

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
CITY OF MOLINE, IL**

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

Prepared by Finance Department

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# CITY OF MOLINE

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**Lewis J. Steinbrecher**  
City Administrator

619 - 16 Street  
Moline, Illinois 61265

Phone: (309) 524-2003  
Fax: (309) 524-2031  
Email:  
lsteinbrecher@moline.il.us

June 12, 2013

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, 2012.

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.

Baker Tilley Virchow Krause, Certified Public Accountants, have issued an unmodified opinion that the City of Moline's financial statements for the year ended December 31, 2012 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 423 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. Continued development within Moline Center include several loft conversion projects recently completed or under construction. The Philips Loft includes 18 market rate apartments and commercial space and is nearly complete and 100 % occupied. Berglund Flats is under construction and includes 24 market rate apartments and commercial space and will be completed in late spring or early summer. Additionally the Skinner Block Historic Buildings include plans for 20+apartments. The City has entered into a Development Agreement with a Developer who intends to convert the former Deere Collectors Center into a Hilton Garden Inn with up to 100 rooms and necessary amenities. Also being completed this year is Phase III of the City's 5<sup>th</sup> Avenue redevelopment and streetscape project. This has been a highly successful project that has brought needed parking back to the City's Main Street and has created interest in additional retail, commercial and office users to locate in Moline Centre.

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 2012 and is now 100% 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 square feet of commercial space has been leased and a convenience store now serves 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 2010 \$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 2015. The Amin Group 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, up to 85 extended stay hotel rooms and supportive services to Amtrak and the other transit modes in Centre Station which is adjacent to the new station.

In the State of Illinois' capital construction plan approved by the Illinois Legislature and signed by the Governor, WIU-Quad Cities was funded to complete a \$15.8 million 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 includes 5 interconnected buildings and is currently under construction. It is anticipated that Phase II will be completed in time for fall 2014 classes. The City owns approximately 16 acres adjacent to the campus site and has completed infrastructure, site improvements and an all weather road to serve this development as well as the adjacent WIU campus. A preferred developer, Three Corners/Madison Construction has been selected and schematic designs have been developed which includes plans for student housing, market rate housing, commercial, office and retail buildings to support the campus as well as the community. It is anticipated that agreements, funding and plans will be completed to begin redevelopment this summer and completion of Phase I to coincide with Phase II of the campus. This will create construction as well as permanent full and part time jobs and provide needed housing opportunities.

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. In addition, several meetings with the Illinois Department of Transportation have taken place to discuss improvements to access from John Deere Expressway into the mall. City staff is very encouraged by the progress in the conceptual and are working towards a redevelopment plan that should be completed later this summer.

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. Valley View Village

continues to develop with apartments; Menards and Green Hyundai open for business. Sam's Club has announced plans to construct a new store adjacent to Menards and is in the process of obtaining the necessary approvals from the City. 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 provides 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. In addition Mills Chevrolet completed an entire facility make over and Key Auto Mall has completed Phase I redevelopment which includes the addition of Chrysler, Jeep and Dodge brands. Phase II will be completed later this year. The former Menards store at the west end of Moline on John Deere Expressway is currently being redeveloped into 4 retail stores including Hobby Lobby, Ross Dress for Less and PetSmart as well as space for another tenant. This redevelopment will compliment the recent renovation of the Target and the existing Kohl's and Hy-Vee stores.

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 Airport South District Plan has been completed and will be reviewed and approved by the Plan Commission and City Council in coming months. The plan includes land use recommendations and infrastructure needs for sustained long term growth of the City as well as includes marketing materials necessary to assist in developer recruitment of City owned properties.

Through a partnership with the City of Moline and the Quad City International Airport the City 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 issued \$6,500,000 in Bonds to complete the necessary infrastructure for the development. TIF increment will cover the Bond payments. The plans are nearly completed and infrastructure to serve this development will be installed later this year. The City has continued to expand its relationship with the Airport by adopting a boundary agreement which includes the process for the continued development of the land around the airport. The City has started the process to annex additional property including the existing Hampton Inn hotel as well as an adjacent site which is intended to be developed into a Holiday Inn Express. The new utilities will serve this development.

### **Other 2012 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 2012 were:

- Started construction of a second salt storage facility on the South side of the city. This will result in greater efficiency in operations and allow the city to purchase more salt quantities at lower prices based on more storage capacity.

- Upgraded city fuel delivery system to current state-of-the-art technology to greatly reduce the potential exposure to unauthorized dispensing of fuel.
- Purchased and outfitted twenty two new Crossover Police Patrol vehicles to replace outdated, high maintenance, fuel inefficient Crown Victoria Patrol Vehicles.
- Constructed drainage improvement to Moline Riverside Cemetery to help mitigate further deterioration to the cemetery retaining wall.
- Approval to proceed with redesign of Water Treatment Plant for UV implementation to comply with USEPA and IEPA regulations.
- North Slope Waste Water Treatment Plant and North Slope Watershed Plan submitted to IEPA to address compliance with advisory Sanitary Sewer Overflow (SSO) letter issued by IEPA.
- Designed and constructed Phase II of the 5<sup>th</sup> Avenue Reconstruction Project to revitalize the 5<sup>th</sup> Avenue Downtown Area to include streetscaping. The International Downtown Association recognized Moline Centre Main Street with a Downtown Merit Award for its work and initiatives related to the Streetscape Master Plan and the implementation of the 5<sup>th</sup> Avenue Reconstruction Project.
- The City continues to be recognized as a top performer both at the State and National level. Awards in 2012 include: 1st place in the nation for design, layout and content of our new web site and for efforts in recycling, energy efficiency and fleet operations, the City was awarded the Governors' Sustainability award.
- Acquired numerous blighted properties through court action and subsequently sold them for rehabilitation and code compliance.
- The Fire Department consolidated a pumper and a ladder truck with a new "quintuple", or dual purpose apparatus; saving the fleet budget \$35,000 annually in replacement costs and allowing for the reduction of five firefighters while maintaining our fire-based emergency medical services.
- Successfully worked with all four collective bargaining units to adopt a 0% general wage increase in 2012.
- Moline was also recognized by the White House as a participant in the Partnership for Sustainable Communities, an interagency collaboration that recognized Moline for efficiently meeting economic, environmental and community objectives through federal collaboration.
- Our Parks & Recreation Department received the James Farrell Award of Excellence for hosting the best ASA event in the country at Green Valley and was awarded the girls 16 and under national tournament in 2014.
- The City continued to lead, using best practices to renovate the Washington Square Apartments at 4th Avenue and 17th Street and was awarded the Lt. Governors' award for

Excellence in Historic Downtown Revitalization. A pervious asphalt parking lot accompanied by a rain garden north of Washington Square is also an example of Moline's efforts to be more environmentally friendly.

The City's record of achievement for 2012 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, 2011. This was the twentieth (20th) 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, 2011

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.



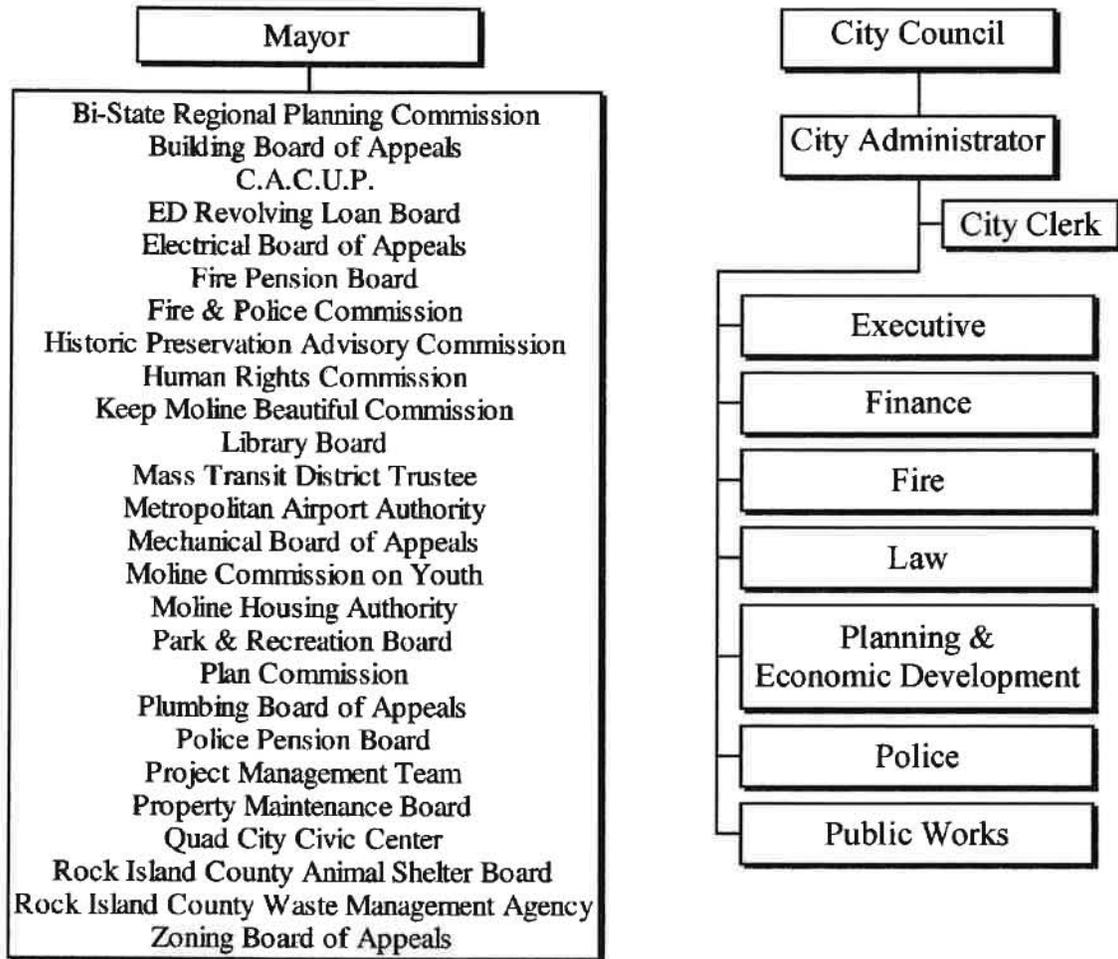
*Christopher P. Moirill*

President

*Jeffrey R. Emer*

Executive Director

# CITIZENS OF MOLINE



# CITY OF MOLINE, ILLINOIS

PRINCIPAL CITY OFFICIALS  
As of and for the Year Ended December 31, 2012

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## LEGISLATIVE

Don Welvaert  
Mayor

		Term Expiration Date of Elected Officials
John Knaack	1st Ward Alderman	4-30-2015
David Parker, Jr.	2nd Ward Alderman	4-30-2017
J. Scott Raes	3rd Ward Alderman	4-30-2015
Ted Ronk	4th Ward Alderman	4-30-2017
Lori Turner	5th Ward Alderman	4-30-2015
Kevin Schoonmaker	6th Ward Alderman	4-30-2017
Sean Liddell	7th Ward Alderman	4-30-2015
Stephanie Acri	At Large Alderman	4-30-2017

## ADMINISTRATION

Lewis Steinbrecher, City Administrator  
Tracy Koranda, City Clerk

## 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 AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moline, Illinois, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of Moline's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

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

### **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, 2012 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matters**

As discussed in Note I, the City of Moline adopted the provisions of GASB Statement No. 63, *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective January 1, 2012. Our opinions are not modified with respect to this matter.

We have also audited the adjustment described in Note III.H that was applied to restate the 2011 financial statements in order to correct an error in the accrual of employer contribution receivables in the Police and Firefighters' Pension funds. In our opinion, such adjustment is appropriate and has been properly applied. Our opinions are not modified with respect to this matter.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund; Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual – Tax Increment Financing #1; Illinois Municipal Retirement Fund Schedule of Employer's Contributions and Schedule of Funding Progress; Police Pension Fund Schedule of Employer's Contributions and Schedule of Funding Progress; Firefighters' Pension Fund Schedule of Employer's Contributions and Schedule of Funding Progress; and OPEB Fund Schedule of Employer's Contributions and Schedule of Funding Progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Moline's basic financial statements. The combining and individual fund financial statements as restated 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements as restated are fairly stated in all material respects, in relation to the basic financial statements as a whole.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Moline's basic financial statements. The Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2013 on our consideration of the City of Moline's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Moline's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly Viechow Krause, LLP". The signature is written in a cursive, flowing style.

Oak Brook, Illinois  
June 12, 2013

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# CITY OF MOLINE

## MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2012 (Unaudited)

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The discussion and analysis of City of Moline's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2012. The management of the City encourages readers to consider the information presented herein in conjunction with the transmittal letter found in the introductory section and the basic financial statements to enhance their understanding of the City's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$165.5 million (net position). Of this amount \$23.5 million is unrestricted and may be used to meet the government's ongoing obligation to citizens and creditors.
- In total, net position increased by \$12.3 million. This represents a 8.0% increase from 2011 and is a result of \$6.5 million and \$5.8 million increases in the net position of governmental activities and business-type activities, respectively. The rise in net position of governmental activities was due primarily to favorable operating results in 2012 in funds associated with governmental activities. The increase in the net position of business-type activities was mainly attributed to a rise in total assets of the business-type activities. The rise was attributable to an increase in rate structures to increase reserves for future infrastructure replacement.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$22.1 million, an increase of \$6.2 million in comparison with the prior year. Approximately \$4.0 million is available for spending at the government's discretion (unrestricted fund balance).
- General revenues accounted for \$53.6 million in revenue or 80% of all governmental revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$13.4 million or 20% of total governmental revenues of \$67 million.
- The City had \$60.5 million in expenses related to government activities. However, only \$13.4 million of these expenses were offset by program specific charges and grants.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12.9 million, or 34% of the total General Fund expenditures.
- The City's total debt decreased by \$2.6 million during the current year to \$83.2 million.

# CITY OF MOLINE

## MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2012 (Unaudited)

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### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

#### *Government-wide financial statements*

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business, and are reported using the accrual basis of accounting and economic resources measurement focus.

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

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be divided into two types of activities: governmental and business type. Governmental activities present the functions of the City that are principally supported by taxes and intergovernmental revenues. Business type activities present the functions that are intended to recover all or a significant portion of their costs through user fees and charges. The City's governmental activities include functions like general government, public safety, public works, economic development, library, culture and recreation. The City's business type activities include water, water pollution control, and storm water utilities.

#### *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 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.

# CITY OF MOLINE

## MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2012 (Unaudited)

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### Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. 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 City's near-term financing requirements.

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

The City maintains 4 major 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, Tax Increment Financing #1, Debt Service and Capital Project Funds, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report. The City adopts an annual budget for each of the major funds listed above. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with this budget.

### Proprietary funds

The City maintains two different types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business type activities in the government-wide financial statements. The City utilizes enterprise funds to account for its water, water pollution control, and stormwater utility services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

The City uses internal service funds to account for health insurance, liability insurance, information technology and fleet. Because these services predominantly benefit governmental rather than business type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, Water Pollution Control Fund, and Stormwater Utility Fund, all of which are considered to be major funds of the City. Conversely, the internal service fund is combined into a single, aggregated presentation in the proprietary fund financial statements.

# CITY OF MOLINE

## MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2012 (Unaudited)

### Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

### *Notes to basic financial statements*

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

### *Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's contributions and funding progress of the Illinois Municipal Retirement Fund, Police Pension Fund, Firefighters' Pension Fund and Retiree Health Plan; as well as, budget to actual comparisons of the funds. Supplementary schedules include combining and individual fund schedules of all non-major funds and Fiduciary Funds.

## **Government-Wide Financial Analysis**

<b>Table 1 Condensed Statements of Net Position (in millions of dollars)</b>									
	<u>Governmental Activities</u>			<u>Business Type Activities</u>			<u>Total</u>		
	2012	2011	Change	2012	2011	Change	2012	2011	Change
<b>Assets</b>									
Current and other assets	\$ 78.5	\$ 76.3	2.9%	\$ 22.3	\$ 17.5	27.4%	\$ 100.8	\$ 93.8	7.5%
Capital Assets	<u>102.1</u>	<u>100.3</u>	1.8%	<u>85.0</u>	<u>85.4</u>	(0.5)%	<u>187.1</u>	<u>185.7</u>	0.8%
Total assets	<u>180.6</u>	<u>176.6</u>	2.3%	<u>107.3</u>	<u>102.9</u>	4.3%	<u>287.9</u>	<u>279.5</u>	3.0%
<b>Liabilities</b>									
Long-term liabilities	72.1	72.8	(1.0)%	18.6	20.0	(7.0)%	90.7	92.8	-2.3%
Other liabilities	<u>30.9</u>	<u>32.7</u>	(5.5)%	<u>0.8</u>	<u>0.8</u>		<u>31.7</u>	<u>33.5</u>	-5.4%
Total liabilities	<u>103.0</u>	<u>105.5</u>	(2.4)%	<u>19.4</u>	<u>20.8</u>	(6.7)%	<u>122.4</u>	<u>126.3</u>	-3.1%
<b>Net position</b>									
Net investment in capital assets	64.8	64.8		67.4	66.5	1.4%	132.2	131.3	0.7%
Restricted	9.8	10.9	(10.1)%	-	-		9.8	10.9	-10.1%
Unrestricted	<u>3.0</u>	<u>(4.6)</u>	-165.2%	<u>20.5</u>	<u>15.6</u>	31.4%	<u>23.5</u>	<u>11.0</u>	113.6%
Total net position	<u>\$ 77.6</u>	<u>\$ 71.1</u>	9.1%	<u>\$ 87.9</u>	<u>\$ 82.1</u>	7.1%	<u>\$ 165.5</u>	<u>\$ 153.2</u>	8.0%

## CITY OF MOLINE

### MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2012 (Unaudited)

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#### *Normal Impacts*

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

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

Borrowing for capital – which will increase current assets and long-term debt.

Spending borrowed proceeds on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) increase capital assets and long-term debt, which will not change the net investment in capital assets.

Spending of non-borrowed current assets on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal payment on debt – which will: (a) reduce current assets and reduce long-term debt; and, (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of capital assets through depreciation – which will reduce capital assets and net investment in capital assets.

#### *Current Year Impacts*

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, total net position increased by \$12.3 million from \$153.2 million to \$165.5 million. The City's total assets equal \$287.9 million. The City's total liabilities equal \$122.4 million.

By far the largest portion of the City's net position is its investment in capital assets. This represents 83% of net position and consists of land, buildings, machinery, equipment and infrastructure less depreciation and any related outstanding debt used to acquire these assets. The City uses these capital assets to provide services to the residents; 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.

A restricted portion of the City's net position (6% for 2012 and 7% for 2011) represents resources that are subject to external restrictions on how they may be used. The unrestricted combined balance, for both governmental and business type activities, of \$23.5 million may be used to meet the ongoing City obligations to their citizens and creditors. All net position categories show positive balances at year end.

**CITY OF MOLINE**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31, 2012  
(Unaudited)

**Table 2**  
**Condensed Statements of Activities**  
**(in millions of dollars)**

	<u>Governmental Activities</u>			<u>Business Type Activities</u>			<u>Total</u>		
	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>2012</u>	<u>2011</u>	<u>Change</u>
<b>Revenues</b>									
<i>Program revenues</i>									
Charges for services	\$ 9.5	\$ 5.9	61.0%	\$ 19.0	\$ 15.1	25.8%	\$ 28.5	\$ 21.0	35.7%
Operating grants and contributions	3.9	8.4	-53.6%	-	-		3.9	8.4	-53.6%
<i>General revenues</i>									
Property taxes	19.0	17.8	6.7%	-	-		19.0	17.8	6.7%
Other taxes	32.9	32.1	2.5%	-	-		32.9	32.1	2.5%
Other general revenues	<u>1.7</u>	<u>1.3</u>	30.8%	<u>0.1</u>	<u>-</u>		<u>1.8</u>	<u>1.3</u>	38.5%
Total revenues	<u>67.0</u>	<u>65.5</u>	2.3%	<u>19.1</u>	<u>15.1</u>	26.5%	<u>86.1</u>	<u>80.6</u>	6.8%
<b>Expenses</b>									
General government	4.7	3.0	56.7%	-	-		4.7	3.0	56.7%
Public safety	26.4	23.9	10.5%	-	-		26.4	23.9	10.5%
Public works	13.1	14.9	-12.1%	-	-		13.1	14.9	-12.1%
Economic development	5.7	12.2	-53.3%	-	-		5.7	12.2	-53.3%
Culture and recreation	4.3	2.3	87.0%	-	-		4.3	2.3	87.0%
Libraries	3.1	4.3	-27.9%	-	-		3.1	4.3	-27.9%
Water	-	-		6.7	6.9	-2.9%	6.7	6.9	-2.9%
Water pollution control	-	-		5.8	5.9	-1.7%	5.8	5.9	-1.7%
Storm water utility	-	-		0.8	0.9	-11.1%	0.8	0.9	-11.1%
Interest and fiscal charges	<u>3.2</u>	<u>3.4</u>	-5.9%	<u>-</u>	<u>-</u>		<u>3.2</u>	<u>3.4</u>	-5.9%
Total expenses	<u>60.5</u>	<u>64.0</u>	-5.5%	<u>13.3</u>	<u>13.7</u>	-2.9%	<u>73.8</u>	<u>77.7</u>	-5.0%
Change in net position	6.5	1.5	333.3%	5.8	1.4	314.3%	12.3	2.9	324.1%
Net position, beginning of year	<u>71.1</u>	<u>69.6</u>	2.2%	<u>82.1</u>	<u>80.7</u>	1.7%	<u>153.2</u>	<u>150.3</u>	1.9%
Net position end of year	<u>\$ 77.6</u>	<u>\$ 71.1</u>	9.1%	<u>\$ 87.9</u>	<u>\$ 82.1</u>	7.1%	<u>\$ 165.5</u>	<u>\$ 153.2</u>	8.0%

# CITY OF MOLINE

## MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2012 (Unaudited)

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Table 2 highlights the City's revenues and expenses for the fiscal years ended December 31, 2012 and 2011. These two main components are subtracted to yield the change in net position. This table utilizes the full accrual method.

