 453,866              |
| Buildings and improvements                          | 26,374,273           | 1,267,739             | -                 | 27,642,012           |
| Major movable equipment                             | 7,899,382            | 404,741               | -                 | 8,304,123            |
| Infrastructure                                      | 17,041,626           | 1,103,787             | -                 | 18,145,413           |
| <b>Total accumulated depreciation</b>               | <b>51,735,068</b>    | <b>2,810,346</b>      | <b>-</b>          | <b>54,545,414</b>    |
| <b>Total capital assets being depreciated, net</b>  | <b>86,435,302</b>    | <b>(1,376,667)</b>    | <b>-</b>          | <b>85,058,635</b>    |
| <b>Business-type activities capital assets, net</b> | <b>\$ 86,937,738</b> | <b>\$ (1,376,667)</b> | <b>\$ 113,017</b> | <b>\$ 85,448,054</b> |

Depreciation expense was charged to the functions of the government as follows:

|   |                     |
|---|---------------------|
| <b>Governmental Activities:</b>                             |                     |
| General government  | \$ 69,774           |
| Public safety   | 530,097             |
| Public works  | 2,986,483           |
| Economic development  | 118,119             |
| Culture and recreation                                      | 512,130             |
| Libraries   | 315,766             |
| Internal service  | 953,021             |
| <b>Total depreciation expense, governmental activities</b>  | <b>\$ 5,485,390</b> |
| <b>Business-Type Activities:</b>                            |                     |
| Water   | \$ 1,435,558        |
| Water pollution control                                     | 1,089,322           |
| Storm water utility   | 285,466             |
| <b>Total depreciation expense, business-type activities</b> | <b>\$ 2,810,346</b> |

Note 4. Loans Receivable

The City has long-term notes receivable from local businesses which are accounted for in the TIF #1 Fund. The notes receivable have an interest rate of 5.0 percent – 5.5 percent and require monthly payments. The final payments are due July 2012. The balance of the notes receivable as of December 31, 2011 was \$916,900. The notes receivable include balloon payments at the end of the term.

City of Moline, Illinois

Notes to Basic Financial Statements

**Note 5. Short-Term Debt**

In 2007, the City issued bonds in the amount of \$7,550,000 to facilitate a loan to the developer, Financial District Properties KP, LLC, for the purpose of financing property acquisition costs of Phase III of the Bass Street Landing Project. The bonds matured on December 30, 2010 in the amount of \$7,710,809. There were funds available to make the interest portion of the debt service but not the principal amount of \$7,550,000. The developer requested a three-year extension on the loan to allow time to negotiate a long-term lease of the two existing KONE buildings to retain these operations in Moline. A line of credit was approved to finance the three-year extension. The line of credit is due December 22, 2012.

In 2011, the City issued a second line of credit in the amount of \$2,121,476 to facilitate economic development within the TIF #2 project area. The line of credit was repaid with proceeds from bonds issued in February 2012.

|                                 | Balance<br>December 31,<br>2010 |                     |                   | Balance<br>December 31,<br>2011 |                     | Due Within<br>One Year |
|---------------------------------|---------------------------------|---------------------|-------------------|---------------------------------|---------------------|------------------------|
|                                 |                                 | Additions           | Retirements       |                                 |                     |                        |
| <b>Governmental Activities:</b> |                                 |                     |                   |                                 |                     |                        |
| Line of credit                  | \$ 7,007,951                    | \$ -                | \$ 451,191        | \$ 6,556,760                    | \$ 6,556,760        |                        |
| Line of credit                  | -                               | 2,121,476           | -                 | 2,121,476                       | 2,121,476           |                        |
|                                 | <u>\$ 7,007,951</u>             | <u>\$ 2,121,476</u> | <u>\$ 451,191</u> | <u>\$ 8,678,236</u>             | <u>\$ 8,678,236</u> |                        |

**Note 6. Long-Term Debt**

The following is a summary of changes in long-term debt for the year ended December 31, 2011:

|                                  | Balance<br>December 31,<br>2010 |                      |                      | Balance<br>December 31,<br>2011 |                     | Due Within<br>One Year |
|----------------------------------|---------------------------------|----------------------|----------------------|---------------------------------|---------------------|------------------------|
|                                  |                                 | Additions            | Retirements          |                                 |                     |                        |
| <b>Governmental Activities:</b>  |                                 |                      |                      |                                 |                     |                        |
| General obligation bonds         | \$ 62,316,949                   | \$ 16,820,000        | \$ 13,532,034        | \$ 65,604,915                   | \$ 3,801,171        |                        |
| Special service area bonds       | -                               | -                    | -                    | -                               | -                   |                        |
| Installment notes                | 1,293,526                       | -                    | 350,000              | 943,526                         | 943,526             |                        |
| Compensated absences             | 7,244,860                       | 1,076,850            | 3,622,430            | 4,699,280                       | 1,174,820           |                        |
|                                  | <u>\$ 70,855,335</u>            | <u>\$ 17,896,850</u> | <u>\$ 17,504,464</u> | <u>\$ 71,247,721</u>            | <u>\$ 5,919,517</u> |                        |
| <b>Business-Type Activities:</b> |                                 |                      |                      |                                 |                     |                        |
| General obligation bonds         | \$ 9,278,052                    | \$ -                 | \$ 552,965           | \$ 8,725,087                    | \$ 588,828          |                        |
| Installment note                 | 1,992,700                       | -                    | 116,998              | 1,875,702                       | 123,223             |                        |
| IEPA loan                        | 8,919,130                       | -                    | 543,678              | 8,375,452                       | 558,319             |                        |
| Compensated absences             | 1,157,891                       | 298,366              | 578,945              | 877,312                         | 219,328             |                        |
|                                  | <u>\$ 21,347,773</u>            | <u>\$ 298,366</u>    | <u>\$ 1,792,586</u>  | <u>\$ 19,853,553</u>            | <u>\$ 1,489,698</u> |                        |

Compensated absences attributable to governmental activities are generally liquidated by the General Fund. The City is a home rule municipality and, therefore, is not subject to the statutory general obligation debt limitations.

**General obligation bonds:** The City has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and to refund part of 2004 general obligation bonds. These bonds have been issued for both general government and proprietary activities. The general obligation bonds for governmental activities is being paid out of tax increment financing and Home Rule Sales Tax supplied through transfers from the Capital Projects Fund. Those bonds for proprietary activities are reported in the proprietary funds as they are expected to be repaid from proprietary revenues.

**City of Moline, Illinois**

**Notes to Basic Financial Statements**

**Note 6. Long-Term Debt (Continued)**

General obligation bonds currently outstanding for governmental activities are as follows:

| Issue  | Amount Issued         | Outstanding<br>December 31,<br>2011 |
|--|-----------------------|-------------------------------------|
| 2002 A Corporate Purpose general obligation bonds due in annual amounts of \$875,000 to \$1,600,000 through February 1, 2016; interest at 4.125% to 5.500%   | \$ 16,595,000         | \$ 4,270,000                        |
| 2002 B Corporate Purpose general obligation bonds due in annual amounts of \$600,000 to \$700,000 through November 1, 2013; interest at 4.00% to 4.25%   | 3,240,000             | 1,375,000                           |
| 2002 C Corporate Purpose general obligation bonds issued for capital asset purposes due in annual amounts of \$200,000 to \$365,000 through November 1, 2021; interest at 3.25% to 4.75%   | 5,000,000             | 3,040,000                           |
| 2003 Corporate Purpose general obligation bonds issued for capital asset purposes due in annual amounts of \$85,489 to \$180,629 through November 1, 2024; interest at 3.375% to 4.800%  | 9,225,000             | 1,804,915                           |
| 2003 A Corporate Purpose general obligation bonds issued for capital asset purposes due in annual amounts of \$85,000 to \$455,000 through November 1, 2020; interest at 4% to 5%  | 1,800,000             | 1,800,000                           |
| 2003 B Corporate Purpose Taxable general obligation bonds issued for capital asset purposes due in annual amounts of \$80,000 to \$1,080,000 through November 1, 2020; interest at 5.25% to 5.75%                                    | 7,875,000             | 7,025,000                           |
| 2003 C Corporate Purpose Taxable general obligation bonds issued for capital asset purposes due in annual amounts of \$115,000 to \$225,000 through November 1, 2020; interest at 4.5% to 6.0%                                       | 2,415,000             | 1,650,000                           |
| 2003 D Corporate Purpose general obligation bonds due in annual amounts of \$385,000 to \$820,000 through December 1, 2013; interest at 2% to 4%   | 6,330,000             | 1,205,000                           |
| 2004 A Corporate Purpose general obligation bonds issued for capital asset purposes due in annual amounts of \$530,000 to \$1,460,000 through December 1, 2030; interest at 3.500% to 5.000%   | 22,535,000            | 9,485,000                           |
| 2004 B & C Corporate Purpose general obligation bonds issued for capital asset purposes due in annual amounts of \$300,000 to \$1,160,000 through November 1, 2020; interest at 4.000% to 4.536%                                     | 8,990,000             | 7,450,000                           |
| 2007A Corporate Purpose general obligation bonds issued for temporary financing due in annual amounts of \$25,000 to \$1,445,000 through December 1, 2030; interest at 4.000% to 4.150%  | 10,000,000            | 9,680,000                           |
| 2011A Corporate Purpose general obligation bonds issued for capital asset purposes due in annual amounts of \$165,000 to \$790,000 through December 1, 2030; interest at 1.600% to 5.300%  | 7,605,000             | 7,605,000                           |
| 2011B Corporate Purpose general obligation bonds issued to advance refund outstanding General Obligation Bonds, Series 2002A due in annual amounts of \$10,000 to \$1,470,000 through February 1, 2022; interest at 2.000% to 4.000% | 9,215,000             | 9,215,000                           |
|  | <u>\$ 110,825,000</u> | <u>\$ 65,604,915</u>                |

**City of Moline, Illinois**

**Notes to Basic Financial Statements**

**Note 6. Long-Term Debt (Continued)**

General obligation bonds currently outstanding for proprietary activities are as follows:

| Issue  | Amount Issued        | Outstanding<br>December 31,<br>2011 |
|--|----------------------|-------------------------------------|
| 2003 A Corporate Purpose general obligation bonds due in annual amounts of \$189,971 to \$401,391 through November 1, 2024; interest at 3.375% to 4.800% | \$ 5,500,000         | \$ 4,010,842                        |
| 2003 B Corporate Purpose general obligation bonds due in annual amounts of \$34,540 to \$72,980 through November 1, 2024; interest at 3.375% to 4.800%   | 1,027,850            | 729,245                             |
| 2010 A Corporate Purpose general obligation bonds due in annual amounts of \$15,000 to \$435,000 through February 1, 2022; interest at 2.0% to 4.0%      | 4,000,000            | 3,985,000                           |
|  | <u>\$ 10,527,850</u> | <u>\$ 8,725,087</u>                 |

On July 5, 2011, the City issued \$7,605,000 in General Obligation Bonds, Series 2011A maturing December 1, 2014 through December 1, 2030 with interest rates ranging from 1.6 percent to 5.3 percent for the purpose of infrastructure and other redevelopment project costs in a tax increment finance district.

**Debt refunding:** On November 7, 2011, the City issued \$9,215,000 in General Obligation Corporate Purpose Bonds, Series 2011B maturing February 1, 2012 through February 1, 2022 with interest rates ranging from 2 percent to 4 percent to advance refund \$9,610,000 of the outstanding General Obligation Corporate Purpose Bonds, Series 2002A with interest rates from 4.5 percent to 5.5 percent. The net proceeds related to the partial refunding of \$9,862,837 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the portion on the Series 2002A being refunded.

The City completed the advance refunding to reduce its total debt service payments over the next eleven years by \$1,658,674 which resulted in an economic loss (difference between the present values of old and new debt service payments) of \$194,470.

**Installment contracts:** The City has the following installment contracts for governmental activities, which were used for the acquisition of capital assets:

| Issue   | Amount Issued       | Outstanding<br>December 31,<br>2011 |
|---|---------------------|-------------------------------------|
| 2002-A U.S. Government Guaranteed Notes, due in annual amounts of \$145,000 to \$265,000 through August 1, 2012; interest at 3.90% to 4.99%   | \$ 1,990,000        | \$ 265,000                          |
| Revolving Line of Credit, First Midwest Bank, due on May 2, 2012, with monthly interest payment at Wall Street Journal Prime Rate minus 0.5% multiplied by 66%, 3.25% as of December 31, 2011 | 2,900,000           | 678,526                             |
|   | <u>\$ 4,890,000</u> | <u>\$ 943,526</u>                   |

**City of Moline, Illinois**

**Notes to Basic Financial Statements**

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**Note 6. Long-Term Debt (Continued)**

Installment contracts currently outstanding for proprietary activities are as follows:

| Issue  | Amount Issued | Outstanding<br>December 31,<br>2011 |
|--|---------------|-------------------------------------|
| Revolving Line of Credit, First Midwest Bank, due in quarterly amounts of \$50,000 to \$57,529 through October 1, 2023; interest at 4.200% | \$ 2,000,000  | \$ 1,875,702                        |

**Illinois Environmental Protection Agency (IEPA) loan:** The City entered into a loan agreement with the Illinois Environmental Protection Agency on February 27, 2002 and amended on November 19, 2004, for the upgrade of the water treatment plant. The City draws down loan proceeds as construction progresses. Total borrowings available under this agreement are \$12,000,000. Under the terms of the agreement, the City was required to make semi-annual payments of principal and interest beginning January 19, 2005 through July 19, 2024 with interest at 2.675 percent.

| Issue   | Amount Issued | Outstanding<br>December 31,<br>2011 |
|---|---------------|-------------------------------------|
| Loan, Illinois Environmental Protection Agency, due in semi-annual payments of \$389,327 through July 19, 2024 including interest of 2.675% | \$ 12,000,000 | \$ 8,375,452                        |

City of Moline, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Debt (Continued)

**Summary of principal and interest maturities:** Annual debt service requirements to service all outstanding indebtedness as of December 31, 2011 are as follows:

| Year ending December 31: | Debt Service<br>General Obligation Bonds |                      | Debt Service<br>Installment Contracts |                  |
|--------------------------|--|----------------------|---------------------------------------|------------------|
|                          | Principal                                | Interest             | Principal                             | Interest         |
| 2012                     | \$ 3,801,171                             | \$ 2,819,860         | \$ 943,526                            | \$ 13,223        |
| 2013                     | 4,480,308                                | 2,749,350            | -                                     | -                |
| 2014                     | 4,319,445                                | 2,555,718            | -                                     | -                |
| 2015                     | 4,419,960                                | 2,366,624            | -                                     | -                |
| 2016                     | 4,724,097                                | 2,174,037            | -                                     | -                |
| 2017 - 2021              | 25,332,864                               | 7,387,389            | -                                     | -                |
| 2022 - 2026              | 10,202,069                               | 3,081,821            | -                                     | -                |
| 2027 - 2030              | 8,325,001                                | 965,058              | -                                     | -                |
|                          | <u>\$ 65,604,915</u>                     | <u>\$ 24,099,857</u> | <u>\$ 943,526</u>                     | <u>\$ 13,223</u> |

| Year ending December 31: | Business-Type Activities<br>General Obligation Bonds |                     | Business-Type Activities<br>IEPA Loan |                     |
|--------------------------|--|---------------------|---------------------------------------|---------------------|
|                          | Principal  | Interest            | Principal                             | Interest            |
| 2012                     | \$ 588,828   | \$ 542,517          | \$ 558,319                            | \$ 220,334          |
| 2013                     | 609,692  | 341,406             | 573,354                               | 205,299             |
| 2014                     | 620,555  | 323,952             | 588,794                               | 189,860             |
| 2015                     | 650,040  | 304,365             | 604,649                               | 174,004             |
| 2016                     | 670,904  | 282,518             | 620,932                               | 157,722             |
| 2017 - 2021              | 3,792,137  | 1,156,989           | 3,364,664                             | 528,603             |
| 2022 - 2024              | 1,792,931  | 400,223             | 2,064,740                             | 91,820              |
|                          | <u>\$ 8,725,087</u>                                  | <u>\$ 3,351,970</u> | <u>\$ 8,375,452</u>                   | <u>\$ 1,567,642</u> |

| Year ending December 31: | Business-Type Activities<br>Installment Contract |                   |
|--------------------------|--|-------------------|
|                          | Principal  | Interest          |
| 2012                     | \$ 123,223                                       | \$ 76,777         |
| 2013                     | 128,481  | 71,519            |
| 2014                     | 133,963  | 66,037            |
| 2015                     | 139,678  | 60,322            |
| 2016                     | 145,638  | 54,362            |
| 2017 - 2021              | 826,872  | 173,128           |
| 2022 - 2023              | 377,847  | 17,753            |
|                          | <u>\$ 1,875,702</u>                              | <u>\$ 519,898</u> |

**Prior year defeasance:** In 2007, the City defeased a portion of the GO Corporate Purpose Bonds Series 2004A with the issuance of GO Corporate Purpose Bonds Series 2007A. The proceeds were placed in an irrevocable trust to provide for the remaining principal and interest payments until they are callable. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of December 31, 2011, the remaining portion to be called by the escrow account is \$9,075,000.

## City of Moline, Illinois

### Notes to Basic Financial Statements

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#### Note 6. Long-Term Debt (Continued)

In 2011, the City defeased a portion of the GO Corporate Purpose Bonds Series 2002A with the issuance of GO Corporate Purpose Bonds Series 2011B. The proceeds were placed in an irrevocable trust to provide for the remaining principal and interest payments until they are callable. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of December 31, 2011, the remaining portion to be called by the escrow account is \$9,610,000.

**Legal debt margin:** The City is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

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

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

#### Note 7. Risk Management

The City has established 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 \$175,000 per occurrence and \$5,953,250 in the aggregate. The City has a \$100,000 deductible plan for general liability and a \$25,000 deductible for property. The deductible plan for workers' compensation is \$500,000 for all City employees. All claim procedures are performed by an independent claims administrator.

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 payouts, and other economic and social factors. Changes in the balances of claims payable during the years ended December 31, 2011 and 2010 are as follows:

|                                    | Insurance           |                     |
|------------------------------------|---------------------|---------------------|
|                                    | 2011                | 2010                |
| Unpaid claims, beginning of period | \$ 2,486,946        | \$ 2,008,661        |
| Incurred claims (including IBNR)   | 6,972,870           | 7,465,760           |
| Claims payments                    | 7,306,184           | 6,987,475           |
| Unpaid claims, end of period       | <u>\$ 2,153,632</u> | <u>\$ 2,486,946</u> |

Based on experience, \$1,338,970 of the claims payable as of December 31, 2011 is considered current and due within one year.

Each participating fund makes payments to the self-insurance funds for amounts which are actuarially determined. Such payments are displayed on the financial statements as revenues and expenditures/expenses.

There have been no significant reductions in insurance coverage in the current year from prior years. The amount of settlements have not exceeded insurance coverage in the past three fiscal years.

**City of Moline, Illinois**

**Notes to Basic Financial Statements**

**Note 8. Interfund Receivables and Payables**

The individual fund interfund receivable and payable balances as of December 31, 2011 are as follows:

|                             | Interfund<br>Receivable | Interfund<br>Payable |
|-----------------------------|-------------------------|----------------------|
| Governmental activities:    |                         |                      |
| Major governmental funds:   |                         |                      |
| General                     | \$ 1,611,896            | \$ 250               |
| Tax Increment Financing #1  | -                       | 4,418,888            |
| Nonmajor governmental funds | 504,322                 | 3,131,576            |
| Internal service funds      | 5,450,554               | -                    |
| Business-type activities:   |                         |                      |
| Major enterprise funds:     |                         |                      |
| Water                       | 250                     | 1,400                |
| Water pollution control     | -                       | 13,716               |
| Storm Water Utility         | -                       | 1,192                |
| <b>Total</b>                | <b>\$ 7,567,022</b>     | <b>\$ 7,567,022</b>  |

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

|  | Interfund<br>Advances<br>Receivable | Interfund<br>Advances<br>Payable |
|--|-------------------------------------|----------------------------------|
| Governmental activities:                         |                                     |                                  |
| Major governmental funds:                        |                                     |                                  |
| General Fund                                     | \$ 4,018,818                        | \$ -                             |
| Special Revenue Fund, Tax Increment Financing #1 | -                                   | 4,018,818                        |
| Nonmajor governmental funds                      | 431,602                             | 431,602                          |
| <b>Total</b>                                     | <b>\$ 4,450,420</b>                 | <b>\$ 4,450,420</b>              |

The General Fund advance is to assist with debt payments until the Tax Increment Financing #1 District generates enough tax dollars to meet the debt payments. The nonmajor fund Capital Projects Fund advanced the Sanitation fund capital improvement funding to be repaid with future charges for services.

**Note 9. Interfund Transfers**

The following is a schedule of transfers as included in the basic financial statements of the City:

|  | Transfers In        | Transfers Out       |
|--|---------------------|---------------------|
| Governmental activities:                     |                     |                     |
| Major governmental funds:                    |                     |                     |
| General                                      | \$ 255,092          | \$ 325,000          |
| Park   | 221,950             | -                   |
| Tax Increment Financing #1                   | 75,000              | 2,391,072           |
| Debt service                                 | 7,501,072           | -                   |
| Nonmajor governmental funds                  | 42,480              | 5,350,808           |
| Internal service funds                       | 31,340              | 31,340              |
| Business-type activities, curbside recycling | -                   | 28,714              |
| <b>Total</b>                                 | <b>\$ 8,126,934</b> | <b>\$ 8,126,934</b> |

## City of Moline, Illinois

### Notes to Basic Financial Statements

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#### **Note 9. Interfund Transfers (Continued)**

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 10. Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(g) which allows the plan to hold assets in trust. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Since the assets are held in trust, the liability and corresponding investment are not reflected in the financial statements.

#### **Note 11. Defined Benefit Pension Plans**

Plan descriptions and provisions:

##### **Illinois Municipal Retirement Fund**

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

Funding policy: As set by statute, the City's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2011 was 9.30 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 11.15 percent. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**City of Moline, Illinois**

**Notes to Basic Financial Statements**

**Note 11. Defined Benefit Pension Plans (Continued)**

Annual pension cost and net pension obligation: For 2011, the City's annual pension cost and net pension obligation to the regular employees IMRF plan are:

|  |                          |
|--|--------------------------|
| Annual required contribution                   | \$ 1,714,218             |
| Interest on net IMRF pension obligation        | 31,122                   |
| Adjustment to annual required contribution     | (21,725)                 |
| <b>Annual pension cost</b>                     | <u>1,723,615</u>         |
| Annual contributions made                      | <u>1,430,231</u>         |
| <b>Increase in IMRF pension obligation</b>     | 293,384                  |
| Net IMRF pension obligation, beginning of year | <u>414,954</u>           |
| Net IMRF pension obligation, end of year       | <u><u>\$ 708,338</u></u> |

The General Fund will liquidate the IMRF obligation in future years.

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit and (d) postretirement benefit increases of 3 percent annually. The actuarial value of the City's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investment over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The City's Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30-year basis.

| Three-Year Trend Information |                              |                                  |                           |
|------------------------------|------------------------------|----------------------------------|---------------------------|
| Actuarial Valuation Date     | Annual Pension Cost<br>(APC) | Percentage of APC<br>Contributed | Net Pension<br>Obligation |
| December 31, 2011            | \$ 1,723,615                 | 83%                              | \$ 708,338                |
| December 31, 2010            | 1,680,787                    | 75                               | 414,954                   |
| December 31, 2009            | 695,023                      | 100                              | -                         |

Funded status and funding progress: As of December 31, 2011, the most recent actuarial valuation date, the plan was 77.06 percent funded. The actuarial accrued liability for benefits was \$50,335,101, and the actuarial value of assets was \$38,790,390, resulting in an unfunded actuarial accrued liability (UAAL) of \$11,544,711. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$15,374,154 and the ratio of the UAAL to the covered payroll was 75 percent.

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

City of Moline, Illinois

Notes to Basic Financial Statements

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**Note 11. Defined Benefit Pension Plans (Continued)**

**Police Pension**

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single employer pension plan. The Plan does not issue a standalone financial report; it is included as a Pension Trust Fund in this Comprehensive Annual Financial Report. Although this is a single employer pension plan, the defined benefits, as well as the employee and employer contribution levels, are mandated by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The City accounts for the plan as a Pension Trust Fund. Plan members' contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. The City's payroll for employees covered by the Police Pension Plan for the year ended December 31, 2011 was \$6,197,726 out of a total City payroll of \$26,953,805. As of December 31, 2011, the Plan membership consisted of:

|  |            |
|--|------------|
| Retirees and beneficiaries currently receiving benefits              | 73         |
| Terminated employees entitled to benefits but not yet receiving them | 3          |
| Active vested plan members   | 62         |
| Active nonvested plan members  | 21         |
|  | <u>159</u> |

The Plan provides retirement benefits, as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The monthly pension shall be increased by 2.5 percent of such monthly salary for each additional year of service over 20 years, to a maximum of 75 percent of such monthly salary. Employees are entitled to a minimum benefit of \$1,000 per month. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977, shall be increased annually following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent simple interest annually thereafter.

Covered employees are required to contribute 9.91 percent of their base salary to the 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. For the year ended December 31, 2011, the City's contribution rate was 40.10 percent. Effective July 1, 1994, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033.

City of Moline, Illinois

Notes to Basic Financial Statements

**Note 11. Defined Benefit Pension Plans (Continued)**

Annual pension cost and net pension asset: The City's annual pension cost and net pension asset to the Police Pension Plan for the current year were as follows:

|   |                              |
|---|------------------------------|
| Annual required contributions               | \$ 2,485,096                 |
| Interest on net pension asset               | (169,190)                    |
| Adjustments to annual required contribution | 149,842                      |
| <b>Annual pension cost</b>                  | <u>2,465,748</u>             |
| Annual contributions made                   | 2,280,805                    |
| <b>Decrease in net pension asset</b>        | <u>184,943</u>               |
| Net pension asset, beginning of year        | <u>(2,255,873)</u>           |
| Net pension asset, end of year              | <u><u>\$ (2,070,930)</u></u> |

The annual required contribution for the current year was determined as part of the January 1, 2011 actuarial valuation using the entry age normal cost funding method. The actuarial assumption included (a) 7.5 percent investment rate of return and (b) projected salary increases from 1.12 percent to 4.86 percent, varying by age. Both (a) and (b) included an inflation component of 3 percent annually. The unfunded actuarial accrued liability is being amortized as a closed period, level percentage of payroll. The remaining amortization period as of the January 1, 2011 actuarial valuation date was 26 years.

Three-Year Trend Information

| Fiscal Year Ended | Annual Pension Cost |             | Percentage of APC |  |
|-------------------|---------------------|-------------|-------------------|--|
|                   | (APC)               | Contributed | Net Pension Asset |  |
| December 31, 2011 | \$ 2,465,748        | 92.5%       | \$ 2,070,930      |  |
| December 31, 2010 | 2,108,034           | 105.5       | 2,255,873         |  |
| December 31, 2009 | 1,995,035           | 103.8       | 2,140,925         |  |

Funded status and funding progress: As of January 1, 2011, the most recent actuarial valuation date, the plan was 52.8 percent funded. The actuarial accrued liability for benefits was \$57,859,699, and the actuarial value of assets was \$30,552,244, resulting in an unfunded actuarial accrued liability (UAAL) of \$27,307,455. The covered payroll (annual payroll of active employees covered by the plan) was \$6,197,726, and the ratio of the UAAL to the covered payroll was 440.60 percent.

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

City of Moline, Illinois

Notes to Basic Financial Statements

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**Note 11. Defined Benefit Pension Plans (Continued)**

**Firefighters' Pension**

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 contribution levels are mandated by Illinois Compiled Statutes (Chapter 40 – Article 5/3) and may be amended only by the Illinois legislature. The City accounts for the Plan as a Pension Trust Fund. The Plan does not issue a standalone financial report and is not included in any reports of public employee retirement systems or other entities. Plan members' contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when earned and the employer has made a formal commitment to provide the contributions. The City's payroll for employees covered by the Firefighters' Pension Plan for the year ended December 31, 2011 was \$5,250,334 out of the total payroll of \$26,953,805. As of December 31, 2011, the Plan membership consisted of:

|  |       |
|--|-------|
| Retirees and beneficiaries currently receiving benefits              | 98    |
| Terminated employees entitled to benefits but not yet receiving them | -     |
| Active vested plan members   | 42    |
| Active nonvested plan members  | 27    |
|  | <hr/> |
|  | 167   |
|  | <hr/> |

The Plan provides retirement as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held on the last date of service. The monthly pension shall be increased by 1/12 of 2.5 percent of such monthly salary for each additional month over 20 years through 30 years, to a maximum of 75 percent of such monthly salary. Employees are entitled to a minimum benefit of \$1,000 per month. Employees with at least 10 years of service but less than 20 years of service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension 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 percent of the amount of the pension payable at the time of the increase.

Covered employees are required to contribute 9.455 percent of their base salary to the 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. For the year ended December 31, 2011, the City's contribution rate was 55.78 percent. Effective July 1, 1993, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded by the year 2033.