### *Normal Impacts*

There are eight basic (normal) impacts that will affect the comparability of the revenues and expenses on the Statement of Activities summary presentation.

#### Revenues

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

Increase/decrease in 2012 approved rates – while certain tax rates are set by statute, the City has significant authority to impose and periodically increase/decrease rates (water, home rule sales tax, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring grants are less predictable and often distorting in their impact on year to year comparisons.

Market impacts on investment income – the City's investments may be affected by market conditions causing investment income to increase/decrease.

#### Expenses

Introduction of new programs – within the functional expense categories (general government, public safety, public works, and community development), individual programs may be added or deleted to meet changing community needs.

Change in authorized personnel – changes in service demand may cause the City to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the largest operating cost of the City.

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

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

### *Current Year Impacts*

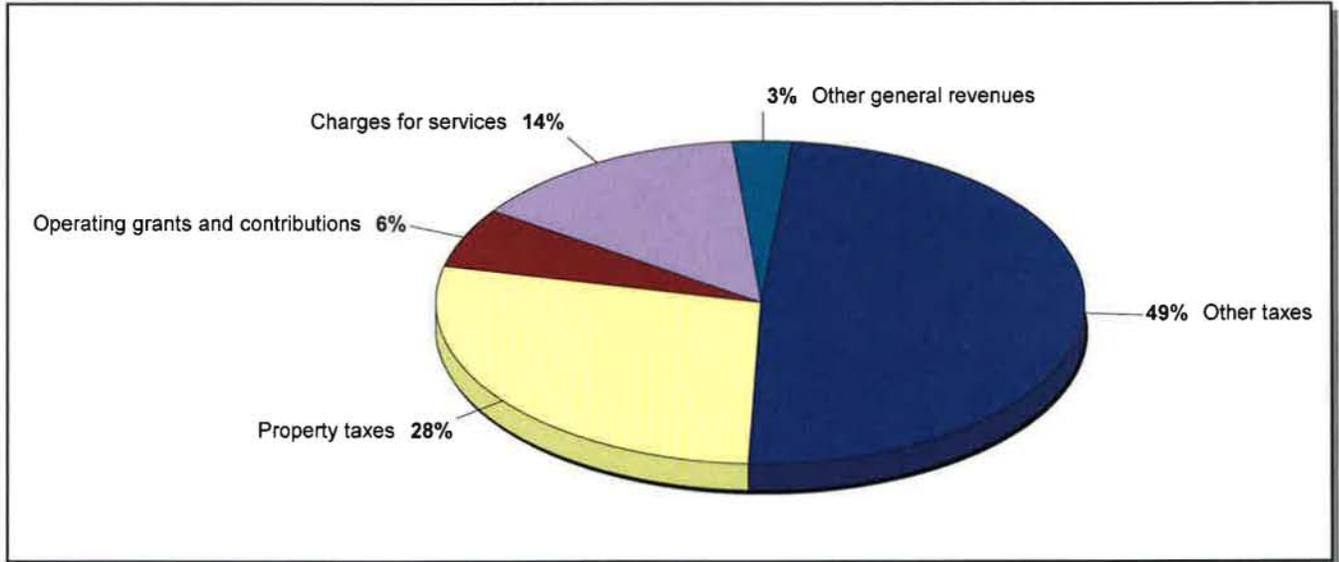
The Governmental Activities increased the City's net position by \$6.5 million. Key elements contributing to this change are as follows:

# CITY OF MOLINE

MANAGEMENT'S DISCUSSION AND ANALYSIS  
As of and for the Year Ended December 31, 2012  
(Unaudited)

## Governmental Activities

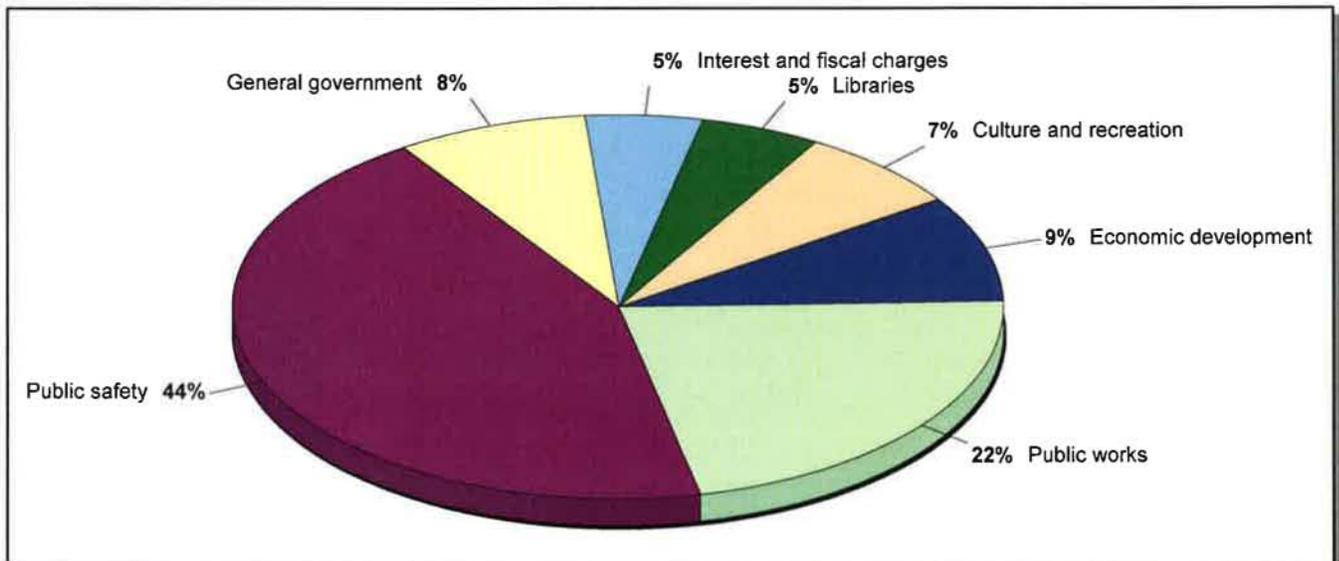
### Governmental Revenues by Source



### Revenues

Revenues are 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. The City experienced an increase in revenue due to increased receipt of state shared income taxes and ambulance user fees.

### Governmental Expenses by Function



## CITY OF MOLINE

### MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2012 (Unaudited)

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#### *Expenses*

The City's overall expenses in the current fiscal year decreased due to budgetary constraints combined with the successful negotiation of a zero percent cost of living increase for all union groups (including the non-bargaining employees) and resulted in an increase in net position to \$77.6 million compared to \$71.1 million in the prior fiscal year. Overall, the City's financial position has improved since the prior fiscal year.

#### **Financial Analysis of the City's Funds**

The fund balance of the City's General Fund increased by \$3.1 million for 2012 and \$0.9 million for 2011. For more information, see the General Fund Budgetary Highlight Section.

The Tax Increment Financing #1 Fund had an ending fund balance deficit of \$6.7 million, a decrease in the deficit of \$1.4 million from 2011 mainly attributed to the efforts to address the previous constraints of the downtown TIF cash flow to be recovered in future years.

The Debt Service Fund had an ending fund balance of \$0.5 million, a decrease of \$0.6 million from 2011. The decrease is attributed to the spend down of capitalized interest included in the 2011A General Obligation Bond Issue.

The Capital Projects Fund had an ending fund balance of \$2.4 million, an increase of \$0.2 million from 2011. The total revenues increased by \$0.9 million mainly due to an utility tax rate increase from 3% to 5%. Capital outlay spent in 2012 was \$3.7 million, an increase of \$1.4 million over 2011. Projects included various residential street improvements, various sealcoat improvements, sidewalk improvements, alley reconstruction and River Drive street lighting. Other Financing Uses to cover capital related debt service also decreased \$1.0 million from 2011.

#### **General Fund Budgetary Highlights**

Overall General Fund revenue was \$1,341,739 more than the final budget and expenditures were \$2,099,199 less than the final budget. Specific highlights of General Fund revenue and expenditures are as follows:

- Income tax revenues were \$893,389 more than the final budget.
- Ambulance charges for services were \$510,346 more than the final budget.
- Contingency line item was \$1,391,658 less than the final budget largely due to the successful negotiation of a zero percent cost of living increase for all union groups (including the non-bargaining employees).
- Highways and streets was \$412,036 less than the final budget mainly due to the mild winter season and related savings in roadway salt and overtime costs.
- Planning and zoning was \$215,764 less than the final budget due to project delays (commercial district implementation) and rebate awards less than estimated.

## CITY OF MOLINE

### MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2012 (Unaudited)

### Capital Assets and Debt Administration

#### *Capital assets*

By the end of 2012, the City had compiled a total investment of \$313.9 million (\$187.1 million net of accumulated depreciation) in a broad range of capital assets including land, construction-in-progress, buildings and improvements, major movable equipment, vehicles and infrastructure. Total depreciation expense for the year was \$8.5. More detailed information about capital assets can be found in Note III.C of the basic financial statements.

<b>Table 3</b>									
<b>Capital Assets (net of depreciation)</b>									
<b>(in millions of dollars)</b>									
	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total</u>		
	2012	2011	Change	2012	2011	Change	2012	2011	Change
Land	\$ 13.8	\$ 13.8		\$ 0.4	\$ 0.4		\$ 14.2	\$ 14.2	
Construction in progress	1.0	0.8	25.0%	-	-		1.0	0.8	25.0%
Land improvements	5.0	4.9	2.0%	0.3	0.3		5.3	5.2	1.9%
Buildings and improvements	38.8	40.4	-4.0%	27.4	28.7	-4.5%	66.2	69.1	-4.2%
Major moveable equipment	1.2	1.2		6.3	6.6	-4.5%	7.5	7.8	-3.8%
Vehicles	5.6	5.1	9.8%	-	-		5.6	5.1	9.8%
Infrastructure	<u>36.7</u>	<u>34.1</u>	7.6%	<u>50.6</u>	<u>49.4</u>	2.4%	<u>87.3</u>	<u>83.5</u>	4.6%
<b>Total</b>	<b><u>\$ 102.1</u></b>	<b><u>\$ 100.3</u></b>	1.8%	<b><u>\$ 85.0</u></b>	<b><u>\$ 85.4</u></b>	-0.5%	<b><u>\$ 187.1</u></b>	<b><u>\$ 185.7</u></b>	0.8%

#### *Debt Administration*

The table below summarizes the City's bonded and similar indebtedness. As of December 31, 2012, the City had a total of \$90.7 million of long-term debt outstanding. Of this amount, \$74.2 million was in the form of general obligation bonds backed by the full faith and credit of the City government. For many years now, the City has abated all of its property tax levy for debt service and used revenues from other sources, especially home rule sales tax and water user fees, to pay general obligation debt service. More detailed information about debt administration can be found in Note III.F of the basic financial statements.

## CITY OF MOLINE

### MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2012 (Unaudited)

**Table 4**  
**Long-Term Debt**  
**(in millions of dollars)**

	<u>Governmental Activities</u>			<u>Business Type Activities</u>			<u>Total</u>		
	2012	2011	Change	2012	2011	Change	2012	2011	Change
General obligation debt	\$ 65.0	\$ 65.7	-1.1%	\$ 8.0	\$ 8.7	-8.0%	\$ 73.0	\$ 74.4	-1.9%
Installment notes	0.6	0.9	-33.3%	1.8	1.9	-5.3%	2.4	2.8	-14.3%
IEPA loans	-	-		7.8	8.4	-7.1%	7.8	8.4	-7.1%
Compensated absences	4.9	4.7	4.3%	0.9	0.9		5.8	5.6	3.6%
OPEB obligation	0.9	0.8	12.5%	0.1	0.1		1.0	0.9	11.1%
IMRF pension obligation	<u>0.7</u>	<u>0.7</u>		<u>-</u>	<u>-</u>		<u>0.7</u>	<u>0.7</u>	
<b>Total</b>	<b><u>\$ 72.1</u></b>	<b><u>\$ 72.8</u></b>	<b>-1.0%</b>	<b><u>\$ 18.6</u></b>	<b><u>\$ 20.0</u></b>	<b>-7.0%</b>	<b><u>\$ 90.7</u></b>	<b><u>\$ 92.8</u></b>	<b>-2.3%</b>

### Factors Bearing on the City's Future

Real property assessed values have decreased \$19,216,144 for tax year 2012 as a result of updated equalized assessed valuations provided by the Rock Island County Assessment Office.

The taxable equalized assessed value increased at an average rate of 1.2 percent annually for the past ten years. However, this rate changed to a decrease of 0.2 percent annually over the past five years and decreased 2.6% last year. The City of Moline remains aggressive in encouraging new business development and encouraging new housing construction.

The potential reduction in state shared revenue from the income and replacement taxes due to the State of Illinois' poor financial condition may present significant budgetary challenges for management if the State legislature elects to reduce these funds toward solving the State's budget issues.

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 32 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 cost which make up a significant portion of the City's operating costs continue to rise.

The unemployment rate for the City of Moline increase to 8.8 percent. This is an increase from a rate of 8.1 percent a year ago. This compares favorably to the state's average unemployment rate of 8.9 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 2013 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 General Fund.

# CITY OF MOLINE

## MANAGEMENT'S DISCUSSION AND ANALYSIS As of and for the Year Ended December 31, 2012 (Unaudited)

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The City continues to experience significant increases in uncontrollable expenditures such as police and fire pensions, contractual union wage rates, road salt, fuel, health care, 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 tuition reimbursement program and reduced employee training and professional development opportunities.

All of these factors were considered in preparing the City of Moline's balanced budget for the 2013 fiscal year.

### **Requests for Information**

This financial report is designed to provide the City's citizens, taxpayers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Kathleen Carr, Finance Director  
City of Moline  
1630 8th Ave  
Moline, IL 61265  
kcarr@moline.il.us

**BASIC FINANCIAL STATEMENTS**

# CITY OF MOLINE

## STATEMENT OF NET POSITION As of December 31, 2012

	Governmental Activities	Business- Type Activities	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,918,971	\$ 4,296,294	\$ 11,215,265
Investments	27,738,769	9,525,463	37,264,232
Receivables (net)			
Property taxes	18,798,593	-	18,798,593
Accounts	2,183,092	3,486,314	5,669,406
Accrued interest	52,174	-	52,174
Other taxes	7,165,581	-	7,165,581
Internal balances	(4,776,401)	4,776,401	-
Due from other governmental units	232,842	108,755	341,597
Inventories	155,810	71,388	227,198
Prepaid items	732,276	-	732,276
Loans receivable, current	94,290	-	94,290
Loans receivable, noncurrent	6,332,511	-	6,332,511
Unamortized debt issuance expense	925,166	68,179	993,345
Net pension asset	6,269,560	-	6,269,560
Restricted assets			
Restricted cash and cash equivalents	4,134,611	-	4,134,611
Restricted investments	1,592,969	-	1,592,969
Capital assets not being depreciated			
Land	13,781,913	389,419	14,171,332
Construction in progress	1,000,318	-	1,000,318
Capital assets being depreciated			
Land improvements	10,952,246	799,831	11,752,077
Buildings	53,567,629	56,309,917	109,877,546
Machinery and equipment	4,035,439	14,981,078	19,016,517
Vehicles	12,510,608	-	12,510,608
Infrastructure	75,686,671	69,879,753	145,566,424
Less Accumulated depreciation	(69,476,309)	(57,387,320)	(126,863,629)
Total Assets	<u>180,609,329</u>	<u>107,305,472</u>	<u>287,914,801</u>
<b>LIABILITIES</b>			
Accounts payable	1,289,893	266,651	1,556,544
Accrued expenses	976,283	193,680	1,169,963
Claims payable	2,134,329	-	2,134,329
Accrued interest payable	776,446	196,655	973,101
Due to other governments	50,000	-	50,000
Unearned revenue	18,342,976	-	18,342,976
Deposits	216,361	190,992	407,353
Line of credit	7,069,130	-	7,069,130
Noncurrent liabilities			
Due within one year	6,437,269	1,527,277	7,964,546
Due in more than one year	<u>65,709,527</u>	<u>17,023,435</u>	<u>82,732,962</u>
Total Liabilities	<u>103,002,214</u>	<u>19,398,690</u>	<u>122,400,904</u>

See accompanying notes to financial statements.

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	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Totals</u>
<b>NET POSITION</b>			
Net investment in capital assets	64,794,955	67,397,675	132,192,630
Restricted for			
Special service areas	43,452	-	43,452
Tourism	1,153,795	-	1,153,795
Cemeteries	254,268	-	254,268
Culture and recreation	554,583	-	554,583
Libraries	493,757	-	493,757
Community development block grant	306,180	-	306,180
Public safety	219,551	-	219,551
Capital improvements and equipment	502,699	-	502,699
Pension benefits	6,269,560	-	6,269,560
Unrestricted	<u>3,014,315</u>	<u>20,509,107</u>	<u>23,523,422</u>
 <b>TOTAL NET POSITION</b>	 <u>\$ 77,607,115</u>	 <u>\$ 87,906,782</u>	 <u>\$165,513,897</u>

See accompanying notes to financial statements.

**CITY OF MOLINE**

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General government	\$ 4,678,673	\$ 4,249,059	\$ 279,108	\$ -
Public safety	26,453,904	1,839,572	664,619	-
Public works	13,100,178	1,437,251	1,508,724	-
Economic development	5,703,904	1,069,280	1,352,034	-
Culture and recreation	4,289,430	796,596	37,464	-
Libraries	3,122,944	89,585	53,756	44,592
Interest and fiscal charges	<u>3,159,415</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Governmental Activities</b>	<u>60,508,448</u>	<u>9,481,343</u>	<u>3,895,705</u>	<u>44,592</u>
<b>Business-type Activities</b>				
Water	6,692,550	9,058,944	-	-
Water pollution control	5,793,013	8,939,213	-	-
Storm water utility	<u>817,808</u>	<u>1,031,616</u>	<u>-</u>	<u>-</u>
<b>Total Business-type Activities</b>	<u>13,303,371</u>	<u>19,029,773</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 73,811,819</u>	<u>\$ 28,511,116</u>	<u>\$ 3,895,705</u>	<u>\$ 44,592</u>
<b>General Revenues</b>				
Taxes				
Property tax				
Sales tax				
Home rule sales tax				
Income tax				
Personal property replacement tax				
Hotel/motel tax				
Franchise tax				
Other taxes				
Investment income				
Miscellaneous				
<b>Total General Revenues</b>				
<b>Change in net position</b>				
NET POSITION - Beginning of Year				
<b>NET POSITION - END OF YEAR</b>				

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (150,506)	\$ -	\$ (150,506)
(23,949,713)	-	(23,949,713)
(10,154,203)	-	(10,154,203)
(3,282,590)	-	(3,282,590)
(3,455,370)	-	(3,455,370)
(2,935,011)	-	(2,935,011)
<u>(3,159,415)</u>	<u>-</u>	<u>(3,159,415)</u>
<u>(47,086,808)</u>	<u>-</u>	<u>(47,086,808)</u>
-	2,366,394	2,366,394
-	3,146,200	3,146,200
-	<u>213,808</u>	<u>213,808</u>
-	<u>5,726,402</u>	<u>5,726,402</u>
<u>(47,086,808)</u>	<u>5,726,402</u>	<u>(41,360,406)</u>
19,018,508	-	19,018,508
10,557,865	-	10,557,865
8,153,477	-	8,153,477
2,947,521	-	2,947,521
2,169,704	-	2,169,704
1,302,793	-	1,302,793
2,408,460	-	2,408,460
5,331,484	-	5,331,484
541,203	18,814	560,017
<u>1,148,068</u>	<u>10,186</u>	<u>1,158,254</u>
<u>53,579,083</u>	<u>29,000</u>	<u>53,608,083</u>
6,492,275	5,755,402	12,247,677
<u>71,114,840</u>	<u>82,151,380</u>	<u>153,266,220</u>
<u>\$ 77,607,115</u>	<u>\$ 87,906,782</u>	<u>\$ 165,513,897</u>

See accompanying notes to financial statements.

**CITY OF MOLINE**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of December 31, 2012

	<u>General</u>	<u>Tax Increment Financing #1</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 116,986	\$ 978	\$ 495,201	\$ -
Restricted cash and cash equivalents	-	-	-	-
Investments	6,723,926	-	-	1,193,549
Restricted investments	-	-	-	-
Receivables (net)				
Property taxes	9,645,009	2,857,781	-	-
Accounts	2,009,599	7,059	-	-
Accrued interest	-	-	-	9,254
Loans	30,000	27,220	6,332,511	-
Other taxes	5,289,961	54,422	-	1,541,385
Due from other governments	84,771	14,543	-	-
Due from other funds	2,287,692	50,000	-	111,000
Inventories	10,461	-	-	-
Prepaid items	-	-	-	-
Interfund advances	<u>4,874,000</u>	<u>-</u>	<u>-</u>	<u>351,117</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 31,072,405</u></b>	<b><u>\$ 3,012,003</u></b>	<b><u>\$ 6,827,712</u></b>	<b><u>\$ 3,206,305</u></b>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities				
Accounts payable	\$ 390,329	\$ 92,730	\$ -	\$ 46,757
Accrued expenses	770,192	6,229	-	-
Due to other governments	-	50,000	-	-
Due to other funds	55,333	1,821,000	-	141,914
Deferred revenues	11,625,022	2,824,143	-	571,106
Deposits	102,771	8,652	-	11,160
Line of credit	-	-	6,332,511	-
Interfund advances	<u>-</u>	<u>4,874,000</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>12,943,647</u>	<u>9,676,754</u>	<u>6,332,511</u>	<u>770,937</u>
Fund Balances				
Nonspendable	4,884,461	-	-	-
Restricted	386,631	-	495,201	-
Committed	-	-	-	2,435,368
Assigned	-	-	-	-
Unassigned	<u>12,857,666</u>	<u>(6,664,751)</u>	<u>-</u>	<u>-</u>
Total Fund Balances (deficit)	<u>18,128,758</u>	<u>(6,664,751)</u>	<u>495,201</u>	<u>2,435,368</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 31,072,405</u></b>	<b><u>\$ 3,012,003</u></b>	<b><u>\$ 6,827,712</u></b>	<b><u>\$ 3,206,305</u></b>

See accompanying notes to financial statements.

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Nonmajor Governmental Funds	Totals
\$ 2,233,882	\$ 2,847,047
4,134,611	4,134,611
2,303,018	10,220,493
1,592,969	1,592,969
6,295,803	18,798,593
166,434	2,183,092
13,914	23,168
37,070	6,426,801
279,813	7,165,581
131,638	230,952
1,457,253	3,905,945
-	10,461
2,000	2,000
-	5,225,117
<u>\$ 18,648,405</u>	<u>\$ 62,766,830</u>
\$ 483,129	\$ 1,012,945
137,241	913,662
-	50,000
2,807,944	4,826,191
6,301,667	21,321,938
93,778	216,361
736,619	7,069,130
351,117	5,225,117
10,911,495	40,635,344
2,000	4,886,461
9,316,973	10,198,805
427,694	2,863,062
220,608	220,608
(2,230,365)	3,962,550
7,736,910	22,131,486
<u>\$ 18,648,405</u>	<u>\$ 62,766,830</u>

See accompanying notes to financial statements.

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## CITY OF MOLINE

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2012

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Total Fund Balances - Governmental Funds	\$ 22,131,486
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.

Land	13,781,913
Construction in progress	928,133
Land improvements	10,952,246
Buildings and improvements	53,567,629
Machinery and equipment	3,680,684
Infrastructure	75,686,671
Less: Accumulated depreciation	(62,470,440)

Some receivables that are not currently available are reported as deferred revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	2,978,962
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An asset is reported in the statement of net position for the cumulative overfunding of the annual required contribution to the Police Pension and Firefighters' Pension.	6,269,560
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A liability is reported in the statement of net position for the cumulative underfunding of the annual required contribution to the IMRF pension plan.	(704,269)
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A liability is reported in the statement of net position for the net obligation relating to post employment benefits.	(964,880)
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Internal service funds are reported in the statement of net position as governmental activities	21,934,132
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Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.

General obligation bonds payable	(64,926,541)
Installment notes payable	(578,526)
Compensated absences	(4,726,071)
Accrued interest	(776,446)
Unamortized debt issue costs	925,166
Unamortized debt premium	(2,894,201)
Unamortized deferred amount on refunding	<u>2,811,907</u>

<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 77,607,115</u></b>
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## CITY OF MOLINE

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

	General	Tax Increment Financing #1	Debt Service	Capital Projects
<b>REVENUES</b>				
Taxes	\$ 34,222,019	\$ 3,924,779	\$ -	\$ 7,160,829
Licenses and permits	928,845	-	-	-
Intergovernmental	662,730	621,857	-	-
Charges for services	4,774,925	-	-	24,315
Fines, forfeitures and penalties	319,166	-	-	-
Use of money and property	73,496	93,183	213,074	15,907
Contributions	-	-	-	-
Miscellaneous	395,913	7,347	-	-
Total Revenues	41,377,094	4,647,166	213,074	7,201,051
<b>EXPENDITURES</b>				
Current				
General government	2,330,897	-	-	-
Public safety	25,545,707	-	-	-
Public works	8,480,579	-	-	-
Economic development	1,239,476	557,091	-	-
Culture and recreation	-	-	-	-
Libraries	-	-	-	-
Capital Outlay	356,062	524,791	-	3,743,258
Debt Service				
Principal	-	-	9,226,854	-
Interest and fiscal charges	-	5,683	2,449,381	7,065
Bond issuance costs	-	-	513,192	-
Total Expenditures	37,952,721	1,087,565	12,189,427	3,750,323
Excess (deficiency) of revenues over expenditures	3,424,373	3,559,601	(11,976,353)	3,450,728
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation bonds issued	-	-	-	-
Refunding bonds issued	-	-	33,727,224	-
Premium on refunding bond issuance	-	-	2,305,855	-
Payments to refunding escrow	-	-	(30,767,495)	-
Transfers in	308,683	60,109	6,105,336	-
Transfers out	(646,875)	(2,264,951)	-	(3,249,642)
Proceeds from sale of capital assets	30,249	-	-	-
Total Other Financing Sources (Uses)	(307,943)	(2,204,842)	11,370,920	(3,249,642)
<b>Net Change in Fund Balances</b>	3,116,430	1,354,759	(605,433)	201,086
FUND BALANCES (DEFICIT) - Beginning of Year	15,012,328	(8,019,510)	1,100,634	2,234,282
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ 18,128,758	\$ (6,664,751)	\$ 495,201	\$ 2,435,368

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 7,739,425	\$ 53,047,052
-	928,845
3,860,389	5,144,976
2,332,779	7,132,019
59,138	378,304
167,663	563,323
348,395	348,395
815,011	1,218,271
<u>15,322,800</u>	<u>68,761,185</u>
298,276	2,629,173
-	25,545,707
2,157,299	10,637,878
3,699,986	5,496,553
3,676,577	3,676,577
2,911,431	2,911,431
2,848,864	7,472,975
-	9,226,854
22,533	2,484,662
47,795	560,987
<u>15,662,761</u>	<u>70,642,797</u>
<u>(339,961)</u>	<u>(1,881,612)</u>
2,795,000	2,795,000
-	33,727,224
-	2,305,855
-	(30,767,495)
725,661	7,199,789
(1,038,321)	(7,199,789)
-	30,249
<u>2,482,340</u>	<u>8,090,833</u>
2,142,379	6,209,221
<u>5,594,531</u>	<u>15,922,265</u>
<u>\$ 7,736,910</u>	<u>\$ 22,131,486</u>

See accompanying notes to financial statements.

## CITY OF MOLINE

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2012

Net change in fund balances - total governmental funds	\$	6,209,221
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		6,547,579
Depreciation is reported in the government-wide financial statements		(4,778,385)
Net book value of assets retired		(593,031)
<p>Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.</p>		
		(2,710,314)
<p>Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Debt issued		(36,522,224)
Principal repaid		9,226,854
<p>Advance refunding of bond issuances are reported as an other financing use in the governmental funds. However, advance refunding are considered a change in long-term liabilities in the statement of net position.</p>		
		28,338,744
<p>Governmental funds report debt premiums, discounts and issuance costs as other financing sources (uses) or expenditures. However, in the statement of net position, these are deferred and reported as other assets or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.</p>		
Debt issuance costs		560,987
Debt premium		(2,305,855)
Deferred amount on refunding		2,739,147
Amortization of debt issuance costs, debt discount, debt premium, and deferred amount on refunding		(628,844)
<p>Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Compensated absences		(176,748)
Accrued interest on debt		(356,306)
Other post employment benefits obligation		(181,531)
IMRF pension obligation		4,069
Police Pension and Firefighters' Pension asset		56,143

See accompanying notes to financial statements.

**CITY OF MOLINE**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2012**

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Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities

\$ 1,062,769

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**

\$ 6,492,275

**CITY OF MOLINE**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 As of December 31, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Water Pollution Control	Stormwater Utility	Totals	
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	\$ 1,780,984	\$ 1,782,122	\$ 733,188	\$ 4,296,294	\$ 4,071,924
Investments	4,020,942	5,504,435	86	9,525,463	17,518,276
Receivables (net)					
Accounts	1,705,890	1,499,309	281,115	3,486,314	-
Accrued interest	-	-	-	-	29,006
Due from other governments	6,981	101,774	-	108,755	1,890
Due from other funds	1,147	811	97	2,055	920,000
Inventories	63,285	8,103	-	71,388	145,349
Prepaid items	-	-	-	-	730,276
Total Current Assets	<u>7,579,229</u>	<u>8,896,554</u>	<u>1,014,486</u>	<u>17,490,269</u>	<u>23,416,721</u>
Noncurrent Assets					
Capital Assets					
Land	170,124	219,295	-	389,419	-
Construction in progress	-	-	-	-	72,185
Land improvements	452,968	14,466	332,397	799,831	-
Buildings	34,920,667	21,389,250	-	56,309,917	-
Infrastructure	27,300,507	28,762,510	13,816,736	69,879,753	-
Machinery and equipment	6,406,912	8,574,166	-	14,981,078	354,755
Vehicles	-	-	-	-	12,510,608
Less: Accumulated depreciation	(21,169,416)	(32,086,179)	(4,131,725)	(57,387,320)	(7,005,869)
Other Assets					
Unamortized debt issuance expense	68,179	-	-	68,179	-
Total Noncurrent Assets	<u>48,149,941</u>	<u>26,873,508</u>	<u>10,017,408</u>	<u>85,040,857</u>	<u>5,931,679</u>
Total Assets	<u>55,729,170</u>	<u>35,770,062</u>	<u>11,031,894</u>	<u>102,531,126</u>	<u>29,348,400</u>

See accompanying notes to financial statements.

LIABILITIES	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Water Pollution Control</u>	<u>Stormwater Utility</u>	<u>Totals</u>	
Current Liabilities					
Accounts payable	\$ 157,335	\$ 98,721	\$ 10,595	\$ 266,651	\$ 276,948
Accrued wages	92,141	94,625	6,914	193,680	62,621
Claims payable	-	-	-	-	2,134,329
Compensated absences	88,938	134,965	3,272	227,175	41,054
Accrued interest	192,402	-	4,253	196,655	-
Due to other funds	-	-	1,809	1,809	-
Deposits	190,992	-	-	190,992	-
IEPA loan	573,354	-	-	573,354	-
Installment note	127,919	-	-	127,919	-
General obligation bonds	<u>555,932</u>	<u>-</u>	<u>42,897</u>	<u>598,829</u>	<u>-</u>
Total Current Liabilities	<u>1,979,013</u>	<u>328,311</u>	<u>69,740</u>	<u>2,377,064</u>	<u>2,514,952</u>
Noncurrent Liabilities					
Long-Term Debt					
IEPA loan	7,243,779	-	-	7,243,779	-
Installment note	1,625,941	-	-	1,625,941	-
General obligation bonds, net of deferred amount	6,783,087	-	628,122	7,411,209	-
Compensated absences	266,813	404,894	9,816	681,523	123,161
Other post- employment benefits	<u>29,878</u>	<u>31,105</u>	<u>-</u>	<u>60,983</u>	<u>-</u>
Total Noncurrent Liabilities	<u>15,949,498</u>	<u>435,999</u>	<u>637,938</u>	<u>17,023,435</u>	<u>123,161</u>
Total Liabilities	<u>17,928,511</u>	<u>764,310</u>	<u>707,678</u>	<u>19,400,499</u>	<u>2,638,113</u>

See accompanying notes to financial statements.

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**CITY OF MOLINE**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 As of December 31, 2012

	<u>Business-type Activities - Enterprise Funds</u>			<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Water Pollution Control</u>	<u>Stormwater Utility</u>		
<b>NET POSITION</b>					
Net investment in capital assets	31,177,878	26,873,508	9,346,289	67,397,675	5,931,679
Unrestricted	<u>6,622,781</u>	<u>8,132,244</u>	<u>977,927</u>	<u>15,732,952</u>	<u>20,778,608</u>
<b>TOTAL NET POSITION</b>	<u>\$ 37,800,659</u>	<u>\$ 35,005,752</u>	<u>\$ 10,324,216</u>	<u>\$ 83,130,627</u>	<u>\$ 26,710,287</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.				<u>4,776,155</u>	<u>(4,776,155)</u>
Net Position Business-type Activities				<u>\$ 87,906,782</u>	
Net internal service funds reported in the statement of net position as governmental activities					<u>\$ 21,934,132</u>

**CITY OF MOLINE**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Water Pollution Control	Stormwater Utility	Totals	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 8,913,518	\$ 8,854,924	\$ 1,031,616	\$ 18,800,058	\$ 13,638,255
Fines, forfeitures and penalties	72,535	68,116	-	140,651	10,655
Miscellaneous	73,341	25,493	416	99,250	107,984
Total Operating Revenues	<u>9,059,394</u>	<u>8,948,533</u>	<u>1,032,032</u>	<u>19,039,959</u>	<u>13,756,894</u>
<b>OPERATING EXPENSES</b>					
Salaries	1,869,042	1,928,349	151,270	3,948,661	1,324,280
Employee benefits	639,993	682,183	56,540	1,378,716	480,222
Professional services	403,362	768,792	89,648	1,261,802	755,836
Property services	1,031,865	1,096,908	198,894	2,327,667	523,052
Other services	246,858	170,297	4,764	421,919	292,510
Supplies	722,223	237,988	5,357	965,568	1,537,172
Depreciation	1,439,940	1,094,711	307,256	2,841,907	923,409
Insurance claims and changes in reserves	-	-	-	-	6,717,058
Total Operating Expenses	<u>6,353,283</u>	<u>5,979,228</u>	<u>813,729</u>	<u>13,146,240</u>	<u>12,553,539</u>
Operating Income	<u>2,706,111</u>	<u>2,969,305</u>	<u>218,303</u>	<u>5,893,719</u>	<u>1,203,355</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	13,768	4,793	253	18,814	48,380
Interest and fiscal charges	(511,920)	-	(15,192)	(527,112)	-
Gain (loss) on sale of capital assets	-	-	-	-	181,015
Total Nonoperating Revenues (Expenses)	<u>(498,152)</u>	<u>4,793</u>	<u>(14,939)</u>	<u>(508,298)</u>	<u>229,395</u>
Income Before Transfers	<u>2,207,959</u>	<u>2,974,098</u>	<u>203,364</u>	<u>5,385,421</u>	<u>1,432,750</u>
<b>TRANSFERS</b>					
Transfers in	100,000	-	-	100,000	31,430
Transfers out	-	(100,000)	-	(100,000)	(31,430)
Total Transfers	<u>100,000</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Water Pollution Control</u>	<u>Stormwater Utility</u>	<u>Totals</u>	
<b>Change in Net Position</b>	2,307,959	2,874,098	203,364	5,385,421	1,432,750
NET POSITION - Beginning of Year	<u>35,492,700</u>	<u>32,131,654</u>	<u>10,120,852</u>	<u>77,745,206</u>	<u>25,277,537</u>
<b>NET POSITION- END OF YEAR</b>	<u>\$ 37,800,659</u>	<u>\$ 35,005,752</u>	<u>\$ 10,324,216</u>	<u>\$ 83,130,627</u>	<u>\$ 26,710,287</u>
Change in Net Position Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				5,385,421	
				<u>369,981</u>	
Change in Net Position of Business-type Activities				<u>\$ 5,755,402</u>	

See accompanying notes to financial statements.

**CITY OF MOLINE**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Water Pollution Control	Stormwater Utility	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Received from customers	\$ 8,816,280	\$ 8,802,375	\$ 1,007,753	\$ 18,626,408	\$ 13,647,020
Paid to suppliers for goods and services	(2,345,632)	(2,311,241)	(335,044)	(4,991,917)	(10,636,049)
Paid to employees for services	(2,551,697)	(2,575,724)	(205,020)	(5,332,441)	(1,786,805)
Other receipts	73,341	25,493	416	99,250	107,984
Net Cash Flows From Operating Activities	<u>3,992,292</u>	<u>3,940,903</u>	<u>468,105</u>	<u>8,401,300</u>	<u>1,332,150</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income	13,768	4,793	253	18,814	23,788
Investments purchased	(1,020,734)	(2,004,090)	(86)	(3,024,910)	(7,917,708)
Net Cash Flows From Investing Activities	<u>(1,006,966)</u>	<u>(1,999,297)</u>	<u>167</u>	<u>(3,006,096)</u>	<u>(7,893,920)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	100,000	-	-	100,000	31,430
Transfers out	-	(100,000)	-	(100,000)	(31,430)
Proceeds from interfund accounts	-	-	520	520	4,530,554
Payments on interfund accounts	(2,297)	(14,527)	-	(16,824)	-
Net Cash Flows From Noncapital Financing Activities	<u>97,703</u>	<u>(114,527)</u>	<u>520</u>	<u>(16,304)</u>	<u>4,530,554</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Principal payment on bonds payable	(591,893)	-	(51,253)	(643,146)	-
Principal payment on loans payable	(558,319)	-	-	(558,319)	-
Principal payment on note payable	(121,842)	-	-	(121,842)	-
Interest paid	(525,648)	-	(17,486)	(543,134)	-

See accompanying notes to financial statements.

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Water Pollution Control</u>	<u>Stormwater Utility</u>	<u>Totals</u>	
Acquisition and construction of capital assets	(1,027,147)	(1,030,643)	(308,739)	(2,366,529)	(1,648,903)
Proceeds from sale of capital assets	-	-	-	-	343,429
Net Cash Flows From Capital and Related Financing Activities	<u>(2,824,849)</u>	<u>(1,030,643)</u>	<u>(377,478)</u>	<u>(4,232,970)</u>	<u>(1,305,474)</u>
<b>Net Change in Cash and Cash Equivalents</b>	258,180	796,436	91,314	1,145,930	(3,336,690)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,522,804</u>	<u>985,686</u>	<u>641,874</u>	<u>3,150,364</u>	<u>7,408,614</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,780,984</u>	<u>\$ 1,782,122</u>	<u>\$ 733,188</u>	<u>\$ 4,296,294</u>	<u>\$ 4,071,924</u>

See accompanying notes to financial statements.

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**CITY OF MOLINE**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2012

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Water Pollution Control</u>	<u>Stormwater Utility</u>	<u>Totals</u>	
	<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income	\$ 2,706,111	\$ 2,969,305	\$ 218,303	\$ 5,893,719	\$ 1,203,355
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities					
Depreciation	1,439,940	1,094,711	307,256	2,841,907	923,409
Changes in assets and liabilities					
Accounts receivable	(172,650)	(154,289)	(23,863)	(350,802)	-
Due from other governments	2,877	33,624	-	36,501	(1,890)
Inventory	959	847	-	1,806	5,377
Prepaid items	-	-	-	-	(730,276)
Accounts payable	39,667	(38,103)	(36,381)	(34,817)	(66,219)
Accrued salaries	(971)	1,523	494	1,046	3,439
Claims payable	-	-	-	-	(19,303)
Compensated absences	(24,395)	53,485	2,296	31,386	14,258
Deposits payable	18,050	-	-	18,050	-
Other post employment benefits obligation	(17,296)	(20,200)	-	(37,496)	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 3,992,292</u>	<u>\$ 3,940,903</u>	<u>\$ 468,105</u>	<u>\$ 8,401,300</u>	<u>\$ 1,332,150</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Advance refunding of general obligation debt	<u>\$ 3,774,910</u>	<u>\$ -</u>	<u>\$ 686,348</u>		<u>\$ -</u>

See accompanying notes to financial statements.

**CITY OF MOLINE**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
As of December 31, 2012**

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	<u>Pension Trusts</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,592,160
Investments	
Stocks	17,610,242
Mutual funds	<u>33,620,183</u>
Total Assets	<u>53,822,585</u>
<b>LIABILITIES</b>	<u>-</u>
<b>NET POSITION</b>	
Held in trust for pension benefits (a schedule of funding progress is presented in the required supplementary information)	<u>\$ 53,822,585</u>

# CITY OF MOLINE

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended December 31, 2012

	<u>Pension Trusts</u>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 6,100,009
Plan member	994,335
Other	<u>12,050</u>
Total Contributions	<u>7,106,394</u>
Investment income	
Net appreciation in fair value of investments	3,708,782
Investment income	<u>1,381,903</u>
Total Investment Income	5,090,685
Less Investment expense	<u>168,901</u>
Net Investment Income	<u>4,921,784</u>
Total Additions	<u>12,028,178</u>
<b>DEDUCTIONS</b>	
Benefits	7,879,558
Administration	<u>69,667</u>
Total Deductions	<u>7,949,225</u>
 <b>Change in Net Position</b>	 4,078,953
 NET POSITION - Beginning of Year (as restated)	 <u>49,743,632</u>
 <b>NET POSITION - END OF YEAR</b>	 <u><u>\$ 53,822,585</u></u>

See accompanying notes to financial statements.

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# CITY OF MOLINE

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

The City of Moline, Illinois (the City) was incorporated in 1872. The City is a home-rule municipality, under the 1970 Illinois Constitution, located in Rock Island County, Illinois. The City operates under a city administrator form of government and provides the following services as authorized by its charter: 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.

The accounting policies of the City of Moline, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### **A. REPORTING ENTITY**

This report includes all of the funds of the City of Moline. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable for the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. This report does not contain any discretely presented component units.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### A. REPORTING ENTITY (cont.)

##### **Component Units**

The Police Pension Employees Retirement System (PPERS) is established for the city's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the city's mayor, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The city and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the city is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the city's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund and the data for the component unit is included in the government's fiduciary fund financial statements. No separate annual financial report is issued for the PPERS.

The Firefighters' Pension Employees Retirement System (FPERS) is established for the city's firefighters. FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the city's mayor; one pension beneficiary elected by the membership, and two fire employees elected by the membership constitute the pension board. The city and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the city is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the city's firefighters because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund and the data for the component unit is included in the government's fiduciary fund financial statements. No separate annual financial report is issued for the FPERS.

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

In June 2011, the GASB issued statement No. 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards did not include guidance for these elements, which are distinct from assets and liabilities.

The City made the decision to implement this standard effective January 1, 2012.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

---

### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Government-Wide Financial Statements***

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

##### ***Fund Financial Statements***

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net position/fund equity, revenues, and expenditure/expenses.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

---

### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements (cont.)***

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

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

The City reports the following major governmental funds:

- General Fund - accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Tax Increment Financing #1 Fund - used to account for and report revenue legally restricted to supporting expenditures to the 1st Tax Increment Financing District in the City's downtown.
- Debt Service Fund - used to account and report for revenues legally restricted 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 bonds.
- Capital Projects fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets with the exception of those expenditures supported by grant revenues accounted for in other funds.