City of Moline, Illinois

Notes to Basic Financial Statements

**Note 11. Defined Benefit Pension Plans (Continued)**

Annual pension cost and net pension asset: The City's annual pension cost and net pension asset to the Firefighters' Pension Plan for the current year were as follows:

|   |                              |
|---|------------------------------|
| Annual required contributions               | \$ 2,558,184                 |
| Interest on net pension asset               | (298,100)                    |
| Adjustments to annual required contribution | 251,113                      |
| <b>Annual pension cost</b>                  | <u>2,511,197</u>             |
| Annual contributions made                   | 2,679,017                    |
| <b>Increase in net pension asset</b>        | <u>(167,820)</u>             |
| Net pension asset, beginning of year        | <u>(3,974,667)</u>           |
| Net pension asset, end of year              | <u><u>\$ (4,142,487)</u></u> |

The annual required contribution for the current year was determined as part of the January 1, 2011, actuarial valuation using the entry age normal cost funding method. The actuarial assumption included (a) 8.0 percent investment rate of return and (b) projected salary increases of 5.0 percent. Both (a) and (b) included an inflation component of 3 percent and postretirement benefit increases of 3 percent annually. The unfunded actuarial accrued liability is being amortized as a closed period, level percentage of payroll. The remaining amortization period as of the January 1, 2011 actuarial valuation date was 26 years.

Three-Year Trend Information

| Fiscal Year Ended | Annual Pension Cost<br>(APC) | Percentage of APC<br>Contributed | Net Pension Asset |
|-------------------|------------------------------|----------------------------------|-------------------|
| December 31, 2011 | \$ 2,511,197                 | 106.7%                           | \$ 4,142,487      |
| December 31, 2010 | 2,462,021                    | 106.5                            | 3,974,667         |
| December 31, 2009 | 2,192,141                    | 106.3                            | 3,814,519         |

Funded status and funding progress: As of January 1, 2011, the most recent actuarial valuation date, the plan was 48.90 percent funded. The actuarial accrued liability for benefits was \$59,678,809, and the actuarial value of assets was \$29,183,658, resulting in an unfunded actuarial accrued liability (UAAL) of \$30,495,151. The covered payroll (annual payroll of active employees covered by the plan) was \$5,250,334, and the ratio of the UAAL to the covered payroll was 580.82 percent.

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

City of Moline, Illinois

Notes to Basic Financial Statements

**Note 11. Defined Benefit Pension Plans (Continued)**

The statement of fiduciary net assets and the statement of changes in fiduciary net assets for the pension funds are as follows:

**Statement of Fiduciary Net Assets  
Pension Trust Funds  
December 31, 2011**

|  | Pension Trust        |                       | Total                |
|--|----------------------|-----------------------|----------------------|
|  | Police Pension       | Firefighters' Pension |                      |
| <b>Assets:</b>   |                      |                       |                      |
| Cash and cash equivalents                              | \$ 1,612,462         | \$ 1,779,400          | \$ 3,391,862         |
| Investments:   |                      |                       |                      |
| Common stock   | 11,089,851           | 7,329,111             | 18,418,962           |
| Mutual funds   | 13,652,797           | 14,279,985            | 27,932,782           |
| Receivables:   |                      |                       |                      |
| Employer contributions                                 | 3,076,830            | 3,007,810             | 6,084,640            |
| Accrued interest                                       | 12                   | 14                    | 26                   |
| <b>Total assets</b>                                    | <b>\$ 29,431,952</b> | <b>\$ 26,396,320</b>  | <b>\$ 55,828,272</b> |
| <b>Net assets</b> , held in trust for pension benefits | <b>\$ 29,431,952</b> | <b>\$ 26,396,320</b>  | <b>\$ 55,828,272</b> |

**Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
Year Ended December 31, 2011**

|  | Pension Trust        |                       | Total                |
|--|----------------------|-----------------------|----------------------|
|  | Police Pension       | Firefighters' Pension |                      |
| <b>Additions:</b>  |                      |                       |                      |
| Contributions:   |                      |                       |                      |
| Employer   | \$ 3,077,912         | \$ 3,004,090          | \$ 6,082,002         |
| Plan member deposits   | 567,176              | 439,144               | 1,006,320            |
| <b>Total contributions</b>                                   | <b>3,645,088</b>     | <b>3,443,234</b>      | <b>7,088,322</b>     |
| Net investment income (expense):                             |                      |                       |                      |
| Net appreciation (depreciation) in fair value of investments | (1,782)              | 318                   | (1,464)              |
| Interest   | 686,800              | 632,890               | 1,319,690            |
| Investment expense   | (80,008)             | (68,652)              | (148,660)            |
| <b>Net investment income (expense)</b>                       | <b>605,010</b>       | <b>564,556</b>        | <b>1,169,566</b>     |
| <b>Total additions</b>                                       | <b>4,250,098</b>     | <b>4,007,790</b>      | <b>8,257,888</b>     |
| <b>Deductions:</b>   |                      |                       |                      |
| Benefits   | 3,226,364            | 3,997,230             | 7,223,594            |
| Administrative expenses                                      | 40,625               | 32,584                | 73,209               |
| <b>Total deductions</b>                                      | <b>3,266,989</b>     | <b>4,029,814</b>      | <b>7,296,803</b>     |
| <b>Change in net assets</b>                                  | <b>983,109</b>       | <b>(22,024)</b>       | <b>961,085</b>       |
| Net assets held in trust for benefits:                       |                      |                       |                      |
| Beginning of year  | 28,448,843           | 26,418,344            | 54,867,187           |
| End of year  | <b>\$ 29,431,952</b> | <b>\$ 26,396,320</b>  | <b>\$ 55,828,272</b> |

**City of Moline, Illinois**

**Notes to Basic Financial Statements**

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**Note 12. Other Postemployment Benefits**

Plan description: The City provides the continuation of health care benefits and life insurance to employees who retire from the City. Employees who terminate after reaching retirement eligibility in the plan are eligible to elect to continue their health care coverage by paying the monthly premium rate. Because the actuarial cost of health benefits for retirees exceeds the average amount paid by retirees, the additional cost is paid by the City and is the basis for the OPEB obligation accounted for under GASB 45. Retiree coverage begins at age 50 with 20 years of service for Police and Fire employees and at IMRF retirement age of at least 55 for all other City employees and continues until the retiree is medicare eligible. The plan does not issue a stand-alone financial report.

Membership in the OPEB comprised the following at December 31, 2010, the most recent actuarial valuation date:

|                      |     |
|----------------------|-----|
| Retired participants | 115 |
| Active participants  | 344 |

Funding policy: The health insurance plan contributions on behalf of employees are negotiated by management and the union and governed by the City's union contracts. Retiree and active members also pay a portion of the insurance costs. The current funding policy of the City is to pay health claims as they occur through internal allocated funds.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2011, the City contributed \$1,287,622. Retiree and active members receiving benefits have required monthly contributions. Premium rates for the City, employees (active) and retirees (R) and Dependents (D) are as follows:

| Coverage Type     | City      | Employee/Retiree | Total     |
|-------------------|-----------|------------------|-----------|
| Single - active   | \$ 424.26 | \$ 106.06        | \$ 530.32 |
| Family - active   | 1,107.34  | 276.83           | 1,384.17  |
| R <65 >50         | 424.26    | 106.06           | 530.32    |
| R >65             | -         | 276.82           | 276.82    |
| R <50             | -         | 530.32           | 530.32    |
| R <65 >50 & D <65 | 424.26    | 959.91           | 1,384.17  |
| R <50 & D <65     | -         | 1,384.17         | 1,384.17  |
| R <65 >50 & D >65 | 424.26    | 382.90           | 807.16    |
| R >65 & D <65     | -         | 1,130.65         | 1,130.65  |
| R & D >65         | -         | 553.67           | 553.67    |

**City of Moline, Illinois**

**Notes to Basic Financial Statements**

**Note 12. Other Postemployment Benefits (Continued)**

Annual OPEB cost and net OPEB obligation: The City's annual other postemployment 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, open basis. 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               | \$ 1,225,407             |
| Interest on net OPEB obligation            | 47,774                   |
| Adjustment to annual required contribution | (59,199)                 |
| <b>Annual OPEB cost</b>                    | <u>1,213,982</u>         |
| Contributions and payments made            | <u>1,287,622</u>         |
| <b>Decrease in net OPEB obligation</b>     | <u>(73,640)</u>          |
| Net OPEB obligation, beginning of year     | <u>955,468</u>           |
| Net OPEB obligation, end of year           | <u><u>\$ 881,828</u></u> |

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

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2011 are as follows in the table below.

| Fiscal Year Ended | Annual<br>OPEB Cost | Percentage of<br>Annual OPEB<br>Cost Contributed | Net OPEB<br>Obligation |
|-------------------|---------------------|--|------------------------|
| December 31, 2011 | \$ 1,213,982        | 106.1%   | \$ 881,828             |
| December 31, 2010 | 1,216,371           | 83.6   | 955,468                |
| December 31, 2009 | 840,089             | 59.5   | 755,917                |

As of December 31, 2010, the most recent actuarial valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$12,747,914, and the actuarial value of assets was none, resulting in an unfunded actuarial accrued liability (UAAL) of \$12,747,914. The results of the December 31, 2010 valuation were rolled forward to December 31, 2011. The covered payroll (annual payroll of active employees covered by the plan) was \$24,707,163 and the ratio of the UAAL to the covered payroll was 51.6 percent.

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 health care cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## City of Moline, Illinois

### Notes to Basic Financial Statements

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#### Note 12. Other Postemployment Benefits (Continued)

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 the plan members) and included in 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 the effects of 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, 2010 actuarial valuation, entry age actuarial cost method was used. The actuarial assumptions included a 5 percent discount rate and an annual health care cost trend rate of 8 percent initially, reduced to an ultimate rate of 4 percent after 5 years. Both rates include a 2.5 percent inflation assumption. The City's unfunded actuarial accrued liability is being amortized as a level dollar amount over 30 years.

#### Note 13. Individual Fund Disclosures

The following is a summary of deficit fund balances of individual major and nonmajor funds as of December 31, 2011:

|   |  |                |
|---|--|----------------|
| Major Funds:                                      |  |                |
| Tax Increment Financing #1                        |  | \$ (8,019,510) |
| Nonmajor funds:                                   |  |                |
| Tax Increment Financing #2                        |  | (3,210,152)    |
| Tax Increment Financing #6                        |  | (35,212)       |
| Sanitation  |  | (329,040)      |
| Home Buyer Grant                                  |  | (796)          |
| Lead Hazard Control Grant                         |  | (374,460)      |
| Single Family Owner Occupied Rehabilitation Grant |  | (6,412)        |
| NSP2 Grant  |  | (676,137)      |
| Tax Increment Financing #8                        |  | (2,850)        |

These fund deficits will be funded with future tax or grant revenues.

#### Note 14. Commitments and Contingent Liabilities

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

The City has an intergovernmental agreement with the Illinois Quad City Civic Center Authority (the Authority) to provide financial assistance relating to operating deficits, if any. During the year ended December 31, 2011, the City made no contributions to the operations of the Authority.

**Note 15. Noncommitment Debt**

**Industrial and residential mortgage revenue bonds:** The City has participated in several issues of industrial and economic development revenue bonds issued for the purposes of constructing privately operated manufacturing and other related facilities within the City. These bonds are not direct or contingent liabilities of the City. Revenue from lease agreements and property purchased with the bond proceeds is pledged for the total payment of principal and interest on the bonds and the bondholders can look only to these sources for repayment. As of December 31, 2011, there were three series of industrial and economic development revenue bonds outstanding issued prior to April 1, 1996. The aggregate principal amount payable for the series issued could not be determined; however, their original issue amounts totaled \$16,800,000. There have been no Industrial Revenue Bonds issued since April 1, 1996.

The City has also issued residential mortgage revenue bonds to provide funds to acquire mortgage loans collateralized by first mortgage liens on single family or two to four family owner occupied residential housing and to provide monies to make deposits in various reserve funds and to pay bond issuance costs. These bonds are collateralized by an assignment and pledge of interest in (1) all mortgage loans and earnings from such mortgage loans, (2) all of the City's rights and interest in the bond agreement and (3) all monies and securities held by the custodian of the bond assets. The bonds and interest thereon are not considered as obligations of the City and will be payable solely out of bond proceeds, commitment fees, revenue and other amounts derived by the mortgage loans and certain reserve funds. The bonds and the interest thereon do not constitute an indebtedness, liability, general or moral obligation or pledge of the faith or loan of credit of the City. As of December 31, 2011, there were three series of residential mortgage revenue bonds issued prior to April 1, 1996 outstanding. The aggregate principal amount payable for the series issued could not be determined; however, their original issue amounts totaled \$48,545,000. There have been no residential mortgage revenue bonds issued since April 1, 1996.

When the principal and interest on the bonds have been fully paid or provision for such payment has been provided for, monies remaining with the custodian and not required to pay any costs related to the bonds will be transferred to the City to be used for any lawful corporate purpose.

City of Moline, Illinois

Notes to Basic Financial Statements

**Note 16. Fund Balances**

In fiscal year 2011, 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, 2011 by opinion unit are as follows:

|                                    | General              | Park              | Tax Increment<br>Financing #1 | Debt<br>Service     | Nonmajor<br>Governmental | Total                |
|------------------------------------|----------------------|-------------------|-------------------------------|---------------------|--------------------------|----------------------|
| <b>Fund Balances:</b>              |                      |                   |                               |                     |                          |                      |
| Nonspendable:                      |                      |                   |                               |                     |                          |                      |
| Advances                           | \$ 4,018,818         | \$ -              | \$ -                          | \$ -                | \$ 431,602               | \$ 4,450,420         |
| Inventories                        | 12,504               | -                 | -                             | -                   | -                        | 12,504               |
| Prepaid items                      | -                    | 18,462            | -                             | -                   | -                        | 18,462               |
| Loans                              | -                    | -                 | -                             | -                   | 96,238                   | 96,238               |
| <b>Total nonspendable</b>          | <b>4,031,322</b>     | <b>18,462</b>     | <b>-</b>                      | <b>-</b>            | <b>527,840</b>           | <b>4,577,624</b>     |
| Restricted:                        |                      |                   |                               |                     |                          |                      |
| Tax increment financing districts  | -                    | -                 | -                             | -                   | 5,963,298                | 5,963,298            |
| Special service areas              | -                    | -                 | -                             | -                   | 246,074                  | 246,074              |
| Tourism                            | -                    | -                 | -                             | -                   | 1,052,462                | 1,052,462            |
| Debt service                       | -                    | -                 | -                             | 1,100,634           | -                        | 1,100,634            |
| Cemeteries                         | -                    | -                 | -                             | -                   | 238,840                  | 238,840              |
| Culture and recreation             | -                    | 441,392           | -                             | -                   | 188,066                  | 629,458              |
| Libraries                          | -                    | -                 | -                             | -                   | 498,092                  | 498,092              |
| Community development block grant  | -                    | -                 | -                             | -                   | 227,950                  | 227,950              |
| Public safety                      | -                    | -                 | -                             | -                   | 194,916                  | 194,916              |
| Capital improvements and equipment | -                    | -                 | -                             | -                   | 786,607                  | 786,607              |
| IMRF excess                        | 345,609              | -                 | -                             | -                   | -                        | 345,609              |
| <b>Total restricted</b>            | <b>345,609</b>       | <b>441,392</b>    | <b>-</b>                      | <b>1,100,634</b>    | <b>9,396,305</b>         | <b>11,283,940</b>    |
| Committed:                         |                      |                   |                               |                     |                          |                      |
| Capital improvements and equipment | -                    | -                 | -                             | -                   | 2,034,819                | 2,034,819            |
| Assigned:                          |                      |                   |                               |                     |                          |                      |
| Public communication               | -                    | -                 | -                             | -                   | 22,850                   | 22,850               |
| Main street program                | -                    | -                 | -                             | -                   | 22,204                   | 22,204               |
| <b>Total assigned</b>              | <b>-</b>             | <b>-</b>          | <b>-</b>                      | <b>-</b>            | <b>45,054</b>            | <b>45,054</b>        |
| Unassigned                         | 10,635,397           | -                 | (8,019,510)                   | -                   | (4,635,059)              | (2,019,172)          |
| <b>Total fund balances</b>         | <b>\$ 15,012,328</b> | <b>\$ 459,854</b> | <b>\$ (8,019,510)</b>         | <b>\$ 1,100,634</b> | <b>\$ 7,368,959</b>      | <b>\$ 15,922,265</b> |

Notes to Basic Financial Statements

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**Note 17. Governmental Accounting Standards Board (GASB) Pending Pronouncements**

The City implemented the following statements during the year ended December 31, 2011:

- GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement is intended to improve the usefulness of information provided to financial report users about fund balances by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance information is among the most widely and frequently used information in state and local government financial reports. The GASB developed this standard to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standard establishes a hierarchy of fund balance classification based primarily on the extent to which a government is bound to observe spending constraints. As explained in Note 16 to the basic financial statements, the City reclassified the fund balances for all governmental funds.
- GASB Statement No. 59, *Financial Instruments Omnibus*. This Statement is intended to update and improve existing standards regarding financial reporting of certain financial instruments and external investment pools. Specifically, this Statement provides financial reporting guidance by emphasizing the applicability of SEC requirements to certain external investment pools, addressing the applicability of GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, and applying the reporting provisions for interest-earning investment contracts of GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. This Statement required additional disclosures for the City's external investment pool.

The GASB had issued several statements not yet implemented by the City. The statements which might impact the City are as follows:

- GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, an amendment of GASB Statement No. 43 and No. 45, issued January 2010, will be effective for the City beginning with its year ending December 31, 2012. This Statement addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans.
- GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, issued November 2010, will be effective for the City beginning with its year ending December 31, 2012. This Statement is intended to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. Specifically, this Statement improves financial reporting by establishing recognition, measurement, and disclosure requirements SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. This Statement also improves the decision usefulness of financial reporting by requiring that specific relevant disclosures be made by transferors and governmental operators about SCAs.

Notes to Basic Financial Statements

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**Note 17. Governmental Accounting Standards Board (GASB) Pending Pronouncements  
(Continued)**

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, issued November 2010, will be effective for the City beginning with its year ending December 31, 2013. This Statement is intended to improve financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The amendments to the criteria for including component units allow users of financial statements to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. The amendments to the criteria for blending also improve the focus of a financial reporting entity on the primary government by ensuring that the primary government includes only those component units that are so intertwined with the primary government that they are essentially the same as the primary government, and by clarifying which component units have that characteristic.
- GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, issued January 2011, will be effective for the City beginning with its year ending December 31, 2012. This Statement is intended to enhance the usefulness of the Codification of Governmental Accounting and Financial Reporting Standards by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. This Statement incorporates into the GASB's authoritative literature the applicable guidance previously presented in the following pronouncements issued before November 30, 1989: FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA's Committee on Accounting Procedure. By incorporating and maintaining this guidance in a single source, the GASB believes that GASB 62 reduces the complexity of locating and using authoritative literature needed to prepare state and local government financial reports.
- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued July 2011, will be effective for the City beginning with its year ending December 31, 2012. This Statement is intended to improve financial reporting by providing citizens and other users of state and local government financial reports with information about how past transactions will continue to impact a government's financial statements in the future. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities deferred inflows of resources, and net position (which is the net residual amount of the other elements). The Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets.
- GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53), issued July 2011, will be effective for the City beginning with its year ending December 31, 2012. This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. Those conditions are: (a) the collectibility of swap payments is considered to be probable, (b) the replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in the Statement, and (c) the counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event. When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied.

Notes to Basic Financial Statements

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**Note 17. Governmental Accounting Standards Board (GASB) Pending Pronouncements  
(Continued)**

- GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, issued April 2012, will be effective for the City beginning with its year ending December 31, 2013. This Statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) No. 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources or deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, this Statement reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, the Statement recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources.
- GASB Statement No. 66, *Technical Corrections - 2012*, issued April 2012, will be effective for the City beginning with its year ending December 31, 2013. This Statement enhances the usefulness of financial reports by resolving conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting. This Statement amends GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of a state or local government's risk financing activities to the general fund and the internal service fund types. As a result, governments would base their decisions about governmental fund type usage for risk financing activities on the definitions in GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement also amends GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, by modifying the specific guidance on accounting for: (a) operating lease payments that vary from a straight-line basis; (b) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans; and (c) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes would eliminate any uncertainty regarding the application of GASB Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively.

Management has not yet determined the effect these Statements will have on the City's financial statements.

## City of Moline, Illinois

### Notes to Basic Financial Statements

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#### **Note 18. Subsequent Event**

The City issued \$3,100,000 in Taxable General Obligation Corporate Purpose Bonds, Series 2012A on February 28, 2012 with interest rates of 1.25 percent to 4.6 percent due on November 1, 2013 through 2031 to fund an escrow to advance refund a portion of the City's outstanding Taxable General Obligation Corporate Purpose Bonds, Series 2003C due November 1, 2013 through 2020 and to pay the Redevelopment Project Costs within the City's Tax Increment Financing District No. 2 related to land acquisition and building demolition.

The City issued \$1,495,000 Taxable General Obligation Corporate Purpose Bonds, Series 2012B on February 28, 2012 with interest rates of 2.15 percent to 4.6 percent due on November 1, 2015 through 2031 to pay Redevelopment Project Costs within the City's Tax Increment Financing District No. 6.

The City issued \$7,345,000 Taxable General Obligation Refunding Bonds, Series 2012C on February 28, 2012 with interest rates of 0.65 percent to 2.950 percent due November 1, 2012 through 2020 to fund an escrow to advance refund a portion of the City's outstanding Taxable General Obligation Corporate Purpose Bonds, Series 2003B due November 1, 2013 through 2020, and to pay the cost of issuance.

The City issued \$3,310,000 General Obligation Refunding Bonds, Series 2012D on February 28, 2012 with interest rates of 2 percent to 3 percent due February 1, 2013 through 2016 to current refund a portion of the City's outstanding General Obligation Corporate Purpose Bonds, Series 2002A due February 1 2013 through 2016, and to pay the cost of issuance.

The City issued \$6,080,000 General Obligation Refunding Bonds, Series 2012E on February 28, 2012 with interest rates of 2 percent to 3 percent due November 1, 2012 through 2021 to current refund a portion of the City's outstanding General Obligation Corporate Purpose Bonds, Series 2002B due November 1, 2012 and 2013, to advance refund the City's outstanding General Obligation Corporate Purpose Bonds, Series 2002C due November 1, 2013 through 2021 and General Obligation Corporate Purpose, Series 2003A due November 1, 2014 through 2020, and to pay the cost of issuance

The City issued \$6,370,000 General Obligation Refunding Bonds, Series 2012F on February 28, 2012 with interest rates of 2 percent to 5 percent due November 1, 2012 through 2024 to fund an escrow to advance refund a portion of the City's outstanding General Obligation Corporate Purpose Bonds, Series 2003 due November 1, 2013 through 2024, and to pay the cost of issuance.

**City of Moline, Illinois**

**Required Supplementary Information  
Illinois Municipal Retirement Plan**

**Schedule of Funding Progress**

| Fiscal Year Ended | Actuarial Valuation Date | Actuarial Value of Net Assets (a) | Actuarial Accrued Liability (AAL) * (b) | Unfunded (Over-funded) AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a)/c] |
|-------------------|--------------------------|-----------------------------------|---|---|--------------------|---------------------|---|
| 12/31/2011        | 12/31/2011               | \$ 38,790,390                     | \$ 50,335,101                           | \$ 11,544,711                           | 77.06%             | \$ 15,374,154       | 75.09%  |
| 12/31/2010        | 12/31/2010               | 39,042,890                        | 48,131,894                              | 9,089,004                               | 81.12              | 14,980,272          | 60.67   |
| 12/31/2009        | 12/31/2009               | 40,685,165                        | 48,046,299                              | 7,361,134                               | 84.68              | 15,142,108          | 48.61   |
| 12/31/2008        | 12/31/2008               | 41,258,733                        | 48,455,926                              | 7,197,193                               | 85.15              | 15,095,747          | 47.68   |
| 12/31/2007        | 12/31/2007               | 54,054,398                        | 45,569,904                              | (8,484,494)                             | 118.62             | 13,644,962          | (62.18)   |
| 12/31/2006        | 12/31/2006               | 48,283,121                        | 41,358,772                              | (6,924,349)                             | 116.74             | 12,956,721          | (53.44)   |

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$36,094,396. On a market basis, the funded ratio would be 71.71 percent.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation follows:

The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5 percent investment rate of return (net of administrative expenses), (b) projected salary increases of 4 percent a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit and, (d) postretirement benefit increases of 3 percent annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20 percent corridor. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30-year basis.

**City of Moline, Illinois**

**Required Supplementary Information  
Police Pension Plan**

**Schedule of Funding Progress**

| Year Ended | Actuarial Valuation Date | Actuarial Value of Net Assets (a) | Actuarial Accrued Liability (AAL) * (b) | Unfunded (Over-funded) AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a)/c] |
|------------|--------------------------|-----------------------------------|---|---|--------------------|---------------------|---|
| 12/31/2011 | 01/01/2011               | \$ 30,552,244                     | \$ 57,859,699                           | \$ 27,307,455                           | 52.80%             | \$ 6,197,726        | 440.60%   |
| 12/31/2010 | 01/01/2010               | 26,204,232                        | 54,454,928                              | 28,250,696                              | 48.12              | 5,309,947           | 532.03  |
| 12/31/2009 | 01/01/2009               | 25,291,113                        | 49,999,392                              | 24,708,279                              | 50.58              | 6,011,657           | 411.01  |
| 12/31/2008 | 01/01/2008               | 29,143,824                        | 47,239,129                              | 18,095,305                              | 61.69              | 4,998,296           | 362.03  |
| 12/31/2007 | 01/01/2007               | 27,746,084                        | 44,578,435                              | 16,832,351                              | 62.24              | 4,670,514           | 360.40  |
| 12/31/2006 | 01/01/2006               | 26,484,155                        | 42,135,881                              | 15,651,726                              | 62.85              | 4,563,482           | 342.98  |

**Schedule of Employer Contributions**

| Year Ended | Annual Required Contributions (ARC) (a) | Total Contributions (b) | Percentage of ARC Contributed (b/a) |
|------------|---|-------------------------|-------------------------------------|
| 12/31/2011 | \$ 2,485,096                            | \$ 2,280,805            | 91.78%                              |
| 12/31/2010 | 2,128,166                               | 2,222,982               | 104.46                              |
| 12/31/2009 | 2,043,517                               | 2,071,356               | 101.36                              |
| 12/31/2008 | 1,397,502                               | 1,475,079               | 105.55                              |
| 12/31/2007 | 1,289,927                               | 1,317,184               | 102.11                              |
| 12/31/2006 | 1,044,899                               | 1,198,072               | 114.66                              |

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2011. Additional information follows:

1. The cost method used to determine the ARC is the entry age normal cost funding method.
2. The assets are shown at fair value.
3. Economic assumptions are as follows: investment return rate of 7.5 percent, salary increase from 1.12 percent to 4.86 percent, both including an inflation rate of 3 percent annually.
4. The amortization method is a closed period, level percentage of payroll with remaining period of 26 years.

**City of Moline, Illinois**

**Required Supplementary Information  
Firefighters' Pension Plan**

**Schedule of Funding Progress**

| Year Ended | Actuarial Valuation Date | Actuarial Value of Net Assets (a) | Actuarial Accrued Liability (AAL) * (b) | Unfunded (Over-funded) AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a)/c] |
|------------|--------------------------|-----------------------------------|---|---|--------------------|---------------------|---|
| 12/31/2011 | 01/01/2011               | \$ 29,183,658                     | \$ 59,678,809                           | \$ 30,495,151                           | 48.90%             | \$ 5,250,334        | 580.82%   |
| 12/31/2010 | 01/01/2010               | 24,987,381                        | 57,338,719                              | 32,351,338                              | 43.58              | 4,478,182           | 722.42  |
| 12/31/2009 | 01/01/2009               | 25,012,439                        | 51,945,359                              | 26,932,920                              | 48.15              | 5,027,040           | 535.76  |
| 12/31/2008 | 01/01/2008               | 29,178,270                        | 50,157,247                              | 20,978,977                              | 58.17              | 4,221,265           | 496.98  |
| 12/31/2007 | 01/01/2007               | 28,512,971                        | 47,907,444                              | 19,394,473                              | 59.52              | 3,874,891           | 500.52  |
| 12/31/2006 | 01/01/2006               | 27,207,007                        | 44,393,006                              | 17,185,999                              | 61.29              | 4,004,546           | 429.16  |

**Schedule of Employer Contributions**

| Year Ended | Annual Required Contributions (ARC) (a) | Total Contributions (b) | Percentage of ARC Contributed (b/a) |
|------------|---|-------------------------|-------------------------------------|
| 12/31/2011 | \$ 2,558,184                            | \$ 2,679,017            | 104.72%                             |
| 12/31/2010 | 2,497,891                               | 2,622,169               | 104.98                              |
| 12/31/2009 | 2,278,474                               | 2,330,188               | 102.27                              |
| 12/31/2008 | 1,668,190                               | 1,770,872               | 106.16                              |
| 12/31/2007 | 1,526,783                               | 1,578,334               | 103.38                              |
| 12/31/2006 | 1,229,564                               | 1,419,929               | 115.48                              |

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2011. Additional information follows:

1. The cost method used to determine the ARC is the entry age normal cost funding method.
2. The assets are shown at fair value.
3. Economic assumptions are as follows: investment return rate of 7.5 percent, salary increase of 5.0 percent, both including an inflation rate of 3 percent.
4. Postretirement benefit increase of 3 percent annually.
5. The amortization method is a closed period, level percentage of payroll with a remaining amortization period of 23 years.

**City of Moline, Illinois**

**Required Supplementary Information  
Other Postemployment Benefit Plan**

**Schedule of Funding Progress**

| Fiscal Year Ended | Actuarial Valuation Date | Actuarial Value of Net Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded (Over-funded) AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a)/c] |
|-------------------|--------------------------|-----------------------------------|---------------------------------------|---|--------------------|---------------------|---|
| 2011              | 01/01/2010               | \$ -                              | \$ 12,747,914                         | \$ 12,747,914                           | 0.00%              | \$ 24,707,163       | 51.60%  |
| 2010              | 01/01/2010               | -                                 | 12,747,914                            | 12,747,914                              | -                  | 21,295,138          | 59.86   |
| 2009              | 01/01/2008               | -                                 | 10,450,275                            | 10,450,275                              | -                  | 24,930,237          | 41.92   |

The information presented in the required supplementary schedule was determined as part of the actuarial valuation as of December 31, 2010. Additional information follows:

1. The cost method used to determine the ARC is the entry age actuarial cost method.
2. There are no plan assets.
3. Economic assumptions are as follows: 5 percent investment rate of return, health care cost trend rates of 8 percent initially, ultimate rate of 4 percent.
4. The amortization method is level dollar of projected payroll on an open basis.
5. 2008 was the transition year of GASB Statement No. 45.

City of Moline, Illinois

**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**Year Ended December 31, 2011**

|  | Budget              |                     | Actual               | Variance with<br>Final Budget |
|--|---------------------|---------------------|----------------------|-------------------------------|
|  | Original            | Final               |                      |                               |
| <b>Revenues:</b>   |                     |                     |                      |                               |
| Taxes  | \$ 31,403,680       | \$ 31,403,680       | \$ 31,521,808        | \$ 118,128                    |
| Licenses and permits   | 763,350             | 763,350             | 826,474              | 63,124                        |
| Intergovernmental  | 623,545             | 710,330             | 583,974              | (126,356)                     |
| Charges for services   | 4,382,615           | 4,425,050           | 4,724,640            | 299,590                       |
| Fines and forfeitures  | 441,000             | 441,000             | 387,682              | (53,318)                      |
| Use of money and property                                    | 90,575              | 90,575              | 39,722               | (50,853)                      |
| Miscellaneous  | 392,350             | 392,350             | 437,185              | 44,835                        |
| <b>Total revenues</b>  | <b>38,097,115</b>   | <b>38,226,335</b>   | <b>38,521,485</b>    | <b>295,150</b>                |
| <b>Expenditures:</b>   |                     |                     |                      |                               |
| Engineering  | 1,652,235           | 1,652,235           | 1,828,106            | (175,871)                     |
| Executive  | 712,555             | 1,014,080           | 744,726              | 269,354                       |
| Financial administration                                     | 1,367,235           | 1,313,635           | 1,243,760            | 69,875                        |
| Fire protection  | 11,089,670          | 11,108,835          | 11,023,648           | 85,187                        |
| Fleet maintenance  | 1,776,335           | 1,776,335           | 1,804,732            | (28,397)                      |
| Highways and streets   | 3,882,950           | 3,968,735           | 3,806,570            | 162,165                       |
| Judicial   | 543,195             | 543,195             | 534,906              | 8,289                         |
| Legislative  | 204,335             | 204,335             | 170,878              | 33,457                        |
| Planning and zoning  | 1,450,775           | 1,477,745           | 1,212,764            | 264,981                       |
| Police   | 13,336,325          | 13,336,325          | 13,104,154           | 232,171                       |
| Protective inspections                                       | 574,250             | 574,250             | 613,922              | (39,672)                      |
| Public works   | 366,815             | 366,815             | 367,912              | (1,097)                       |
| Sanitation   | 1,110,915           | 1,122,345           | 1,144,652            | (22,307)                      |
| Traffic  | 498,095             | 498,095             | 388,300              | 109,795                       |
| <b>Total expenditures</b>                                    | <b>38,565,685</b>   | <b>38,956,960</b>   | <b>37,989,030</b>    | <b>967,930</b>                |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>(468,570)</b>    | <b>(730,625)</b>    | <b>532,455</b>       | <b>1,263,080</b>              |
| <b>Other financing sources (uses):</b>                       |                     |                     |                      |                               |
| Transfers in   | 417,285             | 417,285             | 255,092              | (162,193)                     |
| Transfers out  | (225,000)           | (248,485)           | (325,000)            | (76,515)                      |
| Proceeds from sale of capital assets                         | 7,000               | 378,410             | 441,000              | 62,590                        |
| <b>Total other financing<br/>sources (uses)</b>              | <b>199,285</b>      | <b>547,210</b>      | <b>371,092</b>       | <b>(176,118)</b>              |
| <b>Net change in fund balance</b>                            | <b>\$ (269,285)</b> | <b>\$ (183,415)</b> | <b>903,547</b>       | <b>\$ 1,086,962</b>           |
| Fund balance, beginning of year                              |                     |                     | 14,108,781           |                               |
| Fund balance, end of year                                    |                     |                     | <u>\$ 15,012,328</u> |                               |

See Note to Required Supplementary Information.

City of Moline, Illinois

**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Park Fund**  
**Year Ended December 31, 2011**

|  | Budgeted Amounts |                  | Actual            | Variance with<br>Final Budget |
|--|------------------|------------------|-------------------|-------------------------------|
|  | Original         | Final            |                   |                               |
| <b>Revenues:</b>   |                  |                  |                   |                               |
| Taxes  | \$ 2,783,445     | \$ 2,783,445     | \$ 2,784,574      | \$ 1,129                      |
| Intergovernmental  | 24,000           | 24,000           | 26,924            | 2,924                         |
| Charges for services   | 676,895          | 676,895          | 691,556           | 14,661                        |
| Use of money and property                                    | 106,330          | 106,330          | 133,590           | 27,260                        |
| Contributions  | 2,550            | 2,550            | 3,900             | 1,350                         |
| Miscellaneous  | 1,000            | 1,000            | 4,574             | 3,574                         |
| <b>Total revenues</b>  | <b>3,594,220</b> | <b>3,594,220</b> | <b>3,645,118</b>  | <b>50,898</b>                 |
| <b>Expenditures:</b>   |                  |                  |                   |                               |
| Current, culture and recreation                              | 3,449,220        | 3,449,220        | 3,453,168         | (3,948)                       |
| Capital outlay   | 360,000          | 360,000          | 348,980           | 11,020                        |
| <b>Total expenditures</b>                                    | <b>3,809,220</b> | <b>3,809,220</b> | <b>3,802,148</b>  | <b>7,072</b>                  |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>(215,000)</b> | <b>(215,000)</b> | <b>(157,030)</b>  | <b>57,970</b>                 |
| Other financing sources, transfers in                        | 215,000          | 215,000          | 221,950           | 6,950                         |
| <b>Net change in fund balance</b>                            | <b>\$ -</b>      | <b>\$ -</b>      | <b>64,920</b>     | <b>\$ 64,920</b>              |
| Fund balance, beginning of year                              |                  |                  | 394,934           |                               |
| Fund balance, end of year                                    |                  |                  | <u>\$ 459,854</u> |                               |

See Note to Required Supplementary Information.

City of Moline, Illinois

**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget and Actual**  
**Tax Increment Financing #1**  
**Year Ended December 31, 2011**

|  | Budgeted Amounts   |                     | Actual                | Variance with<br>Final Budget |
|--|--------------------|---------------------|-----------------------|-------------------------------|
|  | Original           | Final               |                       |                               |
| <b>Revenues:</b>   |                    |                     |                       |                               |
| Taxes  | \$ 3,217,825       | \$ 3,217,825        | \$ 3,197,128          | \$ (20,697)                   |
| Intergovernmental  | -                  | -                   | 127,614               | 127,614                       |
| Charges for services   | -                  | -                   | 77,770                | 77,770                        |
| Use of money and property                                    | 165,500            | 165,500             | 115,512               | (49,988)                      |
| Miscellaneous  | -                  | -                   | 8,701                 | 8,701                         |
| <b>Total revenues</b>  | <b>3,383,325</b>   | <b>3,383,325</b>    | <b>3,526,725</b>      | <b>143,400</b>                |
| <b>Expenditures:</b>   |                    |                     |                       |                               |
| Current, economic development                                | 605,740            | 1,045,740           | 2,282,398             | (1,236,658)                   |
| Capital outlay   | -                  | 314,000             | 313,696               | 304                           |
| Debt service, interest and fiscal agent fees                 | 5,000              | 5,000               | 3,600                 | 1,400                         |
| <b>Total expenditures</b>                                    | <b>610,740</b>     | <b>1,364,740</b>    | <b>2,599,694</b>      | <b>(1,234,954)</b>            |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>2,772,585</b>   | <b>2,018,585</b>    | <b>927,031</b>        | <b>(1,091,554)</b>            |
| <b>Other financing sources (uses):</b>                       |                    |                     |                       |                               |
| Transfers in   | 75,000             | 75,000              | 75,000                | -                             |
| Transfers out  | (2,847,585)        | (2,847,585)         | (2,391,072)           | 456,513                       |
| <b>Total other financing<br/>sources (uses)</b>              | <b>(2,772,585)</b> | <b>(2,772,585)</b>  | <b>(2,316,072)</b>    | <b>456,513</b>                |
| <b>Net change in fund balance<br/>(deficit)</b>              | <b>\$ -</b>        | <b>\$ (754,000)</b> | <b>(1,389,041)</b>    | <b>\$ (635,041)</b>           |
| Fund balance (deficit), beginning of year                    |                    |                     | (6,630,469)           |                               |
| Fund balance (deficit), end of year                          |                    |                     | <u>\$ (8,019,510)</u> |                               |

See Note to Required Supplementary Information.

## City of Moline, Illinois

### Note to Required Supplementary Information

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Legal annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The City exercises fiscal control through two processes: administrative budgeting and appropriations. The administrative budget is developed for informative and fiscal planning purposes and presents an itemized listing of contemplated expenditures and estimated revenue for the ensuing fiscal year. The City follows these procedures in establishing its administrative budgets:

- Department directors meet with staff personnel to determine budgetary needs for the forthcoming fiscal year.
- Budgets are then reviewed by the City Administrator and the Finance Director.
- Prior to April 1, the City Administrator submits a proposed administrative budget for the fiscal year commencing the previous January 1. The administrative budget includes the proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to April 1, the nonappropriated administrative budget is approved by resolution of the City Council.
- It is the intent of the budget document to provide authorization to the City Administrator and various other officers and department heads to make expenditures during the fiscal year provided; however, no capital expenditure item shall be incurred without first obtaining City Council approval.
- No departmental total within the budget shall be exceeded without first obtaining approval from the City Council. In cases of a bona fide emergency, upon recommendation of the department head, the City Administrator may approve expenditures, either not budgeted or exceeding the budgeted amount, provided the appropriated amount will not be exceeded by such an expenditure.

Administrative budgets are prepared, as described above, on a department and division line item basis for the General, special revenue, Debt Service, Capital Projects, enterprise and pension trust funds. This process is done on a basis consistent with accounting principles generally accepted in the United States of America applicable to governmental funds and is the basis for the annual appropriation ordinance, prepared on a fund level, approved by the City Council.

Although actual expenditures may exceed the amounts of the administrative budget as described above, expenditures may not legally exceed the amounts of the appropriation ordinance. The appropriated budgetary data is reflected in the financial statements. All appropriations lapse at year-end.

The budget may only be amended by approval of the City Council.

Although the budgetary level of control is at the department/division line item level, state law, as mandated in the Illinois Compiled Statutes, provides for a legal level of control for legal compliance purposes at the fund level. Under this level of control, the City may transfer appropriations between department/division line items without approval of the City Council. However, the City Council must approve any changes to appropriations at the fund level.

(Continued)

**City of Moline, Illinois**

**Note to Required Supplementary Information (Continued)**

The budget was amended in July and December of 2011, as follows:

| Fund                                       | Budget Adjustments |            |
|--|--------------------|------------|
|  | July               | December   |
| Major governmental funds:                  |                    |            |
| General                                    | \$ (42,435)        | \$ 433,710 |
| Tax Increment Financing #1                 | -                  | 754,000    |
| Debt Service Fund                          | -                  | 1,275,000  |
| Nonmajor governmental funds:               |                    |            |
| Capital projects                           | -                  | 178,485    |
| Sanitation                                 | 31,800             | -          |
| Park and Cemetary Gifts                    | -                  | 16,000     |
| General Trust                              | -                  | 200,000    |
| NSP2 Grant                                 | -                  | 2,980,095  |
| Community Development Block Grant Recovery | -                  | 46,345     |
| Community Development Block Grant          | 92,875             | -          |
| Library Trust                              | -                  | 105,000    |
| Tax Increment Financing #2                 | -                  | 2,447,880  |
| Tax Increment Financing #7                 | -                  | 6,560,000  |
| Tax Increment Financing #8                 | -                  | 5,000      |

**Excess of Actual Expenditures Over Budget in Individual Funds:** The following governmental funds had actual expenditures in excess of their budget:

| Fund                         | Final Budget | Actual Expenditures | Actual Expenditures Over Budget |
|------------------------------|--------------|---------------------|---------------------------------|
| Major governmental funds:    |              |                     |                                 |
| Tax Increment Financing #1   | \$ 1,364,740 | \$ 2,599,694        | \$ 1,234,954                    |
| Nonmajor governmental funds: |              |                     |                                 |
| Tourism                      | 288,155      | 304,524             | 16,369                          |
| Tax Increment Financing #2   | 2,448,280    | 2,448,564           | 284                             |
| Tax Increment Financing #4   | 100,000      | 189,590             | 89,590                          |
| Park and Cemetary Gifts      | 22,905       | 69,890              | 46,985                          |
| Lead Hazard Control Grant    | 827,930      | 971,975             | 144,045                         |

Formal budgetary integration is employed as a management control device during the year for the General Fund and most special revenue funds. The Tax Increment Financing #6, Tax Increment Financing #5 and Tax Increment Financing #9 were not budgeted for the year ended December 31, 2011 and are not included in the Budgetary Comparison Schedules.

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City of Moline, Illinois

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2011

|  | Special Revenue                   |                   |                        |                     |
|--|-----------------------------------|-------------------|------------------------|---------------------|
|  | Community Development Block Grant | Motor Fuel Tax    | Revolving Loan Program | Tourism             |
|  |                                   |                   |                        |                     |
| <b>Assets</b>  |                                   |                   |                        |                     |
| Cash and cash equivalents                                | \$ 55,832                         | \$ 193,032        | \$ 170,774             | \$ 272,992          |
| Restricted cash and cash equivalents                     | -                                 | -                 | -                      | -                   |
| Investments  | -                                 | 455,104           | -                      | 250,174             |
| Receivables:   |                                   |                   |                        |                     |
| Property taxes   | -                                 | -                 | -                      | -                   |
| Accounts, net of allowance for collection losses of none | -                                 | -                 | -                      | -                   |
| Accrued interest   | -                                 | -                 | -                      | -                   |
| Loans  | -                                 | -                 | 96,238                 | 22,000              |
| Other taxes  | -                                 | 179,406           | -                      | 58,918              |
| Due from other governmental units                        | 125,582                           | -                 | -                      | -                   |
| Due from other funds                                     | -                                 | -                 | 35,212                 | 469,110             |
| Interfund advances                                       | -                                 | -                 | -                      | -                   |
| <b>Total assets</b>                                      | <b>\$ 181,414</b>                 | <b>\$ 827,542</b> | <b>\$ 302,224</b>      | <b>\$ 1,073,194</b> |
| <b>Liabilities and Fund Balances</b>                     |                                   |                   |                        |                     |
| Liabilities:   |                                   |                   |                        |                     |
| Accounts payable   | \$ 96,914                         | \$ 98,648         | \$ -                   | \$ 20,732           |
| Accrued expenses   | -                                 | -                 | -                      | -                   |
| Due to other funds                                       | -                                 | 28,166            | -                      | -                   |
| Deferred revenue   | 62,536                            | -                 | -                      | -                   |
| Deposits   | -                                 | -                 | -                      | -                   |
| Line of credit   | -                                 | -                 | -                      | -                   |
| Interfund advances                                       | -                                 | -                 | -                      | -                   |
| <b>Total liabilities</b>                                 | <b>159,450</b>                    | <b>126,814</b>    | <b>-</b>               | <b>20,732</b>       |
| Fund balances (deficits):                                |                                   |                   |                        |                     |
| Nonspendable   | -                                 | -                 | 96,238                 | -                   |
| Restricted   | 21,964                            | 700,728           | 205,986                | 1,052,462           |
| Committed  | -                                 | -                 | -                      | -                   |
| Assigned   | -                                 | -                 | -                      | -                   |
| Unassigned   | -                                 | -                 | -                      | -                   |
| <b>Total fund balances (deficits)</b>                    | <b>21,964</b>                     | <b>700,728</b>    | <b>302,224</b>         | <b>1,052,462</b>    |
| <b>Total liabilities and fund balances</b>               | <b>\$ 181,414</b>                 | <b>\$ 827,542</b> | <b>\$ 302,224</b>      | <b>\$ 1,073,194</b> |

(Continued)

Special Revenue

| Special Service Area<br>Number Five | Special Service Area<br>Number Six | Foreign Fire<br>Insurance | General Trust     | Tax Increment<br>Financing #2 |
|-------------------------------------|------------------------------------|---------------------------|-------------------|-------------------------------|
| \$ 43,452                           | \$ 194,766                         | \$ 69,394                 | \$ 502,540        | \$ -                          |
| -                                   | -                                  | -                         | -                 | -                             |
| -                                   | -                                  | -                         | -                 | -                             |
| 110,922                             | 238,792                            | -                         | -                 | 241,994                       |
| -                                   | -                                  | -                         | -                 | -                             |
| -                                   | -                                  | -                         | -                 | -                             |
| -                                   | -                                  | -                         | -                 | -                             |
| 2,326                               | -                                  | -                         | 31,280            | -                             |
| -                                   | -                                  | -                         | -                 | -                             |
| -                                   | -                                  | -                         | -                 | -                             |
| -                                   | -                                  | -                         | -                 | -                             |
| <u>\$ 156,700</u>                   | <u>\$ 433,558</u>                  | <u>\$ 69,394</u>          | <u>\$ 533,820</u> | <u>\$ 241,994</u>             |

|                |                |          |               |                  |
|----------------|----------------|----------|---------------|------------------|
| \$ 36,418      | \$ 1,594       | \$ -     | \$ 45,226     | \$ 200           |
| 128            | 644            | -        | -             | -                |
| -              | -              | -        | -             | 1,089,630        |
| 80,400         | 225,000        | -        | -             | 240,840          |
| -              | -              | -        | -             | -                |
| -              | -              | -        | -             | 2,121,476        |
| -              | -              | -        | -             | -                |
| <u>116,946</u> | <u>227,238</u> | <u>-</u> | <u>45,226</u> | <u>3,452,146</u> |

|               |                |               |                |                    |
|---------------|----------------|---------------|----------------|--------------------|
| -             | -              | -             | -              | -                  |
| 39,754        | 206,320        | 69,394        | 211,401        | -                  |
| -             | -              | -             | 232,139        | -                  |
| -             | -              | -             | 45,054         | -                  |
| -             | -              | -             | -              | (3,210,152)        |
| <u>39,754</u> | <u>206,320</u> | <u>69,394</u> | <u>488,594</u> | <u>(3,210,152)</u> |

|                   |                   |                  |                   |                   |
|-------------------|-------------------|------------------|-------------------|-------------------|
| <u>\$ 156,700</u> | <u>\$ 433,558</u> | <u>\$ 69,394</u> | <u>\$ 533,820</u> | <u>\$ 241,994</u> |
|-------------------|-------------------|------------------|-------------------|-------------------|

City of Moline, Illinois

Combining Balance Sheet (Continued)  
 Nonmajor Governmental Funds  
 December 31, 2011

|   | Special Revenue               |                               |                               |                   |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------|
|   | Tax Increment<br>Financing #6 | Tax Increment<br>Financing #3 | Tax Increment<br>Financing #4 | Library Trust     |
| <b>Assets</b>   |                               |                               |                               |                   |
| Cash and cash equivalents                                   | \$ -                          | \$ 4,192                      | \$ 32,272                     | \$ 238,846        |
| Restricted cash and cash equivalents                        | -                             | -                             | -                             | -                 |
| Investments   | -                             | -                             | -                             | -                 |
| Receivables:  |                               |                               |                               |                   |
| Property taxes  | -                             | 51,376                        | 254,566                       | -                 |
| Accounts, net of allowance for collection<br>losses of none | -                             | -                             | -                             | -                 |
| Accrued interest  | -                             | -                             | -                             | 4,864             |
| Loans   | -                             | -                             | -                             | -                 |
| Other taxes   | -                             | -                             | -                             | -                 |
| Due from other governmental units                           | -                             | -                             | -                             | -                 |
| Due from other funds  | -                             | -                             | -                             | -                 |
| Interfund advances  | -                             | -                             | -                             | -                 |
| <b>Total assets</b>   | <b>\$ -</b>                   | <b>\$ 55,568</b>              | <b>\$ 286,838</b>             | <b>\$ 243,710</b> |
| <b>Liabilities and Fund Balances</b>                        |                               |                               |                               |                   |
| Liabilities:  |                               |                               |                               |                   |
| Accounts payable  | \$ -                          | \$ -                          | \$ -                          | \$ 930            |
| Accrued expenses  | -                             | 98                            | -                             | -                 |
| Due to other funds  | 35,212                        | -                             | -                             | -                 |
| Deferred revenue  | -                             | 51,116                        | 150,000                       | -                 |
| Deposits  | -                             | -                             | -                             | -                 |
| Line of credit  | -                             | -                             | -                             | -                 |
| Interfund advances  | -                             | -                             | -                             | -                 |
| <b>Total liabilities</b>                                    | <b>35,212</b>                 | <b>51,214</b>                 | <b>150,000</b>                | <b>930</b>        |
| Fund balances (deficits):                                   |                               |                               |                               |                   |
| Nonspendable  | -                             | -                             | -                             | -                 |
| Restricted  | -                             | 4,354                         | 136,838                       | 242,780           |
| Committed   | -                             | -                             | -                             | -                 |
| Assigned  | -                             | -                             | -                             | -                 |
| Unassigned  | (35,212)                      | -                             | -                             | -                 |
| <b>Total fund balances (deficits)</b>                       | <b>(35,212)</b>               | <b>4,354</b>                  | <b>136,838</b>                | <b>242,780</b>    |
| <b>Total liabilities and fund<br/>balances</b>              | <b>\$ -</b>                   | <b>\$ 55,568</b>              | <b>\$ 286,838</b>             | <b>\$ 243,710</b> |

(Continued)

Special Revenue

| Perpetual Care    | Reher Art Gallery | Park and Cemetery<br>Gifts | Sanitation        | Home Buyer<br>Grant | Lead Hazard<br>Control Grant |
|-------------------|-------------------|----------------------------|-------------------|---------------------|------------------------------|
| \$ 237,080        | \$ 23,376         | \$ 194,334                 | \$ 184,576        | \$ -                | \$ -                         |
| -                 | -                 | -                          | -                 | -                   | -                            |
| -                 | -                 | -                          | -                 | -                   | -                            |
| -                 | -                 | -                          | 278,122           | -                   | -                            |
| 1,760             | -                 | -                          | 84,208            | -                   | -                            |
| -                 | -                 | 5,534                      | -                 | -                   | -                            |
| -                 | -                 | -                          | -                 | -                   | -                            |
| -                 | -                 | -                          | -                 | 50,796              | 374,460                      |
| -                 | -                 | -                          | -                 | -                   | -                            |
| -                 | -                 | -                          | -                 | -                   | -                            |
| <u>\$ 238,840</u> | <u>\$ 23,376</u>  | <u>\$ 199,868</u>          | <u>\$ 546,906</u> | <u>\$ 50,796</u>    | <u>\$ 374,460</u>            |

|      |        |           |            |        |           |
|------|--------|-----------|------------|--------|-----------|
| \$ - | \$ 480 | \$ 11,802 | \$ 103,956 | \$ -   | \$ 91,636 |
| -    | -      | -         | 42,492     | -      | -         |
| -    | -      | -         | -          | 50,796 | 282,824   |
| -    | -      | -         | 297,896    | 796    | 374,460   |
| -    | -      | -         | -          | -      | -         |
| -    | -      | -         | -          | -      | -         |
| -    | -      | -         | 431,602    | -      | -         |
| -    | 480    | 11,802    | 875,946    | 51,592 | 748,920   |

|                |               |                |                  |              |                  |
|----------------|---------------|----------------|------------------|--------------|------------------|
| -              | -             | -              | -                | -            | -                |
| 238,840        | 22,896        | 188,066        | -                | -            | -                |
| -              | -             | -              | -                | -            | -                |
| -              | -             | -              | -                | -            | -                |
| -              | -             | -              | (329,040)        | (796)        | (374,460)        |
| <u>238,840</u> | <u>22,896</u> | <u>188,066</u> | <u>(329,040)</u> | <u>(796)</u> | <u>(374,460)</u> |

|                   |                  |                   |                   |                  |                   |
|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
| <u>\$ 238,840</u> | <u>\$ 23,376</u> | <u>\$ 199,868</u> | <u>\$ 546,906</u> | <u>\$ 50,796</u> | <u>\$ 374,460</u> |
|-------------------|------------------|-------------------|-------------------|------------------|-------------------|

City of Moline, Illinois

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

December 31, 2011

|   | Special Revenue                        |                                    |                     |                     |
|---|--|------------------------------------|---------------------|---------------------|
|   | Single Family                          |                                    | Library             | NSP2 Grant Fund     |
|   | Owner Occupied<br>Rehabilitation Grant | Small Rental<br>Properties Program |                     |                     |
| <b>Assets</b>   |  |                                    |                     |                     |
| Cash and cash equivalents                                   | \$ -                                   | \$ -                               | \$ 228,648          | \$ -                |
| Restricted cash and cash equivalents                        | -                                      | -                                  | -                   | -                   |
| Investments   | -                                      | -                                  | -                   | -                   |
| Receivables:  |  |                                    |                     |                     |
| Property taxes  | -                                      | -                                  | 2,775,676           | -                   |
| Accounts, net of allowance for collection<br>losses of none | -                                      | -                                  | -                   | -                   |
| Accrued interest  | -                                      | -                                  | -                   | -                   |
| Loans   | -                                      | -                                  | -                   | -                   |
| Other taxes   | -                                      | -                                  | -                   | -                   |
| Due from other governmental units                           | 40,882                                 | 72,772                             | -                   | 2,156,968           |
| Due from other funds  | -                                      | -                                  | -                   | -                   |
| Interfund advances  | -                                      | -                                  | -                   | -                   |
| <b>Total assets</b>   | <b>\$ 40,882</b>                       | <b>\$ 72,772</b>                   | <b>\$ 3,004,324</b> | <b>\$ 2,156,968</b> |
| <b>Liabilities and Fund Balances</b>                        |  |                                    |                     |                     |
| Liabilities:  |  |                                    |                     |                     |
| Accounts payable  | \$ 29,840                              | \$ 52,422                          | \$ 27,434           | \$ 588,265          |
| Accrued expenses  | -                                      | -                                  | 73,864              | -                   |
| Due to other funds  | 11,042                                 | 20,350                             | -                   | 1,610,706           |
| Deferred revenue  | 6,412                                  | -                                  | 2,670,610           | 634,134             |
| Deposits  | -                                      | -                                  | -                   | -                   |
| Line of credit  | -                                      | -                                  | -                   | -                   |
| Interfund advances  | -                                      | -                                  | -                   | -                   |
| <b>Total liabilities</b>                                    | <b>47,294</b>                          | <b>72,772</b>                      | <b>2,771,908</b>    | <b>2,833,105</b>    |
| Fund balances (deficits):                                   |  |                                    |                     |                     |
| Nonspendable  | -                                      | -                                  | -                   | -                   |
| Restricted  | -                                      | -                                  | 232,416             | -                   |
| Committed   | -                                      | -                                  | -                   | -                   |
| Assigned  | -                                      | -                                  | -                   | -                   |
| Unassigned  | (6,412)                                | -                                  | -                   | (676,137)           |
| <b>Total fund balances (deficits)</b>                       | <b>(6,412)</b>                         | <b>-</b>                           | <b>232,416</b>      | <b>(676,137)</b>    |
| <b>Total liabilities and fund<br/>balances</b>              | <b>\$ 40,882</b>                       | <b>\$ 72,772</b>                   | <b>\$ 3,004,324</b> | <b>\$ 2,156,968</b> |