The City reports the following major enterprise funds:

- Water Utility - accounts for operations of the water system.
- Stormwater Utility - accounts for operations of the storm water system.
- Water Pollution Control Fund - accounts for operations of the of the City's sanitary sewer system.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

---

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)*

##### *Fund Financial Statements (cont.)*

The City reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Park	Community Development Block Grant
Motor Fuel Tax	Revolving Loan Program
Tourism	Special Service Area #5
Special Service Area #6	Foreign Fire Insurance
General Trust	Tax Increment Financing #2
Tax Increment Financing #3	Tax Increment Financing #4
Tax Increment Financing #5	Tax Increment Financing #6
Tax Increment Financing #7	Tax Increment Financing #8
Tax Increment Financing #9	Tax Increment Financing #10
Library Trust	Perpetual Care
Reher Art Gallery	Park and Cemetery Gift
Sanitation	Home Buyer Grant
Lead Hazard Grant	Single Family Owner Occupied Rehabilitation Grant
Small Rental Properties Program	Library
NSP2 Grant	

In addition, the City reports the following fund types:

Internal service funds are used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Health Insurance Fund - to account for the premiums and medical claims of all covered City employees and their covered dependents.

Liability Insurance 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.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

---

### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements (cont.)***

Pension trust funds are used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit 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.

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***

##### ***Government-Wide Financial Statements***

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

##### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used 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 are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

---

### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

##### ***Fund Financial Statements (cont.)***

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The City reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Fund, Water Pollution Control Fund, and Stormwater Utility Fund are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary 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.

##### ***All Financial Statements***

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY***

##### ***1. Deposits and Investments***

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Illinois Statutes authorize the City to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net assets in excess of \$10,000,000 and an appointed investment advisor may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements. The police pension fund's investment policy allows investments in all of the above listed accounts. The firefighters' pension fund allows funds to be invested in any type of security authorized by the Illinois Pension Code.

The City has adopted an investment policy. That policy follows the state statute for allowable investments.

#### **Interest Rate Risk**

The City's and Pensions' investment policies seek to ensure preservation of capital in the City's and Pensions' overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The City's and Police Pension's policies limit the City and Police Pension to investments with a maturity of no more than 20 years from the date of purchase, unless matched to a specific cash flow. The Firefighters' Pension's policy does not limit investment maturities except as part of statutory requirements, as a means of managing its exposure to fair value losses arising from increasing interest rates. However, all of the policies requires the City's and Pensions' investment portfolio to be sufficiently liquid to enable the City and Pensions to meet all operating requirements as they come due.

#### **Credit Risk**

State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The City's and Pensions' investment policies authorize investments in any type of security allowed for in Illinois statutes regarding the investment of public funds.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***1. Deposits and Investments (cont.)***

#### **Concentration of Credit Risk**

The City's and Pensions' investment policies require diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer, or maturity. The City's and Police Pension's policy further states that no financial institution shall hold more than 50% of the City's investment portfolio at the current time of investment placement. The City operates its investments as an internal investment pool where each fund reports its pro rata share of the investments made by the City.

#### **Custodial Credit Risk - Deposits**

The City's and Police Pension's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 110% of the value of the deposit. The Firefighters' Pension's investment policy limits exposure to deposit custodial credit risk by requiring deposits in excess of FDIC insurable limits to be collateralized.

#### **Custodial Credit Risk - Investments**

The City's and Pensions' investment policies require all securities to be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

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

See Note III. A. for further information.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### *D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)*

##### **2. Receivables**

Property taxes for levy year 2012 attaches as an enforceable lien on January 1, 2012, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The 2012 tax levy, which attached as an enforceable lien on the property as of January 1, 2012, was levied in November 2012.

Tax bills for levy year 2012 are prepared by Rock Island County Treasurer and are payable in four installments, on June 12, 2013, August 12, 2013, September 12, 2013, and November 12, 2013.

The county collects such taxes and remits them approximately one month after the collection dates. The 2012 property tax levy is recognized as a receivable and deferral in fiscal 2012. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2012, the property taxes receivable and deferred tax revenue consisted of the estimated amount collectible from the 2012 levy.

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

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

##### **3. Inventories and Prepaid Items**

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost based on FIFO, and charged to construction and/or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### *D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)*

##### **4. Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

##### **5. Capital Assets**

###### ***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$15,000 for general capital assets and \$15,000 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Land improvements	10 - 40 Years
Buildings and improvements	20 - 50 Years
Major movable equipment	4 - 40 Years
Vehicles	5 - 15 Years
General infrastructure	7 - 15 Years
Water, storm and sewer system infrastructure	40 - 100 Years

###### ***Fund Financial Statements***

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

## CITY OF MOLINE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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#### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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##### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

###### ***6. 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 at the employee's wage at the time.

Non-union employees and employees covered by the AFSCME and UAW labor agreements who have at least ten (10) years of continuous service, but are not eligible for retirement benefits, receive compensation for accumulated sick leave upon resignation in good standing. Compensation is made at the rate of 25 percent of the employee's wage at the time of resignation with a \$1,000 maximum payment.

Non-union employees and employees covered by the AFSCME labor agreement who have at least eight (8) years of continuous service and who are otherwise eligible for retirement benefits are eligible to convert 25 percent of accumulated sick leave into a retiree health benefit savings account at resignation. An employee with twenty-five (25) or more years of service shall be eligible to convert 50 percent of accumulated sick leave into the account.

Employees covered by the UAW labor agreement who have at least eight (8) years of continuous service and who are otherwise eligible for retirement benefits receive compensation for any accumulated sick leave. Compensation shall be 25 percent of the employee's accumulated sick leave paid in a lump sum at the employee's rate of pay with an additional 25% of the employee's accumulated sick leave paid directly by the City into a retiree health benefit savings account at resignation.

Any employee covered under the FOP labor agreement or IAFF labor agreement meeting minimum eligibility requirements under their respective pension plans and who has up to twenty-five (25) years of service are eligible to convert 25 percent of their accumulated sick leave into a retiree health benefits savings account. An employee meeting minimum eligibility requirements under their respective pension plans and who has twenty-five (25) or more years of service is eligible to convert 50 percent of accumulated sick leave into the account.

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.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2012, are determined on the basis of current salary rates and include salary related payments.

###### ***7. Long-Term Obligations***

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***7. Long-Term Obligations/Conduit Debt (cont.)***

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net position.

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$16,800,000, made up of 3 issues.

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, 2012, there were 3 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.

##### ***8. Claims and Judgments***

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. Refer to Note IV. C. on commitments and contingencies.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***9. Equity Classifications***

###### ***Government-Wide Statements***

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

###### ***Fund Statements***

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies governmental fund balance as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the City. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City that originally created the commitment.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

#### ***D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (cont.)***

##### ***9. Equity Classifications (cont.)***

###### ***Fund Statements (cont.)***

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The Council may take official action to assign amounts. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note III. G. for further information.

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### **NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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#### ***A. BUDGETARY INFORMATION***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget is as amended by the City Council. All annual appropriations lapse at fiscal year end.

Prior to April 1, the City Administrator submits to the City Council a proposed operating budget for the fiscal year commencing the previous January 1. The operating budget includes 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. Formal budgetary integration is employed as a management control device during the year of the general fund and special revenue funds.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

### **NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)**

#### **A. BUDGETARY INFORMATION (cont.)**

The City is authorized to change budgeted amounts within any fund; however, revision must be approved by two-thirds of the members of the City Council. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function, and department. The City Council is authorized to transfer budget amounts between departments within any fund; however, the City Council must approve revisions that alter the total expenditures of any fund.

#### **B. EXCESS EXPENDITURES OVER APPROPRIATIONS**

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Tax Increment Financing #1	\$ 538,705	\$ 1,087,565	\$ 548,860
Debt Service	7,985,920	12,189,427	4,203,507
Capital Projects	3,706,000	3,750,323	44,323
Single Family Owner Occupied Rehabilitation Grant	136,060	148,643	12,583
Lead Hazard Grant	200,375	209,185	8,810
Park	4,005,665	4,056,760	51,095
Tax Increment Financing #2	48,400	84,145	35,745
Tax Increment Financing #4	830,200	850,246	20,046
Tax Increment Financing #6	-	396,000	396,000
Tax Increment Financing #9	-	27,569	27,569
Tax Increment Financing #8	-	14,723	14,723
Tax Increment Financing #10	-	28,898	28,898
Park and Cemetery Gift	32,250	32,315	65
Library Trust	62,435	63,722	1,287

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

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#### C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2012, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>
Tax Increment Financing #1	\$ (6,664,751)
Special Service Area #6	(442,290)
Tax Increment Financing #2	(509,283)
Tax Increment Financing #4	(528,399)
Tax Increment Financing #6	(431,208)
Sanitation	(172,985)
Home Buyer Grant	(37,711)
NSP2 Grant	(62,019)
Tax Increment Financing #8	(17,572)
Tax Increment Financing #10	(28,898)

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

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases.

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### NOTE III - DETAILED NOTES ON ALL FUNDS

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#### A. DEPOSITS AND INVESTMENTS

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

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

The City's deposits and investments at year end were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 17,942,036	\$ 17,773,007	Custodial Credit Risk
Mutual funds - bond funds	8,756,675	8,756,675	Credit Risk, Interest Rate Risk
Mutual funds - other than bond funds	24,863,508	24,863,508	None
Stocks	17,610,242	17,610,242	Credit Risk
Other investments	38,857,201	38,857,201	Credit Risk
 Total Deposits and Investments	 \$108,029,662	 \$107,860,633	
 Reconciliation to financial statements			
Per statement of net position			
Cash and cash equivalents	\$ 11,215,265		
Investments	37,264,232		
Restricted cash and cash equivalents	4,134,611		
Restricted investments	1,592,969		
Per statement of net position- fiduciary funds			
Cash and cash equivalents	2,592,160		
Stocks	17,610,242		
Mutual funds	33,620,183		
 Total Deposits and Investments	 \$108,029,662		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts), \$250,000 for interest-bearing demand deposit accounts, and unlimited amounts for noninterest-bearing transaction accounts through December 31, 2012. On January 1, 2013, the temporary unlimited coverage for noninterest bearing transaction accounts expired. Therefore, demand deposit accounts (interest-bearing and noninterest-bearing) are insured for a total of \$250,000 beginning January 1, 2013. In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### A. DEPOSITS AND INVESTMENTS (cont.)

##### *Custodial Credit Risk*

##### **Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

The City does not have any deposits exposed to custodial credit risk.

##### **Investments**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

##### *Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2012, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's Investors Services</u>
Illinois Funds Money Market Negotiable CDs	AAAm N/R

As of December 31, 2012, the Police Pension Fund's investments were rated as follows:

<u>Investment Type</u>	<u>Moody's Investors Services</u>
DFA Invt Dimensions Group In Intr Gvt Bd Pt	AAA
Pimco Investment Grd Corp Fund	N/R
Vanguard GNMA Fund #536 Admiral Shares	AAA

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

**Credit Risk (cont.)**

As of December 31, 2012, the Firefighters' Pension Fund's investments were rated as follows:

Investment Type	Moody's Investors Services
DFA Invt Dimensions Group In Intr Gvt Bd Pt	AAA
Pimco Investment Grd Corp Fund	N/R
Vanguard GNMA Fund #536 Admiral Shares	AAA

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The firefighters' and police pension funds have adopted an asset allocation mix to serve as a general guide to the trustees and the Funds' investment manager. The following percentages dictate the specific allowable asset allocation structure for the plan: Emerging Markets - 5 percent, International - 10 percent, Small/Mid Cap - 15 percent, Large Blend - 5 percent, Large Value - 15 percent, Fixed Income - 49 percent, and Cash - 1 percent. As of December 31, 2012, there were no investments subject to concentration for credit risk.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2012, the City's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Negotiable CDs	\$ <u>1,810,070</u>	0.38

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

As of December 31, 2012, the Police Pension Fund's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Vanguard GNMA Fund #536 Admiral Shares	\$ 3,743,956	5.50

As of December 31, 2012, the Firefighters' Pension Fund's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Vanguard GNMA Fund #536 Admiral Shares	\$ 5,012,719	5.50

See Note I.D.1. for further information on deposit and investment policies.

**B. RECEIVABLES**

Receivables as of year end for the government's individual major funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Tax Increment Financing #1 Fund	Capital Projects Fund	Nonmajor Governmental Funds	Totals
Other Taxes					
Sales tax	\$ 3,508,475	\$ 54,422	\$ 1,366,706	\$ -	\$ 4,929,603
Utility tax	43,670	-	174,679	-	218,349
Income tax	1,209,555	-	-	-	1,209,555
Corporate personal property relacement tax	328,835	-	-	-	328,835
Motor fuel tax	-	-	-	177,370	177,370
Hotel/motel tax	-	-	-	65,228	65,228
Amusement tax	-	-	-	37,215	37,215
Other	199,426	-	-	-	199,426
<b>Total</b>	<b>\$ 5,289,961</b>	<b>\$ 54,422</b>	<b>\$ 1,541,385</b>	<b>\$ 279,813</b>	<b>\$ 7,165,581</b>

All of the receivables on the balance sheet are expected to be collected within one year.

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**B. RECEIVABLES (cont.)**

Revenues of the Water Fund are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to Water Fund receivables	\$	<u>10,963</u>
Total Uncollectibles of the Current Fiscal Year	\$	<u><u>10,963</u></u>

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes receivable for subsequent year	\$ -	\$ 18,326,090	\$ 18,326,090
Income taxes	574,845	-	574,845
Sales taxes	1,976,896	-	1,976,896
Local use taxes	84,333	-	84,333
Telecommunication taxes	157,040	-	157,040
Grants	50,185	16,886	67,071
Other	<u>135,663</u>	<u>-</u>	<u>135,663</u>
 Total Deferred/Unearned Revenue for Governmental Funds	 <u>\$ 2,978,962</u>	 <u>\$ 18,342,976</u>	 <u>\$ 21,321,938</u>

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**C. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 13,808,738	\$ 175,718	\$ 202,543	\$ 13,781,913
Construction in progress	<u>848,870</u>	<u>351,160</u>	<u>199,712</u>	<u>1,000,318</u>
Total Capital Assets Not Being Depreciated	<u>14,657,608</u>	<u>526,878</u>	<u>402,255</u>	<u>14,782,231</u>
Capital assets being depreciated				
Land improvements	10,360,614	591,632	-	10,952,246
Buildings and improvements	53,662,556	324,059	418,986	53,567,629
Major movable equipment	3,820,858	228,017	13,436	4,035,439
Vehicles	11,959,328	1,529,334	978,054	12,510,608
Infrastructure	<u>70,490,397</u>	<u>5,196,274</u>	<u>-</u>	<u>75,686,671</u>
Total Capital Assets Being Depreciated	<u>150,293,753</u>	<u>7,869,316</u>	<u>1,410,476</u>	<u>156,752,593</u>
Total Capital Assets	<u>164,951,361</u>	<u>8,396,194</u>	<u>1,812,731</u>	<u>171,534,824</u>
Less: Accumulated depreciation for				
Land improvements	(5,490,833)	(458,365)	-	(5,949,198)
Buildings and improvements	(13,278,834)	(1,506,045)	28,498	(14,756,381)
Major movable equipment	(2,663,214)	(203,009)	13,436	(2,852,787)
Vehicles	(6,861,744)	(916,544)	815,640	(6,962,648)
Infrastructure	<u>(36,337,464)</u>	<u>(2,617,831)</u>	<u>-</u>	<u>(38,955,295)</u>
Total Accumulated Depreciation	<u>(64,632,089)</u>	<u>(5,701,794)</u>	<u>857,574</u>	<u>(69,476,309)</u>
Net Capital Assets Being Depreciated	<u>85,661,664</u>	<u>2,167,522</u>	<u>552,902</u>	<u>87,276,284</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 100,319,272</u>	<u>\$ 2,694,400</u>	<u>\$ 955,157</u>	<u>\$ 102,058,515</u>

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**C. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

**Governmental Activities**

General government	\$ 129,641
Public safety	537,411
Public works	3,157,319
Economic development	119,657
Culture and recreation	537,768
Libraries	296,589
Internal service	<u>923,409</u>
Total Governmental Activities Depreciation Expense	<u>\$ 5,701,794</u>

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciation				
Land	\$ 389,419	\$ -	\$ -	\$ 389,419
Total Capital Assets Not Being Depreciated/ Amortized	<u>389,419</u>	<u>-</u>	<u>-</u>	<u>389,419</u>
Capital assets being depreciated				
Land improvements	799,831	-	-	799,831
Buildings and improvements	56,309,917	-	-	56,309,917
Major movable equipments	14,929,374	51,704	-	14,981,078
Infrastructure	<u>67,564,928</u>	<u>2,314,825</u>	<u>-</u>	<u>69,879,753</u>
Total Capital Assets Being Depreciated/Amortized	<u>139,604,050</u>	<u>2,366,529</u>	<u>-</u>	<u>141,970,579</u>
Total Capital Assets	<u>139,993,469</u>	<u>2,366,529</u>	<u>-</u>	<u>142,359,998</u>
Less: Accumulated depreciation for				
Land improvements	(453,866)	(50,699)	-	(504,565)
Buildings and improvements	(27,642,012)	(1,264,634)	-	(28,906,646)
Major movable equipments	(8,304,123)	(405,013)	-	(8,709,136)
Infrastructure	<u>(18,145,413)</u>	<u>(1,121,560)</u>	<u>-</u>	<u>(19,266,973)</u>
Total Accumulated Depreciation/Amortization	<u>(54,545,414)</u>	<u>(2,841,906)</u>	<u>-</u>	<u>(57,387,320)</u>
Net Capital Assets Being Depreciated	<u>85,058,636</u>	<u>(475,377)</u>	<u>-</u>	<u>84,583,259</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 85,448,055</u>	<u>\$ (475,377)</u>	<u>\$ -</u>	<u>\$ 84,972,678</u>

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**C. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

**Business-type Activities**

Water	\$ 1,439,940
Storm	307,256
Water Pollution Control	<u>1,094,710</u>
 Total Business-type Activities Depreciation Expense	 <u><u>\$ 2,841,906</u></u>

**D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS**

**Interfund Receivables/Payables**

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 2,285,883
General Fund	Stormwater Utility Fund	1,809
Tax Increment Financing #1	General Fund	50,000
Capital Improvement Fund	Tax Increment Financing #1	111,000
Nonmajor governmental funds	General Fund	3,278
Nonmajor governmental funds	Tax Increment Financing #1	1,221,254
Nonmajor governmental funds	Nonmajor governmental funds	232,721
Water Fund	General Fund	1,147
Water Pollution Control Fund	General Fund	811
Stormwater Utility Fund	General Fund	97
Internal Service Funds	Tax Increment Financing #1	<u>920,000</u>
 Total - Fund Financial Statements		 4,828,000
Less: Interfund receivables created with internal service fund eliminations		(4,776,155)
Less: Government-wide eliminations		<u>(4,828,246)</u>
 Total Internal Balances - Government-Wide Statement of Net Position		 <u><u>\$ (4,776,401)</u></u>

All amounts are due within one year.

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.

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

***D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)***

***Interfund Receivables/Payables (cont.)***

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

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 Capital Projects Fund advance the Sanitation fund capital improvement funding to be repaid with future charges for services.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	Tax Increment Financing #1	\$ 4,874,000	\$ 4,828,570
Capital Improvement Fund	Sanitation Fund	351,117	267,814
Total - Fund Financial Statements		5,225,117	
Less: Fund eliminations		(5,225,117)	
Total - Interfund Advances - Government-Wide Statement of Net Position		\$ -	

For the statement of net position, interfund advances which are owed within the governmental activities or business-type activities are netted and eliminated.

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

***D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)***

***Transfers***

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 308,683
Tax Increment Financing #1	General Fund	50,000
Tax Increment Financing #1	Nonmajor governmental funds	10,109
Debt Service Fund	General Fund	100,000
Debt Service Fund	Tax Increment Financing #1	2,264,951
Debt Service Fund	Capital Improvement Fund	3,249,642
Debt Service Fund	Nonmajor governmental funds	490,743
Nonmajor governmental funds	General Fund	496,875
Nonmajor governmental funds	Nonmajor governmental funds	228,786
Water Fund	Water Pollution Control Fund	100,000
Internal Service Funds	Internal Service Funds	<u>31,430</u>
Total - Fund Financial Statements		7,331,219
Less: Government-wide eliminations		<u>(7,331,219)</u>
Total Transfers - Government-Wide Statement of Activities		<u>\$ -</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

### **NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

#### ***E. SHORT-TERM DEBT ACTIVITY***

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 3, 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, 2013.

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 the proceeds from bonds issued on March 20, 2012.

In 2012, the City issued a line of credit in the amount of \$736,619 to facilitate economic development within the TIF #4 project area. The line of credit will be paid from future property tax revenues.

Short-term debt activity for the year ended December 31, 2012, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
2010 Line of Credit	\$ 6,556,760	\$ -	\$ 224,249	\$ 6,332,511
2011 Line of Credit	2,121,476	-	2,121,476	-
2012 Line of Credit	-	<u>736,619</u>	-	<u>736,619</u>
Totals	<u>\$ 8,678,236</u>	<u>\$ 736,619</u>	<u>\$ 2,345,725</u>	<u>\$ 7,069,130</u>

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 65,604,915	\$ 36,522,224	\$ 37,200,598	\$ 64,926,541	\$ 4,636,171
Installment Notes	943,526	-	365,000	578,526	578,526
Add/(Subtract) Deferred Amounts For					
(Discounts)/Premiums	526,796	2,305,855	(61,550)	2,894,201	-
Refundings -					
Gains/(Losses)	(472,291)	(2,739,147)	(399,531)	(2,811,907)	-
Sub-totals	66,602,946	36,088,932	37,104,517	65,587,361	5,214,697
<b>Other Liabilities</b>					
Vested compensated absences	4,699,280	1,365,826	1,174,820	4,890,286	1,222,572
Other post employment benefits obligation	783,349	181,531	-	964,880	-
IMRF pension obligation	708,338	-	4,069	704,269	-
Total Other Liabilities	6,190,967	1,547,357	1,178,889	6,559,435	1,222,572
Total Governmental Activities Long-Term Liabilities	\$ 72,793,913	\$ 37,636,289	\$ 38,283,406	\$ 72,146,796	\$ 6,437,269
<b>Business-type Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 8,725,087	\$ 4,207,776	\$ 5,104,404	\$ 7,828,459	\$ 598,829
Installment Note	1,875,702	-	121,842	1,753,860	127,919
IEPA Loan	8,375,452	-	558,319	7,817,133	573,354
Add/(Subtract) Deferred Amounts For					
(Discounts)/Premiums	(68,363)	-	1,916	(70,279)	-
Refundings -					
Gains/(Losses)	-	253,482	1,624	251,858	-
Sub-totals	18,907,878	4,461,258	5,788,105	17,581,031	1,300,102
<b>Other Liabilities</b>					
Vested compensated absences	877,312	250,714	219,328	908,698	227,175
Other postemployment benefits	98,479	-	37,496	60,983	-
Total Other Liabilities	975,791	250,714	256,824	969,681	227,175
Total Business-type Activities Long-Term Liabilities	\$ 19,883,669	\$ 4,711,972	\$ 6,044,929	\$ 18,550,712	\$ 1,527,277

Compensated absences, the other postemployment benefits and IMRF pension obligation are paid out of the General Fund.