Special Revenue

| Tax Increment<br>Financing #5 | Tax Increment<br>Financing #7 | Tax Increment<br>Financing #8 | Tax Increment<br>Financing #9 | Capital Projects    | Totals               |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------|----------------------|
| \$ 7,914                      | \$ -                          | \$ -                          | \$ 28,002                     | \$ 608,446          | \$ 3,290,468         |
| -                             | 5,784,200                     | -                             | -                             | -                   | 5,784,200            |
| -                             | -                             | -                             | -                             | 299,454             | 1,004,732            |
| 32,110                        | 17,306                        | -                             | -                             | 108,694             | 4,109,558            |
| -                             | -                             | -                             | -                             | -                   | 85,968               |
| -                             | 1,990                         | -                             | -                             | 11,390              | 23,778               |
| -                             | -                             | -                             | -                             | -                   | 118,238              |
| -                             | -                             | -                             | -                             | 1,353,414           | 1,625,344            |
| -                             | -                             | -                             | -                             | -                   | 2,821,460            |
| -                             | -                             | -                             | -                             | -                   | 504,322              |
| -                             | -                             | -                             | -                             | 431,602             | 431,602              |
| <u>\$ 40,024</u>              | <u>\$ 5,803,496</u>           | <u>\$ -</u>                   | <u>\$ 28,002</u>              | <u>\$ 2,813,000</u> | <u>\$ 19,799,670</u> |
| \$ -                          | \$ -                          | \$ -                          | \$ -                          | \$ 17,066           | \$ 1,223,563         |
| -                             | -                             | -                             | -                             | -                   | 117,226              |
| -                             | -                             | 2,850                         | -                             | -                   | 3,131,576            |
| 32,110                        | 17,306                        | -                             | -                             | 550,492             | 5,394,108            |
| -                             | -                             | -                             | -                             | 11,160              | 11,160               |
| -                             | -                             | -                             | -                             | -                   | 2,121,476            |
| -                             | -                             | -                             | -                             | -                   | 431,602              |
| <u>32,110</u>                 | <u>17,306</u>                 | <u>2,850</u>                  | <u>-</u>                      | <u>578,718</u>      | <u>12,430,711</u>    |
| -                             | -                             | -                             | -                             | 431,602             | 527,840              |
| 7,914                         | 5,786,190                     | -                             | 28,002                        | -                   | 9,396,305            |
| -                             | -                             | -                             | -                             | 1,802,680           | 2,034,819            |
| -                             | -                             | -                             | -                             | -                   | 45,054               |
| -                             | -                             | (2,850)                       | -                             | -                   | (4,635,059)          |
| <u>7,914</u>                  | <u>5,786,190</u>              | <u>(2,850)</u>                | <u>28,002</u>                 | <u>2,234,282</u>    | <u>7,368,959</u>     |
| <u>\$ 40,024</u>              | <u>\$ 5,803,496</u>           | <u>\$ -</u>                   | <u>\$ 28,002</u>              | <u>\$ 2,813,000</u> | <u>\$ 19,799,670</u> |

City of Moline, Illinois

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds  
Year Ended December 31, 2011**

|  | Special Revenue                         |  |                    |                           |
|--|---|--|--------------------|---------------------------|
|  | Community<br>Development<br>Block Grant | Community<br>Development Block<br>Grant Recovery | Motor Fuel Tax     | Revolving Loan<br>Program |
| Revenues:  |   |  |                    |                           |
| Taxes  | \$ -                                    | \$ -   | \$ -               | \$ -                      |
| Intergovernmental  | 673,834                                 | 61,339   | 1,269,148          | -                         |
| Charges for services   | -                                       | -  | -                  | -                         |
| Fines and forfeitures  | -                                       | -  | -                  | -                         |
| Use of money and property                                    | 1,236                                   | -  | 902                | 4,543                     |
| Contributions  | -                                       | -  | -                  | -                         |
| Miscellaneous  | 902                                     | -  | 10,335             | -                         |
| <b>Total revenues</b>  | <b>675,972</b>                          | <b>61,339</b>                                    | <b>1,280,385</b>   | <b>4,543</b>              |
| Expenditures:  |   |  |                    |                           |
| Current:   |   |  |                    |                           |
| General government   | -                                       | -  | -                  | -                         |
| Public works   | -                                       | -  | -                  | -                         |
| Economic development   | 611,786                                 | 46,338   | -                  | -                         |
| Culture and recreation                                       | -                                       | -  | -                  | -                         |
| Libraries  | -                                       | -  | -                  | -                         |
| Capital outlay   | -                                       | -  | 2,777,008          | -                         |
| Debt service:  |   |  |                    |                           |
| Interest and fiscal charges                                  | -                                       | -  | -                  | -                         |
| Bond issuance costs  | -                                       | -  | -                  | -                         |
| <b>Total expenditures</b>                                    | <b>611,786</b>                          | <b>46,338</b>                                    | <b>2,777,008</b>   | <b>-</b>                  |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>64,186</b>                           | <b>15,001</b>                                    | <b>(1,496,623)</b> | <b>4,543</b>              |
| Other financing sources (uses):                              |   |  |                    |                           |
| Issuance of long-term debt                                   | -                                       | -  | -                  | -                         |
| Premium on bond issuance                                     | -                                       | -  | -                  | -                         |
| Transfers in   | -                                       | -  | -                  | -                         |
| Transfers out  | (275,348)                               | -  | -                  | -                         |
| <b>Total other financing<br/>sources (uses)</b>              | <b>(275,348)</b>                        | <b>-</b>   | <b>-</b>           | <b>-</b>                  |
| <b>Net change in fund balances</b>                           | <b>(211,162)</b>                        | <b>15,001</b>                                    | <b>(1,496,623)</b> | <b>4,543</b>              |
| Fund balances (deficits), beginning of year                  | 233,126                                 | (15,001)   | 2,197,351          | 297,681                   |
| Fund balances (deficits), end of year                        | \$ 21,964                               | \$ -   | \$ 700,728         | \$ 302,224                |

(Continued)

Special Revenue

| Tourism      | Special Service Area<br>Number Three | Special Service Area<br>Number Five | Special Service Area<br>Number Six | Foreign Fire<br>Insurance | General Trust |
|--------------|--------------------------------------|-------------------------------------|------------------------------------|---------------------------|---------------|
| \$ 882,974   | \$ -                                 | \$ 109,292                          | \$ 225,010                         | \$ 50,030                 | \$ 200,688    |
| -            | -                                    | -                                   | -                                  | -                         | 80            |
| -            | -                                    | -                                   | -                                  | -                         | -             |
| -            | -                                    | -                                   | -                                  | -                         | -             |
| 772          | 10                                   | 18                                  | 54                                 | 8                         | 56            |
| -            | -                                    | -                                   | -                                  | -                         | 377,350       |
| 6            | -                                    | 16                                  | 16                                 | -                         | 21,098        |
| 883,752      | 10                                   | 109,326                             | 225,080                            | 50,038                    | 599,272       |
| -            | -                                    | -                                   | -                                  | 27,040                    | 479,040       |
| -            | -                                    | -                                   | -                                  | -                         | -             |
| 304,524      | -                                    | 108,105                             | 76,911                             | -                         | -             |
| -            | -                                    | -                                   | -                                  | -                         | -             |
| -            | -                                    | -                                   | -                                  | -                         | -             |
| -            | -                                    | -                                   | -                                  | -                         | -             |
| -            | -                                    | -                                   | -                                  | -                         | -             |
| 304,524      | -                                    | 108,105                             | 76,911                             | 27,040                    | 479,040       |
| 579,228      | 10                                   | 1,221                               | 148,169                            | 22,998                    | 120,232       |
| -            | -                                    | -                                   | -                                  | -                         | -             |
| -            | -                                    | -                                   | -                                  | -                         | -             |
| -            | -                                    | -                                   | -                                  | -                         | -             |
| (326,972)    | (232,754)                            | -                                   | -                                  | -                         | -             |
| (326,972)    | (232,754)                            | -                                   | -                                  | -                         | -             |
| 252,256      | (232,744)                            | 1,221                               | 148,169                            | 22,998                    | 120,232       |
| 800,206      | 232,744                              | 38,533                              | 58,151                             | 46,396                    | 368,362       |
| \$ 1,052,462 | \$ -                                 | \$ 39,754                           | \$ 206,320                         | \$ 69,394                 | \$ 488,594    |

City of Moline, Illinois

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds (Continued)  
Year Ended December 31, 2011**

|  | Special Revenue               |                               |                               |                               |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|  | Tax Increment<br>Financing #2 | Tax Increment<br>Financing #6 | Tax Increment<br>Financing #3 | Tax Increment<br>Financing #4 |
| Revenues:  |                               |                               |                               |                               |
| Taxes  | \$ 194,006                    | \$ -                          | \$ 53,578                     | \$ 192,544                    |
| Intergovernmental  | -                             | -                             | -                             | -                             |
| Charges for services   | -                             | -                             | -                             | -                             |
| Fines and forfeitures  | -                             | -                             | -                             | -                             |
| Use of money and property                                    | 34                            | -                             | 11                            | 56                            |
| Contributions  | -                             | -                             | -                             | -                             |
| Miscellaneous  | -                             | 9                             | -                             | -                             |
| <b>Total revenues</b>  | <b>194,040</b>                | <b>9</b>                      | <b>53,589</b>                 | <b>192,600</b>                |
| Expenditures:  |                               |                               |                               |                               |
| Current:   |                               |                               |                               |                               |
| General government   | -                             | -                             | -                             | -                             |
| Public works   | -                             | -                             | -                             | -                             |
| Economic development   | 2,448,564                     | -                             | 50,374                        | 189,590                       |
| Culture and recreation                                       | -                             | -                             | -                             | -                             |
| Libraries  | -                             | -                             | -                             | -                             |
| Capital outlay   | -                             | -                             | -                             | -                             |
| Debt service:  |                               |                               |                               |                               |
| Interest and fiscal charges                                  | -                             | -                             | -                             | -                             |
| Bond issuance costs  | -                             | -                             | -                             | -                             |
| <b>Total expenditures</b>                                    | <b>2,448,564</b>              | <b>-</b>                      | <b>50,374</b>                 | <b>189,590</b>                |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>(2,254,524)</b>            | <b>9</b>                      | <b>3,215</b>                  | <b>3,010</b>                  |
| Other financing sources (uses):                              |                               |                               |                               |                               |
| Issuance of long-term debt                                   | -                             | -                             | -                             | -                             |
| Premium on bond issuance                                     | -                             | -                             | -                             | -                             |
| Transfers in   | -                             | -                             | -                             | -                             |
| Transfers out  | (286,628)                     | -                             | -                             | -                             |
| <b>Total other financing<br/>sources (uses)</b>              | <b>(286,628)</b>              | <b>-</b>                      | <b>-</b>                      | <b>-</b>                      |
| <b>Net change in fund balances</b>                           | <b>(2,541,152)</b>            | <b>9</b>                      | <b>3,215</b>                  | <b>3,010</b>                  |
| Fund balances (deficits), beginning of year                  | (669,000)                     | (35,221)                      | 1,139                         | 133,828                       |
| Fund balances (deficits), end of year                        | <b>\$ (3,210,152)</b>         | <b>\$ (35,212)</b>            | <b>\$ 4,354</b>               | <b>\$ 136,838</b>             |

(Continued)

Special Revenue

| Library Trust | Perpetual Care | Reher Art Gallery | Park and Cemetery<br>Gifts | Sanitation   | Home Buyer<br>Grant |
|---------------|----------------|-------------------|----------------------------|--------------|---------------------|
| \$ -          | \$ -           | \$ -              | \$ -                       | \$ 1,341,738 | \$ -                |
| -             | -              | -                 | -                          | 32,720       | 224,290             |
| -             | -              | -                 | -                          | 869,270      | -                   |
| -             | -              | -                 | -                          | -            | -                   |
| 16,036        | 68             | 5                 | 6,764                      | 56           | -                   |
| 85,658        | -              | -                 | 22,376                     | 800          | -                   |
| -             | 13,007         | -                 | -                          | 119,618      | -                   |
| 101,694       | 13,075         | 5                 | 29,140                     | 2,364,202    | 224,290             |
| -             | -              | -                 | -                          | -            | -                   |
| -             | -              | -                 | -                          | 2,182,908    | -                   |
| -             | -              | -                 | -                          | -            | 211,523             |
| -             | -              | 28,182            | 45,086                     | -            | -                   |
| 149,865       | -              | -                 | -                          | -            | -                   |
| -             | -              | -                 | 24,804                     | -            | -                   |
| -             | -              | -                 | -                          | 15,786       | -                   |
| -             | -              | -                 | -                          | -            | -                   |
| 149,865       | -              | 28,182            | 69,890                     | 2,198,694    | 211,523             |
| (48,171)      | 13,075         | (28,177)          | (40,750)                   | 165,508      | 12,767              |
| -             | -              | -                 | -                          | -            | -                   |
| -             | -              | -                 | -                          | -            | -                   |
| -             | -              | 13,766            | -                          | 28,714       | -                   |
| (13,766)      | (70)           | -                 | -                          | -            | -                   |
| (13,766)      | (70)           | 13,766            | -                          | 28,714       | -                   |
| (61,937)      | 13,005         | (14,411)          | (40,750)                   | 194,222      | 12,767              |
| 304,717       | 225,835        | 37,307            | 228,816                    | (523,262)    | (13,563)            |
| \$ 242,780    | \$ 238,840     | \$ 22,896         | \$ 188,066                 | \$ (329,040) | \$ (796)            |

City of Moline, Illinois

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)  
Nonmajor Governmental Funds (Continued)  
Year Ended December 31, 2011**

|  | Special Revenue              |  |                                    |                  |
|--|------------------------------|--|------------------------------------|------------------|
|  | Lead Hazard<br>Control Grant | Single Family                          |                                    | Library          |
|  |                              | Owner Occupied<br>Rehabilitation Grant | Small Rental<br>Properties Program |                  |
| Revenues:  |                              |  |                                    |                  |
| Taxes  | \$ -                         | \$ -                                   | \$ -                               | \$ 2,690,528     |
| Intergovernmental  | 639,196                      | 73,726                                 | 129,088                            | 44,790           |
| Charges for services   | -                            | -                                      | -                                  | 29,878           |
| Fines and forfeitures  | -                            | -                                      | -                                  | 58,568           |
| Use of money and property                                    | -                            | -                                      | -                                  | 48               |
| Contributions  | -                            | -                                      | -                                  | -                |
| Miscellaneous  | -                            | -                                      | -                                  | 12,687           |
| <b>Total revenues</b>  | <b>639,196</b>               | <b>73,726</b>                          | <b>129,088</b>                     | <b>2,836,499</b> |
| Expenditures:  |                              |  |                                    |                  |
| Current:   |                              |  |                                    |                  |
| General government   | -                            | -                                      | -                                  | -                |
| Public works   | -                            | -                                      | -                                  | -                |
| Economic development   | 971,975                      | 36,300                                 | 119,586                            | -                |
| Culture and recreation                                       | -                            | -                                      | -                                  | -                |
| Libraries  | -                            | -                                      | -                                  | 2,877,052        |
| Capital outlay   | -                            | -                                      | -                                  | -                |
| Debt service:  |                              |  |                                    |                  |
| Interest and fiscal charges                                  | -                            | -                                      | -                                  | -                |
| Bond issuance costs  | -                            | -                                      | -                                  | -                |
| <b>Total expenditures</b>                                    | <b>971,975</b>               | <b>36,300</b>                          | <b>119,586</b>                     | <b>2,877,052</b> |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>(332,779)</b>             | <b>37,426</b>                          | <b>9,502</b>                       | <b>(40,553)</b>  |
| Other financing sources (uses):                              |                              |  |                                    |                  |
| Issuance of long-term debt                                   | -                            | -                                      | -                                  | -                |
| Premium on bond issuance                                     | -                            | -                                      | -                                  | -                |
| Transfers in   | -                            | -                                      | -                                  | -                |
| Transfers out  | -                            | -                                      | -                                  | -                |
| <b>Total other financing<br/>sources (uses)</b>              | <b>-</b>                     | <b>-</b>                               | <b>-</b>                           | <b>-</b>         |
| <b>Net change in fund balances</b>                           | <b>(332,779)</b>             | <b>37,426</b>                          | <b>9,502</b>                       | <b>(40,553)</b>  |
| Fund balances (deficits), beginning of year                  | (41,681)                     | (43,838)                               | (9,502)                            | 272,969          |
| Fund balances (deficits), end of year                        | \$ (374,460)                 | \$ (6,412)                             | \$ -                               | \$ 232,416       |

| Special Revenue |                               |                               |                               |                               |                  |               |
|-----------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------|---------------|
| NSP2 Grant      | Tax Increment<br>Financing #5 | Tax Increment<br>Financing #7 | Tax Increment<br>Financing #8 | Tax Increment<br>Financing #9 | Capital Projects | Totals        |
| \$ -            | \$ -                          | \$ -                          | \$ -                          | \$ -                          | \$ 6,165,358     | \$ 12,105,746 |
| 2,494,286       | -                             | -                             | -                             | -                             | 75,000           | 5,717,497     |
| -               | -                             | -                             | -                             | -                             | 10,710           | 909,858       |
| -               | -                             | -                             | -                             | -                             | -                | 58,568        |
| -               | -                             | 4,328                         | -                             | 2                             | 17,112           | 52,119        |
| -               | -                             | -                             | -                             | -                             | -                | 486,184       |
| -               | 9,319                         | -                             | -                             | 28,000                        | -                | 215,013       |
| 2,494,286       | 9,319                         | 4,328                         | -                             | 28,002                        | 6,268,180        | 19,544,985    |
| -               | -                             | -                             | -                             | -                             | -                | 506,080       |
| -               | -                             | -                             | -                             | -                             | -                | 2,182,908     |
| 2,962,097       | -                             | 726,695                       | 2,850                         | -                             | -                | 8,867,218     |
| -               | -                             | -                             | -                             | -                             | -                | 73,268        |
| -               | -                             | -                             | -                             | -                             | -                | 3,026,917     |
| 34,482          | -                             | -                             | -                             | -                             | 2,386,842        | 5,223,136     |
| -               | -                             | -                             | -                             | -                             | 3,100            | 18,886        |
| -               | -                             | 162,856                       | -                             | -                             | -                | 162,856       |
| 2,996,579       | -                             | 889,551                       | 2,850                         | -                             | 2,389,942        | 20,061,269    |
| (502,293)       | 9,319                         | (885,223)                     | (2,850)                       | 28,002                        | 3,878,238        | (516,284)     |
| -               | -                             | 6,624,642                     | -                             | -                             | -                | 6,624,642     |
| -               | -                             | 46,771                        | -                             | -                             | -                | 46,771        |
| -               | -                             | -                             | -                             | -                             | -                | 42,480        |
| -               | -                             | -                             | -                             | -                             | (4,215,270)      | (5,350,808)   |
| -               | -                             | 6,671,413                     | -                             | -                             | (4,215,270)      | 1,363,085     |
| (502,293)       | 9,319                         | 5,786,190                     | (2,850)                       | 28,002                        | (337,032)        | 846,801       |
| (173,844)       | (1,405)                       | -                             | -                             | -                             | 2,571,314        | 6,522,158     |
| \$ (676,137)    | \$ 7,914                      | \$ 5,786,190                  | \$ (2,850)                    | \$ 28,002                     | \$ 2,234,282     | \$ 7,368,959  |

City of Moline, Illinois

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) -  
Budget and Actual - Nonmajor Special Revenue Funds  
Year Ended December 31, 2011**

|  | Community Development<br>Block Grant |                  | Community Development<br>Block Grant Recovery |               |
|--|--------------------------------------|------------------|---|---------------|
|  | Budget                               | Actual           | Budget  | Actual        |
| <b>Revenues:</b>   |                                      |                  |   |               |
| Taxes  | \$ -                                 | \$ -             | \$ -  | \$ -          |
| Charges for services   | -                                    | -                | -   | -             |
| Intergovernmental  | 818,725                              | 673,834          | 46,345  | 61,339        |
| Fines and forfeitures  | -                                    | -                | -   | -             |
| Use of money and property                                    | -                                    | 1,236            | -   | -             |
| Contributions  | -                                    | -                | -   | -             |
| Miscellaneous  | -                                    | 902              | -   | -             |
| <b>Total revenues</b>  | <b>818,725</b>                       | <b>675,972</b>   | <b>46,345</b>                                 | <b>61,339</b> |
| <b>Expenditures:</b>   |                                      |                  |   |               |
| <b>Current:</b>  |                                      |                  |   |               |
| General government   | -                                    | -                | -   | -             |
| Public works   | -                                    | -                | -   | -             |
| Economic development   | 790,500                              | 611,786          | 46,345  | 46,338        |
| Culture and recreation                                       | -                                    | -                | -   | -             |
| Libraries  | -                                    | -                | -   | -             |
| Capital outlay   | -                                    | -                | -   | -             |
| <b>Debt service:</b>   |                                      |                  |   |               |
| Interest and fiscal charges                                  | -                                    | -                | -   | -             |
| Bond issuance costs  | -                                    | -                | -   | -             |
| <b>Total expenditures</b>                                    | <b>790,500</b>                       | <b>611,786</b>   | <b>46,345</b>                                 | <b>46,338</b> |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>28,225</b>                        | <b>64,186</b>    | <b>-</b>                                      | <b>15,001</b> |
| <b>Other financing sources (uses):</b>                       |                                      |                  |   |               |
| Issuance of long-term debt                                   | -                                    | -                | -   | -             |
| Premium on bond issuance                                     | -                                    | -                | -   | -             |
| Transfers in   | -                                    | -                | -   | -             |
| Transfers out  | (278,225)                            | (275,348)        | -   | -             |
| <b>Total other financing<br/>sources (uses)</b>              | <b>(278,225)</b>                     | <b>(275,348)</b> | <b>-</b>                                      | <b>-</b>      |
| <b>Net change in fund balances</b>                           | <b>\$ (250,000)</b>                  | <b>(211,162)</b> | <b>\$ -</b>                                   | <b>15,001</b> |
| Fund balances (deficits), beginning of year                  |                                      | 233,126          |   | (15,001)      |
| Fund balances (deficits), end of year                        |                                      | <u>\$ 21,964</u> |   | <u>\$ -</u>   |

(Continued)

| Motor Fuel Tax      |                    | Revolving Loan Program |                   | Tourism        |                     |
|---------------------|--------------------|------------------------|-------------------|----------------|---------------------|
| Budget              | Actual             | Budget                 | Actual            | Budget         | Actual              |
| \$ -                | \$ -               | \$ -                   | \$ -              | \$ 800,000     | \$ 882,974          |
| -                   | -                  | 17,005                 | -                 | -              | -                   |
| 2,326,950           | 1,269,148          | -                      | -                 | -              | -                   |
| -                   | -                  | -                      | -                 | -              | -                   |
| -                   | 902                | 3,970                  | 4,543             | 480            | 772                 |
| -                   | -                  | -                      | -                 | -              | -                   |
| -                   | 10,335             | -                      | -                 | -              | 6                   |
| <u>2,326,950</u>    | <u>1,280,385</u>   | <u>20,975</u>          | <u>4,543</u>      | <u>800,480</u> | <u>883,752</u>      |
| -                   | -                  | -                      | -                 | -              | -                   |
| -                   | -                  | -                      | -                 | -              | -                   |
| -                   | -                  | 195,000                | -                 | 288,155        | 304,524             |
| -                   | -                  | -                      | -                 | -              | -                   |
| -                   | -                  | -                      | -                 | -              | -                   |
| 3,257,140           | 2,777,008          | -                      | -                 | -              | -                   |
| -                   | -                  | -                      | -                 | -              | -                   |
| -                   | -                  | -                      | -                 | -              | -                   |
| <u>3,257,140</u>    | <u>2,777,008</u>   | <u>195,000</u>         | <u>-</u>          | <u>288,155</u> | <u>304,524</u>      |
| (930,190)           | (1,496,623)        | (174,025)              | 4,543             | 512,325        | 579,228             |
| -                   | -                  | -                      | -                 | -              | -                   |
| -                   | -                  | -                      | -                 | -              | -                   |
| -                   | -                  | -                      | -                 | -              | -                   |
| -                   | -                  | -                      | -                 | (512,325)      | (326,972)           |
| -                   | -                  | -                      | -                 | (512,325)      | (326,972)           |
| <u>\$ (930,190)</u> | <u>(1,496,623)</u> | <u>\$ (174,025)</u>    | <u>4,543</u>      | <u>\$ -</u>    | <u>252,256</u>      |
|                     | 2,197,351          |                        | 297,681           |                | 800,206             |
|                     | <u>\$ 700,728</u>  |                        | <u>\$ 302,224</u> |                | <u>\$ 1,052,462</u> |

City of Moline, Illinois

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) -  
Budget and Actual - Nonmajor Special Revenue Funds (Continued)  
Year Ended December 31, 2011**

|  | Special Service Area Number Three |                  | Special Service Area Number Five |                |
|--|-----------------------------------|------------------|----------------------------------|----------------|
|  | Budget                            | Actual           | Budget                           | Actual         |
| <b>Revenues:</b>   |                                   |                  |                                  |                |
| Taxes  | \$ -                              | \$ -             | \$ 110,400                       | \$ 109,292     |
| Charges for services   | -                                 | -                | -                                | -              |
| Intergovernmental  | -                                 | -                | -                                | -              |
| Fines and forfeitures  | -                                 | -                | -                                | -              |
| Use of money and property                                    | -                                 | 10               | 100                              | 18             |
| Contributions  | -                                 | -                | -                                | -              |
| Miscellaneous  | -                                 | -                | -                                | 16             |
| <b>Total revenues</b>  | <b>-</b>                          | <b>10</b>        | <b>110,500</b>                   | <b>109,326</b> |
| <b>Expenditures:</b>   |                                   |                  |                                  |                |
| Current:   |                                   |                  |                                  |                |
| General government   | -                                 | -                | -                                | -              |
| Public works   | -                                 | -                | -                                | -              |
| Economic development   | -                                 | -                | 110,500                          | 108,105        |
| Culture and recreation                                       | -                                 | -                | -                                | -              |
| Libraries  | -                                 | -                | -                                | -              |
| Capital outlay   | -                                 | -                | -                                | -              |
| Debt service:  |                                   |                  |                                  |                |
| Interest and fiscal charges                                  | -                                 | -                | -                                | -              |
| Bond issuance costs  | -                                 | -                | -                                | -              |
| <b>Total expenditures</b>                                    | <b>-</b>                          | <b>-</b>         | <b>110,500</b>                   | <b>108,105</b> |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>-</b>                          | <b>10</b>        | <b>-</b>                         | <b>1,221</b>   |
| <b>Other financing sources (uses):</b>                       |                                   |                  |                                  |                |
| Issuance of long-term debt                                   | -                                 | -                | -                                | -              |
| Premium on bond issuance                                     | -                                 | -                | -                                | -              |
| Transfers in   | -                                 | -                | -                                | -              |
| Transfers out  | (233,000)                         | (232,754)        | -                                | -              |
| <b>Total other financing<br/>sources (uses)</b>              | <b>(233,000)</b>                  | <b>(232,754)</b> | <b>-</b>                         | <b>-</b>       |
| <b>Net change in fund balances</b>                           | <b>\$ (233,000)</b>               | <b>(232,744)</b> | <b>\$ -</b>                      | <b>1,221</b>   |
| Fund balances (deficits), beginning of year                  |                                   | 232,744          |                                  | 38,533         |
| Fund balances (deficits), end of year                        |                                   | \$ -             |                                  | \$ 39,754      |

(Continued)

| Special Service Area Number Six |                   | Foreign Fire Insurance |                  | General Trust      |                   |
|---------------------------------|-------------------|------------------------|------------------|--------------------|-------------------|
| Budget                          | Actual            | Budget                 | Actual           | Budget             | Actual            |
| \$ 225,000                      | \$ 225,010        | \$ 31,550              | \$ 50,030        | \$ 250,000         | \$ 200,688        |
| -                               | -                 | -                      | -                | -                  | -                 |
| -                               | -                 | -                      | -                | -                  | 80                |
| -                               | -                 | -                      | -                | -                  | -                 |
| -                               | 54                | 100                    | 8                | -                  | 56                |
| -                               | -                 | -                      | -                | 286,000            | 377,350           |
| -                               | -                 | -                      | -                | -                  | 21,098            |
| <u>225,000</u>                  | <u>225,064</u>    | <u>31,650</u>          | <u>50,038</u>    | <u>536,000</u>     | <u>599,272</u>    |
| -                               | -                 | 31,650                 | 27,040           | 606,450            | 479,040           |
| -                               | -                 | -                      | -                | -                  | -                 |
| 48,145                          | 76,911            | -                      | -                | -                  | -                 |
| -                               | -                 | -                      | -                | -                  | -                 |
| -                               | -                 | -                      | -                | -                  | -                 |
| 176,855                         | -                 | -                      | -                | -                  | -                 |
| -                               | -                 | -                      | -                | -                  | -                 |
| -                               | -                 | -                      | -                | -                  | -                 |
| <u>225,000</u>                  | <u>76,911</u>     | <u>31,650</u>          | <u>27,040</u>    | <u>606,450</u>     | <u>479,040</u>    |
| -                               | 148,153           | -                      | 22,998           | (70,450)           | 120,232           |
| -                               | -                 | -                      | -                | -                  | -                 |
| -                               | -                 | -                      | -                | -                  | -                 |
| -                               | -                 | -                      | -                | -                  | -                 |
| -                               | -                 | -                      | -                | -                  | -                 |
| <u>\$ -</u>                     | <u>148,153</u>    | <u>\$ -</u>            | <u>22,998</u>    | <u>\$ (70,450)</u> | <u>120,232</u>    |
|                                 | 58,151            |                        | 46,396           |                    | 368,362           |
|                                 | <u>\$ 206,304</u> |                        | <u>\$ 69,394</u> |                    | <u>\$ 488,594</u> |

City of Moline, Illinois

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) -  
Budget and Actual - Nonmajor Special Revenue Funds (Continued)  
Year Ended December 31, 2011**

|  | Tax Increment Financing #2 |                       | Tax Increment Financing #3 |                 |
|--|----------------------------|-----------------------|----------------------------|-----------------|
|  | Budget                     | Actual                | Budget                     | Actual          |
| <b>Revenues:</b>   |                            |                       |                            |                 |
| Taxes  | \$ 237,840                 | \$ 194,006            | \$ 51,150                  | \$ 53,578       |
| Charges for services   | -                          | -                     | -                          | -               |
| Intergovernmental  | -                          | -                     | -                          | -               |
| Fines and forfeitures  | -                          | -                     | -                          | -               |
| Use of money and property                                    | -                          | 34                    | -                          | 11              |
| Contributions  | -                          | -                     | -                          | -               |
| Miscellaneous  | 2,497,880                  | -                     | -                          | -               |
| <b>Total revenues</b>  | <b>2,735,720</b>           | <b>194,040</b>        | <b>51,150</b>              | <b>53,589</b>   |
| <b>Expenditures:</b>   |                            |                       |                            |                 |
| <b>Current:</b>  |                            |                       |                            |                 |
| General government   | -                          | -                     | -                          | -               |
| Public works   | -                          | -                     | -                          | -               |
| Economic development   | 2,448,280                  | 2,448,564             | 51,150                     | 50,374          |
| Culture and recreation                                       | -                          | -                     | -                          | -               |
| Libraries  | -                          | -                     | -                          | -               |
| Capital outlay   | -                          | -                     | -                          | -               |
| <b>Debt service:</b>   |                            |                       |                            |                 |
| Interest and fiscal charges                                  | -                          | -                     | -                          | -               |
| Bond issuance costs  | -                          | -                     | -                          | -               |
| <b>Total expenditures</b>                                    | <b>2,448,280</b>           | <b>2,448,564</b>      | <b>51,150</b>              | <b>50,374</b>   |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>287,440</b>             | <b>(2,254,524)</b>    | <b>-</b>                   | <b>3,215</b>    |
| <b>Other financing sources (uses):</b>                       |                            |                       |                            |                 |
| Issuance of long-term debt                                   | -                          | -                     | -                          | -               |
| Premium on bond issuance                                     | -                          | -                     | -                          | -               |
| Transfers in   | -                          | -                     | -                          | -               |
| Transfers out  | (287,440)                  | (286,628)             | -                          | -               |
| <b>Total other financing<br/>sources (uses)</b>              | <b>(287,440)</b>           | <b>(286,628)</b>      | <b>-</b>                   | <b>-</b>        |
| <b>Net change in fund balances</b>                           | <b>\$ -</b>                | <b>(2,541,152)</b>    | <b>\$ -</b>                | <b>3,215</b>    |
| Fund balances (deficits), beginning of year                  |                            | (669,000)             |                            | 1,139           |
| Fund balances (deficits), end of year                        |                            | <b>\$ (3,210,152)</b> |                            | <b>\$ 4,354</b> |

(Continued)

| Tax Increment Financing #4 |                   | Library Trust      |                   | Perpetual Care |                   |
|----------------------------|-------------------|--------------------|-------------------|----------------|-------------------|
| Budget                     | Actual            | Budget             | Actual            | Budget         | Actual            |
| \$ 100,000                 | \$ 192,544        | \$ -               | \$ -              | \$ -           | \$ -              |
| -                          | -                 | -                  | -                 | -              | -                 |
| -                          | -                 | -                  | -                 | -              | -                 |
| -                          | -                 | -                  | -                 | -              | -                 |
| -                          | 56                | 22,200             | 16,036            | 100            | 68                |
| -                          | -                 | 85,000             | 85,658            | -              | -                 |
| -                          | -                 | -                  | -                 | 13,860         | 13,007            |
| <u>100,000</u>             | <u>192,600</u>    | <u>107,200</u>     | <u>101,694</u>    | <u>13,960</u>  | <u>13,075</u>     |
| -                          | -                 | -                  | -                 | -              | -                 |
| -                          | -                 | -                  | -                 | -              | -                 |
| 100,000                    | 189,590           | -                  | -                 | -              | -                 |
| -                          | -                 | -                  | -                 | -              | -                 |
| -                          | -                 | 153,435            | 149,865           | -              | -                 |
| -                          | -                 | -                  | -                 | -              | -                 |
| -                          | -                 | -                  | -                 | -              | -                 |
| -                          | -                 | -                  | -                 | -              | -                 |
| <u>100,000</u>             | <u>189,590</u>    | <u>153,435</u>     | <u>149,865</u>    | <u>-</u>       | <u>-</u>          |
| -                          | 3,010             | (46,235)           | (48,171)          | 13,960         | 13,075            |
| -                          | -                 | -                  | -                 | -              | -                 |
| -                          | -                 | -                  | -                 | -              | -                 |
| -                          | -                 | -                  | -                 | -              | -                 |
| -                          | -                 | (13,765)           | (13,766)          | (13,960)       | (70)              |
| -                          | -                 | (13,765)           | (13,766)          | (13,960)       | (70)              |
| <u>\$ -</u>                | <u>3,010</u>      | <u>\$ (60,000)</u> | <u>(61,937)</u>   | <u>\$ -</u>    | <u>13,005</u>     |
|                            | 133,828           |                    | 304,717           |                | 225,835           |
|                            | <u>\$ 136,838</u> |                    | <u>\$ 242,780</u> |                | <u>\$ 238,840</u> |

City of Moline, Illinois

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) -  
Budget and Actual - Nonmajor Special Revenue Funds (Continued)  
Year Ended December 31, 2011**

|  | Reher Art Gallery  |                  | Park and Cemetery Gifts |                   |
|--|--------------------|------------------|-------------------------|-------------------|
|  | Budget             | Actual           | Budget                  | Actual            |
| <b>Revenues:</b>   |                    |                  |                         |                   |
| Taxes  | \$ -               | \$ -             | \$ -                    | \$ -              |
| Charges for services   | -                  | -                | -                       | -                 |
| Intergovernmental  | -                  | -                | -                       | -                 |
| Fines and forfeitures  | -                  | -                | -                       | -                 |
| Use of money and property                                    | 50                 | 5                | 1,405                   | 6,764             |
| Contributions  | -                  | -                | 21,500                  | 22,376            |
| Miscellaneous  | -                  | -                | -                       | -                 |
| <b>Total revenues</b>  | <b>50</b>          | <b>5</b>         | <b>22,905</b>           | <b>29,140</b>     |
| <b>Expenditures:</b>   |                    |                  |                         |                   |
| Current:   |                    |                  |                         |                   |
| General government   | -                  | -                | -                       | -                 |
| Public works   | -                  | -                | -                       | -                 |
| Economic development   | -                  | -                | -                       | -                 |
| Culture and recreation                                       | 33,815             | 28,182           | 22,905                  | 45,086            |
| Libraries  | -                  | -                | -                       | -                 |
| Capital outlay   | -                  | -                | -                       | 24,804            |
| Debt service:  |                    |                  |                         |                   |
| Interest and fiscal charges                                  | -                  | -                | -                       | -                 |
| Bond issuance costs  | -                  | -                | -                       | -                 |
| <b>Total expenditures</b>                                    | <b>33,815</b>      | <b>28,182</b>    | <b>22,905</b>           | <b>69,890</b>     |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>(33,765)</b>    | <b>(28,177)</b>  | <b>-</b>                | <b>(40,750)</b>   |
| <b>Other financing sources (uses):</b>                       |                    |                  |                         |                   |
| Issuance of long-term debt                                   | -                  | -                | -                       | -                 |
| Premium on bond issuance                                     | -                  | -                | -                       | -                 |
| Transfers in   | 13,765             | 13,766           | -                       | -                 |
| Transfers out  | -                  | -                | -                       | -                 |
| <b>Total other financing<br/>sources (uses)</b>              | <b>13,765</b>      | <b>13,766</b>    | <b>-</b>                | <b>-</b>          |
| <b>Net change in fund balances</b>                           | <b>\$ (20,000)</b> | <b>(14,411)</b>  | <b>\$ -</b>             | <b>(40,750)</b>   |
| Fund balances (deficits), beginning of year                  |                    | 37,307           |                         | 228,816           |
| Fund balances (deficits), end of year                        |                    | <u>\$ 22,896</u> |                         | <u>\$ 188,066</u> |

(Continued)

| Sanitation         |                     | Home Buyer Grant |                 | Lead Hazard Control Grant |                     |
|--------------------|---------------------|------------------|-----------------|---------------------------|---------------------|
| Budget             | Actual              | Budget           | Actual          | Budget                    | Actual              |
| \$ 1,341,690       | \$ 1,341,738        | \$ -             | \$ -            | \$ -                      | \$ -                |
| 870,140            | 869,270             | -                | -               | -                         | -                   |
| 32,825             | 32,720              | 221,610          | 224,290         | 827,930                   | 639,196             |
| -                  | -                   | -                | -               | -                         | -                   |
| 100                | 56                  | -                | -               | -                         | -                   |
| -                  | 800                 | -                | -               | -                         | -                   |
| 114,340            | 119,618             | -                | -               | -                         | -                   |
| <u>2,359,095</u>   | <u>2,364,202</u>    | <u>221,610</u>   | <u>224,290</u>  | <u>827,930</u>            | <u>639,196</u>      |
| -                  | -                   | -                | -               | -                         | -                   |
| 2,187,340          | 2,182,908           | -                | -               | -                         | -                   |
| -                  | -                   | 221,610          | 211,523         | 821,430                   | 971,975             |
| -                  | -                   | -                | -               | -                         | -                   |
| -                  | -                   | -                | -               | -                         | -                   |
| -                  | -                   | -                | -               | 6,500                     | -                   |
| 95,595             | 15,786              | -                | -               | -                         | -                   |
| -                  | -                   | -                | -               | -                         | -                   |
| <u>2,282,935</u>   | <u>2,198,694</u>    | <u>221,610</u>   | <u>211,523</u>  | <u>827,930</u>            | <u>971,975</u>      |
| 76,160             | 165,508             | -                | 12,767          | -                         | (332,779)           |
| -                  | -                   | -                | -               | -                         | -                   |
| -                  | -                   | -                | -               | -                         | -                   |
| -                  | 28,714              | -                | -               | -                         | -                   |
| (107,960)          | -                   | -                | -               | -                         | -                   |
| <u>(107,960)</u>   | <u>28,714</u>       | <u>-</u>         | <u>-</u>        | <u>-</u>                  | <u>-</u>            |
| <u>\$ (31,800)</u> | <u>194,222</u>      | <u>\$ -</u>      | <u>12,767</u>   | <u>\$ -</u>               | <u>(332,779)</u>    |
|                    | (523,262)           |                  | (13,563)        |                           | (41,681)            |
|                    | <u>\$ (329,040)</u> |                  | <u>\$ (796)</u> |                           | <u>\$ (374,460)</u> |

City of Moline, Illinois

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) -  
Budget and Actual - Nonmajor Special Revenue Funds (Continued)  
Year Ended December 31, 2011**

|  | Single Family Owner           |                          | Small Rental Properties Program |                    |
|--|-------------------------------|--------------------------|---------------------------------|--------------------|
|  | Occupied Rehabilitation Grant |                          |                                 |                    |
|  | Budget                        | Actual                   | Budget                          | Actual             |
| <b>Revenues:</b>   |                               |                          |                                 |                    |
| Taxes  | \$ -                          | \$ -                     | \$ -                            | \$ -               |
| Charges for services   | -                             | -                        | -                               | -                  |
| Intergovernmental  | 120,270                       | 73,726                   | 150,730                         | 129,088            |
| Fines and forfeitures  | -                             | -                        | -                               | -                  |
| Use of money and property                                    | -                             | -                        | -                               | -                  |
| Contributions  | -                             | -                        | -                               | -                  |
| Miscellaneous  | -                             | -                        | -                               | -                  |
| <b>Total revenues</b>  | <b>120,270</b>                | <b>73,726</b>            | <b>150,730</b>                  | <b>129,088</b>     |
| <b>Expenditures:</b>   |                               |                          |                                 |                    |
| <b>Current:</b>  |                               |                          |                                 |                    |
| General government   | -                             | -                        | -                               | -                  |
| Public works   | -                             | -                        | -                               | -                  |
| Economic development   | 120,270                       | 36,300                   | 150,730                         | 119,586            |
| Culture and recreation                                       | -                             | -                        | -                               | -                  |
| Libraries  | -                             | -                        | -                               | -                  |
| Capital outlay   | -                             | -                        | -                               | -                  |
| <b>Debt service:</b>   |                               |                          |                                 |                    |
| Interest and fiscal charges                                  | -                             | -                        | -                               | -                  |
| Bond issuance costs  | -                             | -                        | -                               | -                  |
| <b>Total expenditures</b>                                    | <b>120,270</b>                | <b>36,300</b>            | <b>150,730</b>                  | <b>119,586</b>     |
| <b>Excess (deficiency) of revenues<br/>over expenditures</b> | <b>-</b>                      | <b>37,426</b>            | <b>-</b>                        | <b>9,502</b>       |
| <b>Other financing sources (uses):</b>                       |                               |                          |                                 |                    |
| Issuance of long-term debt                                   | -                             | -                        | -                               | -                  |
| Premium on bond issuance                                     | -                             | -                        | -                               | -                  |
| Transfers in   | -                             | -                        | -                               | -                  |
| Transfers out  | -                             | -                        | -                               | -                  |
| <b>Total other financing<br/>sources (uses)</b>              | <b>-</b>                      | <b>-</b>                 | <b>-</b>                        | <b>-</b>           |
| <b>Net change in fund balances</b>                           | <b>\$ -</b>                   | <b>37,426</b>            | <b>\$ -</b>                     | <b>9,502</b>       |
| Fund balances (deficits), beginning of year                  |                               | (43,838)                 |                                 | (9,502)            |
| Fund balances (deficits), end of year                        |                               | <u><u>\$ (6,412)</u></u> |                                 | <u><u>\$ -</u></u> |

| Library            |                   | NSP2 Grant       |                     | Tax Increment Financing #7 |                     |
|--------------------|-------------------|------------------|---------------------|----------------------------|---------------------|
| Budget             | Actual            | Budget           | Actual              | Budget                     | Actual              |
| \$ 2,689,370       | \$ 2,690,528      | \$ -             | \$ -                | \$ -                       | \$ -                |
| 38,200             | 29,878            | -                | -                   | -                          | -                   |
| 45,000             | 44,790            | 3,992,225        | 2,494,286           | -                          | -                   |
| 75,000             | 58,568            | -                | -                   | -                          | -                   |
| 100                | 48                | -                | -                   | -                          | 4,328               |
| -                  | -                 | -                | -                   | -                          | -                   |
| 13,000             | 12,687            | -                | -                   | -                          | -                   |
| <u>2,860,670</u>   | <u>2,836,499</u>  | <u>3,992,225</u> | <u>2,494,286</u>    | <u>-</u>                   | <u>4,328</u>        |
| -                  | -                 | -                | -                   | -                          | -                   |
| -                  | -                 | -                | -                   | -                          | -                   |
| -                  | -                 | 3,585,560        | 2,962,097           | 6,560,000                  | 726,695             |
| -                  | -                 | -                | -                   | -                          | -                   |
| 2,942,195          | 2,877,052         | -                | -                   | -                          | -                   |
| -                  | -                 | 406,665          | 34,482              | -                          | -                   |
| -                  | -                 | -                | -                   | -                          | -                   |
| -                  | -                 | -                | -                   | -                          | 162,856             |
| <u>2,942,195</u>   | <u>2,877,052</u>  | <u>3,992,225</u> | <u>2,996,579</u>    | <u>6,560,000</u>           | <u>889,551</u>      |
| <u>(81,525)</u>    | <u>(40,553)</u>   | <u>-</u>         | <u>(502,293)</u>    | <u>(6,560,000)</u>         | <u>(885,223)</u>    |
| -                  | -                 | -                | -                   | 6,560,000                  | 6,624,642           |
| -                  | -                 | -                | -                   | -                          | 46,771              |
| -                  | -                 | -                | -                   | -                          | -                   |
| -                  | -                 | -                | -                   | -                          | -                   |
| -                  | -                 | -                | -                   | 6,560,000                  | 6,671,413           |
| <u>\$ (81,525)</u> | <u>(40,553)</u>   | <u>\$ -</u>      | <u>(502,293)</u>    | <u>\$ -</u>                | <u>5,786,190</u>    |
|                    | 272,969           |                  | (173,844)           |                            | -                   |
|                    | <u>\$ 232,416</u> |                  | <u>\$ (676,137)</u> |                            | <u>\$ 5,786,190</u> |

City of Moline, Illinois

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) -  
Budget And Actual - Nonmajor Special Revenue Funds (Continued)  
Year Ended December 31, 2011**

|  | Tax Increment Financing #8 |                   |
|--|----------------------------|-------------------|
|  | Budget                     | Actual            |
| Revenues:  |                            |                   |
| Taxes  | \$ -                       | \$ -              |
| Charges for services   | -                          | -                 |
| Intergovernmental  | -                          | -                 |
| Fines and forfeitures  | -                          | -                 |
| Use of money and property  | -                          | -                 |
| Contributions  | -                          | -                 |
| Miscellaneous  | -                          | -                 |
| <b>Total revenues</b>  | <b>-</b>                   | <b>-</b>          |
| Expenditures:  |                            |                   |
| Current:   |                            |                   |
| General government   | -                          | -                 |
| Public works   | -                          | -                 |
| Economic development   | 5,000                      | 2,850             |
| Culture and recreation   | -                          | -                 |
| Libraries  | -                          | -                 |
| Capital outlay   | -                          | -                 |
| Debt service:  |                            |                   |
| Interest and fiscal charges                                      | -                          | -                 |
| Bond issuance costs  | -                          | -                 |
| <b>Total expenditures</b>  | <b>5,000</b>               | <b>2,850</b>      |
| <b>Excess (deficiency) of revenues<br/>    over expenditures</b> | <b>(5,000)</b>             | <b>(2,850)</b>    |
| Other financing sources (uses):                                  |                            |                   |
| Issuance of long-term debt                                       | -                          | -                 |
| Premium on bond issuance   | -                          | -                 |
| Transfers in   | -                          | -                 |
| Transfers out  | -                          | -                 |
| <b>Total other financing sources<br/>    (uses)</b>              | <b>-</b>                   | <b>-</b>          |
| <b>Net change in fund balances</b>                               | <b>\$ (5,000)</b>          | <b>(2,850)</b>    |
| Fund balances (deficits), beginning of year                      |                            | -                 |
| Fund balances (deficits), end of year                            |                            | <b>\$ (2,850)</b> |

City of Moline, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Capital Projects Fund  
Year Ended December 31, 2011**

|   | Budget              | Actual              |
|---|---------------------|---------------------|
| Revenues:                                   |                     |                     |
| Taxes                                       | \$ 5,975,500        | \$ 6,165,358        |
| Intergovernmental                           | 1,140,800           | 75,000              |
| Charges for services                        | 20,000              | 10,710              |
| Use of money and property                   | -                   | 17,112              |
| Miscellaneous                               | 912,000             | -                   |
| <b>Total revenues</b>                       | <u>8,048,300</u>    | <u>6,268,180</u>    |
| Expenditures:                               |                     |                     |
| Capital outlay                              | 4,618,785           | 2,386,842           |
| Debt service, interest and fiscal charges   | -                   | 3,100               |
| <b>Total expenditures</b>                   | <u>4,618,785</u>    | <u>2,389,942</u>    |
| <b>Excess of revenues over expenditures</b> | <u>3,429,515</u>    | <u>3,878,238</u>    |
| Other financing sources (uses):             |                     |                     |
| Transfers in                                | 23,485              | -                   |
| Transfers out                               | (4,193,230)         | (4,215,270)         |
| <b>Total other financing sources (uses)</b> | <u>(4,169,745)</u>  | <u>(4,215,270)</u>  |
| <b>Net change in fund balance</b>           | <u>\$ (740,230)</u> | <u>(337,032)</u>    |
| Fund balance, beginning of year             |                     | <u>2,571,314</u>    |
| Fund balance, end of year                   |                     | <u>\$ 2,234,282</u> |

City of Moline, Illinois

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Debt Service Fund  
Year Ended December 31, 2011**

|   | Debt Service       |                     |
|---|--------------------|---------------------|
|   | Budget             | Actual              |
| Revenues:   |                    |                     |
| Use of money and property                         | \$ -               | \$ 198,033          |
| Miscellaneous                                     | 625,000            | -                   |
| <b>Total revenues</b>                             | <u>625,000</u>     | <u>198,033</u>      |
| Expenditures:                                     |                    |                     |
| Debt service:                                     |                    |                     |
| Principal   | 4,597,035          | 4,272,034           |
| Interest and fiscal charges                       | 3,125,180          | 3,362,482           |
| Bond issuance costs                               | -                  | 130,876             |
| <b>Total expenditures</b>                         | <u>7,722,215</u>   | <u>7,765,392</u>    |
| <b>(Deficiency) of revenues over expenditures</b> | <u>(7,097,215)</u> | <u>(7,567,359)</u>  |
| Other financing sources:                          |                    |                     |
| Transfers in                                      | 7,097,215          | 7,501,072           |
| Issuance of long-term debt                        | -                  | 10,195,358          |
| Premium on bond issuance                          | -                  | 784,282             |
| Payment to bond escrow agent                      | -                  | (9,862,838)         |
| <b>Total other financing sources (uses)</b>       | <u>7,097,215</u>   | <u>8,617,874</u>    |
| <b>Net change in fund balance</b>                 | <u>\$ -</u>        | <u>1,050,515</u>    |
| Fund balance, beginning of year                   |                    | <u>50,119</u>       |
| Fund balance, end of year                         |                    | <u>\$ 1,100,634</u> |

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City of Moline, Illinois

Combining Statement of Net Assets  
Internal Service Funds  
December 31, 2011

|   | Health              | Liability           | Fleet               |
|---|---------------------|---------------------|---------------------|
| <b>Assets</b>                           |                     |                     |                     |
| Current assets:                         |                     |                     |                     |
| Cash and cash equivalents               | \$ 3,125,328        | \$ 2,854,072        | \$ 1,376,016        |
| Investments                             | 4,588,572           | 643,350             | 3,118,406           |
| Receivables, accrued interest           | 814                 | 2,160               | 1,440               |
| Due from other funds                    | 2,229,794           | 3,220,486           | 274                 |
| Inventories                             | -                   | -                   | 150,726             |
| <b>Total current assets</b>             | <b>9,944,508</b>    | <b>6,720,068</b>    | <b>4,646,862</b>    |
| Noncurrent assets:                      |                     |                     |                     |
| Interfund advances                      | -                   | -                   | -                   |
| Capital assets:                         |                     |                     |                     |
| Major movable                           | -                   | -                   | 31,885              |
| Vehicles                                | -                   | -                   | 11,959,328          |
| Less accumulated depreciation           | -                   | -                   | (6,883,456)         |
| <b>Total noncurrent assets</b>          | <b>-</b>            | <b>-</b>            | <b>5,107,757</b>    |
| <b>Total assets</b>                     | <b>\$ 9,944,508</b> | <b>\$ 6,720,068</b> | <b>\$ 9,754,619</b> |
| <b>Liabilities and Net Assets</b>       |                     |                     |                     |
| Current liabilities:                    |                     |                     |                     |
| Accounts payable                        | \$ 7,846            | \$ 160,276          | \$ 106,603          |
| Accrued expenses                        | 6,622               | 10,794              | 31,608              |
| Claims payable                          | 748,970             | 590,000             | -                   |
| Compensated absences                    | -                   | -                   | 37,489              |
| Due to other funds                      | -                   | -                   | -                   |
| <b>Total current liabilities</b>        | <b>763,438</b>      | <b>761,070</b>      | <b>175,700</b>      |
| Noncurrent liabilities:                 |                     |                     |                     |
| Claims payable                          | -                   | 814,662             | -                   |
| Compensated absences                    | -                   | -                   | 112,468             |
| <b>Total noncurrent liabilities</b>     | <b>-</b>            | <b>814,662</b>      | <b>112,468</b>      |
| <b>Total liabilities</b>                | <b>763,438</b>      | <b>1,575,732</b>    | <b>288,168</b>      |
| Net assets:                             |                     |                     |                     |
| Invested in capital assets              | -                   | -                   | 5,107,757           |
| Unrestricted                            | 9,181,070           | 5,144,336           | 4,358,694           |
| <b>Total net assets</b>                 | <b>9,181,070</b>    | <b>5,144,336</b>    | <b>9,466,451</b>    |
| <b>Total liabilities and net assets</b> | <b>\$ 9,944,508</b> | <b>\$ 6,720,068</b> | <b>\$ 9,754,619</b> |

| Information<br>Technology | Total                |
|---------------------------|----------------------|
| \$ 53,198                 | \$ 7,408,614         |
| 1,250,244                 | 9,600,572            |
| -                         | 4,414                |
| -                         | 5,450,554            |
| -                         | 150,726              |
| <u>1,303,442</u>          | <u>22,614,880</u>    |
| -                         | -                    |
| 275,486                   | 307,371              |
| -                         | 11,959,328           |
| (14,645)                  | (6,898,101)          |
| <u>260,841</u>            | <u>5,368,598</u>     |
| <u>\$ 1,564,283</u>       | <u>\$ 27,983,478</u> |
| <br>                      |                      |
| \$ 68,442                 | \$ 343,167           |
| 10,158                    | 59,182               |
| -                         | 1,338,970            |
| -                         | 37,489               |
| -                         | -                    |
| <u>78,600</u>             | <u>1,778,808</u>     |
| <br>                      |                      |
| -                         | 814,662              |
| -                         | 112,468              |
| -                         | 927,130              |
| <u>78,600</u>             | <u>2,705,938</u>     |
| <br>                      |                      |
| 260,841                   | 5,368,598            |
| 1,224,842                 | 19,908,942           |
| <u>1,485,683</u>          | <u>25,277,540</u>    |
| <br>                      |                      |
| <u>\$ 1,564,283</u>       | <u>\$ 27,983,478</u> |

City of Moline, Illinois

**Combining Statement of Revenues, Expenses and Changes in Net Assets  
Internal Service Funds  
Year Ended December 31, 2011**

|  | Health              | Liability           | Fleet               |
|--|---------------------|---------------------|---------------------|
| Operating revenues:  |                     |                     |                     |
| Charges for services   | \$ 5,803,014        | \$ 2,688,190        | \$ 3,992,684        |
| Fines and forfeitures  | -                   | -                   | 12,668              |
| Miscellaneous  | 77,540              | 1,368               | 11,336              |
| <b>Total operating revenues</b>  | <b>5,880,554</b>    | <b>2,689,558</b>    | <b>4,016,688</b>    |
| Operating expenses:  |                     |                     |                     |
| Salaries   | 142,672             | 254,452             | 591,327             |
| Employee benefits  | 36,744              | 76,736              | 235,166             |
| Professional services  | 535,808             | 99,030              | 61,880              |
| Property services  | -                   | -                   | 101,170             |
| Other services   | 374                 | 6,978               | 152,898             |
| Supplies   | 7,730               | 1,100               | 1,250,532           |
| Depreciation   | -                   | -                   | 951,022             |
| Insurance claims and changes in reserves                                   | 5,627,190           | 1,345,680           | -                   |
| <b>Total operating expenses</b>  | <b>6,350,518</b>    | <b>1,783,976</b>    | <b>3,343,995</b>    |
| <b>Operating income (loss)</b>   | <b>(469,964)</b>    | <b>905,582</b>      | <b>672,693</b>      |
| Nonoperating income:   |                     |                     |                     |
| Investment earnings  | 32,164              | 29,524              | 7,120               |
| Gain (loss) on sale of capital assets                                      | -                   | -                   | (30,698)            |
| <b>Total nonoperating revenues (expenses)</b>                              | <b>32,164</b>       | <b>29,524</b>       | <b>(23,578)</b>     |
| <b>Income (loss) before capital grants and contributions and transfers</b> | <b>(437,800)</b>    | <b>935,106</b>      | <b>649,115</b>      |
| Capital grants and contributions   | -                   | -                   | 15,764              |
| Transfers in   | 31,340              | -                   | -                   |
| Transfers out  | -                   | (31,340)            | -                   |
| <b>Change in net assets</b>  | <b>(406,460)</b>    | <b>903,766</b>      | <b>664,879</b>      |
| Total net assets, beginning of year  | 9,587,530           | 4,240,570           | 8,801,572           |
| Total net assets, end of year  | <b>\$ 9,181,070</b> | <b>\$ 5,144,336</b> | <b>\$ 9,466,451</b> |

| Information<br>Technology | Total         |
|---------------------------|---------------|
| \$ 1,298,080              | \$ 13,781,968 |
| -                         | 12,668        |
| 4,220                     | 94,464        |
| 1,302,300                 | 13,889,100    |
| 180,978                   | 1,169,429     |
| 69,432                    | 418,078       |
| 44,256                    | 740,974       |
| 379,330                   | 480,500       |
| 177,986                   | 338,236       |
| 135,198                   | 1,394,560     |
| 1,999                     | 953,021       |
| -                         | 6,972,870     |
| 989,179                   | 12,467,668    |
| 313,121                   | 1,421,432     |
| 288                       | 69,096        |
| -                         | (30,698)      |
| 288                       | 38,398        |
| 313,409                   | 1,459,830     |
| -                         | 15,764        |
| -                         | 31,340        |
| -                         | (31,340)      |
| 313,409                   | 1,475,594     |
| 1,172,274                 | 23,801,946    |
| \$ 1,485,683              | \$ 25,277,540 |