## CITY OF MOLINE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

#### **NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

#### **F. LONG-TERM OBLIGATIONS (cont.)**

##### **General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by 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.

##### **Governmental Activities**

General Obligation Debt	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2012
2003D Corporate Purpose general obligation bonds due in annual amounts of \$385,000 to \$820,000	December 1, 2013	2.00% to 4.00%	\$ 6,330,000	\$ 820,000
2004A Corporate Purpose general obligation bonds issued for capital asset purposes due in annual amounts of \$300,000 to \$1,460,000	December 1, 2030	3.50% to 5.00%	22,535,000	1,345,000
2004 B & C Corporate Purpose general obligation bonds issued for capital asset purposes due in annual amounts of \$300,000 to \$1,160,000	November 1, 2020	4.00% to 4.54%	8,990,000	880,000
2007A Corporate Purpose general obligation bonds issued for temporary financing due in annual amounts of \$25,000 to \$1,445,000	December 1, 2030	4.00% to 4.15%	10,000,000	9,650,000
2011A Corporate Purpose general obligation bonds issued for capital asset purposes due in annual amounts of \$165,000 to \$790,000	December 1, 2030	1.60% to 5.30%	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	February 1, 2022	2.00% to 4.00%	9,215,000	9,195,000
2012A Corporate Purpose general obligation bonds issued to refund General Obligation Bonds, Series 2003C due in annual amounts of \$65,000 to \$255,000	November 1, 2031	1.25% to 4.60%	3,010,000	3,010,000
2012B Corporate Purpose general obligation bonds issued for capital asset purposes due in annual amounts of \$65,000 to \$110,000	November 1, 2031	2.15% to 4.60%	1,400,000	1,400,000

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

Governmental Activities General Obligation Debt (cont.)	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2012
2012C Corporate Purpose general obligation bonds issued to refund General Obligation Bonds, Series 2003B due in annual amounts of \$185,000 to \$1,010,000	November 1, 2020		0.65% to 2.95%	7,350,000	7,165,000
2012D Corporate Purpose general obligation bonds issued to refund General Obligation Bonds, Series 2002A due in annual amounts of \$20,000 to \$1,090,000	February 1, 2016		2.00% to 3.00%	3,220,000	3,220,000
2012E Corporate Purpose general obligation bonds issued to refund General Obligation Bonds, Series 2002B, 2002C, and 2003A due in annual amounts of \$340,000 to \$960,000	November 1, 2021		2.00% to 3.00%	5,930,000	5,170,000
2012F Corporate Purpose general obligation bonds issued to refund General Obligation Bonds, Series 2004C, due in annual amounts of \$40,000 to \$460,000	November 1, 2020		0.87% to 2.60%	1,602,224	1,581,541
2012G Corporate Purpose general obligation bonds issued to refund General Obligation Bonds, Series 2004C due in annual amounts of \$40,000 to \$460,000	November 1, 2020		0.87% to 2.60%	3,120,000	3,080,000
2012H Corporate Purpose general obligation bonds issued to refund General Obligation Bonds, Series 2004A due in annual amounts of \$50,000 to \$930,000	December 1, 2023		2.00% to 5.00%	7,450,000	7,400,000
2012I Corporate Purpose general obligation bonds issued to refund General Obligation Bonds, Series 2004B due in annual amounts of \$35,000 to \$685,000	November 1, 2020		2.00% to 4.00%	3,440,000	<u>3,405,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 64,926,541</u>

## CITY OF MOLINE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

#### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### F. LONG-TERM OBLIGATIONS (cont.)

##### General Obligation Debt (cont.)

##### Business-type Activities

General Obligation Debt	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2012
2010A Corporate Purpose general obligation bonds due in annual amounts of \$15,000 to \$435,000	February 1, 2022	2.00% to 4.00%	\$ 4,000,000	\$ 3,675,000
2012F Corporate Purpose general obligation bonds issued to refund General Obligation Bonds, Series 2004C, due in annual amounts of \$40,000 to \$460,000	November 1, 2020	0.87% to 2.60%	4,207,776	<u>4,153,459</u>
Total Business-type Activities - General Obligation Debt				<u>\$ 7,828,459</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2013	\$ 4,636,171	\$ 2,230,083	\$ 598,829	\$ 290,057
2014	4,360,308	2,106,185	609,692	273,692
2015	4,604,445	1,990,282	635,555	255,176
2016	4,830,823	1,876,226	649,176	235,960
2017	5,086,339	1,749,833	673,661	212,406
2018-2022	23,462,183	6,239,360	3,817,818	645,277
2023-2027	10,291,272	3,118,003	843,728	63,732
2028-2031	<u>7,655,000</u>	<u>737,160</u>	-	-
Totals	<u>\$ 64,926,541</u>	<u>\$ 20,047,132</u>	<u>\$ 7,828,459</u>	<u>\$ 1,976,300</u>

##### Installment Contracts

Installment Contracts at December 31, 2012 consist of the following:

## CITY OF MOLINE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

#### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

##### F. LONG-TERM OBLIGATIONS (cont.)

<b>Governmental Activities</b>	Final	Interest	Original	Balance
<u>Installment Contracts</u>	<u>Maturity</u>	<u>Rates</u>	<u>Indebtedness</u>	<u>December 31,</u>
				<u>2012</u>
Revolving Line of Credit, First Midwest Bank with monthly interest payment at Wall Street Journal Prime Rate minus 0.5% multiplied by 66%, 3.25% as of December 31, 2012	May 2, 2013	Variable	\$ 2,900,000	\$ <u>578,526</u>
Total Governmental Activities Installment Contracts				\$ <u>578,526</u>
<b>Business-type Activities</b>	Final	Interest	Original	Balance
<u>Installment Contracts</u>	<u>Maturity</u>	<u>Rates</u>	<u>Indebtedness</u>	<u>December 31,</u>
				<u>2012</u>
Revolving Line of Credit, First Midwest Bank, due in quarterly amounts of \$50,000 to \$57,529	October 1, 2023	4.20%	\$ 2,000,000	\$ <u>1,753,860</u>
Total Business-type Activities Installment Contracts				\$ <u>1,753,860</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u> <u>Installment Contracts</u>		<u>Business-type Activities</u> <u>Installment Contracts</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 578,526	\$ 6,267	\$ 128,481	\$ 71,519
2014	-	-	133,963	60,037
2015	-	-	139,678	60,322
2016	-	-	145,638	54,362
2017	-	-	151,852	48,148
2018-2022	-	-	862,151	137,849
2023	-	-	192,097	4,885
Totals	<u>\$ 578,526</u>	<u>\$ 6,267</u>	<u>\$ 1,753,860</u>	<u>\$ 437,122</u>

##### ***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.

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Illinois Environmental Protection Agency (IEPA) loan (cont.)**

Illinois Environmental Protection Agency (IEPA) loan at December 31, 2012, consists of the following:

**Business-type Activities**

Illinois Environmental Protection Agency (IEPA) loan	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2012
Loan, Illinois Environmental Protection Agency, due in semi-annual payments of \$389,327	July 19, 2024	2.675%	\$ 12,000,000	<u>\$ 7,817,133</u>
Total Business-type Activities Illinois Environmental Protection Agency (IEPA) loan				<u>\$ 7,817,133</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Business-type Activities Illinois Environmental Protection Agency (IEPA) loan	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 573,354	\$ 205,299
2014	588,794	189,860
2015	604,649	174,004
2016	620,932	157,722
2017	637,653	141,001
2018-2022	3,455,271	437,997
2023-2024	<u>1,336,480</u>	<u>41,425</u>
Totals	<u>\$ 7,817,133</u>	<u>\$ 1,347,308</u>

## CITY OF MOLINE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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#### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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##### **F. LONG-TERM OBLIGATIONS** (cont.)

###### **Other Debt Information**

###### **Advance Refunding**

On March 20, 2012, the City issued \$19,361,482 in Corporate Purpose General Obligation Bonds, Series 2012A, 2012C, 2012E, and 2012F, with interest rates ranging from 0.65% to 5.00% to advance refund \$19,120,000 of outstanding general obligation bonds with interest rates ranging from 3.25% to 6.00%. Net proceeds of \$20,047,845 (after payment of \$289,535 in underwriting fees, insurance and other issuance costs) 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 Corporate Purpose General Obligation Bonds, Series 2002A, 2002C, 2003, 2003A, 2003B, and 2003C. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from these financial statements.

On August 15, 2012, the City issued \$14,010,000 in Corporate Purpose General Obligation Bonds, Series 2012G - I, with interest rates ranging from 0.87% to 5.00% to advance refund \$13,680,000 of outstanding general obligation bonds with interest rates ranging from 3.50% to 5.00%. Net proceeds of \$14,927,426 (after payment of \$216,390 in underwriting fees, insurance and other issuance costs) 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 Corporate Purpose General Obligation Bonds, Series 2004A - C. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from these financial statements.

The cash flow requirements on the refunded bonds and notes prior to the advance refunding was \$48,240,091 from November 1, 2012 through November 1, 2031. The cash flow requirements on the 2012A, 2012C, 2012E, 2012F, 2012G, 2012H, and 2012I refunding bonds are \$45,295,422 from November 1, 2012 through November 1, 2031. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,035,497.

###### **Current Refunding**

On March 20, 2012, the City issued \$4,563,518 in Corporate Purpose General Obligation Bonds, Series D & E, with interest rates ranging from 2.00% to 3.00% to current refund \$4,645,000 of outstanding bonds with interest rates ranging from 4.13% to 5.50%. The net proceeds of \$4,706,477 (after payment of \$47,812 in underwriting fees, insurance and other issuance costs) were used to prepay the outstanding debt service requirements on the old bonds.

The cash flow requirements on the refunded bonds and notes prior to the current refunding was \$5,039,270. The cash flow requirements on the 2012D and 2012E refunding bonds are \$4,834,012 from November 1, 2012 through February 2, 2016. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$204,370.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### *F. LONG-TERM OBLIGATIONS (cont.)*

##### *Prior-Year Defeasance of Debt*

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At December 31, 2012, \$22,755,000 of bonds outstanding are considered defeased. The bonds are callable on May 1, 2014 and June 1, 2014.

#### *G. NET POSITION/FUND BALANCES*

Net position reported on the government wide statement of net position at December 31, 2012, includes the following:

##### *Governmental Activities*

Net Investment in Capital Assets	
Land	\$ 13,781,913
Construction in progress	1,000,318
Other capital assets, net of accumulated depreciation	87,276,284
Less: Long-term debt outstanding (net of premiums, discounts, and deferred amounts on refunding) related to capital assets	<u>(37,263,560)</u>
Total Net Investment in Capital Assets	<u>\$ 64,794,955</u>

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### G. NET POSITION/FUND BALANCES (cont.)

##### Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2012, include the following:

	General Fund	Tax Increment Financing #1 Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Totals
<b>Fund Balances</b>						
<b>Nonspendable:</b>						
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000
Inventories	10,461	-	-	-	-	10,461
Advances	4,874,000	-	-	-	-	4,874,000
<b>Restricted for:</b>						
Tax increment financing	-	-	-	-	5,789,688	5,789,688
Special services areas	-	-	-	-	43,452	43,452
Tourism	-	-	-	-	1,153,795	1,153,795
Debt service	-	-	495,201	-	-	495,201
Cemeteries	-	-	-	-	254,268	254,268
Culture and recreation	-	-	-	-	554,583	554,583
Libraries	-	-	-	-	493,757	493,757
Community development block grant	-	-	-	-	306,180	306,180
Public safety	-	-	-	-	219,551	219,551
Capital improvements	-	-	-	-	502,699	502,699
IMRF excess	386,631	-	-	-	-	386,631
<b>Committed to:</b>						
Capital projects	-	-	-	2,435,368	427,694	2,863,062
<b>Assigned to:</b>						
General government	-	-	-	-	220,608	220,608
<b>Unassigned:</b>	<u>12,857,666</u>	<u>(6,664,751)</u>	<u>-</u>	<u>-</u>	<u>(2,231,365)</u>	<u>3,961,550</u>
<b>Total Fund Balances</b>	<u>\$ 18,128,758</u>	<u>\$ (6,664,751)</u>	<u>\$ 495,201</u>	<u>\$ 2,435,368</u>	<u>\$ 7,736,910</u>	<u>\$ 22,131,486</u>

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

### **NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

#### **G. NET POSITION/FUND BALANCES (cont.)**

##### ***Business-type Activities***

Net Investment in Capital Assets	
Land	\$ 389,419
Other capital assets, net of accumulated depreciation	84,583,259
Less: Long-term debt outstanding (net of premiums, discounts, and deferred amounts on refunding) related to capital assets	<u>(17,575,003)</u>
Total Net Investment in Capital Assets	<u>\$ 67,397,675</u>

#### **H. RESTATEMENT OF NET POSITION**

Net position has been restated to correct an error in the accrual of employer contribution receivables in the Police and Firefighters' Pension funds for the year ended December 31, 2011. In the prior year, the City recorded a receivable in the Police Pension Fund and the Firefighters' Pension Fund for City's contribution of the pension portion of the 2011 property tax levy. However, contributions were not due to the pension trust funds until such time as the taxes were collected. As the City made no collections on the 2011 levy until 2012, no amount was due to the pension trust funds. As a result, the employer contribution receivable, employer contribution revenue, and net position were overstated as of December 31, 2011 in the Police Pension Fund and Firefighters' Pension Fund. The calculations to restate net position and the changes in net position are as follows:

Police Pension Net Position - December 31, 2011 (as reported)	\$ 29,431,952
Less: Employer contributions receivable recorded in error	<u>(3,076,830)</u>
Net Position - December 31, 2011 (as restated)	<u>\$ 26,355,122</u>
Net income of the prior year would have been increased (decreased) by	<u>\$ (796,235)</u>
Firefighters' Pension Net Position - December 31, 2011 (as reported)	\$ 26,396,320
Less: Employer contributions receivable recorded in error	<u>(3,007,810)</u>
Net Position - December 31, 2011 (as restated)	<u>\$ 23,388,510</u>
Net income of the prior year would have been increased (decreased) by	<u>\$ (329,530)</u>

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### *H. RESTATEMENT OF FUND BALANCES/NET POSITION (cont.)*

Total Pension Trusts Net Position - December 31, 2011 (as reported)	\$ 55,828,272
Less: Employer contributions receivable recorded in error	<u>(6,084,640)</u>
Net Position - December 31, 2011 (as restated)	<u>\$ 49,743,632</u>
Net income of the prior year would have been increased (decreased) by	<u>\$ (1,125,765)</u>

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### NOTE IV - OTHER INFORMATION

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#### *A. EMPLOYEES' RETIREMENT SYSTEM*

##### *Plan Descriptions*

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is a single-employer pension plan. The benefits, benefits levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan and the Firefighters' Pension Plan do not issue separate reports on the pension plans. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Illinois Municipal Retirement Fund

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. Effective January 1, 2011, IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate (average of the highest 48 consecutive months earnings during the last 10 years) of earnings for each year of credited service up to 15 years and 2% for each year thereafter. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service, or age 62 with 35 years of service are entitled to an annual retirement benefit as described above. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The City's contribution rate for 2012 was 11.75% of annual covered payroll. For 2012, the City's annual required contribution rate was 11.15%. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

##### Police Pension

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At December 31, 2012, the Police Pension membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	79
Current employees:	
Vested	81
Non vested	-
	<hr/>
Total	<u>160</u>

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Police Pension (cont.)

As provided for in the Illinois Compiled Statutes, the Police Pension Fund provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

*Tier 1* - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

*Tier 2* - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2012, the City's contribution was 41.91% of covered payroll. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE IV - OTHER INFORMATION (cont.)

---

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### 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 and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At December 31, 2012, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	101
Current employees:	
Vested	66
Non vested	<u>-</u>
Total	<u><u>167</u></u>

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Fund provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Fund as provided for in Illinois Compiled Statutes.

*Tier 1* - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

*Tier 2* - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE IV - OTHER INFORMATION (cont.)

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#### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

##### **Firefighters' Pension (cont.)**

Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2012, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. For the year ended December 31, 2012, the City's contribution was 48.41% of covered payroll. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

##### **Summary of Significant Accounting Policies**

###### ***Police and Firefighters' Pension Plans***

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

***Method Used to Value Investments.*** Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Annual Pension Cost**

The City's annual required contribution for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2012	January 1, 2012	January 1, 2012
Contribution rates:			
Employer	11.15%	41.91%	48.41%
Employee	4.50%	9.91%	9.455%
Annual required contribution	\$1,783,659	\$2,998,141	\$3,115,083
Contributions made	\$1,787,728	\$3,075,321	\$3,024,688
Actuarial cost method	Entry-age normal 5 year smoothed market	Entry-age normal 5 year smoothed market	Entry-age normal 5 year smoothed market
Asset valuation method	Level percentage of payroll, closed	Level percentage of payroll	Level percentage of payroll
Amortization method	23 years	25 years	25 years
Amortization period			
Actuarial assumptions:			
Investment rate of return	7.50%	7.50%	7.50%
	Compounded annually	Compounded annually	Compounded annually
Projected salary increases	0.40% to 11.60%	1.12% to 4.86%	1.12% to 4.86%
Inflation rate included	4.00%	2.00%	2.00%
Cost-of-living adjustments	3.00%	3.00%	3.00%

**Net Pension Obligation (Asset)**

The following is the net pension obligation (asset) calculation for the year ended December 31, 2012:

Net Pension Obligation (Asset):	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual required contribution	\$ 1,783,659	\$ 2,998,141	\$ 3,115,083
Interest on net pension obligation	-	(155,320)	(310,687)
Adjustment to annual required contribution	-	141,679	254,970
Annual pension cost	1,783,659	2,984,500	3,059,366
Contributions made	(1,787,728)	(3,075,321)	(3,024,688)
Change in net pension obligation	(4,069)	(90,821)	34,678
Net pension obligation (asset), beginning of year	708,338	(2,070,930)	(4,142,487)
Net pension obligation( asset), end of year	<u>\$ 704,269</u>	<u>\$ (2,161,751)</u>	<u>\$ (4,107,809)</u>

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

Interest on net pension obligation and adjustment to annual required contribution for the Illinois Municipal Retirement Fund are immaterial and, therefore, have not been presented.

**Trend Information**

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

	Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2012	\$ 1,783,659	\$ 2,984,500	\$ 3,059,366
	2011	1,723,615	2,465,748	2,551,197
	2010	1,680,787	2,108,034	2,462,021
Contributions made	2012	\$ 1,787,728	\$ 3,075,321	\$ 3,024,688
	2011	1,430,600	2,280,805	2,679,017
	2010	1,260,590	2,222,982	2,622,169
Percentage of APC contributed	2012	100.00%	103.04%	98.87%
	2011	83.00%	93.03%	105.01%
	2010	75.00%	105.45%	106.50%
Net pension obligation (asset)	2012	\$ 704,269	\$ (2,161,751)	\$ (4,107,809)
	2011	708,338	(2,070,930)	(4,142,487)
	2010	414,954	(2,255,873)	(3,974,667)

## CITY OF MOLINE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

#### NOTE IV - OTHER INFORMATION (cont.)

##### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

#### Funded Status and Funding Progress

The City's actuarial value of plan assets for the current year and related information is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2012	January 1, 2012	January 1, 2012
Actuarial Valuation of Assets (a)	\$ 40,277,578	\$ 28,536,726	\$ 24,707,190
Actuarial Accrued Liability (AAL) - Entry Age (b)	\$ 50,324,549	\$ 64,193,380	\$ 64,661,538
Unfunded AAL (UAAL) (b - a)	\$ 10,046,971	\$ 35,656,654	\$ 39,954,348
Funded Ratio (a/b)	80 %	44 %	38 %
Covered Payroll (c)	15,180,074	6,230,987	4,989,390
UAAL as a Percentage of Covered Payroll ((b-a)/c)	66 %	572 %	801 %

#### PENSION SEGMENT INFORMATION

##### Fiduciary Net Position

	Pension Trust		
	Police Pension	Fire Pension	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 1,280,093	\$ 1,312,067	\$ 2,592,160
Investments			
Mutual funds	18,452,092	15,168,091	33,620,183
Stocks	<u>9,556,945</u>	<u>8,053,297</u>	<u>17,610,242</u>
Total Assets	<u>29,289,130</u>	<u>24,533,455</u>	<u>53,822,585</u>
<b>Liabilities</b>	-	-	-
<b>Net Position</b>			
Held in trust for pension benefits	<u>\$ 29,289,130</u>	<u>\$ 24,533,455</u>	<u>\$ 53,822,585</u>

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

*Changes in Plan Net Position*

	Pension Trust		Total
	Police Pension	Fire Pension	
<b>Additions</b>			
Contributions			
Employer	\$ 3,075,321	\$ 3,024,688	\$ 6,100,009
Plan member	563,649	430,686	994,335
Other	12,000	50	12,050
Total Contributions	3,650,970	3,455,424	7,106,394
Investment Income			
Net appreciation in fair value of investments	2,058,438	1,650,344	3,708,782
Interest on investments	738,620	643,283	1,381,903
Total Investment income	2,797,058	2,293,627	5,090,685
Less investment expense	93,676	75,225	168,901
Net investment income	2,703,382	2,218,402	4,921,784
Total Additions	6,354,352	5,673,826	12,028,178
<b>Deductions</b>			
Benefits	3,380,888	4,498,670	7,879,558
Administration	39,456	30,211	69,667
Total Deductions	3,420,344	4,528,881	7,949,225
Net change in net position	2,934,008	1,144,945	4,078,953
Net position, beginning of year (as restated)	26,355,122	23,388,510	49,743,632
Net position, end of year	\$ 29,289,130	\$ 24,533,455	\$ 53,822,585

**B. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City has established self-insurance funds (internal service funds) to provide coverage for losses from theft of, damage to, or destruction of assets; workers compensation; and health care of its employees.