City of Moline, Illinois

**Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended December 31, 2011**

|   | Health              | Liability           | Fleet               |
|---|---------------------|---------------------|---------------------|
| Cash flows from operating activities:                                     |                     |                     |                     |
| Receipts from customers and users   | \$ 5,803,014        | \$ 2,688,190        | \$ 4,005,352        |
| Payments to suppliers   | (544,210)           | (33,136)            | (1,652,828)         |
| Payments to employees   | (178,482)           | (331,391)           | (962,398)           |
| Claims paid   | (5,703,055)         | (1,603,129)         | -                   |
| Other receipts  | 77,540              | 1,368               | 11,336              |
| <b>Net cash provided by (used in)<br/>operating activities</b>            | <b>(545,193)</b>    | <b>721,902</b>      | <b>1,401,462</b>    |
| Cash flows from noncapital financing activities:                          |                     |                     |                     |
| Proceeds from interfund accounts  | -                   | -                   | -                   |
| Payments on interfund accounts  | (1,546,766)         | (2,722,371)         | (5,192)             |
| Transfers in  | 31,340              | -                   | -                   |
| Transfers out   | -                   | (31,340)            | -                   |
| <b>Net cash provided by (used in) noncapital<br/>financing activities</b> | <b>(1,515,426)</b>  | <b>(2,753,711)</b>  | <b>(5,192)</b>      |
| Cash flows from capital and related financing activities:                 |                     |                     |                     |
| Purchase of capital assets  | -                   | -                   | (564,522)           |
| Proceeds from sale of capital assets                                      | -                   | -                   | 41,698              |
| Capital grant   | -                   | -                   | 15,764              |
| <b>Net cash (used in) capital and related<br/>financing activities</b>    | <b>-</b>            | <b>-</b>            | <b>(507,060)</b>    |
| Cash flows from investing activities:                                     |                     |                     |                     |
| Interest and dividends received   | 31,405              | 30,892              | 10,000              |
| Purchase of investments   | -                   | -                   | (1,000,000)         |
| Maturity of investments   | 2,650,000           | 2,350,000           | -                   |
| <b>Net cash provided by (used in)<br/>investing activities</b>            | <b>2,681,405</b>    | <b>2,380,892</b>    | <b>(990,000)</b>    |
| <b>Increase (decrease) in cash and<br/>cash equivalents</b>               | <b>620,786</b>      | <b>349,083</b>      | <b>(100,790)</b>    |
| Cash and cash equivalents, beginning of year                              | 2,504,542           | 2,504,989           | 1,476,806           |
| Cash and cash equivalents, end of year                                    | <u>\$ 3,125,328</u> | <u>\$ 2,854,072</u> | <u>\$ 1,376,016</u> |

(Continued)

| Information Technology |             | Total |             |
|------------------------|-------------|-------|-------------|
| \$                     | 1,298,080   | \$    | 13,794,636  |
|                        | (747,311)   |       | (2,977,485) |
|                        | (247,665)   |       | (1,719,936) |
|                        | -           |       | (7,306,184) |
|                        | 4,220       |       | 94,464      |
|                        | 307,324     |       | 1,885,495   |
|                        | 784,442     |       | 784,442     |
|                        | -           |       | (4,274,329) |
|                        | -           |       | 31,340      |
|                        | -           |       | (31,340)    |
|                        | 784,442     |       | (3,489,887) |
|                        | (39,982)    |       | (604,504)   |
|                        | -           |       | 41,698      |
|                        | -           |       | 15,764      |
|                        | (39,982)    |       | (547,042)   |
|                        | 69          |       | 72,366      |
|                        | (1,000,000) |       | (2,000,000) |
|                        | -           |       | 5,000,000   |
|                        | (999,931)   |       | 3,072,366   |
|                        | 51,853      |       | 920,932     |
|                        | 1,345       |       | 6,487,682   |
| \$                     | 53,198      | \$    | 7,408,614   |

City of Moline, Illinois

Combining Statement of Cash Flows (Continued)

Internal Service Funds

Year Ended December 31, 2011

|   | Health              | Liability         | Fleet               |
|---|---------------------|-------------------|---------------------|
| Reconciliation of operating income to net cash provided by (used in) operating activities:        |                     |                   |                     |
| Operating income  | \$ (469,964)        | \$ 905,582        | \$ 672,693          |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: |                     |                   |                     |
| Depreciation  | -                   | -                 | 951,022             |
| Change in assets and liabilities:   |                     |                   |                     |
| Inventories   | -                   | -                 | (40,420)            |
| Prepaid items   | -                   | -                 | -                   |
| Accounts payable  | (298)               | 73,972            | (45,928)            |
| Accrued expenses  | 934                 | (203)             | 472                 |
| Compensated absences  | -                   | -                 | (136,377)           |
| Claims payable  | (75,865)            | (257,449)         | -                   |
| <b>Net cash provided by (used in) operating activities</b>  | <b>\$ (545,193)</b> | <b>\$ 721,902</b> | <b>\$ 1,401,462</b> |
| Schedule of noncash investing activities, increase in fair value of investments                   | \$ 4,157            | \$ 1,668          | \$ 1,333            |

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| Information<br>Technology | Total               |
|---------------------------|---------------------|
| \$ 313,121                | \$ 1,421,432        |
| 1,999                     | 953,021             |
| -                         | (40,420)            |
| -                         | -                   |
| (10,541)                  | 17,205              |
| 2,745                     | 3,948               |
| -                         | (136,377)           |
| -                         | (333,314)           |
| <u>\$ 307,324</u>         | <u>\$ 1,885,495</u> |
| \$ 219                    | \$ 7,377            |

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## City of Moline, Illinois

### Statistical Section Contents

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The statistical section of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the City's overall financial health.

| Contents   | Page      |
|--|-----------|
| <b>Financial Trends</b>  |           |
| These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.  | 117 - 128 |
| <b>Revenue Capacity</b>  |           |
| These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax (or sales tax).  | 129 - 137 |
| <b>Debt Capacity</b>   |           |
| These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.                     | 138 - 140 |
| <b>Demographic and Economic Information</b>  |           |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.   | 141 - 144 |
| <b>Operating Information</b>   |           |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 145 - 148 |

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year. The City implemented GASB 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

## City of Moline, Illinois

### Statistical Section

#### Comments Relative to Statistical Section

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The following statistical table recommended by the National Council on Governmental Accounting is not included for the reason stated below:

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

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

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

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**City of Moline, Illinois**

**Net Assets By Component  
Last Nine Fiscal Years  
(accrual basis of accounting)  
(Unaudited)**

|  | Fiscal Year           |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2003                  | 2004                  | 2005                  | 2006                  |
| <b>Governmental activities:</b>                      |                       |                       |                       |                       |
| Invested in capital assets, net of related debt      | \$ 9,652,085          | \$ 22,393,271         | \$ 47,525,980         | \$ 57,201,501         |
| Restricted   | -                     | -                     | 2,648,698             | 3,802,073             |
| Unrestricted   | 35,335,981            | 28,621,190            | 3,621,516             | (2,992,608)           |
| <b>Total governmental activities<br/>net assets</b>  | <b>\$ 44,988,066</b>  | <b>\$ 51,014,461</b>  | <b>\$ 53,796,194</b>  | <b>\$ 58,010,966</b>  |
| <b>Business-type activities:</b>                     |                       |                       |                       |                       |
| Invested in capital assets, net of related debt      | \$ 57,287,955         | \$ 57,126,641         | \$ 57,328,274         | \$ 59,268,471         |
| Restricted   | 4,322,459             | 4,810,778             | 4,897,621             | 3,930,285             |
| Unrestricted   | 10,044,794            | 11,121,796            | 12,579,066            | 12,636,602            |
| <b>Total business-type activities<br/>net assets</b> | <b>\$ 71,655,208</b>  | <b>\$ 73,059,215</b>  | <b>\$ 74,804,961</b>  | <b>\$ 75,835,358</b>  |
| <b>Primary government:</b>                           |                       |                       |                       |                       |
| Invested in capital assets, net of related debt      | \$ 66,940,040         | \$ 79,519,912         | \$ 104,854,254        | \$ 116,469,972        |
| Restricted   | 4,322,459             | 4,810,778             | 7,546,319             | 7,732,358             |
| Unrestricted   | 45,380,775            | 39,742,986            | 16,200,582            | 9,643,994             |
| <b>Total primary government<br/>net assets</b>       | <b>\$ 116,643,274</b> | <b>\$ 124,073,676</b> | <b>\$ 128,601,155</b> | <b>\$ 133,846,324</b> |

GASB Statement No. 34 Implemented in Fiscal Year 2003

|       |             |      |             |      |             | Fiscal Year |             |      |                    |  |
|-------|-------------|------|-------------|------|-------------|-------------|-------------|------|--------------------|--|
| 2007  |             | 2008 |             | 2009 |             | 2010        |             | 2011 |                    |  |
| \$    | 64,345,991  | \$   | 62,717,995  | \$   | 67,051,552  | \$          | 60,561,906  | \$   | <b>64,773,235</b>  |  |
|       | 3,825,048   |      | 3,497,820   |      | 3,226,583   |             | 3,178,920   |      | <b>10,947,408</b>  |  |
|       | (7,485,636) |      | (6,248,183) |      | (4,691,148) |             | 5,848,804   |      | <b>(4,605,803)</b> |  |
| <hr/> |             |      |             |      |             |             |             |      |                    |  |
| \$    | 60,685,403  | \$   | 59,967,632  | \$   | 65,586,987  | \$          | 69,589,630  | \$   | <b>71,114,840</b>  |  |
| <hr/> |             |      |             |      |             |             |             |      |                    |  |
| \$    | 61,300,888  | \$   | 63,358,764  | \$   | 63,346,784  | \$          | 68,733,516  | \$   | <b>66,540,179</b>  |  |
|       | 3,212,217   |      | 3,223,930   |      | 2,907,993   |             | 2,962,455   |      | -                  |  |
|       | 12,044,541  |      | 12,242,148  |      | 12,966,157  |             | 8,998,712   |      | <b>15,611,201</b>  |  |
| <hr/> |             |      |             |      |             |             |             |      |                    |  |
| \$    | 76,557,646  | \$   | 78,824,842  | \$   | 79,220,934  | \$          | 80,694,683  | \$   | <b>82,151,380</b>  |  |
| <hr/> |             |      |             |      |             |             |             |      |                    |  |
| \$    | 125,646,879 | \$   | 126,076,759 | \$   | 130,479,024 | \$          | 129,295,422 | \$   | <b>131,313,414</b> |  |
|       | 7,037,265   |      | 6,721,750   |      | 6,134,576   |             | 6,141,375   |      | <b>10,947,408</b>  |  |
|       | 4,558,905   |      | 5,993,965   |      | 8,194,321   |             | 14,847,516  |      | <b>11,005,398</b>  |  |
| <hr/> |             |      |             |      |             |             |             |      |                    |  |
| \$    | 137,243,049 | \$   | 138,792,474 | \$   | 144,807,921 | \$          | 150,284,313 | \$   | <b>153,266,220</b> |  |
| <hr/> |             |      |             |      |             |             |             |      |                    |  |

City of Moline, Illinois

**Changes In Net Assets  
Last Nine Fiscal Years  
(accrual basis of accounting)  
(Unaudited)**

|   | Fiscal Year         |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 2003                | 2004                | 2005                | 2006                |
| Expenses:   |                     |                     |                     |                     |
| Governmental activities:                                  |                     |                     |                     |                     |
| General government  | \$ 6,853,304        | \$ 4,104,925        | \$ 1,365,835        | \$ 6,209,170        |
| Public safety   | 15,041,580          | 18,648,962          | 20,596,640          | 19,197,144          |
| Public Works  | 8,582,017           | 10,026,650          | 11,194,929          | 13,286,755          |
| Cemetery  | 331,651             | 368,895             | 370,523             | -                   |
| Economic Development                                      | 6,552,210           | 2,684,734           | 6,292,269           | 3,617,303           |
| Culture and recreation                                    | 3,281,294           | 2,997,107           | 4,146,516           | 4,070,794           |
| Libraries   | 2,112,201           | 2,164,488           | 2,160,560           | 1,370,287           |
| Debt Service  | 2,204,985           | 3,047,633           | 4,034,760           | 3,965,343           |
| <b>Total governmental activities expenses</b>             | <b>44,959,242</b>   | <b>44,043,394</b>   | <b>50,162,032</b>   | <b>51,716,796</b>   |
| Business-type activities:                                 |                     |                     |                     |                     |
| Water   | 4,982,739           | 5,623,684           | 6,004,057           | 6,782,301           |
| Sewer   | 4,830,529           | 5,111,443           | 5,348,143           | 5,766,169           |
| Stormwater  | 726,461             | 583,976             | 640,291             | 753,809             |
| Curbside  | -                   | -                   | -                   | -                   |
| <b>Total business-type activities expenses</b>            | <b>10,539,729</b>   | <b>11,319,103</b>   | <b>11,992,491</b>   | <b>13,302,279</b>   |
| <b>Total primary government expenses</b>                  | <b>55,498,971</b>   | <b>55,362,497</b>   | <b>62,154,523</b>   | <b>65,019,075</b>   |
| Program revenue:  |                     |                     |                     |                     |
| Governmental activities:                                  |                     |                     |                     |                     |
| Charges for services:                                     |                     |                     |                     |                     |
| General government  | 2,556,053           | 3,129,787           | 3,531,632           | 3,606,167           |
| Public safety   | 1,184,971           | 1,227,795           | 1,239,807           | 1,481,127           |
| Public Works  | -                   | -                   | -                   | -                   |
| Economic Development                                      | 732,376             | 794,251             | 847,026             | 941,417             |
| Cemetery  | -                   | 183,568             | 173,342             | 177,303             |
| Culture and recreation                                    | 480,087             | 416,133             | 473,933             | 540,617             |
| Libraries   | 62,820              | 61,836              | 58,018              | 53,847              |
| Operating grants and contributions:                       |                     |                     |                     |                     |
| General government  | 226,804             | 488,910             | 370,757             | 933,115             |
| Public safety   | 570,665             | 531,165             | 499,679             | 349,811             |
| Public Works  | 1,914,243           | 1,700,007           | 1,263,595           | 1,655,498           |
| Economic Development                                      | 1,673,612           | 1,160,730           | 1,336,698           | 1,080,080           |
| Culture and recreation                                    | 310,884             | 44,382              | 448,398             | 87,220              |
| Libraries   | 18,399              | 7,963               | 15,390              | 4,609               |
| Capital grants and contributions, highways and streets    | -                   | 495,169             | 54,666              | 53,900              |
| <b>Total governmental activities program revenue</b>      | <b>9,730,914</b>    | <b>10,241,696</b>   | <b>10,312,941</b>   | <b>10,964,711</b>   |
| Business-type activities:                                 |                     |                     |                     |                     |
| Charges for services:                                     |                     |                     |                     |                     |
| Water   | 6,550,490           | 6,422,726           | 7,011,133           | 7,160,628           |
| Sewer   | 4,973,268           | 4,758,667           | 4,871,104           | 5,398,128           |
| Stormwater management                                     | 823,812             | 760,162             | 1,041,674           | 1,091,219           |
| Curbside  | -                   | -                   | -                   | -                   |
| Operating grants and contributions, stormwater management | -                   | -                   | -                   | -                   |
| Capital grants and contributions:                         |                     |                     |                     |                     |
| Water   | 886,900             | 455,700             | 257,082             | 205,100             |
| Sewer   | 202,500             | 110,000             | 306,943             | 37,600              |
| Stormwater management                                     | -                   | -                   | -                   | -                   |
| <b>Total business-type activities program revenues</b>    | <b>13,436,970</b>   | <b>12,507,255</b>   | <b>13,487,936</b>   | <b>13,892,675</b>   |
| <b>Total primary government program revenues</b>          | <b>23,167,884</b>   | <b>22,748,951</b>   | <b>23,800,877</b>   | <b>24,857,386</b>   |
| Net (expense) revenue:                                    |                     |                     |                     |                     |
| Governmental activities                                   | (35,228,328)        | (33,801,698)        | (39,849,091)        | (40,752,085)        |
| Business-type activities                                  | 2,897,241           | 1,188,152           | 1,495,445           | 590,396             |
| <b>Total primary government net expense</b>               | <b>(32,331,087)</b> | <b>(32,613,546)</b> | <b>(38,353,646)</b> | <b>(40,161,689)</b> |

(Continued)

|    |                     | Fiscal Year |                     |      |                     |      |                     |    |                     |
|----|---------------------|-------------|---------------------|------|---------------------|------|---------------------|----|---------------------|
|    |                     | 2007        | 2008                | 2009 | 2010                | 2011 |                     |    |                     |
| \$ | 2,861,969           | \$          | 1,954,577           | \$   | 2,497,892           | \$   | 2,573,283           | \$ | <b>3,048,061</b>    |
|    | 21,505,184          |             | 24,551,936          |      | 23,770,749          |      | 25,475,065          |    | <b>23,931,072</b>   |
|    | 16,514,727          |             | 16,002,231          |      | 12,760,178          |      | 13,289,803          |    | <b>14,854,483</b>   |
|    | -                   |             | -                   |      | -                   |      | -                   |    | <b>-</b>            |
|    | 5,080,793           |             | 7,368,010           |      | 4,238,506           |      | 4,366,582           |    | <b>12,199,242</b>   |
|    | 3,983,659           |             | 4,759,742           |      | 2,154,698           |      | 2,499,745           |    | <b>2,290,352</b>    |
|    | 3,185,328           |             | 3,267,811           |      | 3,000,735           |      | 3,119,042           |    | <b>4,296,255</b>    |
|    | 3,766,018           |             | 3,998,121           |      | 3,810,629           |      | 3,585,046           |    | <b>3,367,407</b>    |
|    | <b>56,897,678</b>   |             | <b>61,902,428</b>   |      | <b>52,233,387</b>   |      | <b>54,908,566</b>   |    | <b>63,986,872</b>   |
|    | 6,897,268           |             | 6,994,231           |      | 6,762,061           |      | 7,664,423           |    | <b>6,931,688</b>    |
|    | 5,647,112           |             | 5,633,636           |      | 5,992,480           |      | 6,091,218           |    | <b>5,874,480</b>    |
|    | 837,297             |             | 954,319             |      | 900,169             |      | 908,505             |    | <b>873,083</b>      |
|    | -                   |             | 357,248             |      | 485,115             |      | 439,393             |    | <b>-</b>            |
|    | <b>13,381,677</b>   |             | <b>13,939,434</b>   |      | <b>14,139,825</b>   |      | <b>15,103,539</b>   |    | <b>13,679,251</b>   |
|    | <b>70,279,355</b>   |             | <b>75,841,862</b>   |      | <b>66,373,212</b>   |      | <b>70,012,105</b>   |    | <b>77,666,123</b>   |
|    | 3,780,916           |             | 3,499,674           |      | 1,591,131           |      | 1,605,665           |    | <b>1,663,452</b>    |
|    | 1,694,783           |             | 1,839,004           |      | 1,666,990           |      | 1,654,274           |    | <b>1,692,816</b>    |
|    | 29,050              |             | 26,080              |      | 28,245              |      | 47,963              |    | <b>869,270</b>      |
|    | 29,050              |             | 980,325             |      | 1,844,984           |      | 840,736             |    | <b>890,973</b>      |
|    | 965,790             |             | -                   |      | -                   |      | -                   |    | <b>-</b>            |
|    | 627,459             |             | 814,418             |      | 663,845             |      | 870,273             |    | <b>694,276</b>      |
|    | 76,241              |             | 79,335              |      | 86,953              |      | 85,210              |    | <b>88,446</b>       |
|    | 459,185             |             | 151,569             |      | 573,760             |      | 457,079             |    | <b>452,430</b>      |
|    | 644,216             |             | 1,629,770           |      | 794,497             |      | 497,248             |    | <b>583,974</b>      |
|    | 1,349,795           |             | 1,250,500           |      | 1,210,507           |      | 1,321,750           |    | <b>1,375,564</b>    |
|    | 1,863,312           |             | 1,989,553           |      | 2,138,597           |      | 1,653,434           |    | <b>5,791,971</b>    |
|    | 220,387             |             | 280,410             |      | 237,227             |      | 43,089              |    | <b>53,200</b>       |
|    | 111,747             |             | 71,400              |      | 25,743              |      | 41,468              |    | <b>85,658</b>       |
|    | 53,550              |             | 52,990              |      | 52,951              |      | 44,692              |    | <b>44,790</b>       |
|    | <b>11,905,481</b>   |             | <b>12,665,028</b>   |      | <b>10,915,430</b>   |      | <b>9,162,881</b>    |    | <b>14,286,820</b>   |
|    | 7,006,038           |             | 7,296,886           |      | 7,152,112           |      | 7,300,576           |    | <b>7,124,628</b>    |
|    | 5,365,875           |             | 5,797,693           |      | 5,737,278           |      | 6,445,526           |    | <b>7,016,140</b>    |
|    | 1,012,055           |             | 1,004,611           |      | 990,071             |      | 965,327             |    | <b>998,088</b>      |
|    | -                   |             | 357,049             |      | 475,202             |      | 476,870             |    | <b>-</b>            |
|    | -                   |             | 133,458             |      | -                   |      | -                   |    | <b>-</b>            |
|    | 118,275             |             | 1,042,382           |      | 89,300              |      | 1,116,318           |    | <b>-</b>            |
|    | 54,000              |             | 238,015             |      | -                   |      | 231,500             |    | <b>-</b>            |
|    | -                   |             | 68,777              |      | -                   |      | -                   |    | <b>-</b>            |
|    | <b>13,556,243</b>   |             | <b>15,938,871</b>   |      | <b>14,443,963</b>   |      | <b>16,536,117</b>   |    | <b>15,138,856</b>   |
|    | <b>25,461,724</b>   |             | <b>28,603,899</b>   |      | <b>25,359,393</b>   |      | <b>25,698,998</b>   |    | <b>29,425,676</b>   |
|    | (44,992,197)        |             | (49,237,400)        |      | (41,317,957)        |      | (45,745,685)        |    | <b>(49,700,052)</b> |
|    | 174,566             |             | 1,999,437           |      | 304,138             |      | 1,432,578           |    | <b>1,459,605</b>    |
|    | <b>(44,817,631)</b> |             | <b>(47,237,963)</b> |      | <b>(41,013,819)</b> |      | <b>(44,313,107)</b> |    | <b>(48,240,447)</b> |

**City of Moline, Illinois**

**Changes In Net Assets (Continued)**  
**Last Nine Fiscal Years**  
*(accrual basis of accounting)*  
**(Unaudited)**

|   | Fiscal Year           |                       |                       |                     |
|---|-----------------------|-----------------------|-----------------------|---------------------|
|   | 2003                  | 2004                  | 2005                  | 2006                |
| General revenues and other changes in net assets: |                       |                       |                       |                     |
| Governmental activities:                          |                       |                       |                       |                     |
| Taxes:  |                       |                       |                       |                     |
| Property taxes                                    | 13,589,444            | 14,349,827            | 14,279,008            | 15,534,342          |
| Sales taxes                                       | 8,789,266             | 10,002,119            | 9,733,376             | 10,218,879          |
| Home rule sales tax                               | 4,610,009             | 6,281,888             | 6,028,407             | 6,483,054           |
| Income taxes                                      | 2,689,284             | 2,801,414             | 3,293,165             | 3,586,058           |
| Personal Property Replacement Taxes               | 1,469,122             | 1,506,856             | 2,119,504             | 2,216,170           |
| Hotel/Motel Tax                                   | 694,830               | 689,894               | 1,012,391             | 1,092,998           |
| Other taxes                                       | 1,156,361             | 650,373               | 1,716,494             | 1,817,802           |
| Franchise Tax                                     | 1,795,738             | 2,004,928             | 2,111,332             | 2,158,817           |
| Investment earnings                               | 614,370               | 1,025,917             | 1,413,963             | 1,227,350           |
| Miscellaneous                                     | 529,781               | 503,081               | 539,010               | 631,387             |
| Gain on Sale of Capital Assets                    | -                     | 11,796                | 384,174               | -                   |
| Transfers   | -                     | -                     | -                     | -                   |
| <b>Total governmental activities</b>              | <b>35,938,205</b>     | <b>39,828,093</b>     | <b>42,630,824</b>     | <b>44,966,857</b>   |
| Business-type activities:                         |                       |                       |                       |                     |
| Investment earnings                               | 184,568               | 208,848               | 250,301               | 440,001             |
| Miscellaneous                                     | -                     | 7,007                 | -                     | -                   |
| Transfers   | -                     | -                     | -                     | -                   |
| <b>Total business-type activities</b>             | <b>184,568</b>        | <b>215,855</b>        | <b>250,301</b>        | <b>440,001</b>      |
| <b>Total primary government</b>                   | <b>36,122,773</b>     | <b>40,043,948</b>     | <b>42,881,125</b>     | <b>45,406,858</b>   |
| Changes in net assets:                            |                       |                       |                       |                     |
| Governmental activities                           | 43,568,312            | 38,961,671            | 48,232,728            | 4,214,772           |
| Business-type activities                          | 65,491,590            | 70,251,201            | 71,313,469            | 1,030,397           |
| <b>Total primary government</b>                   | <b>\$ 109,059,902</b> | <b>\$ 109,212,872</b> | <b>\$ 119,546,197</b> | <b>\$ 5,245,169</b> |

GASB Statement No. 34 implemented in fiscal year 2003.

| Fiscal Year         |                     |                     |                     |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2007                | 2008                | 2009                | 2010                | 2011                |
| 16,360,726          | 17,543,384          | 18,117,131          | 17,855,293          | <b>17,830,538</b>   |
| 10,329,548          | 10,180,790          | 9,975,304           | 10,989,828          | <b>10,683,518</b>   |
| 6,658,480           | 6,611,526           | 6,219,676           | 7,844,608           | <b>8,207,285</b>    |
| 3,907,201           | 4,138,395           | 3,557,485           | 2,857,866           | <b>3,108,624</b>    |
| 2,720,044           | 2,508,904           | 2,281,414           | 2,398,869           | <b>2,245,652</b>    |
| 1,155,277           | 1,267,206           | 1,144,394           | 1,205,644           | <b>1,269,800</b>    |
| 2,004,746           | 1,803,392           | 1,804,182           | 2,636,109           | <b>4,260,755</b>    |
| 2,340,998           | 2,340,621           | 2,284,129           | 2,257,915           | <b>2,305,142</b>    |
| 1,609,674           | 1,096,194           | 492,259             | 402,708             | <b>543,568</b>      |
| 608,990             | 1,032,666           | 1,061,338           | 1,227,715           | <b>741,666</b>      |
| -                   | -                   | -                   | -                   | -                   |
| -                   | (3,449)             | -                   | -                   | <b>28,714</b>       |
| <b>47,695,684</b>   | <b>48,519,629</b>   | <b>46,937,312</b>   | <b>49,676,555</b>   | <b>51,225,262</b>   |
| 546,228             | 260,931             | 86,482              | 35,068              | <b>15,132</b>       |
| 1,494               | 3,379               | 5,472               | 6,103               | <b>10,674</b>       |
| -                   | 3,449               | -                   | -                   | <b>(28,714)</b>     |
| <b>547,722</b>      | <b>267,759</b>      | <b>91,954</b>       | <b>41,171</b>       | <b>(2,908)</b>      |
| <b>48,243,406</b>   | <b>48,787,388</b>   | <b>47,029,266</b>   | <b>49,717,726</b>   | <b>51,222,354</b>   |
| 2,674,437           | (717,771)           | 5,619,355           | 3,930,870           | <b>1,525,210</b>    |
| 722,288             | 2,267,196           | 396,092             | 1,473,749           | <b>1,456,697</b>    |
| <b>\$ 3,396,725</b> | <b>\$ 1,549,425</b> | <b>\$ 6,015,447</b> | <b>\$ 5,404,619</b> | <b>\$ 2,981,907</b> |