**Self Insurance**

For all claims, the uninsured risk of loss is \$175,000 per incident and \$5,953,250 in the aggregate for a policy year. 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 \$600,000 for all City employees. All claim procedures are performed by an independent claims administrator.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE IV - OTHER INFORMATION (cont.)

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#### **B. RISK MANAGEMENT** (cont.)

##### **Self Insurance** (cont.)

All funds of the City participate in the risk management program. Amounts payable to the Liability Insurance fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims and to establish a reserve for catastrophic losses. \$1,400,188 was assigned for that reserve at year end, and is included in unrestricted net position of the internal service fund.

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

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.

##### **Claims Liability**

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 2,486,946	\$ 2,153,632
Current year claims and changes in estimates	6,972,870	6,717,058
Claim payments	<u>(7,306,184)</u>	<u>(6,736,361)</u>
Unpaid Claims - End of Year	<u>\$ 2,153,632</u>	<u>\$ 2,134,329</u>

#### **C. COMMITMENTS AND CONTINGENCIES**

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City has active construction projects as of December 31, 2012. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

##### **Other Commitments**

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, 2012, the City made no contributions to the operations of the Authority.

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *D. OTHER POSTEMPLOYMENT BENEFITS*

The City administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides health care benefits and life insurance for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established through collective bargaining agreements and state that eligible retirees and their spouses receive lifetime healthcare insurance at established contribution rates. The Retiree Health Plan does not issue a publicly available financial report.

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the City and the union. The City makes the same monthly health insurance contribution on behalf of the retiree as it makes on behalf of all other active employees during that year. The City contributes 80% and 80% of the current year premiums for a family and a single plan, respectively, for eligible retired plan members and their spouses. For fiscal year 2012, the City contributed \$1,016,980 to the plan.

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

Annual required contribution	\$	1,171,557
Interest on net OPEB obligation		44,091
Adjustment to annual required contribution		<u>(54,633)</u>
Annual OPEB cost		1,161,015
Contributions made		<u>(1,016,980)</u>
Increase in net OPEB obligation (asset)		144,035
Net OPEB Obligation (Asset) - Beginning of Year		<u>881,828</u>
Net OPEB Obligation (Asset) - End of Year	\$	<u><u>1,025,863</u></u>

**CITY OF MOLINE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2012

**NOTE IV - OTHER INFORMATION (cont.)**

***D. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2010	\$ 1,216,371	84%	\$ 955,468
December 31, 2011	1,213,981	106%	881,828
December 31, 2012	1,161,015	88%	1,025,863

The funded status of the plan as of December 31, 2012, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 11,895,773
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 11,895,773</u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 21,740,857
UAAL as a percentage of covered payroll	55%

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and 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 that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

# CITY OF MOLINE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2012

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### NOTE IV - OTHER INFORMATION (cont.)

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#### ***D. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

In the actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 5% investment rate of return and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 4% after 5 years. Both rates include a 3% inflation assumption. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2012, was 30 years.

#### ***E. TAX INCREMENT FINANCING DISTRICT***

The City of Moline has established several Tax Increment Redevelopment Project Areas (RPA's) to encourage redevelopment of certain sites for more market oriented commercial uses of the properties that will enhance their value and improve their contributions to the City and its surrounding areas. As part of the redevelopment plans, the City has made significant improvements to utilities, public parking, intersections, and traffic signalization, streets and landscaping. The redevelopment plans also include site preparation, land acquisition and assembly, and demolition/clearance.

Construction and development in the RPA's were the responsibility of developers and are substantially complete. To entice development of the areas, the City created tax increment financing (TIF) districts to finance public improvements made within the RPA's.

Several funds have been established to record the revenues generated in the RPA's that relate directly to servicing the debt issued to make public improvements in the RPA's.

#### ***F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS***

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*; Statement No. 65, *Items Previously Reported as Assets and Liabilities*; Statement No. 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*; Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*; and Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. Application of these standards may restate portions of these financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FOR THE YEAR ENDED December 31, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
Taxes	\$ 33,446,765	\$ 33,446,765	\$ 34,222,019	\$ 775,254
Licenses and permits	733,800	733,800	928,845	195,045
Intergovernmental	560,940	560,940	662,730	101,790
Charges for services	4,303,215	4,303,215	4,774,925	471,710
Fines, forfeitures and penalties	431,000	431,000	319,166	(111,834)
Use of money and property	73,100	73,100	73,496	396
Miscellaneous	486,535	486,535	395,913	(90,622)
Total Revenues	<u>40,035,355</u>	<u>40,035,355</u>	<u>41,377,094</u>	<u>1,341,739</u>
<b>EXPENDITURES</b>				
Current:				
Engineering	1,901,815	1,901,815	1,855,100	46,715
Executive	1,732,875	1,699,585	283,587	1,415,998
Financial administration	1,347,685	1,347,685	1,339,360	8,325
Fire protection	10,754,510	10,754,510	10,910,522	(156,012)
Fleet maintenance	1,790,605	1,790,605	1,781,559	9,046
Highways and streets	3,901,145	3,901,145	3,489,109	412,036
Judicial	529,575	529,575	513,403	16,172
Legislative	204,465	204,465	194,547	9,918
Planning and zoning	1,300,875	1,455,240	1,239,476	215,764
Police	13,771,920	13,771,920	13,588,230	183,690
Protection inspections	562,655	562,655	592,304	(29,649)
Public works	382,590	382,590	410,860	(28,270)
Building and grounds	1,028,755	1,028,755	943,951	84,804
Traffic	523,175	523,175	454,651	68,524
Capital Outlay	<u>198,200</u>	<u>198,200</u>	<u>356,062</u>	<u>(157,862)</u>
Total Expenditures	<u>39,930,845</u>	<u>40,051,920</u>	<u>37,952,721</u>	<u>2,099,199</u>
Excess (deficiency) of revenues over (under) expenditures	<u>104,510</u>	<u>(16,565)</u>	<u>3,424,373</u>	<u>3,440,938</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	432,365	432,365	308,683	(123,682)
Transfers out	(546,875)	(546,875)	(646,875)	(100,000)
Proceeds from sale of capital assets	<u>10,000</u>	<u>10,000</u>	<u>30,249</u>	<u>20,249</u>
Total Other Financing Sources (Uses)	<u>(104,510)</u>	<u>(104,510)</u>	<u>(307,943)</u>	<u>(203,433)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (121,075)</u>	<u>\$ 3,116,430</u>	<u>\$ 3,237,505</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>15,012,328</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 18,128,758</u>	

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING #1 For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 3,341,120	\$ 3,341,120	\$ 3,924,779	\$ 583,659
Intergovernmental	-	-	621,857	621,857
Use of money and property	89,090	89,090	93,183	4,093
Miscellaneous	899,480	899,480	7,347	(892,133)
Total Revenues	<u>4,329,690</u>	<u>4,329,690</u>	<u>4,647,166</u>	<u>317,476</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	536,605	536,605	557,091	(20,486)
Capital Outlay	-	-	524,791	(524,791)
Debt Service				
Interest and fiscal charges	<u>2,100</u>	<u>2,100</u>	<u>5,683</u>	<u>(3,583)</u>
Total Expenditures	<u>538,705</u>	<u>538,705</u>	<u>1,087,565</u>	<u>(548,860)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,790,985</u>	<u>3,790,985</u>	<u>3,559,601</u>	<u>(231,384)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	50,000	50,000	60,109	10,109
Transfers out	<u>(2,514,400)</u>	<u>(2,514,400)</u>	<u>(2,264,951)</u>	<u>249,449</u>
Total Other Financing Sources (Uses)	<u>(2,464,400)</u>	<u>(2,464,400)</u>	<u>(2,204,842)</u>	<u>259,558</u>
Net Change in Fund Balance	<u>\$ 1,326,585</u>	<u>\$ 1,326,585</u>	1,354,759	<u>\$ 28,174</u>
<b>FUND BALANCE (DEFICIT) - Beginning of Year</b>			<u>(8,019,510)</u>	
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>			<u>\$ (6,664,751)</u>	

See accountants' report and accompanying notes to required supplementary information.

## CITY OF MOLINE

### ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS As of and for the Year Ended December 31, 2012

<u>Fiscal Year Date</u>	<u>Annual Required Contribution (APR)</u>	<u>Percentage of APR Contributed</u>	<u>Net Pension Obligation</u>
12/31/2012	\$ 1,783,659	100.00%	\$ 704,269
12/31/2011	1,714,218	83.00%	708,338
12/31/2010	1,680,787	75.00%	414,954

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2012	\$ 40,277,578	\$ 50,324,549	\$ 10,046,971	80.04%	\$ 15,180,074	66.19%
12/31/2011	38,790,390	50,335,101	11,544,711	77.06%	15,374,154	75.09%
12/31/2010	39,042,890	48,131,894	9,089,004	81.12%	14,980,272	60.67%
12/31/2009	40,685,165	48,046,299	7,361,134	84.68%	15,142,108	48.61%
12/31/2008	41,258,733	48,455,926	7,197,193	85.15%	15,095,747	47.68%
12/31/2007	54,054,398	45,569,904	(8,484,494)	118.62%	13,644,962	-%

On an market value basis, the actuarial value of assets as of December 31, 2012 is \$42,252,840. On a market basis, the funded ratio would be 83.96%

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

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	1/1/2012
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, 30 year open
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.50% per year
Projected salary increases	4.00% per year, additional 0.40% to 10.00% per year depending on age and service, attributable to seniority/merit
Inflation factor	4.00% per year

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF MOLINE

### POLICE PENSION FUND SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS As of and for the Year Ended December 31, 2012

<u>Fiscal Year Date</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension (Asset)</u>
12/31/2012	\$ 2,998,141	102.57%	\$ (2,161,751)
12/31/2011	2,485,096	91.78%	(2,070,930)
12/31/2010	2,128,166	104.46%	(2,255,873)
12/31/2009	2,043,517	101.36%	(2,140,925)
12/31/2008	1,397,502	105.55%	(2,064,604)
12/31/2007	1,289,927	102.11%	(1,934,987)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2012	\$ 28,536,726	\$ 64,193,380	\$ 35,656,654	44.45%	\$ 6,230,987	572.25%
12/31/2011	30,552,244	57,859,699	27,307,455	52.80%	6,197,726	440.60%
12/31/2010	26,204,232	54,454,928	28,250,696	48.12%	5,309,947	532.03%
12/31/2009	25,291,113	49,999,392	24,708,279	50.58%	6,011,657	411.01%
12/31/2008	29,143,824	47,239,129	18,095,305	61.69%	4,998,296	362.03%
12/31/2007	27,746,084	44,578,435	16,832,351	62.24%	4,670,514	360.40%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	1/1/2012
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	25 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.50% per year
Projected salary increases	TCG Basic Salary Table providing graded increases from 1.12% to 4/86% varying by age, plus inflation
Inflation factor	2.00% per year
Cost of living adjustments	3.00% per year

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF MOLINE

### FIREFIGHTERS' PENSION FUND SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS As of and for the Year Ended December 31, 2012

Fiscal Year Date	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension (Asset)
12/31/2012	\$ 3,115,083	97.10%	\$ (4,107,809)
12/31/2011	2,558,184	104.72%	(4,142,487)
12/31/2010	2,497,891	104.98%	(3,974,667)
12/31/2009	2,278,474	102.27%	(3,814,519)
12/31/2008	1,668,190	106.16%	(3,762,805)
12/31/2007	1,526,783	103.38%	(3,660,123)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2012	\$ 24,707,190	\$ 64,661,538	\$ 39,954,348	38.21%	\$4,989,390	800.79%
12/31/2011	29,183,658	59,678,809	30,495,151	48.90%	5,250,334	580.82%
12/31/2010	24,987,381	57,338,719	32,351,338	43.58%	4,478,182	722.42%
12/31/2009	25,012,439	51,945,359	26,932,920	48.15%	5,027,040	535.76%
12/31/2008	29,178,270	50,157,247	20,978,977	58.17%	4,221,265	496.98%
12/31/2007	28,512,971	47,907,444	19,394,473	59.52%	3,874,891	500.52%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	1/1/2012
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	25 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.50% per year
Projected salary increases	TCG Basic Salary Table providing graded increases from 1.12% to 4.86% varying by age, plus inflation
Inflation factor	2.00% per year
Cost of living adjustments	3.00% per year

See independent auditors' report and accompanying notes to required supplementary information.

**CITY OF MOLINE**

**RETIREE HEALTH PLAN  
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS  
As of and for the Year Ended December 31, 2012**

<u>Fiscal Year Date</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
12/31/2012	\$ 1,171,557	86.81 %
12/31/2011	1,225,407	105.08
12/31/2010	1,225,407	82.98

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Projected Unit</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/2012	\$ -	\$ 11,895,773	\$ 11,895,773	-%	\$ 21,740,587	55%
12/31/2011	-	12,744,551	12,744,551	-%	22,253,419	57%
12/31/2010	-	12,747,914	12,747,914	-%	21,295,138	60%
12/31/2009	-	11,007,293	11,007,293	-%	24,930,237	44%
12/31/2008	-	10,450,275	10,450,275	-%	23,743,083	44%

# CITY OF MOLINE

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Year Ended December 31, 2012

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### ***BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

Excess expenditures over appropriations are as follows:

	<u>Final Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Tax Increment Financing #1	\$ 538,705	\$ 1,087,565	\$ 548,860

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**SUPPLEMENTARY INFORMATION**

**CITY OF MOLINE**

COMBINING BALANCE SHEET - CONTINUED  
NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2012

	Special Revenue				
	Park	Community Development Block Grant	Motor Fuel Tax	Revolving Loan Program	Tourism
<b>ASSETS</b>					
Cash and cash equivalents	\$ 38,013	\$ -	\$ 424,119	\$ 108,405	\$ -
Restricted cash and cash equivalents	-	-	-	-	-
Investments	800,073	-	7	-	1,150,507
Restricted investments	-	-	-	-	-
Receivables (net)					
Property taxes	2,690,338	-	-	-	-
Accounts	33,299	-	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	16,070	21,000
Other taxes	-	-	177,370	-	63,353
Due from other governments	42,267	41,075	-	-	-
Due from other funds	-	-	-	179,904	3,278
Prepaid items	2,000	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 3,605,990</u></b>	<b><u>\$ 41,075</u></b>	<b><u>\$ 601,496</u></b>	<b><u>\$ 304,379</u></b>	<b><u>\$ 1,238,138</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 153,454	\$ 1,284	\$ 58,280	\$ -	\$ 31,526
Accrued expenses	23,197	-	-	-	-
Due to other funds	433,025	37,990	40,517	-	52,817
Deferred revenues	2,612,265	-	-	-	-
Deposits	1,050	-	-	-	-
Line of credit	-	-	-	-	-
Interfund advances	-	-	-	-	-
Total Liabilities	<u>3,222,991</u>	<u>39,274</u>	<u>98,797</u>	<u>-</u>	<u>84,343</u>
Fund Balances					
Nonspendable	2,000	-	-	-	-
Restricted	380,999	1,801	502,699	304,379	1,153,795
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficit)	<u>382,999</u>	<u>1,801</u>	<u>502,699</u>	<u>304,379</u>	<u>1,153,795</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 3,605,990</u></b>	<b><u>\$ 41,075</u></b>	<b><u>\$ 601,496</u></b>	<b><u>\$ 304,379</u></b>	<b><u>\$ 1,238,138</u></b>

Special Revenue

Special Service Area #5	Special Service Area #6	Foreign Fire Insurance	General Trust	Tax Increment Financing #2	Tax Increment Financing #3	Tax Increment Financing #4
\$ 29,393	\$ 238,457	\$ 61,104	\$ 9,734	\$ 111,369	\$ 7,572	\$ 207,556
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
81,636	230,243	-	-	193,350	55,015	194,089
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,875	-	-	37,215	-	-	-
-	-	-	-	-	-	-
52,817	431,254	-	790,000	-	-	-
-	-	-	-	-	-	-
<u>\$ 165,721</u>	<u>\$ 899,954</u>	<u>\$ 61,104</u>	<u>\$ 836,949</u>	<u>\$ 304,719</u>	<u>\$ 62,587</u>	<u>\$ 401,645</u>
\$ 30,954	\$ 16,317	\$ -	\$ 13,314	\$ 133	\$ -	\$ -
265	927	-	-	-	101	-
-	1,100,000	-	-	620,519	-	-
80,400	225,000	-	16,886	193,350	54,450	193,425
10,650	-	-	-	-	-	-
-	-	-	-	-	-	736,619
-	-	-	-	-	-	-
<u>122,269</u>	<u>1,342,244</u>	<u>-</u>	<u>30,200</u>	<u>814,002</u>	<u>54,551</u>	<u>930,044</u>
-	-	-	-	-	-	-
43,452	-	61,104	158,447	-	8,036	-
-	-	-	427,694	-	-	-
-	-	-	220,608	-	-	-
-	(442,290)	-	-	(509,283)	-	(528,399)
<u>43,452</u>	<u>(442,290)</u>	<u>61,104</u>	<u>806,749</u>	<u>(509,283)</u>	<u>8,036</u>	<u>(528,399)</u>
<u>\$ 165,721</u>	<u>\$ 899,954</u>	<u>\$ 61,104</u>	<u>\$ 836,949</u>	<u>\$ 304,719</u>	<u>\$ 62,587</u>	<u>\$ 401,645</u>

**CITY OF MOLINE**

COMBINING BALANCE SHEET - CONTINUED  
NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2012

	Special Revenue				
	Tax Increment Financing #6	Library Trust	Perpetual Care	Reher Art Gallery	Park and Cemetery Gift
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 228,305	\$ 100,268	\$ 26,524	\$ 176,542
Restricted cash and cash equivalents	-	-	-	-	-
Investments	-	-	152,413	-	-
Restricted investments	-	-	-	-	-
Receivables (net)					
Property taxes	53,500	-	-	-	-
Accounts	-	-	1,587	-	-
Accrued interest	-	2,249	-	-	5,372
Loans	-	-	-	-	-
Other taxes	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 53,500</u></b>	<b><u>\$ 230,554</u></b>	<b><u>\$ 254,268</u></b>	<b><u>\$ 26,524</u></b>	<b><u>\$ 181,914</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ 1,040	\$ -	\$ 4,300	\$ 9,330
Accrued expenses	-	-	-	-	-
Due to other funds	431,208	-	-	-	-
Deferred revenues	53,500	-	-	-	-
Deposits	-	-	-	-	-
Line of credit	-	-	-	-	-
Interfund advances	-	-	-	-	-
Total Liabilities	<u>484,708</u>	<u>1,040</u>	<u>-</u>	<u>4,300</u>	<u>9,330</u>
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	229,514	254,268	22,224	172,584
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(431,208)	-	-	-	-
Total Fund Balances (Deficit)	<u>(431,208)</u>	<u>229,514</u>	<u>254,268</u>	<u>22,224</u>	<u>172,584</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 53,500</u></b>	<b><u>\$ 230,554</u></b>	<b><u>\$ 254,268</u></b>	<b><u>\$ 26,524</u></b>	<b><u>\$ 181,914</u></b>

Special Revenue

Sanitation	Home Buyer Grant	Lead Hazard Grant	Single Family Owner Occupied Rehabilitation Grant	Small Rental Properties Program	Library	NSP2 Grant
\$ 320,625	\$ -	\$ -	\$ 6,858	\$ 502	\$ 77,381	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	200,018	-
-	-	-	-	-	-	-
6,758	-	-	-	-	2,750,417	-
131,548	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	24,148	-	-	-	-	24,148
-	-	-	-	-	-	-
<u>458,931</u>	<u>24,148</u>	<u>-</u>	<u>6,858</u>	<u>502</u>	<u>3,027,816</u>	<u>24,148</u>
\$ 119,739	\$ -	\$ -	\$ -	\$ -	\$ 42,613	\$ 845
39,940	-	-	-	-	72,559	-
-	24,148	-	-	-	15	67,659
121,120	37,711	-	-	-	2,670,610	10,585
-	-	-	-	-	-	7,078
-	-	-	-	-	-	-
351,117	-	-	-	-	-	-
<u>631,916</u>	<u>61,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,785,797</u>	<u>86,167</u>
-	-	-	-	-	-	-
-	-	-	6,858	502	242,019	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(172,985)</u>	<u>(37,711)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62,019)</u>
<u>(172,985)</u>	<u>(37,711)</u>	<u>-</u>	<u>6,858</u>	<u>502</u>	<u>242,019</u>	<u>(62,019)</u>
<u>458,931</u>	<u>24,148</u>	<u>-</u>	<u>6,858</u>	<u>502</u>	<u>3,027,816</u>	<u>24,148</u>

**CITY OF MOLINE**

COMBINING BALANCE SHEET - CONCLUDED  
NONMAJOR GOVERNMENTAL FUNDS  
As of December 31, 2012

	Special Revenue				
	Tax Increment Financing #5	Tax Increment Financing #7	Tax Increment Financing #8	Tax Increment Financing #9	Tax Increment Financing #10
<b>ASSETS</b>					
Cash and cash equivalents	\$ 32,190	\$ -	\$ 17,428	\$ 435	\$ 11,102
Restricted cash and cash equivalents	-	4,134,611	-	-	-
Investments	-	-	-	-	-
Restricted investments	-	1,592,969	-	-	-
Receivables (net)					
Property taxes	40,457	-	-	-	-
Accounts	-	-	-	-	-
Accrued interest	-	6,293	-	-	-
Loans	-	-	-	-	-
Other taxes	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 72,647</b>	<b>\$ 5,733,873</b>	<b>\$ 17,428</b>	<b>\$ 435</b>	<b>\$ 11,102</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	252	-	-	-
Due to other funds	-	46	-	-	-
Deferred revenues	32,365	-	-	-	-
Deposits	-	-	35,000	-	40,000
Line of credit	-	-	-	-	-
Interfund advances	-	-	-	-	-
Total Liabilities	32,365	298	35,000	-	40,000
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	40,282	5,733,575	-	435	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(17,572)	-	(28,898)
Total Fund Balances	40,282	5,733,575	(17,572)	435	(28,898)
(Deficit)	40,282	5,733,575	(17,572)	435	(28,898)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 72,647</b>	<b>\$ 5,733,873</b>	<b>\$ 17,428</b>	<b>\$ 435</b>	<b>\$ 11,102</b>

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Total  
Nonmajor  
Governmental  
Funds

\$ 2,233,882

4,134,611  
2,303,018  
1,592,969

6,295,803  
166,434  
13,914  
37,070  
279,813

131,638  
1,457,253  
2,000

\$ 18,648,405

\$ 483,129

137,241  
2,807,944  
6,301,667  
93,778  
736,619  
351,117

10,911,495

2,000  
9,316,973  
427,694  
220,608  
(2,230,365)

7,736,910

\$ 18,648,405

**CITY OF MOLINE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - CONTINUED  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2012

	Special Revenue				
	Park	Community Development Block Grant	Motor Fuel Tax	Revolving Loan Program	Tourism
<b>REVENUES</b>					
Taxes	\$ 2,801,508	\$ -	\$ -	\$ -	\$ 933,819
Intergovernmental	21,833	695,415	1,415,887	-	-
Charges for services	795,146	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Use of money and property	137,243	89	544	2,155	393
Contributions	5,185	-	-	-	-
Miscellaneous	3,969	11,853	28,314	-	24
<b>Total Revenues</b>	<u>3,764,884</u>	<u>707,357</u>	<u>1,444,745</u>	<u>2,155</u>	<u>934,236</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Economic development	-	449,296	-	-	309,220
Culture and recreation	3,629,824	-	-	-	-
Libraries	-	-	-	-	-
Capital Outlay	426,936	-	1,642,774	-	-
Debt Service					
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
<b>Total Expenditures</b>	<u>4,056,760</u>	<u>449,296</u>	<u>1,642,774</u>	<u>-</u>	<u>309,220</u>
Excess (deficiency) of revenues over expenditures	<u>(291,876)</u>	<u>258,061</u>	<u>(198,029)</u>	<u>2,155</u>	<u>625,016</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	215,021	-	-	-	-
Transfers out	-	(278,224)	-	-	(523,683)
<b>Total Other Financing Sources (Uses)</b>	<u>215,021</u>	<u>(278,224)</u>	<u>-</u>	<u>-</u>	<u>(523,683)</u>
<b>Net Change in Fund Balances</b>	(76,855)	(20,163)	(198,029)	2,155	101,333
<b>FUND BALANCES (DEFICITS) - Beginning of Year</b>	<u>459,854</u>	<u>21,964</u>	<u>700,728</u>	<u>302,224</u>	<u>1,052,462</u>
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<u>\$ 382,999</u>	<u>\$ 1,801</u>	<u>\$ 502,699</u>	<u>\$ 304,379</u>	<u>\$ 1,153,795</u>

Special Revenue

Special Service Area #5	Special Service Area #6	Foreign Fire Insurance	General Trust	Tax Increment Financing #2	Tax Increment Financing #3	Tax Increment Financing #4
\$ 110,827	\$ 224,875	\$ 58,761	\$ 201,466	\$ 193,350	\$ 54,458	\$ 194,091
-	-	-	100	-	-	-
5,120	-	-	-	-	-	-
-	-	-	-	-	-	-
22	64	-	53	44	12	56
-	-	-	279,008	-	-	-
414	175	-	68,753	1	-	-
<u>116,383</u>	<u>225,114</u>	<u>58,761</u>	<u>549,380</u>	<u>193,395</u>	<u>54,470</u>	<u>194,147</u>
-	-	67,051	231,225	-	-	-
-	-	-	-	-	-	-
112,685	114,634	-	-	26,787	50,788	830,182
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	759,090	-	-	-	-	20,064
-	-	-	-	9,563	-	-
-	-	-	-	47,795	-	-
<u>112,685</u>	<u>873,724</u>	<u>67,051</u>	<u>231,225</u>	<u>84,145</u>	<u>50,788</u>	<u>850,246</u>
<u>3,698</u>	<u>(648,610)</u>	<u>(8,290)</u>	<u>318,155</u>	<u>109,250</u>	<u>3,682</u>	<u>(656,099)</u>
-	-	-	-	-	-	-
-	-	-	-	(203,381)	-	(9,138)
-	-	-	-	(203,381)	-	(9,138)
3,698	(648,610)	(8,290)	318,155	(94,131)	3,682	(665,237)
<u>39,754</u>	<u>206,320</u>	<u>69,394</u>	<u>488,594</u>	<u>(3,210,152)</u>	<u>4,354</u>	<u>136,838</u>
<u>\$ 43,452</u>	<u>\$ (442,290)</u>	<u>\$ 61,104</u>	<u>\$ 806,749</u>	<u>\$ (3,304,283)</u>	<u>\$ 8,036</u>	<u>\$ (528,399)</u>

**CITY OF MOLINE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - CONTINUED  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2012

	Special Revenue				
	Tax Increment Financing #6	Library Trust	Perpetual Care	Reher Art Gallery	Park and Cemetery Gift
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Use of money and property	4	10,465	21	1	6,387
Contributions	-	53,756	-	-	10,446
Miscellaneous	-	-	15,428	-	-
<b>Total Revenues</b>	<u>4</u>	<u>64,221</u>	<u>15,449</u>	<u>1</u>	<u>16,833</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Economic development	396,000	-	-	-	-
Culture and recreation	-	-	-	14,438	32,315
Libraries	-	63,722	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
<b>Total Expenditures</b>	<u>396,000</u>	<u>63,722</u>	<u>-</u>	<u>14,438</u>	<u>32,315</u>
Excess (deficiency) of revenues over expenditures	<u>(395,996)</u>	<u>499</u>	<u>15,449</u>	<u>(14,437)</u>	<u>(15,482)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	13,765	-
Transfers out	-	(13,765)	(21)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(13,765)</u>	<u>(21)</u>	<u>13,765</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(395,996)</u>	<u>(13,266)</u>	<u>15,428</u>	<u>(672)</u>	<u>(15,482)</u>
<b>FUND BALANCES (DEFICITS) - Beginning of Year</b>	<u>(35,212)</u>	<u>242,780</u>	<u>238,840</u>	<u>22,896</u>	<u>188,066</u>
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<u>\$ (431,208)</u>	<u>\$ 229,514</u>	<u>\$ 254,268</u>	<u>\$ 22,224</u>	<u>\$ 172,584</u>

Special Revenue

Sanitation	Home Buyer Grant	Lead Hazard Grant	Single Family Owner Occupied Rehabilitation Grant	Small Rental Properties Program	Library	NSP2 Grant
\$ 226,160	\$ -	\$ -	\$ -	\$ -	\$ 2,707,540	\$ -
44,612	46,207	583,645	161,913	164,604	44,592	681,581
1,437,251	-	-	-	-	30,447	64,815
-	-	-	-	-	59,138	-
53	-	-	-	-	21	-
-	-	-	-	-	-	-
121,373	-	-	-	-	15,574	549,133
<u>1,829,449</u>	<u>46,207</u>	<u>583,645</u>	<u>161,913</u>	<u>164,604</u>	<u>2,857,312</u>	<u>1,295,529</u>
-	-	-	-	-	-	-
2,157,299	-	-	-	-	-	-
-	83,122	209,185	148,643	164,102	-	671,302
-	-	-	-	-	-	-
-	-	-	-	-	2,847,709	-
-	-	-	-	-	-	-
12,970	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,170,269</u>	<u>83,122</u>	<u>209,185</u>	<u>148,643</u>	<u>164,102</u>	<u>2,847,709</u>	<u>671,302</u>
<u>(340,820)</u>	<u>(36,915)</u>	<u>374,460</u>	<u>13,270</u>	<u>502</u>	<u>9,603</u>	<u>624,227</u>
496,875	-	-	-	-	-	-
-	-	-	-	-	-	(10,109)
<u>496,875</u>	-	-	-	-	-	<u>(10,109)</u>
156,055	(36,915)	374,460	13,270	502	9,603	614,118
<u>(329,040)</u>	<u>(796)</u>	<u>(374,460)</u>	<u>(6,412)</u>	<u>-</u>	<u>232,416</u>	<u>(676,137)</u>
<u>\$ (172,985)</u>	<u>\$ (37,711)</u>	<u>\$ -</u>	<u>\$ 6,858</u>	<u>\$ 502</u>	<u>\$ 242,019</u>	<u>\$ (62,019)</u>

**CITY OF MOLINE**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - CONCLUDED  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2012

	Special Revenue				
	Tax Increment Financing #5	Tax Increment Financing #7	Tax Increment Financing #8	Tax Increment Financing #9	Tax Increment Financing #10
<b>REVENUES</b>					
Taxes	\$ 32,366	\$ 204	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Use of money and property	2	10,031	1	2	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>32,368</u>	<u>10,235</u>	<u>1</u>	<u>2</u>	<u>-</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Economic development	-	62,850	14,723	27,569	28,898
Culture and recreation	-	-	-	-	-
Libraries	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Interest and fiscal charges	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>62,850</u>	<u>14,723</u>	<u>27,569</u>	<u>28,898</u>
Excess (deficiency) of revenues over expenditures	<u>32,368</u>	<u>(52,615)</u>	<u>(14,722)</u>	<u>(27,567)</u>	<u>(28,898)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	32,368	(52,615)	(14,722)	(27,567)	(28,898)
<b>FUND BALANCES (DEFICITS) - Beginning of Year</b>	<u>7,914</u>	<u>5,786,190</u>	<u>(2,850)</u>	<u>28,002</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<u>\$ 40,282</u>	<u>\$ 5,733,575</u>	<u>\$ (17,572)</u>	<u>\$ 435</u>	<u>\$ (28,898)</u>

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Total  
Nonmajor  
Governmental  
Funds

\$ 7,739,425  
3,860,389  
2,332,779

59,138  
167,663  
348,395  
815,011  
15,322,800

298,276  
2,157,299  
3,699,986  
3,676,577  
2,911,431  
2,848,864

22,533  
47,795  
15,662,761

(339,961)

725,661  
(1,038,321)

(312,660)

(652,621)

5,594,531

\$ 4,941,910

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## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PARK For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 2,801,030	\$ 2,801,030	\$ 2,801,508	\$ 478
Intergovernmental	28,000	28,000	21,833	(6,167)
Charges for services	775,345	775,345	795,146	19,801
Use of money and property	123,440	123,440	137,243	13,803
Contributions	4,200	4,200	5,185	985
Miscellaneous	2,500	2,500	3,969	1,469
Total Revenues	<u>3,734,515</u>	<u>3,734,515</u>	<u>3,764,884</u>	<u>30,369</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	3,705,665	3,705,665	3,629,824	75,841
Capital Outlay	<u>300,000</u>	<u>300,000</u>	<u>426,936</u>	<u>(126,936)</u>
Total Expenditures	<u>4,005,665</u>	<u>4,005,665</u>	<u>4,056,760</u>	<u>(51,095)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(271,150)</u>	<u>(271,150)</u>	<u>(291,876)</u>	<u>(20,726)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>215,000</u>	<u>215,000</u>	<u>215,021</u>	<u>21</u>
Total Other Financing Sources (Uses)	<u>215,000</u>	<u>215,000</u>	<u>215,021</u>	<u>21</u>
Net Change in Fund Balance	<u>\$ (56,150)</u>	<u>\$ (56,150)</u>	<u>(76,855)</u>	<u>\$ (20,705)</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>459,854</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 382,999</u>	

**CITY OF MOLINE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT BLOCK GRANT  
 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 620,308	\$ 620,308	\$ 695,415	\$ 75,107
Use of money and property	-	-	89	89
Miscellaneous	-	-	11,853	11,853
<b>Total Revenues</b>	<u>620,308</u>	<u>620,308</u>	<u>707,357</u>	<u>87,049</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	<u>647,957</u>	<u>739,155</u>	<u>449,296</u>	<u>289,859</u>
<b>Total Expenditures</b>	<u>647,957</u>	<u>739,155</u>	<u>449,296</u>	<u>289,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27,649)</u>	<u>(118,847)</u>	<u>258,061</u>	<u>376,908</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(278,225)</u>	<u>(278,225)</u>	<u>(278,224)</u>	<u>1</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(278,225)</u>	<u>(278,225)</u>	<u>(278,224)</u>	<u>1</u>
<b>Net Change in Fund Balance</b>	<u>\$ (305,874)</u>	<u>\$ (397,072)</u>	(20,163)	<u>\$ 376,909</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>21,964</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,801</u>	

**CITY OF MOLINE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - MOTOR FUEL TAX  
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 2,466,070	\$ 2,466,070	\$ 1,415,887	\$ (1,050,183)
Use of money and property	-	-	544	544
Miscellaneous	-	-	28,314	28,314
Total Revenues	<u>2,466,070</u>	<u>2,466,070</u>	<u>1,444,745</u>	<u>(1,021,325)</u>
<b>EXPENDITURES</b>				
Current:				
Capital Outlay	<u>3,520,270</u>	<u>3,520,270</u>	<u>1,642,774</u>	<u>1,877,496</u>
Total Expenditures	<u>3,520,270</u>	<u>3,520,270</u>	<u>1,642,774</u>	<u>1,877,496</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,054,200)</u>	<u>(1,054,200)</u>	<u>(198,029)</u>	<u>856,171</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>589,200</u>	<u>589,200</u>	-	<u>(589,200)</u>
Total Other Financing Sources (Uses)	<u>589,200</u>	<u>589,200</u>	-	<u>(589,200)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (465,000)</u>	<u>\$ (465,000)</u>	(198,029)	<u>\$ 266,971</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>700,728</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 502,699</u>	

**CITY OF MOLINE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL - REVOLVING LOAN PROGRAM  
 For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 3,590	\$ 3,590	\$ 2,155	\$ (1,435)
Miscellaneous	<u>22,375</u>	<u>22,375</u>	-	<u>(22,375)</u>
Total Revenues	<u>25,965</u>	<u>25,965</u>	<u>2,155</u>	<u>(23,810)</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	<u>192,000</u>	<u>192,000</u>	-	<u>192,000</u>
Total Expenditures	<u>192,000</u>	<u>192,000</u>	-	<u>192,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ (166,035)</u>	<u>\$ (166,035)</u>	2,155	<u>\$ 168,190</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>302,224</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 304,379</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TOURISM For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 800,000	\$ 800,000	\$ 933,819	\$ 133,819
Use of money and property	200	200	393	193
Miscellaneous	-	-	24	24
Total Revenues	<u>800,200</u>	<u>800,200</u>	<u>934,236</u>	<u>134,036</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	<u>405,725</u>	<u>405,725</u>	<u>309,220</u>	<u>96,505</u>
Total Expenditures	<u>405,725</u>	<u>405,725</u>	<u>309,220</u>	<u>96,505</u>
Excess (deficiency) of revenues over (under) expenditures	<u>394,475</u>	<u>394,475</u>	<u>625,016</u>	<u>230,541</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(601,935)</u>	<u>(601,935)</u>	<u>(523,683)</u>	<u>78,252</u>
Total Other Financing Sources (Uses)	<u>(601,935)</u>	<u>(601,935)</u>	<u>(523,683)</u>	<u>78,252</u>
<b>Net Change in Fund Balance</b>	<u>\$ (207,460)</u>	<u>\$ (207,460)</u>	101,333	<u>\$ 308,793</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>1,052,462</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,153,795</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL SERVICE AREA #5 For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 110,400	\$ 110,400	\$ 110,827	\$ 427
Use of money and property	-	-	22	22
Miscellaneous	-	-	414	414
Charges for services	-	-	5,120	5,120
Total Revenues	<u>110,400</u>	<u>110,400</u>	<u>116,383</u>	<u>5,983</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	<u>123,640</u>	<u>117,300</u>	<u>112,685</u>	<u>4,615</u>
Total Expenditures	<u>123,640</u>	<u>117,300</u>	<u>112,685</u>	<u>4,615</u>
<b>Net Change in Fund Balance</b>	<u>\$ (13,240)</u>	<u>\$ (6,900)</u>	3,698	\$ 10,598
<b>FUND BALANCE - Beginning of Year</b>			<u>39,754</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 43,452</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL SERVICE AREA #6 For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 225,000	\$ 225,000	\$ 224,875	\$ (125)
Use of money and property	-	-	64	64
Miscellaneous	-	1,100,000	175	(1,099,825)
Total Revenues	<u>225,000</u>	<u>1,325,000</u>	<u>225,114</u>	<u>(1,099,886)</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	123,615	126,715	114,634	12,081
Capital Outlay	<u>115,000</u>	<u>1,215,000</u>	<u>759,090</u>	<u>455,910</u>
Total Expenditures	<u>238,615</u>	<u>1,341,715</u>	<u>873,724</u>	<u>467,991</u>
<b>Net Change in Fund Balance</b>	<u>\$ (13,615)</u>	<u>\$ (16,715)</u>	(648,610)	<u>\$ (631,895)</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>206,320</u>	
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>			<u>\$ (442,290)</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FOREIGN FIRE INSURANCE For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 31,700	\$ 31,700	\$ 58,761	\$ 27,061
Total Revenues	<u>31,700</u>	<u>31,700</u>	<u>58,761</u>	<u>27,061</u>
<b>EXPENDITURES</b>				
Current:				
General government	31,700	71,700	67,051	4,649
Total Expenditures	<u>31,700</u>	<u>71,700</u>	<u>67,051</u>	<u>4,649</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (40,000)</u>	(8,290)	<u>\$ 31,710</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>69,394</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 61,104</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL TRUST For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 250,000	\$ 250,000	\$ 201,466	\$ (48,534)
Intergovernmental	-	-	100	100
Use of money and property	-	-	53	53
Contributions	100,000	100,000	279,008	179,008
Miscellaneous	25,000	25,000	68,753	43,753
Total Revenues	<u>375,000</u>	<u>375,000</u>	<u>549,380</u>	<u>174,380</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>400,000</u>	<u>400,000</u>	<u>231,225</u>	<u>168,775</u>
Total Expenditures	<u>400,000</u>	<u>400,000</u>	<u>231,225</u>	<u>168,775</u>
<b>Net Change in Fund Balance</b>	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	318,155	<u>\$ 343,155</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>488,594</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 806,749</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING #2 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 240,840	\$ 240,840	\$ 193,350	\$ (47,490)
Use of money and property	-	-	44	44
Miscellaneous	48,000	48,000	1	(47,999)
Total Revenues	<u>288,840</u>	<u>288,840</u>	<u>193,395</u>	<u>(95,445)</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	48,400	48,400	26,787	21,613
Debt Service				
Interest and fiscal charges	-	-	9,563	(9,563)
Bond issuance costs	-	-	47,795	(47,795)
Total Expenditures	<u>48,400</u>	<u>48,400</u>	<u>84,145</u>	<u>(35,745)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>240,440</u>	<u>240,440</u>	<u>109,250</u>	<u>(131,190)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(240,440)	(2,977,440)	(203,381)	2,774,059
Total Other Financing Sources (Uses)	<u>(240,440)</u>	<u>(2,977,440)</u>	<u>(203,381)</u>	<u>2,774,059</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (2,737,000)</u>	(94,131)	<u>\$ 2,642,869</u>
<b>FUND BALANCE (DEFICIT) - Beginning of Year</b>				
			<u>(3,210,152)</u>	
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>				
			<u>\$ (3,304,283)</u>	

## CITY OF MOLINE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING #3  
 For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 51,115	\$ 51,115	\$ 54,458	\$ 3,343
Use of money and property	-	-	12	12
Total Revenues	<u>51,115</u>	<u>51,115</u>	<u>54,470</u>	<u>3,355</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	<u>51,115</u>	<u>51,115</u>	<u>50,788</u>	<u>327</u>
Total Expenditures	<u>51,115</u>	<u>51,115</u>	<u>50,788</u>	<u>327</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	3,682	<u>\$ 3,682</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>4,354</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 8,036</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING #4 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 150,000	\$ 150,000	\$ 194,091	\$ 44,091
Use of money and property	-	-	56	56
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>194,147</u>	<u>44,147</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	150,000	830,200	830,182	18
Capital Outlay	-	-	20,064	(20,064)
Total Expenditures	<u>150,000</u>	<u>830,200</u>	<u>850,246</u>	<u>(20,046)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(680,200)</u>	<u>(656,099)</u>	<u>24,101</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(9,138)	(9,138)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(9,138)</u>	<u>(9,138)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (680,200)</u>	<u>(665,237)</u>	<u>\$ 14,963</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>136,838</u>	
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>			<u>\$ (528,399)</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING #6 For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 4	\$ 4
Total Revenues	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	-	-	396,000	(396,000)
Total Expenditures	<u>-</u>	<u>-</u>	<u>396,000</u>	<u>(396,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	(395,996)	<u>\$ (395,996)</u>
<b>FUND BALANCE (DEFICIT) - Beginning of Year</b>			<u>(35,212)</u>	
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>			<u>\$ (431,208)</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY TRUST For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 15,200	\$ 15,200	\$ 10,465	\$ (4,735)
Contributions	<u>50,000</u>	<u>61,000</u>	<u>53,756</u>	<u>(7,244)</u>
Total Revenues	<u>65,200</u>	<u>76,200</u>	<u>64,221</u>	<u>(11,979)</u>
<b>EXPENDITURES</b>				
Current:				
Libraries	<u>51,435</u>	<u>62,435</u>	<u>63,722</u>	<u>(1,287)</u>
Total Expenditures	<u>51,435</u>	<u>62,435</u>	<u>63,722</u>	<u>(1,287)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,765</u>	<u>13,765</u>	<u>499</u>	<u>(13,266)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(13,765)</u>	<u>(13,765)</u>	<u>(13,765)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(13,765)</u>	<u>(13,765)</u>	<u>(13,765)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(13,266)</u>	<u>\$ (13,266)</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>242,780</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 229,514</u>	