**City of Moline, Illinois**

**Program Revenues by Function/Program  
Last Nine Fiscal Years\*  
(accrual basis of accounting)  
(Unaudited)**

| Function / Program                    | Fiscal Year          |                      |                      |                      |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                       | 2003                 | 2004                 | 2005                 | 2006                 |
| <b>Governmental activities:</b>       |                      |                      |                      |                      |
| General government                    | \$ 2,782,857         | \$ 3,618,697         | \$ 3,902,389         | \$ 4,539,282         |
| Public safety                         | 1,755,636            | 1,758,960            | 1,739,486            | 1,830,938            |
| Public Works                          | 1,914,243            | 2,140,466            | 1,263,595            | 1,655,498            |
| Cemetery                              | -                    | 183,568              | 173,342              | 177,303              |
| Economic Development                  | 2,405,988            | 1,954,981            | 2,183,724            | 2,021,497            |
| Culture and recreation                | 790,971              | 460,515              | 922,331              | 627,837              |
| Libraries                             | 81,219               | 124,509              | 128,074              | 112,356              |
| <b>Total governmental activities</b>  | <b>9,730,914</b>     | <b>10,241,696</b>    | <b>10,312,941</b>    | <b>10,964,711</b>    |
| <b>Business-type activities:</b>      |                      |                      |                      |                      |
| Water                                 | 7,437,390            | 6,878,426            | 7,268,215            | 7,365,728            |
| Sewer                                 | 5,175,768            | 4,868,667            | 5,178,047            | 5,435,728            |
| Stormwater                            | 823,812              | 760,162              | 1,041,674            | 1,091,219            |
| Curbside                              | -                    | -                    | -                    | -                    |
| <b>Total business-type activities</b> | <b>13,436,970</b>    | <b>12,507,255</b>    | <b>13,487,936</b>    | <b>13,892,675</b>    |
| <b>Total government</b>               | <b>\$ 23,167,884</b> | <b>\$ 22,748,951</b> | <b>\$ 23,800,877</b> | <b>\$ 24,857,386</b> |

GASB Statement No. 34 implemented in fiscal year 2003.

|    |            | Fiscal Year |            |      |            |      |            |    |            |
|----|------------|-------------|------------|------|------------|------|------------|----|------------|
|    |            | 2007        | 2008       | 2009 | 2010       | 2011 |            |    |            |
| \$ | 4,240,101  | \$          | 3,651,243  | \$   | 2,164,891  | \$   | 2,062,744  | \$ | 2,115,882  |
|    | 2,338,999  |             | 3,468,774  |      | 2,461,487  |      | 2,151,522  |    | 2,276,790  |
|    | 1,378,845  |             | 1,276,580  |      | 1,238,752  |      | 1,369,713  |    | 2,244,834  |
|    | -          |             | -          |      | -          |      | -          |    | -          |
|    | 2,829,102  |             | 2,969,878  |      | 3,983,581  |      | 2,494,170  |    | 6,682,944  |
|    | 847,846    |             | 1,094,828  |      | 901,072    |      | 913,362    |    | 747,476    |
|    | 241,538    |             | 203,725    |      | 165,647    |      | 171,370    |    | 218,894    |
|    | 11,876,431 |             | 12,665,028 |      | 10,915,430 |      | 9,162,881  |    | 14,286,820 |
|    | 7,124,313  |             | 8,339,268  |      | 7,241,412  |      | 8,416,894  |    | 7,124,628  |
|    | 5,419,875  |             | 6,035,708  |      | 5,737,278  |      | 6,677,026  |    | 7,016,140  |
|    | 1,012,055  |             | 1,206,846  |      | 990,071    |      | 965,327    |    | 998,088    |
|    | -          |             | 357,049    |      | 475,202    |      | 476,870    |    | -          |
|    | 13,556,243 |             | 15,938,871 |      | 14,443,963 |      | 16,536,117 |    | 15,138,856 |
| \$ | 25,432,674 | \$          | 28,603,899 | \$   | 25,359,393 | \$   | 25,698,998 | \$ | 29,425,676 |

**City of Moline, Illinois**

**Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)**

|   | Fiscal Year          |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 2002                 | 2003                 | 2004                 | 2005                 |
| <b>General Fund:</b>                      |                      |                      |                      |                      |
| Nonspendable                              | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Restricted                                | -                    | -                    | -                    | -                    |
| Committed                                 | -                    | -                    | -                    | -                    |
| Assigned                                  | -                    | -                    | -                    | -                    |
| Unassigned                                | -                    | -                    | -                    | -                    |
| Reserved                                  | 822,914              | 560,667              | 418,905              | 1,900,545            |
| Unreserved                                | 3,797,765            | 5,183,303            | 7,139,319            | 8,550,898            |
| <b>Total General Fund</b>                 | <b>\$ 4,620,679</b>  | <b>\$ 5,743,970</b>  | <b>\$ 7,558,224</b>  | <b>\$ 10,451,443</b> |
| <b>All Other Governmental Funds:</b>      |                      |                      |                      |                      |
| Nonspendable                              | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Restricted                                | -                    | -                    | -                    | -                    |
| Committed                                 | -                    | -                    | -                    | -                    |
| Assigned                                  | -                    | -                    | -                    | -                    |
| Unassigned                                | -                    | -                    | -                    | -                    |
| Reserved                                  | 381,092              | 367,823              | 513,728              | 466,666              |
| Unreserved, reported in:                  |                      |                      |                      |                      |
| Special revenue funds                     | 8,528,960            | 17,678,737           | 13,191,859           | 5,426,427            |
| Debt service funds                        | 400,880              | -                    | -                    | -                    |
| Capital projects funds                    | 3,679,055            | 5,694,311            | 26,346,262           | 16,106,163           |
| <b>Total all other governmental funds</b> | <b>\$ 12,989,987</b> | <b>\$ 23,740,871</b> | <b>\$ 40,051,849</b> | <b>\$ 21,999,256</b> |

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, implemented in Fiscal Year 2011

|    |            | Fiscal Year |            |      |            |      |             |    |              |
|----|------------|-------------|------------|------|------------|------|-------------|----|--------------|
|    |            | 2006        | 2007       | 2008 | 2009       | 2010 | 2011        |    |              |
| \$ | -          | \$          | -          | \$   | -          | \$   | -           | \$ | 4,031,322    |
|    | -          |             | -          |      | -          |      | -           |    | 345,609      |
|    | -          |             | -          |      | -          |      | -           |    | -            |
|    | -          |             | -          |      | -          |      | -           |    | -            |
|    | -          |             | -          |      | -          |      | -           |    | 10,635,397   |
|    | 1,285,780  |             | 2,750,421  |      | 2,709,469  |      | 2,856,481   |    | 3,800,315    |
|    | 10,712,344 |             | 12,077,644 |      | 12,174,488 |      | 11,542,429  |    | 10,308,466   |
| \$ | 11,998,124 | \$          | 14,828,065 | \$   | 14,883,957 | \$   | 14,398,910  | \$ | 14,108,781   |
| \$ | -          | \$          | -          | \$   | -          | \$   | -           | \$ | -            |
|    | -          |             | -          |      | -          |      | -           |    | 527,840      |
|    | -          |             | -          |      | -          |      | -           |    | 10,956,793   |
|    | -          |             | -          |      | -          |      | -           |    | 2,034,819    |
|    | -          |             | -          |      | -          |      | -           |    | 45,054       |
|    | -          |             | -          |      | -          |      | -           |    | (12,654,569) |
|    | 444,632    |             | 7,901,321  |      | 7,608,107  |      | 7,549,677   |    | 8,579,975    |
|    | 3,362,616  |             | 2,465,248  |      | (634,396)  |      | (2,787,027) |    | (3,630,630)  |
|    | -          |             | 20,328     |      | 52,134     |      | 98,559      |    | (6,957,917)  |
|    | 6,667,527  |             | 3,783,994  |      | 4,313,832  |      | 2,919,023   |    | 2,345,314    |
| \$ | 10,474,775 | \$          | 14,170,891 | \$   | 11,339,677 | \$   | 7,780,232   | \$ | 336,742      |
|    |            |             |            |      |            |      |             |    | \$           |
|    |            |             |            |      |            |      |             |    | 909,937      |



|    |              | Fiscal Year |              |      |             |      |             |    |             |    |             |
|----|--------------|-------------|--------------|------|-------------|------|-------------|----|-------------|----|-------------|
|    |              | 2006        | 2007         | 2008 | 2009        | 2010 | 2011        |    |             |    |             |
| \$ | 42,980,668   | \$          | 45,411,222   | \$   | 46,551,605  | \$   | 45,345,529  | \$ | 47,227,867  | \$ | 49,609,256  |
|    | 3,638,524    |             | 3,852,527    |      | 5,108,216   |      | 3,975,090   |    | 4,147,311   |    | 6,456,009   |
|    | 816,825      |             | 810,858      |      | 841,424     |      | 731,901     |    | 778,997     |    | 826,474     |
|    | 4,746,186    |             | 5,208,113    |      | 5,202,252   |      | 4,984,534   |    | 5,555,656   |    | 6,403,824   |
|    | 590,372      |             | 549,508      |      | 569,627     |      | 485,287     |    | 418,879     |    | 446,250     |
|    | 951,980      |             | 1,207,368    |      | 691,364     |      | 364,195     |    | 375,638     |    | 538,976     |
|    | 1,632,919    |             | 1,126,523    |      | 1,331,191   |      | 1,702,510   |    | 1,553,127   |    | 1,155,557   |
|    | 55,357,474   |             | 58,166,119   |      | 60,295,679  |      | 57,589,046  |    | 60,057,475  |    | 65,436,346  |
|    | 3,594,313    |             | 3,887,576    |      | 3,600,975   |      | 3,329,074   |    | 2,882,614   |    | 2,828,944   |
|    | 20,188,107   |             | 20,947,310   |      | 23,620,556  |      | 23,189,309  |    | 24,564,811  |    | 25,130,024  |
|    | 9,951,054    |             | 9,665,799    |      | 10,924,327  |      | 9,851,889   |    | 10,139,948  |    | 11,126,862  |
|    | -            |             | -            |      | -           |      | -           |    | -           |    | -           |
|    | 3,697,966    |             | 4,176,988    |      | 4,710,934   |      | 4,293,106   |    | 4,024,389   |    | 12,254,178  |
|    | 3,580,364    |             | 3,316,175    |      | 3,874,815   |      | 3,590,174   |    | 3,647,417   |    | 3,526,436   |
|    | 2,548,700    |             | 2,906,180    |      | 3,001,445   |      | 2,869,311   |    | 2,890,066   |    | 3,026,917   |
|    | 15,078,131   |             | 7,556,706    |      | 5,050,853   |      | 5,620,897   |    | 4,527,110   |    | 6,373,438   |
|    | 2,777,409    |             | 3,905,983    |      | 4,425,625   |      | 5,261,295   |    | 11,769,437  |    | 4,272,034   |
|    | 3,955,433    |             | 3,614,144    |      | 3,854,973   |      | 3,693,859   |    | 3,465,664   |    | 3,384,968   |
|    | -            |             | 209,503      |      | -           |      | -           |    | -           |    | 293,732     |
|    | 65,371,477   |             | 60,186,364   |      | 63,064,503  |      | 61,698,914  |    | 67,911,456  |    | 72,217,533  |
|    | (10,014,003) |             | (2,020,245)  |      | (2,768,824) |      | (4,109,868) |    | (7,853,981) |    | (6,781,187) |
|    | 8,777,961    |             | 10,007,781   |      | 7,255,943   |      | 9,093,663   |    | 8,085,837   |    | 8,095,594   |
|    | (8,777,961)  |             | (10,007,781) |      | (7,262,679) |      | (9,093,663) |    | (8,085,837) |    | (8,066,880) |
|    | -            |             | 17,550,000   |      | -           |      | -           |    | -           |    | 16,820,000  |
|    | -            |             | -            |      | -           |      | -           |    | -           |    | -           |
|    | -            |             | (9,733,353)  |      | -           |      | -           |    | -           |    | (9,862,838) |
|    | -            |             | (86,826)     |      | -           |      | -           |    | -           |    | 831,053     |
|    | -            |             | -            |      | -           |      | -           |    | -           |    | -           |
|    | -            |             | 816,481      |      | 238         |      | 65,376      |    | 120,362     |    | 441,000     |
|    | -            |             | 8,546,302    |      | (6,498)     |      | 65,376      |    | 120,362     |    | 8,257,929   |
| \$ | (10,014,003) | \$          | 6,526,057    | \$   | (2,775,322) | \$   | (4,044,492) | \$ | (7,733,619) | \$ | 1,476,742   |

10.3%

13.6%

14.6%

16.0%

23.8%

11.7%

City of Moline, Illinois

**Tax Revenues by Source, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*  
**(Unaudited)**

| Fiscal Year         | Property          | Local Option Sales Tax | Sales Tax         | Income Tax       | Replacement Tax  |
|---------------------|-------------------|------------------------|-------------------|------------------|------------------|
| 2002                | \$ 12,878,292     | \$ 4,576,037           | \$ 8,668,269      | \$ 2,360,612     | \$ 1,354,368     |
| 2003                | 13,589,444        | 4,613,822              | 8,795,073         | 2,890,412        | 1,469,122        |
| 2004                | 14,347,261        | 5,379,875              | 9,356,785         | 2,689,284        | 1,577,896        |
| 2005                | 14,258,256        | 6,721,439              | 9,172,692         | 3,039,114        | 2,115,862        |
| 2006                | 15,433,181        | 6,484,881              | 9,337,667         | 3,369,397        | 2,510,522        |
| 2007                | 16,365,601        | 6,632,137              | 9,628,520         | 3,907,201        | 2,791,738        |
| 2008                | 17,543,384        | 6,561,060              | 10,346,606        | 4,138,395        | 2,508,904        |
| 2009                | 18,117,131        | 6,294,692              | 9,873,833         | 3,557,485        | 2,281,414        |
| 2010                | 17,855,293        | 7,820,143              | 10,141,031        | 2,857,866        | 2,398,869        |
| <b>2011</b>         | <b>17,830,538</b> | <b>8,234,104</b>       | <b>10,405,678</b> | <b>3,108,624</b> | <b>2,245,652</b> |
| Change<br>2002-2011 | 38.45%            | 79.94%                 | 20.04%            | 31.69%           | 65.81%           |

Source: City records.

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|    | Hotel/Motel<br>Tax | Other Taxes      | Franchise<br>Taxes | Utility Tax      | Total             |
|----|--------------------|------------------|--------------------|------------------|-------------------|
| \$ | 694,902            | \$ -             | \$ -               | \$ -             | \$ 30,532,480     |
|    | 694,830            | -                | -                  | -                | 32,052,703        |
|    | 689,894            | -                | -                  | -                | 34,040,995        |
|    | 1,012,391          | -                | -                  | -                | 36,319,754        |
|    | 1,077,680          | 1,817,802        | 2,158,817          | -                | 42,189,946        |
|    | 1,155,277          | 1,822,776        | 2,340,998          | -                | 44,644,247        |
|    | 1,267,206          | 1,845,429        | 2,340,621          | -                | 46,551,605        |
|    | 1,144,394          | 1,792,451        | 2,284,129          | -                | 45,345,529        |
|    | 1,205,644          | 2,311,952        | 2,257,915          | 379,154          | 47,227,867        |
|    | <b>1,269,800</b>   | <b>2,372,374</b> | <b>2,305,142</b>   | <b>1,837,344</b> | <b>49,609,256</b> |
|    | 82.73%             | 30.51%           | 6.78%              | 384.59%          | 62.48%            |

**City of Moline, Illinois**

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Unaudited)**

| Fiscal Year | Residential Property | Commercial Property | Industrial Property | Farm Property  |
|-------------|----------------------|---------------------|---------------------|----------------|
| 2002        | \$ 390,324,998       | \$ 223,464,762      | \$ 14,004,672       | \$ 152,845     |
| 2003        | 415,587,402          | 230,274,349         | 14,450,727          | 121,598        |
| 2004        | 404,654,937          | 234,813,447         | 13,974,806          | 130,071        |
| 2005        | 428,311,668          | 243,886,920         | 14,559,998          | 122,192        |
| 2006        | 443,232,191          | 256,975,891         | 14,580,106          | 98,375         |
| 2007        | 473,507,242          | 266,102,311         | 14,878,681          | 340,243        |
| 2008        | 477,372,862          | 273,247,482         | 15,297,000          | 109,589        |
| 2009        | 477,803,853          | 277,500,506         | 15,598,111          | 111,585        |
| 2010        | 591,392,861          | 279,541,063         | 15,815,505          | 102,635        |
| <b>2011</b> | <b>589,965,771</b>   | <b>281,611,805</b>  | <b>14,525,856</b>   | <b>116,862</b> |

**Source:** County Assessor

**Note:** There is no personal property tax (on cars or jewelry); only real property is taxed. The above information presents the information for each period for which it is levied. A tax levy provides taxes remitted in the following year. The farmland value is based upon productivity instead of actual market value.

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| Railway<br>Property | Total<br>Assessed<br>Value | Percent<br>Growth | Total Direct<br>Tax Rate | Total Taxable<br>Assessed<br>Value |
|---------------------|----------------------------|-------------------|--------------------------|------------------------------------|
| \$ 372,431          | \$ 628,319,708             | n/a               | 1.8930                   | \$ 606,070,586                     |
| 320,047             | 660,754,123                | 5.16%             | 1.8988                   | 638,548,553                        |
| 328,846             | 653,902,107                | -1.04%            | 1.9116                   | 631,057,882                        |
| 301,276             | 687,182,054                | 5.09%             | 1.9594                   | 660,490,489                        |
| 366,993             | 715,253,556                | 4.09%             | 1.9460                   | 685,661,108                        |
| 346,494             | 755,174,971                | 5.58%             | 2.0062                   | 718,052,937                        |
| 740,123             | 766,767,056                | 1.54%             | 1.9966                   | 732,851,776                        |
| 474,743             | 771,488,798                | 0.62%             | 1.9288                   | 735,979,834                        |
| 546,196             | 887,398,260                | 15.02%            | 1.9324                   | 742,959,707                        |
| <b>659,658</b>      | <b>886,879,952</b>         | <b>-0.06%</b>     | <b>1.9744</b>            | <b>743,947,252</b>                 |

**City of Moline, Illinois**

**Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

| Tax<br>Year<br>Levied | City Direct Rates |                         |                           |   |                                |                                |                 |
|-----------------------|-------------------|-------------------------|---------------------------|---|--------------------------------|--------------------------------|-----------------|
|                       | General<br>Fund   | Fire<br>Pension<br>Fund | Police<br>Pension<br>Fund | Illinois<br>Municipal<br>Retirement<br>Fund | Capital<br>Improvement<br>Fund | Park and<br>Recreation<br>Fund | Library<br>Fund |
| 2001                  | 0.7382            | 0.1116                  | 0.0870                    | 0.0156                                      | 0.1496                         | 0.3334                         | 0.3308          |
| 2002                  | 0.7848            | 0.1002                  | 0.0860                    | 0.0188                                      | 0.1156                         | 0.3068                         | 0.3126          |
| 2003                  | 0.7090            | 0.1858                  | 0.1512                    | 0.0194                                      | 0.0510                         | 0.3058                         | 0.3118          |
| 2004                  | 0.6624            | 0.1760                  | 0.1474                    | 0.0206                                      | 0.0476                         | 0.3470                         | 0.3356          |
| 2005                  | 0.5386            | 0.1862                  | 0.1584                    | 0.1388                                      | 0.0456                         | 0.3316                         | 0.3844          |
| 2006                  | 0.5228            | 0.195                   | 0.1708                    | 0.1404                                      | 0.0438                         | 0.3288                         | 0.3852          |
| 2007                  | 0.5904            | 0.2128                  | 0.1798                    | 0.1144                                      | 0                              | 0.3634                         | 0.3678          |
| 2008                  | 0.5616            | 0.2346                  | 0.1978                    | 0.1008                                      | 0                              | 0.3616                         | 0.366           |
| 2009                  | 0.2732            | 0.3096                  | 0.2778                    | 0.1778                                      | 0                              | 0.3526                         | 0.3606          |
| 2010                  | 0.1806            | 0.3606                  | 0.3070                    | 0.1966                                      | 0                              | 0.3494                         | 0.3572          |

Source: Rock Island County Clerk

**Notes:**

Overlapping rates are those of local and county governments that apply to property owners within the City.

Not all overlapping rates apply to all City property owners, although the County property tax rates

apply to all City property owners; the Airport Authority rates apply to the property owners within that Authority's geographic boundaries.

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Overlapping Rates

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| Social Security | Total Direct  | School District | Rock Island County | Moline Township | Forest Preserve | Airport Authority | Metro Transit | Black Hawk Community College |
|-----------------|---------------|-----------------|--------------------|-----------------|-----------------|-------------------|---------------|------------------------------|
| 0.1342          | 1.9004        | 5.3090          | 0.7328             | 0.1434          | 0.0672          | 0.0672            | 0.1332        | 0.3663                       |
| 0.1682          | 1.8930        | 5.2536          | 0.7184             | 0.1404          | 0.0666          | 0.0630            | 0.1322        | 0.3671                       |
| 0.1648          | 1.8988        | 5.2612          | 0.7082             | 0.1388          | 0.0664          | 0.0714            | 0.1148        | 0.3740                       |
| 0.1750          | 1.9116        | 5.1108          | 0.7342             | 0.1438          | 0.0698          | 0.0750            | 0.1646        | 0.4021                       |
| 0.1758          | 1.9594        | 5.1508          | 0.7284             | 0.1426          | 0.0692          | 0.0718            | 0.1652        | 0.4145                       |
| 0.1778          | 1.9646        | 5.1152          | 0.7362             | 0.1412          | 0.0696          | 0.0726            | 0.1754        | 0.4579                       |
| 0.1776          | 2.0062        | 5.0586          | 0.72               | 0.1444          | 0.069           | 0.0716            | 0.1742        | 0.5016                       |
| 0.1742          | 1.9966        | 5.0188          | 0.757              | 0.149           | 0.091           | 0.0734            | 0.1768        | 0.5356                       |
| 0.1772          | 1.9288        | 5.0266          | 0.7604             | 0.2048          | 0.0938          | 0.0742            | 0.1812        | 0.5337                       |
| <b>0.181</b>    | <b>1.9324</b> | <b>5.0584</b>   | <b>0.8574</b>      | <b>0.2096</b>   | -               | <b>0.0734</b>     | <b>0.1822</b> | <b>0.5324</b>                |

**City of Moline, Illinois**

**Principal Property Taxpayers  
Current Year and Nine Years Ago  
(Unaudited)**

| Taxpayer                      | 2011                   |      |   | 2002                   |      |   |
|-------------------------------|------------------------|------|---|------------------------|------|---|
|                               | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Southpark Mall                | \$ 16,632,476          | 1    | 2.24%   | \$ 21,484,436          | 1    | 3.78%   |
| United Healthcare             | 4,162,875              | 2    | 0.56%   |                        |      | 0.00%   |
| Deere & Company               | 4,092,167              | 3    | 0.55%   | 8,847,149              | 2    | 1.56%   |
| Walmart                       | 3,726,859              | 4    | 0.50%   | 3,105,651              | 4    | 0.55%   |
| Pedcor-Valley View Apartments | 3,542,656              | 5    | 0.48%   |                        |      | 0.00%   |
| Hiland Toyota                 | 3,159,301              | 6    | 0.43%   |                        |      | 0.00%   |
| Trinity Medical Center        | 3,150,472              | 7    | 0.42%   | 2,504,943              | 5    | 0.44%   |
| Heritage Plaza                | 3,141,317              | 8    | 0.42%   | 3,268,608              | 3    | 0.58%   |
| Pine Ridge Apartments         | 2,892,978              | 9    | 0.39%   | 2,245,622              | 7    | 0.40%   |
| City Line Plaza               | 2,877,127              | 10   | 0.39%   |                        |      | 0.00%   |
| Lowes                         |                        |      |   | 2,214,326              | 8    | 0.39%   |
| Holiday Inn                   |                        |      |   | 2,133,333              | 10   | 0.38%   |
| Radisson/TGIF                 |                        |      |   | 2,454,569              | 6    | 0.43%   |
| King Plaza                    |                        |      |   | 2,170,060              | 9    | 0.38%   |
| <b>Total</b>                  | <b>\$ 47,378,228</b>   |      | <b>6.38%</b>                                    | <b>\$ 50,428,697</b>   |      | <b>8.87%</b>                                    |

Source: Rock Island County Assessor's Office

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**City of Moline, Illinois**

**Property Tax Levies And Collections  
Last Ten Fiscal Years  
(Unaudited)**

| Fiscal Year Ended: | Tax Year    | Taxes Levied<br>for the<br>Tax Year | Collected Within the<br>Fiscal Year of the Levy |                       |
|--------------------|-------------|-------------------------------------|---|-----------------------|
|                    |             |                                     | Amount  | Percentage<br>of Levy |
| 2002               | 2001        | \$ 10,798,000                       | \$ 10,771,754                                   | 99.76%                |
| 2003               | 2002        | 11,468,000                          | 11,380,657                                      | 99.24%                |
| 2004               | 2003        | 12,120,000                          | 12,135,877                                      | 100.13%               |
| 2005               | 2004        | 12,060,000                          | 12,040,804                                      | 99.84%                |
| 2006               | 2005        | 12,935,000                          | 12,909,201                                      | 99.80%                |
| 2007               | 2006        | 13,465,000                          | 13,417,384                                      | 99.65%                |
| 2008               | 2007        | 14,399,800                          | 14,388,850                                      | 99.92%                |
| 2009               | 2008        | 14,619,000                          | 14,607,654                                      | 99.92%                |
| 2010               | 2009        | 14,191,000                          | 14,142,554                                      | 99.66%                |
| <b>2011</b>        | <b>2010</b> | <b>14,351,000</b>                   | <b>14,323,438</b>                               | <b>99.81%</b>         |

**Source:** Rock Island County Auditor

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| Collections in<br>Subsequent<br>Years | Total Collections to Date |                       |
|---------------------------------------|---------------------------|-----------------------|
|                                       | Amount                    | Percentage<br>of Levy |
| \$ 6,810                              | \$ 10,778,564             | 99.82%                |
| 41,471                                | 11,422,128                | 99.60%                |
| -                                     | 12,120,000                | 100.00%               |
| 5,930                                 | 12,046,734                | 99.89%                |
| 6,396                                 | 12,915,598                | 99.85%                |
| 18,204                                | 13,417,873                | 99.65%                |
| 13,358                                | 14,349,401                | 99.65%                |
| 9,585                                 | 14,567,834                | 99.99%                |
| 8,648                                 | 14,151,201                | 99.66%                |
| -                                     | 14,323,438                | <b>99.81%</b>         |

**City of Moline, Illinois**

**Ratios of Net General Bonded Debt Outstanding by Type  
Last Ten Fiscal Years  
(Unaudited)**

| Fiscal<br>Year | Governmental<br>Activities     |   |                               | Percentage of<br>Actual Property<br>Value | Debt<br>Per<br>Capita |
|----------------|--------------------------------|---|-------------------------------|---|-----------------------|
|                | General<br>Obligation<br>Bonds | Less Amount<br>Available in<br>Debt Service | Net<br>General<br>Bonded Debt |   |                       |
| 2002           | \$ 41,475,000                  | \$ -  | \$ 41,475,000                 | 7.04%                                     | \$ 948                |
| 2003           | 61,244,999                     | -   | 61,244,999                    | 9.75%                                     | 1,399                 |
| 2004           | 91,025,000                     | -   | 91,025,000                    | 13.78%                                    | 2,080                 |
| 2005           | 88,545,000                     | -   | 88,545,000                    | 13.54%                                    | 2,023                 |
| 2006           | 74,818,375                     | -   | 74,818,375                    | 10.89%                                    | 1,709                 |
| 2007           | 90,192,371                     | 7,520,328                                   | 82,672,043                    | 11.56%                                    | 1,889                 |
| 2008           | 78,329,988                     | 7,500,000                                   | 70,829,988                    | 9.38%                                     | 1,618                 |
| 2009           | 73,579,847                     | 7,500,000                                   | 66,079,847                    | 8.62%                                     | 1,510                 |
| 2010           | 62,316,949                     | 50,119                                      | 62,266,830                    | 7.02%                                     | 1,432                 |
| <b>2011</b>    | <b>65,604,915</b>              | <b>1,100,634</b>                            | <b>64,504,281</b>             | <b>7.27%</b>                              | <b>1,483</b>          |

**Note:** Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.  
As a Home Rule entity, under the State of Illinois Constitution, the City has no statutory debt limit.

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|                   |                  | Business-Type |         |                   |               |        |          |
|-------------------|------------------|---------------|---------|-------------------|---------------|--------|----------|
|                   |                  | Activities    |         |                   |               |        |          |
|                   |                  | General       | Revenue | Total             | Percentage of |        |          |
| Loan              | Obligation       | Bonds         | Bonds   | Primary           | Per Capita    | Per    |          |
| Payable           | Bonds            |               |         | Government        | Income        | Capita |          |
| \$ -              | \$ 6,000,000     | \$ -          | \$ -    | \$ 47,475,000     | 2,216         | \$     | 1,085    |
| -                 | 12,511,021       | -             | -       | 73,756,020        | N/A           |        | 1,685.16 |
| 12,000,000        | 12,071,511       | -             | -       | 115,096,511       | N/A           |        | 2,629.70 |
| 11,431,003        | 11,623,379       | -             | -       | 111,599,382       | N/A           |        | 2,549.79 |
| 10,954,967        | 11,161,625       | -             | -       | 96,934,967        | N/A           |        | 2,214.75 |
| 10,466,111        | 10,687,629       | -             | -       | 111,346,111       | N/A           |        | 2,544.01 |
| 9,964,091         | 10,200,012       | -             | -       | 98,494,091        | N/A           |        | 2,250.37 |
| 9,448,553         | 9,700,153        | -             | -       | 92,728,553        | N/A           |        | 2,118.64 |
| 10,911,830        | 9,278,052        | -             | -       | 82,506,831        | N/A           |        | 1,887.45 |
| <b>10,251,155</b> | <b>8,725,087</b> | -             | -       | <b>83,480,523</b> | N/A           |        | 1,919.84 |

**City of Moline, Illinois**

**Direct and Overlapping Governmental Activities Debt  
For the Year Ended December 31, 2011  
(Unaudited)**

| Governmental Unit                               | Debt<br>Outstanding | Estimated<br>Percentage<br>Applicable | Estimated<br>Share of<br>Overlapping<br>Debt |
|---|---------------------|---------------------------------------|--|
| East Moline School District Number 37           | \$ 4,923,410        | 3.81%                                 | \$ 187,582                                   |
| United Township High School District Number 30  | 1,825,000           | 2.79%                                 | 50,918                                       |
| Moline School District Number 40                | 25,251,044          | 87.28%                                | 22,039,111                                   |
| Blackhawk Community College District Number 503 | 17,740,000          | 21.15%                                | 3,752,010                                    |
| Rock Island County                              | 25,400,000          | 31.26%                                | 7,940,040                                    |
| Rock Island County Forest Preserve              | 4,255,000           | 31.26%                                | 1,330,113                                    |
| Metropolitan Mass Transit Authority             | 9,765,000           | 31.26%                                | 3,052,539                                    |
| Metropolitan Airport Authority                  | 24,585,000          | 39.31%                                | 9,664,364                                    |
| <b>Subtotal, overlapping debt</b>               | 113,744,454         |                                       | 48,016,676                                   |
| City Direct Debt                                | 75,955,000          | 100.00%                               | 75,955,000                                   |
| <b>Total direct and overlapping debt</b>        | 189,699,454         |                                       | <u><u>\$ 123,971,676</u></u>                 |

Source: Rock Island County Clerk

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

**City of Moline, Illinois**

**Demographic and Economic Statistics  
Last Ten Fiscal Years  
(Unaudited)**

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| Fiscal<br>Year<br>Ended<br>December 31 | Population (1) | Median Household<br>Income(2) | Personal<br>Income (2) | Per Capita<br>Income (2) | Unemployment<br>Rate (3) |
|--|----------------|-------------------------------|------------------------|--------------------------|--------------------------|
| 2002                                   | 43,768         | \$ 35,836                     | \$ 937,641,864         | \$ 21,423                | 5.2%                     |
| 2003                                   | 43,768         | 35,836                        | N/A                    | N/A                      | 5.6%                     |
| 2004                                   | 43,768         | 35,836                        | N/A                    | N/A                      | 5.1%                     |
| 2005                                   | 43,768         | 47,431                        | 1,150,179,272          | 26,279                   | 4.6%                     |
| 2006                                   | 43,768         | 47,431                        | 1,150,179,272          | 26,279                   | 4.4%                     |
| 2007                                   | 43,768         | 47,431                        | 1,150,179,272          | 26,279                   | 4.6%                     |
| 2008                                   | 43,768         | 47,431                        | 1,150,179,272          | 26,279                   | 5.5%                     |
| 2009                                   | 43,768         | 47,431                        | 1,150,179,272          | 26,279                   | 8.5%                     |
| 2010                                   | 43,483         | 45,833                        | 1,165,692,284          | 26,808                   | 9.1%                     |
| <b>2011</b>                            | <b>43,483</b>  | N/A                           | N/A                    | N/A                      | <b>8.1%</b>              |

**Sources:**

- (1) Estimates are based on actual census data for 2000 and 2010
- (2) U.S. Census Bureau, 2008-2010 American Community Survey
- (3) Illinois Department of Employment Security

**City of Moline, Illinois**

**Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)**

| Employer                   | 2011      |      |                                       | 2002      |      |                                       |
|----------------------------|-----------|------|---------------------------------------|-----------|------|---------------------------------------|
|                            | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Deere & Company            | 1,785     | 1    | 2.51%                                 | 2,500     | 1    | 3.38%                                 |
| Moline Schools             | 1,400     | 2    | 1.97%                                 | 1,016     | 2    | 1.37%                                 |
| Black Hawk College         | 800       | 3    | 1.12%                                 | 656       | 4    | 0.89%                                 |
| John Deere Seeding Group   | 600       | 4    | 0.84%                                 |           |      |                                       |
| City of Moline             | 431       | 5    | 0.61%                                 | 415       | 7    | 0.56%                                 |
| I Wireless                 | 400       | 6    | 0.56%                                 | 480       | 5    | 0.65%                                 |
| Wal-Mart                   | 380       | 7    | 0.53%                                 | 475       | 6    | 0.64%                                 |
| Kone                       | 350       | 8    | 0.49%                                 | 900       | 3    | 1.22%                                 |
| Moline Dispatch Publishing | 300       | 9    | 0.42%                                 | 375       | 8    | 0.51%                                 |
| John Deere Harvester Works | 280       | 10   | 0.39%                                 |           |      |                                       |
| Eagle Foods                |           |      |                                       | 240       | 10   | 0.32%                                 |
| McLaughlin Body            |           |      |                                       | 300       | 9    | 0.41%                                 |

Sources: City of Moline Official Statement

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**City of Moline, Illinois**

**Full-Time Equivalent City Government Employees By Functions/Programs  
Last Ten Fiscal Years  
(Unaudited)**

| Functions/Program         | Full-Time Equivalent Employees as of December 31 |               |               |               |
|---------------------------|--|---------------|---------------|---------------|
|                           | 2011   | 2010          | 2009          | 2008          |
| General Government:       |  |               |               |               |
| Legislative               | 10.00  | 10.00         | 10.00         | 10.00         |
| City Administrator        | 1.50   | 2.00          | 2.00          | 2.00          |
| Human Resources           | 1.48   | 1.48          | 1.48          | 1.40          |
| Information Technology    | 4.00   | 0.00          |               |               |
| Health Benefits           | 2.44   | 2.19          | 2.19          | 1.85          |
| Liability Insurance       | 3.08   | 3.13          | 3.13          | 3.25          |
| Public Information        | 0.00   | 0.00          | 0.00          | 0.00          |
| Planning                  | 4.58   | 10.90         | 10.60         | 3.65          |
| GIS                       | 0.00   | 0.00          | 0.00          | 0.00          |
| Economic Development      | 0.00   | 0.00          | 1.30          | 1.50          |
| Code Compliance           | 5.15   | 6.00          | 6.00          | 6.00          |
| Community Development     | 5.85   | 0.00          |               | 3.25          |
| TIF                       | 1.57   | 0.00          | 0.00          | 1.50          |
| Finance                   | 10.50  | 10.00         | 10.00         | 11.00         |
| Law                       | 5.00   | 9.30          | 11.30         | 12.60         |
| Parks and Recreation:     | 8.00   | 8.00          | 8.00          | 10.00         |
| Police:                   |  |               |               |               |
| Officers                  | 83.00  | 83.00         | 83.00         | 83.00         |
| Civilians                 | 42.00  | 46.00         | 49.00         | 50.00         |
| Fire:                     |  |               |               |               |
| Firefighters and Officers | 62.00  | 69.00         | 70.00         | 70.00         |
| Civilians                 | 1.00   | 1.00          | 1.00          | 1.00          |
| Public Works:             |  |               |               |               |
| Bike Trail                | 1.00   | 1.00          | 1.00          | 1.00          |
| Administration            | 2.50   | 2.50          | 2.50          | 2.50          |
| Building and Grounds      | 9.22   | 9.22          | 10.42         | 10.42         |
| Engineering               | 13.70  | 11.00         | 12.00         | 12.00         |
| Traffic Signal            | 1.00   | 1.00          | 1.00          | 1.00          |
| Streets                   | 21.54  | 22.54         | 23.04         | 23.04         |
| Sanitation                | 8.34   | 8.34          | 8.64          | 8.64          |
| Park Maintenance          | 11.00  | 12.00         | 12.00         | 11.00         |
| Fleet                     | 10.90  | 9.90          | 10.90         | 11.90         |
| Water:                    |  |               |               |               |
| Administration            | 2.25   | 2.25          | 2.75          | 2.75          |
| Water Plant               | 14.00  | 14.00         | 14.00         | 14.00         |
| Distribution              | 12.50  | 12.50         | 12.50         | 12.50         |
| Metering                  | 3.50   | 4.00          | 4.00          | 4.00          |
| Water Pollution Control:  |  |               |               |               |
| Administration            | 2.25   | 2.25          | 1.92          | 2.25          |
| North Slope               | 7.50   | 7.50          | 7.17          | 7.50          |
| South Slope               | 10.50  | 10.50         | 11.00         | 11.00         |
| Sewer Maintenance         | 7.80   | 8.30          | 8.30          | 8.30          |
| Regional                  | 0.20   | 0.20          | 0.20          | 0.20          |
| Stormwater                | 2.15   | 2.00          | 2.00          | 2.00          |
| Library                   | 28.00  | 28.00         | 29.00         | 30.00         |
| <b>Total</b>              | <b>421.00</b>                                    | <b>431.00</b> | <b>443.33</b> | <b>448.00</b> |

Source: City Personnel Department

Full-Time Equivalent Employees as of December 31

| 2007   | 2006   | 2005   | 2004   | 2003   | 2002   |
|--------|--------|--------|--------|--------|--------|
| 10.00  | 10.25  | 10.25  | 10.25  | 10.25  | 10.25  |
| 2.00   | 1.75   | 1.75   | 1.65   | 1.65   | 1.75   |
| 1.40   | 1.40   | 1.30   | 1.30   | 1.30   | 1.90   |
| 4.44   | 3.00   | 3.10   | 3.10   | 3.10   | 3.00   |
| 2.00   | 2.00   | 0.60   | 0.25   | 0.25   | 0.45   |
| 3.25   | 3.25   | 3.75   | 3.55   | 3.55   | 4.85   |
| 0.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| 3.75   | 3.75   | 3.85   | 4.15   | 4.30   | 5.00   |
| 0.00   | 0.33   | 0.00   | 0.00   | 0.00   | 1.00   |
| 0.50   | 0.50   | 0.50   | 0.40   | 1.10   | 1.00   |
| 6.00   | 6.60   | 6.00   | 6.30   | 6.30   | 8.00   |
| 2.65   | 2.65   | 3.05   | 4.15   | 4.15   | 3.00   |
| 1.50   | 1.50   | 1.50   | 2.00   | 1.10   | 0.00   |
| 12.00  | 12.00  | 12.00  | 12.00  | 12.00  | 13.00  |
| 4.85   | 3.15   | 3.45   | 3.45   | 3.45   | 3.80   |
| 10.00  | 10.00  | 10.00  | 10.00  | 13.35  | 24.00  |
| 82.00  | 82.00  | 82.00  | 82.00  | 82.00  | 81.00  |
| 53.00  | 54.00  | 57.00  | 57.00  | 53.00  | 57.00  |
| 70.00  | 70.00  | 71.00  | 71.00  | 71.00  | 71.00  |
| 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 0.50   |
| 1.00   | 1.00   | 1.00   | 1.00   | 0.00   | 0.00   |
| 2.50   | 2.50   | 2.50   | 2.50   | 2.50   | 3.00   |
| 10.50  | 7.50   | 7.50   | 7.50   | 7.30   | 9.50   |
| 15.00  | 15.00  | 15.10  | 16.67  | 10.00  | 10.00  |
| 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| 22.70  | 22.70  | 22.70  | 22.70  | 2.20   | 25.70  |
| 9.30   | 13.30  | 13.30  | 13.30  | 13.00  | 13.30  |
| 11.00  | 11.00  | 11.00  | 11.00  | 9.00   | 0.00   |
| 11.50  | 11.50  | 11.50  | 9.50   | 10.50  | 10.50  |
| 3.08   | 3.08   | 3.25   | 3.25   | 3.25   | 3.00   |
| 14.00  | 15.00  | 15.00  | 15.00  | 15.00  | 15.00  |
| 12.50  | 10.50  | 10.50  | 10.50  | 10.50  | 11.00  |
| 4.00   | 5.00   | 5.00   | 5.00   | 5.00   | 4.50   |
| 2.58   | 2.58   | 2.75   | 2.75   | 2.75   | 2.00   |
| 7.50   | 7.50   | 7.50   | 7.50   | 7.50   | 9.00   |
| 11.00  | 11.00  | 11.00  | 11.00  | 11.00  | 11.00  |
| 8.30   | 8.30   | 8.30   | 8.30   | 8.30   | 8.30   |
| 0.20   | 0.20   | 0.20   | 0.20   | 0.20   | 0.20   |
| 2.00   | 2.00   | 1.90   | 0.33   | 0.00   | 0.00   |
| 30.00  | 30.00  | 28.00  | 28.00  | 28.00  | 30.00  |
| 450.00 | 450.79 | 452.10 | 451.55 | 420.85 | 458.50 |

**City of Moline, Illinois**

**Operating Indicators By Function/Program  
Last Ten Fiscal Years  
(Unaudited)**

| Function/Program                                | Calendar Year |               |               |               |
|---|---------------|---------------|---------------|---------------|
|   | 2002          | 2003          | 2004          | 2005          |
| <b>Police:</b>                                  |               |               |               |               |
| Calls for service                               | 68,735        | 62,353        | 56,150        | 53,178        |
| Adult arrest - Misdemeanor and Felony           | 2,024         | 2,068         | 1,884         | 1,732         |
| Adult arrest - City Ordinance                   | 776           | 685           | 543           | 429           |
| Juvenile arrest - Misdemeanor and Felony        | 265           | 316           | 267           | 283           |
| Juvenile arrest - City Ordinance                | 862           | 829           | 871           | 761           |
| Traffic citations (includes speeding citations) | 8,109         | 7,477         | 8,169         | 7,809         |
| <b>Fire:</b>                                    |               |               |               |               |
| Total fire runs                                 | 2,846         | 1,118         | 1,098         | 1,098         |
| Total ambulance runs                            | 2,426         | 2,956         | 3,063         | 3,063         |
| Property Value Saved                            | \$ 4,433,887  | \$ 7,393,500  | \$ 2,322,500  | 2,322,500     |
| Property Value Loss                             | \$ 726,964    | \$ 792,250    | \$ 521,000    | 521,000       |
| ISO Rating                                      | 3             | 3             | 3             | 3             |
| <b>Building safety:</b>                         |               |               |               |               |
| Total building permits                          | 3,090         | 3,221         | 3,826         | 3,722         |
| Total value all permits                         | \$ 69,488,568 | \$ 53,355,809 | \$ 76,571,179 | \$ 87,267,044 |
| <b>Library:</b>                                 |               |               |               |               |
| Number of Materials Loaned                      | 448,290       | 447,215       | 447,215       | 447,215       |
| Gate Count                                      | 235,588       | 238,416       | 238,416       | 238,416       |
| Number of Registered Borrowers                  | 25,951        | 25,625        | 25,625        | 25,625        |
| <b>Public Works:</b>                            |               |               |               |               |
| Solid Waste Collected (tons)                    | 16,404        | 17,441        | 18,464        | 17,619        |
| Recycle collected (ton)                         | 2,732         | 2,577         | 3,467         | 2,971         |

Source: City Departments

| Calendar Year |               |               |               |               |               |  |
|---------------|---------------|---------------|---------------|---------------|---------------|--|
| 2006          | 2007          | 2008          | 2009          | 2010          | 2011          |  |
| 56,071        | 57,143        | 58,965        | 59,138        | 55,821        | 55,842        |  |
| 1,880         | 1,999         | 2,448         | 2,432         | 1,941         | 2,968         |  |
| 496           | 392           | 494           | 439           | 248           | 255           |  |
| 280           | 136           | 267           | 210           | 257           | 363           |  |
| 808           | 759           | 675           | 510           | 599           | 578           |  |
| 7,094         | 8,724         | 10,674        | 9,579         | 8,508         | 7,023         |  |
| 1,013         | 1,151         | 1,940         | 1,287         | 1,330         | 1,163         |  |
| 3,345         | 3,741         | 4,306         | 4,175         | 4,257         | 4,331         |  |
| \$ 7,328,400  | \$ 16,231,450 | \$ 1,715,500  | \$ 26,333,350 | \$ 6,616,750  | \$ 21,326,050 |  |
| \$ 2,051,750  | \$ 1,868,150  | \$ 234,000    | \$ 723,800    | \$ 511,600    | \$ 640,701    |  |
| 3             | 3             | 3             | 3             | 3             | 3             |  |
| 3,559         | 4,177         | 4,164         | 4,072         | 3,180         | 3,442         |  |
| \$ 78,587,632 | \$ 73,677,247 | \$ 68,625,974 | \$ 40,006,035 | \$ 25,693,988 | \$ 62,381,967 |  |
| 397,327       | 498,703       | 510,998       | 525,678       | 501,661       | 459,559       |  |
| 285,605       | 373,562       | 315,775       | 337,152       | 331,727       | 306,239       |  |
| 24,059        | 26,123        | 27,640        | 21,218        | 25,255        | 25,425        |  |
| 17,149        | 15,964        | 14,250        | 13,985        | 15,275        | 13,155        |  |
| 3,391         | 3,166         | 3,500         | 2,273         | 4,947         | 2,169         |  |

## City of Moline, Illinois

### Capital Asset Statistics By Function/Program Last Ten Fiscal Years (Unaudited)

| Function/Program                 | 2002     | 2003     | 2004     | 2005     |
|----------------------------------|----------|----------|----------|----------|
| <b>Police:</b>                   |          |          |          |          |
| Stations                         | 1        | 1        | 1        | 1        |
| Sub Stations                     | 3        | 3        | 3        | 3        |
| <b>Fire, Fire Stations</b>       | <b>4</b> | <b>4</b> | <b>4</b> | <b>4</b> |
| <b>Public Works:</b>             |          |          |          |          |
| Collection Trucks                | 7        | 7        | 7        | 7        |
| Streets (Miles)                  | 213      | 214      | 214      | 214      |
| Traffic Signals                  | 101      | 101      | 102      | 102      |
| <b>Parks &amp; Recreation:</b>   |          |          |          |          |
| Park Acreage                     | 693      | 698      | 698      | 698      |
| Parks                            | 21       | 22       | 22       | 22       |
| Cemetery Acreage                 | 112      | 112      | 112      | 112      |
| Bike Path (miles)                | 11       | 11       | 11       | 11       |
| Swimming pools                   | 1        | 1        | 1        | 1        |
| <b>Library:</b>                  |          |          |          |          |
| Facilities                       | 2        | 2        | 2        | 2        |
| Volumes                          | 184,836  | 186,518  | 186,518  | 186,518  |
| <b>Water:</b>                    |          |          |          |          |
| Watermain (miles)                | 206      | 207      | 207      | 207      |
| Water Customers Served           | 17,055   | 17,055   | 17,055   | 17,055   |
| Storage Capacity (MGPD)          | 8.1      | 8.1      | 8.1      | 8.0      |
| Average Daily Consumption (MGPD) | 5.3      | 5.5      | 5.2      | 5.4      |
| Peak Consumption (MGPD)          | 7.7      | 8.6      | 8.8      | 7.7      |
| Treatment Plants                 | 1        | 1        | 1        | 1        |
| Watermain Breaks                 | 51       | 52       | 32       | 72       |
| <b>Wastewater:</b>               |          |          |          |          |
| <b>Sewer</b>                     |          |          |          |          |
| Sanitary Sewers (miles)          | 190      | 190      | 190      | 190      |
| Sewer Customers Served           | 16,959   | 16,466   | 16,466   | 16,466   |
| Pump Stations                    | 10       | 14       | 14       | 14       |
| Treatment Plants                 | 2        | 2        | 2        | 2        |

Source: City Departments

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| 2006    | 2007    | 2008    | 2009    | 2010    | 2011    |
|---------|---------|---------|---------|---------|---------|
| 1       | 1       | 1       | 1       | 1       | 1       |
| 3       | 3       | 4       | 4       | 4       | 4       |
| 4       | 4       | 4       | 4       | 4       | 4       |
| 7       | 7       | 7       | 7       | 7       | 7       |
| 214     | 214     | 214     | 218     | 218     | 218     |
| 102     | 102     | 102     | 103     | 104     | 104     |
| 698     | 698     | 698     | 608     | 608     | 608     |
| 22      | 22      | 22      | 22      | 22      | 22      |
| 112     | 112     | 112     | 110     | 110     | 110     |
| 11      | 11      | 11      | 11      | 11      | 11      |
| 1       | 1       | 1       | 1       | 1       | 1       |
| 2       | 2       | 2       | 1       | 1       | 1       |
| 183,261 | 199,597 | 200,603 | 205,000 | 211,856 | 259,869 |
| 207     | 228     | 230     | 207     | 234     | 236     |
| 17,055  | 16,722  | 16,761  | 17,055  | 16,588  | 16,710  |
| 8.0     | 9.1     | 9.1     | 8.0     | 9.1     | 9.1     |
| 5.2     | 5.3     | 5.2     | 5.2     | 5.0     | 5.0     |
| 9.3     | 7.3     | 6.7     | 9.3     | 6.6     | 7.7     |
| 1       | 1       | 1       | 1       | 1       | 1       |
| 38      | 45      | 48      | 47      | 55      | 48      |
| 190     | 190     | 190     | 190     | 204     | 218     |
| 16,466  | 16,466  | 16,466  | 16,466  | 16,640  | 16,640  |
| 14      | 14      | 14      | 14      | 14      | 14      |
| 2       | 2       | 2       | 2       | 2       | 2       |

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**City of Moline, Illinois**

**Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2011**

| Federal Grantor/Pass-Through Grantor/Program Title                        | CFDA<br>Number | Grantor's<br>Identifying Number | Expenditures        |
|---|----------------|---------------------------------|---------------------|
| <b>U.S. Department of Housing and Urban Development:</b>                  |                |                                 |                     |
| Direct:   |                |                                 |                     |
| Community Development Block Grant   | 14.218         | B-10-MC-17-0014                 | \$ 887,123          |
| ARRA - CDBG-R   | 14.253         | B-09-MY-17-0014                 | 46,338              |
| ARRA - Lead Hazard Control Grant  | 14.907         | ILLHB043008                     | 971,974             |
| (Passed through Illinois Housing Development Authority)                   |                |                                 |                     |
| HOME Investment Partnerships Programs:                                    |                |                                 |                     |
| 2011 Homebuyer Assistance Program   | 14.239         | SHB-50438                       | 110,796             |
| 2010 Homebuyer Assistance Program   | 14.239         | SHB-50251                       | 100,727             |
| 2010 Small Rental Properties  | 14.239         | HS-50206                        | 119,585             |
| 2010 Single Family Owner Occupied Rehabilitation                          | 14.239         | HO-50221                        | 36,301              |
| <b>Subtotal passed through Illinois Housing<br/>Development Authority</b> |                |                                 | <b>367,409</b>      |
| (Passed through the Rock Island Economic Growth Corporation)              |                |                                 |                     |
| ARRA - NSP2   | 14.256         | B-09-CN-IL-0027                 | 2,954,576           |
|   |                |                                 | <b>5,227,420</b>    |
| <b>U.S. Department of Commerce</b>  |                |                                 |                     |
| Economic Adjustment Assistance - RiverTech Business Park                  | 11.307         | 06-79-05241                     | 715,304             |
| PSIC Grant  | 11.555         | 07PSIC                          | 50,527              |
|   |                |                                 | <b>765,831</b>      |
| <b>Federal Highway Administration</b>                                     |                |                                 |                     |
| Illinois Highway Planning & Research Program                              | 20.205         | SPR-PL-3000(46)                 | 9,080               |
| <b>U.S. Department of Justice (Direct):</b>                               |                |                                 |                     |
| 2011 Bullet Proof Vest  | 16.607         | none                            | 3,028               |
| Project Safe Neighborhoods  | 16.609         | 2010-07107-02                   | 27,584              |
| 2011 Justice Assistance Grant   | 16.738         | none                            | 76,450              |
|   |                |                                 | <b>107,062</b>      |
| <b>U.S. Department of Homeland Security:</b>                              |                |                                 |                     |
| (Passed through Illinois Emergency Management Agency)                     |                |                                 |                     |
| FEMA 2011 Severe Winter Storms  | 97.036         | 1960-161-49867-00               | 85,783              |
| ILEAS Overtime Reimbursement  | 97.067         | 2003 SHSGP                      | 5,655               |
| <b>Subtotal passed through Illinois Emergency<br/>Management Agency</b>   |                |                                 | <b>91,438</b>       |
| <b>Total expenditures of federal awards</b>                               |                |                                 | <b>\$ 6,200,831</b> |

See Notes to Schedule of Expenditures of Federal Awards.

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**City of Moline, Illinois**

**Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2011**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Moline, Illinois for the year ended December 31, 2011. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other governmental agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2. Significant Accounting Policies**

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when they become both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

**Note 3. Subrecipients**

Of the federal expenditures presented in the Schedule, the City of Moline, Illinois provided federal awards to subrecipients as follows:

| Program Title                     | Federal CFDA<br>Number | Amount Provided<br>to Subrecipients |
|-----------------------------------|------------------------|-------------------------------------|
| Community Development Block Grant | 14.218                 | \$ 71,448                           |
| ARRA - Lead Hazard Control Grant  | 14.907                 | 320,700                             |

**Note 4. Federal Loan Program**

Under the Community Development Block Grant program, the City administers loan programs which are accounted for in the Revolving Loan Program Fund, a special revenue fund. As of December 31, 2011, the loans outstanding under these programs totaled \$96,238.

**City of Moline, Illinois**

**Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2011**

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| Comment<br>Number                          | Comment  | Status    | Corrective Action<br>or Other Explanation |
|--|--|-----------|---|
| <b>Findings Related to Federal Awards:</b> |  |           |   |
| <b>Instances of Noncompliance</b>          |  |           |   |
| 10-III-A                                   | The City did not submit the annual Race and Ethnic Data Reporting Form by the deadline of January 10, 2011.  | Corrected | N/A                                       |
| 10-III-B                                   | The City did not ensure that the subrecipients were registered with the Central Contracting Registration (CCR) prior to disbursement of funds for the Community Development Block Grant. | Corrected | N/A                                       |



**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Moline, Illinois as of and for the year ended December 31, 2011, which collectively comprise the City of Moline, Illinois' basic financial statements, and have issued our report thereon dated May 30, 2012. 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.

**Internal Control Over Financial Reporting**

Management of the City of Moline is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City of Moline, Illinois' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Moline, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Moline, Illinois' internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

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

We noted certain matters that we reported to management of City of Moline, Illinois in a separate letter dated May 30, 2012.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

*McGladrey LLP*

Davenport, Iowa  
May 30, 2012



**Independent Auditor's Report on Compliance With  
Requirements That Could Have a Direct and Material Effect on  
Each Major Program and on Internal Control Over  
Compliance in Accordance With OMB Circular A-133**

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

**Compliance**

We have audited the compliance of the City of Moline, Illinois with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on City of Moline, Illinois' major federal programs for the year ended December 31, 2011. City of Moline, Illinois' major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Moline, Illinois' management. Our responsibility is to express an opinion on City of Moline, Illinois' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Moline, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on City of Moline, Illinois' compliance with those requirements.

In our opinion, City of Moline, Illinois complied, in all material respects, with the compliance requirements referred to above that are could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

**Internal Control Over Compliance**

Management of City of Moline, Illinois is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Moline, Illinois' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Moline, Illinois' internal control over compliance.

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

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

This report is intended solely for the information and use of the City Council, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*McGladrey LLP*

Davenport, Iowa  
May 30, 2012

**City of Moline, Illinois**

**Schedule of Findings and Questioned Costs  
Year Ended December 31, 2011**

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**I. Summary of the Independent Auditor's Results**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None Reported
- Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None Reported

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

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  Yes  No

Identification of major programs:

| CFDA Number | Name of Federal Program or Cluster                        |
|-------------|---|
| 14.907      | ARRA - Lead Hazard Control Grant                          |
| 14.256      | ARRA - NSP2   |
| 11.307      | Economic Adjustment Assistance - River Tech Business Park |
| 14.239      | HOME Investment Partnerships Program                      |

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?  Yes  No

(Continued)

City of Moline, Illinois

Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 2011

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- II. **Findings Relating to the Basic Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards**
  - A. **Internal Control**

None reported
  - B. **Compliance findings**

None reported
  
- III. **Findings and Questioned Costs for Federal Awards**
  - A. **Internal Control**

None reported
  - B. **Instance of Noncompliance**

None reported