**CITY OF MOLINE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - PERPETUAL CARE  
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ 100	\$ 100	\$ 21	\$ (79)
Miscellaneous	<u>14,000</u>	<u>14,000</u>	<u>15,428</u>	<u>1,428</u>
Total Revenues	<u>14,100</u>	<u>14,100</u>	<u>15,449</u>	<u>1,349</u>
<b>EXPENDITURES</b>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,100</u>	<u>14,100</u>	<u>15,449</u>	<u>1,349</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(100)</u>	<u>(100)</u>	<u>(21)</u>	<u>79</u>
Total Other Financing Sources (Uses)	<u>(100)</u>	<u>(100)</u>	<u>(21)</u>	<u>79</u>
<b>Net Change in Fund Balance</b>	<u>\$ 14,000</u>	<u>\$ 14,000</u>	15,428	<u>\$ 1,428</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>238,840</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 254,268</u>	

**CITY OF MOLINE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - REHER ART GALLERY  
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 50	\$ 50	\$ 1	\$ (49)
Total Revenues	<u>50</u>	<u>50</u>	<u>1</u>	<u>(49)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	28,815	28,815	14,438	14,377
Total Expenditures	<u>28,815</u>	<u>28,815</u>	<u>14,438</u>	<u>14,377</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,765)</u>	<u>(28,765)</u>	<u>(14,437)</u>	<u>14,328</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	13,765	13,765	13,765	-
Total Other Financing Sources (Uses)	<u>13,765</u>	<u>13,765</u>	<u>13,765</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>	(672)	<u>\$ 14,328</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>22,896</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 22,224</u>	

**CITY OF MOLINE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - PARK AND CEMETERY GIFT  
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 6,750	\$ 6,750	\$ 6,387	\$ (363)
Contributions	5,500	5,500	10,446	4,946
Total Revenues	<u>12,250</u>	<u>12,250</u>	<u>16,833</u>	<u>4,583</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	12,250	32,250	32,315	(65)
Total Expenditures	<u>12,250</u>	<u>32,250</u>	<u>32,315</u>	<u>(65)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (20,000)</u>	(15,482)	<u>\$ 4,518</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>188,066</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 172,584</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SANITATION For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 225,000	\$ 225,000	\$ 226,160	\$ 1,160
Intergovernmental	32,825	32,825	44,612	11,787
Charges for services	1,413,085	1,413,085	1,437,251	24,166
Use of money and property	-	-	53	53
Miscellaneous	116,815	116,815	121,373	4,558
Total Revenues	<u>1,787,725</u>	<u>1,787,725</u>	<u>1,829,449</u>	<u>41,724</u>
<b>EXPENDITURES</b>				
Current:				
Public works	2,189,010	2,189,010	2,157,299	31,711
Debt Service				
Interest and fiscal charges	<u>95,590</u>	<u>95,590</u>	<u>12,970</u>	<u>82,620</u>
Total Expenditures	<u>2,284,600</u>	<u>2,284,600</u>	<u>2,170,269</u>	<u>114,331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(496,875)</u>	<u>(496,875)</u>	<u>(340,820)</u>	<u>156,055</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>496,875</u>	<u>496,875</u>	<u>496,875</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>496,875</u>	<u>496,875</u>	<u>496,875</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	156,055	<u>\$ 156,055</u>
<b>FUND BALANCE (DEFICIT) - Beginning of Year</b>				
			<u>(329,040)</u>	
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>				
			<u>\$ (172,985)</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - HOME BUYER GRANT For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 354,010	\$ 354,010	\$ 46,207	\$ (307,803)
Total Revenues	<u>354,010</u>	<u>354,010</u>	<u>46,207</u>	<u>(307,803)</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	354,010	354,010	83,122	270,888
Total Expenditures	<u>354,010</u>	<u>354,010</u>	<u>83,122</u>	<u>270,888</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	(36,915)	<u>\$ (36,915)</u>
<b>FUND BALANCE (DEFICIT) - Beginning of Year</b>			(796)	
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>			<u>\$ (37,711)</u>	

**CITY OF MOLINE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL - LEAD HAZARD GRANT  
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	<u>\$ 191,545</u>	<u>\$ 200,375</u>	<u>\$ 583,645</u>	<u>\$ 383,270</u>
Total Revenues	<u>191,545</u>	<u>200,375</u>	<u>583,645</u>	<u>383,270</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	<u>191,545</u>	<u>200,375</u>	<u>209,185</u>	<u>(8,810)</u>
Total Expenditures	<u>191,545</u>	<u>200,375</u>	<u>209,185</u>	<u>(8,810)</u>
 <b>Net Change in Fund Balance</b>	 <u>\$ -</u>	 <u>\$ -</u>	 374,460	 <u>\$ 374,460</u>
 <b>FUND BALANCE (DEFICIT) - Beginning of Year</b>			 <u>(374,460)</u>	
 <b>FUND BALANCE - END OF YEAR</b>			 <u>\$ -</u>	

## CITY OF MOLINE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL - SINGLE FAMILY OWNER OCCUPIED REHABILITATION  
 GRANT  
 For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 136,060	\$ 136,060	\$ 161,913	\$ 25,853
Total Revenues	<u>136,060</u>	<u>136,060</u>	<u>161,913</u>	<u>25,853</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	82,060	136,060	148,643	(12,583)
Total Expenditures	<u>82,060</u>	<u>136,060</u>	<u>148,643</u>	<u>(12,583)</u>
<b>Net Change in Fund Balance</b>	<u>\$ 54,000</u>	<u>\$ -</u>	13,270	<u>\$ 13,270</u>
<b>FUND BALANCE (DEFICIT) - Beginning of Year</b>			<u>(6,412)</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 6,858</u>	

**CITY OF MOLINE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL - SMALL RENTAL PROPERTIES PROGRAM  
 For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	<u>\$ 168,025</u>	<u>\$ 168,025</u>	<u>\$ 164,604</u>	<u>\$ (3,421)</u>
Total Revenues	<u>168,025</u>	<u>168,025</u>	<u>164,604</u>	<u>(3,421)</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	<u>168,025</u>	<u>168,025</u>	<u>164,102</u>	<u>3,923</u>
Total Expenditures	<u>168,025</u>	<u>168,025</u>	<u>164,102</u>	<u>3,923</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	502	<u>\$ 502</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>-</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 502</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - LIBRARY For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 2,707,380	\$ 2,707,380	\$ 2,707,540	\$ 160
Intergovernmental	45,000	45,000	44,592	(408)
Fines, forfeitures and penalties	75,000	75,000	59,138	(15,862)
Charges for services	50,000	50,000	30,447	(19,553)
Use of money and property	3,680	3,680	21	(3,659)
Miscellaneous	16,000	16,000	15,574	(426)
Total Revenues	<u>2,897,060</u>	<u>2,897,060</u>	<u>2,857,312</u>	<u>(39,748)</u>
<b>EXPENDITURES</b>				
Current:				
Libraries	<u>2,991,090</u>	<u>2,991,090</u>	<u>2,847,709</u>	<u>143,381</u>
Total Expenditures	<u>2,991,090</u>	<u>2,991,090</u>	<u>2,847,709</u>	<u>143,381</u>
<b>Net Change in Fund Balance</b>	<u>\$ (94,030)</u>	<u>\$ (94,030)</u>	9,603	<u>\$ 103,633</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>232,416</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 242,019</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - NSP2 GRANT For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,264,000	\$ 1,264,000	\$ 681,581	\$ (582,419)
Charges for services	-	-	64,815	64,815
Miscellaneous	-	-	549,133	549,133
Total Revenues	<u>1,264,000</u>	<u>1,264,000</u>	<u>1,295,529</u>	<u>31,529</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	1,184,000	1,184,000	671,302	512,698
Capital Outlay	<u>80,000</u>	<u>80,000</u>	-	<u>80,000</u>
Total Expenditures	<u>1,264,000</u>	<u>1,264,000</u>	<u>671,302</u>	<u>592,698</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>624,227</u>	<u>624,227</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(10,109)	(10,109)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(10,109)</u>	<u>(10,109)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	614,118	<u>\$ 614,118</u>
<b>FUND BALANCE (DEFICIT) - Beginning of Year</b>				
			<u>(676,137)</u>	
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>				
			<u>\$ (62,019)</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING #5 For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 32,110	\$ 32,110	\$ 32,366	\$ 256
Use of money and property	-	-	2	2
Total Revenues	<u>32,110</u>	<u>32,110</u>	<u>32,368</u>	<u>258</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	32,110	32,110	-	32,110
Total Expenditures	<u>32,110</u>	<u>32,110</u>	-	<u>32,110</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	32,368	<u>\$ 32,368</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>7,914</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 40,282</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING #7 For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 17,305	\$ 17,305	\$ 204	\$ (17,101)
Use of money and property	-	-	10,031	10,031
Total Revenues	<u>17,305</u>	<u>17,305</u>	<u>10,235</u>	<u>(7,070)</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	<u>17,305</u>	<u>92,305</u>	<u>62,850</u>	<u>29,455</u>
Total Expenditures	<u>17,305</u>	<u>92,305</u>	<u>62,850</u>	<u>29,455</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (75,000)</u>	<u>(52,615)</u>	<u>\$ 22,385</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>5,786,190</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 5,733,575</u>	

**CITY OF MOLINE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING #8  
 For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 1	\$ 1
Total Revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	-	-	14,723	(14,723)
Total Expenditures	<u>-</u>	<u>-</u>	<u>14,723</u>	<u>(14,723)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	(14,722)	<u>\$ (14,722)</u>
<b>FUND BALANCE (DEFICIT) - Beginning of Year</b>			<u>(2,850)</u>	
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>			<u>\$ (17,572)</u>	

**CITY OF MOLINE**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING #9  
 For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 2	\$ 2
Total Revenues	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	-	-	27,569	(27,569)
Total Expenditures	<u>-</u>	<u>-</u>	<u>27,569</u>	<u>(27,569)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	(27,567)	<u>\$ (27,567)</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>28,002</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 435</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING #10 For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>				
Current:				
Economic development	-	-	28,898	(28,898)
Total Expenditures	-	-	28,898	(28,898)
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	(28,898)	<u>\$ (28,898)</u>
<b>FUND BALANCE - Beginning of Year</b>			-	
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>			<u>\$ (28,898)</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 213,074	\$ 213,074
Miscellaneous	-	<u>600,000</u>	-	<u>(600,000)</u>
Total Revenues	<u>-</u>	<u>600,000</u>	<u>213,074</u>	<u>(386,926)</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	4,036,170	4,436,170	9,226,854	(4,790,684)
Interest and fiscal charges	3,086,560	3,286,560	2,449,381	837,179
Bond issuance costs	-	<u>263,190</u>	<u>513,192</u>	<u>(250,002)</u>
Total Expenditures	<u>7,122,730</u>	<u>7,985,920</u>	<u>12,189,427</u>	<u>(4,203,507)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,122,730)</u>	<u>(7,385,920)</u>	<u>(11,976,353)</u>	<u>(4,590,433)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,793,875	6,793,875	6,105,336	(688,539)
Refunding debt issued	-	263,190	33,727,224	33,464,034
Premium on refunding bond issuance	-	-	2,305,855	2,305,855
Payments to refunding escrow	-	-	<u>(30,767,495)</u>	<u>(30,767,495)</u>
Total Other Financing Sources (Uses)	<u>6,793,875</u>	<u>7,057,065</u>	<u>11,370,920</u>	<u>4,313,855</u>
<b>Net Change in Fund Balance</b>	<u>\$ (328,855)</u>	<u>\$ (328,855)</u>	(605,433)	<u>\$ (276,578)</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>1,100,634</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 495,201</u>	

## CITY OF MOLINE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 7,402,000	\$ 7,402,000	\$ 7,160,829	\$ (241,171)
Charges for services	20,000	20,000	24,315	4,315
Use of money and property	-	-	15,907	15,907
Total Revenues	<u>7,422,000</u>	<u>7,422,000</u>	<u>7,201,051</u>	<u>(220,949)</u>
<b>EXPENDITURES</b>				
Capital Outlay	3,706,000	3,706,000	3,743,258	(37,258)
Debt Service				
Interest and fiscal charges	-	-	7,065	(7,065)
Total Expenditures	<u>3,706,000</u>	<u>3,706,000</u>	<u>3,750,323</u>	<u>(44,323)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,716,000</u>	<u>3,716,000</u>	<u>3,450,728</u>	<u>(265,272)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(3,653,475)</u>	<u>(3,653,475)</u>	<u>(3,249,642)</u>	<u>403,833</u>
Total Other Financing Sources (Uses)	<u>(3,653,475)</u>	<u>(3,653,475)</u>	<u>(3,249,642)</u>	<u>403,833</u>
<b>Net Change in Fund Balance</b>	<u>\$ 62,525</u>	<u>\$ 62,525</u>	201,086	<u>\$ 138,561</u>
<b>FUND BALANCE - Beginning of Year</b>			<u>2,234,282</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 2,435,368</u>	

## CITY OF MOLINE

### COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2012

	Health Insurance	Information Technology	Liability Insurance	Fleet
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 2,000,002	\$ 25,591	\$ 2,046,331	\$ -
Investments	7,690,059	1,151,483	4,687,348	3,989,386
Receivables				
Accrued interest	659	-	1,687	26,660
Due from other governments	1,890	-	-	-
Due from other funds	490,000	-	430,000	-
Inventories	-	-	-	145,349
Prepaid items	-	-	-	730,276
Total Current Assets	<u>10,182,610</u>	<u>1,177,074</u>	<u>7,165,366</u>	<u>4,891,671</u>
Noncurrent assets				
Capital assets				
Construction in progress	-	-	-	72,185
Machinery and equipment	-	322,870	-	31,885
Vehicles	-	-	-	12,510,608
Less: Accumulated depreciation	-	(19,384)	-	(6,986,485)
Total noncurrent assets	<u>-</u>	<u>303,486</u>	<u>-</u>	<u>5,628,193</u>
Total Assets	<u>10,182,610</u>	<u>1,480,560</u>	<u>7,165,366</u>	<u>10,519,864</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	7,514	35,695	76,919	156,820
Accrued expenses	6,841	11,200	11,104	33,476
Claims payable	734,141	-	1,400,188	-
Compensated absences	-	-	-	41,054
Total Current Liabilities	<u>748,496</u>	<u>46,895</u>	<u>1,488,211</u>	<u>231,350</u>
Non-Current Liabilities				
Compensated absences	-	-	-	123,161
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,161</u>
Total liabilities	<u>748,496</u>	<u>46,895</u>	<u>1,488,211</u>	<u>354,511</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	303,486	-	5,628,193
Unrestricted	9,434,114	1,130,179	5,677,155	4,537,160
<b>TOTAL NET POSITION</b>	<u>\$ 9,434,114</u>	<u>\$ 1,433,665</u>	<u>\$ 5,677,155</u>	<u>\$ 10,165,353</u>

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Totals

\$ 4,071,924  
17,518,276

29,006

1,890

920,000

145,349

730,276

23,416,721

72,185

354,755

12,510,608

(7,005,869)

5,931,679

29,348,400

276,948

62,621

2,134,329

41,054

2,514,952

123,161

123,161

2,638,113

5,931,679

20,778,608

\$ 26,710,287

## CITY OF MOLINE

### COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2012

	Health Insurance	Information Technology	Liability Insurance	Fleet
<b>OPERATING REVENUES</b>				
Charges for services	\$ 6,065,234	\$ 950,195	\$ 2,484,525	\$ 4,138,301
Fines, forfeitures and penalties	-	-	-	10,655
Miscellaneous	<u>70,029</u>	<u>6,134</u>	<u>1,522</u>	<u>30,299</u>
Total Operating Revenues	<u>6,135,263</u>	<u>956,329</u>	<u>2,486,047</u>	<u>4,179,255</u>
<b>OPERATING EXPENSES</b>				
Salaries	147,346	226,016	239,531	711,387
Employee benefits	39,760	92,348	96,848	251,266
Professional services	526,084	34,794	93,850	101,108
Property services	-	416,039	-	107,013
Other services	548	135,630	7,195	149,137
Supplies	8,041	100,020	1,133	1,427,978
Depreciation	-	4,739	-	918,670
Insurance claims and changes in reserves	<u>5,215,487</u>	<u>-</u>	<u>1,501,571</u>	<u>-</u>
Total Operating Expenses	<u>5,937,266</u>	<u>1,009,586</u>	<u>1,940,128</u>	<u>3,666,559</u>
Operating Income (Loss)	<u>197,997</u>	<u>(53,257)</u>	<u>545,919</u>	<u>512,696</u>
<b>NONOPERATING REVENUES</b>				
Investment income	23,618	1,241	18,331	5,190
Gain (loss) on sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,015</u>
Total Nonoperating Revenues	<u>23,618</u>	<u>1,241</u>	<u>18,331</u>	<u>186,205</u>
Income (Loss) Before Transfers	<u>221,615</u>	<u>(52,016)</u>	<u>564,250</u>	<u>698,901</u>
<b>TRANSFERS</b>				
Transfers in	31,430	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(31,430)</u>	<u>-</u>
Total Transfers	<u>31,430</u>	<u>-</u>	<u>(31,430)</u>	<u>-</u>
<b>Change in net position</b>	253,045	(52,016)	532,820	698,901
NET POSITION - Beginning of Year	<u>9,181,069</u>	<u>1,485,681</u>	<u>5,144,335</u>	<u>9,466,452</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 9,434,114</u>	<u>\$ 1,433,665</u>	<u>\$ 5,677,155</u>	<u>\$ 10,165,353</u>

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Totals

\$ 13,638,255  
10,655  
107,984  
13,756,894

1,324,280  
480,222  
755,836  
523,052  
292,510  
1,537,172  
923,409

6,717,058  
12,553,539

1,203,355

48,380  
181,015  
229,395

1,432,750

31,430  
(31,430)  
-

1,432,750

25,277,537

\$ 26,710,287

## CITY OF MOLINE

### COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2012

	Health Insurance	Information Technology	Liability Insurance	Fleet
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Received from customers	\$ 6,063,344	\$ 950,195	\$ 2,484,525	\$ 4,148,956
Paid to suppliers for goods and services	(5,765,321)	(719,230)	(1,691,580)	(2,459,918)
Paid to employees for services	(186,887)	(317,322)	(336,069)	(946,527)
Other receipts	70,029	6,134	1,522	30,299
Net Cash Flows From Operating Activities	<u>181,165</u>	<u>(80,223)</u>	<u>458,398</u>	<u>772,810</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investments sold and matured	(3,101,488)	98,759	(4,043,999)	(870,980)
Investment income	23,773	1,241	18,804	(20,030)
Net Cash Flows From Investing Activities	<u>(3,077,715)</u>	<u>100,000</u>	<u>(4,025,195)</u>	<u>(891,010)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	31,430	-	-	-
Transfers out	-	-	(31,430)	-
Proceeds from interfund accounts	1,739,794	-	2,790,486	274
Net Cash Flows From Noncapital Financing Activities	<u>1,771,224</u>	<u>-</u>	<u>2,759,056</u>	<u>274</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	-	(47,384)	-	(1,601,519)
Proceeds from sale of capital assets	-	-	-	343,429
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	<u>(47,384)</u>	<u>-</u>	<u>(1,258,090)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(1,125,326)	(27,607)	(807,741)	(1,376,016)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,125,328</u>	<u>53,198</u>	<u>2,854,072</u>	<u>1,376,016</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,000,002</u>	<u>\$ 25,591</u>	<u>\$ 2,046,331</u>	<u>\$ -</u>

Totals

\$ 13,647,020

(10,636,049)

(1,786,805)

107,984

1,332,150

(7,917,708)

23,788

(7,893,920)

31,430

(31,430)

4,530,554

4,530,554

(1,648,903)

343,429

(1,305,474)

(3,336,690)

7,408,614

\$ 4,071,924

**CITY OF MOLINE**

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2012

	<u>Health Insurance</u>	<u>Information Technology</u>	<u>Liability Insurance</u>	<u>Fleet</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 197,997	\$ (53,257)	\$ 545,919	\$ 512,696
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	-	4,739	-	918,670
Changes in assets and liabilities				
Due from other governments	(1,890)	-	-	-
Inventory	-	-	-	5,377
Prepaid items	-	-	-	(730,276)
Accounts payable	(332)	(32,747)	(83,357)	50,217
Accrued salaries	219	1,042	310	1,868
Claims payable	(14,829)	-	(4,474)	-
Compensated absences	-	-	-	14,258
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 181,165</u>	<u>\$ (80,223)</u>	<u>\$ 458,398</u>	<u>\$ 772,810</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
None				

Totals

\$ 1,203,355

923,409

(1,890)

5,377

(730,276)

(66,219)

3,439

(19,303)

14,258

\$ 1,332,150

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# CITY OF MOLINE

## Statistical Section Table of 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.

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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.	147 - 158
<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).	159 - 167
<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.	168 - 170
<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.	171 - 174
<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.	175 - 178

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year.

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# CITY OF MOLINE

## 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.

# CITY OF MOLINE

## Net Assets By Component Last Ten Fiscal Years (accrual basis of accounting) (Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 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 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>				
Net investment in capital assets	\$ 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 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>				
Net investment in capital assets	\$ 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 net assets</b>	<b>\$ 116,643,274</b>	<b>\$ 124,073,676</b>	<b>\$ 128,601,155</b>	<b>\$ 133,846,324</b>

		Fiscal Year									
		2007	2008	2009	2010	2011	2012				
\$	64,345,991	\$	62,717,995	\$	67,051,552	\$	60,561,906	\$	64,773,235	\$	64,794,955
	3,825,048		3,497,820		3,226,583		3,178,920		10,947,408		9,797,845
	(7,485,636)		(6,248,183)		(4,691,148)		5,848,804		(4,605,803)		3,014,315
\$	60,685,403	\$	59,967,632	\$	65,586,987	\$	69,589,630	\$	71,114,840	\$	77,607,115
\$	61,300,888	\$	63,358,764	\$	63,346,784	\$	68,733,516	\$	66,540,179	\$	67,397,675
	3,212,217		3,223,930		2,907,993		2,962,455		-		-
	12,044,541		12,242,148		12,966,157		8,998,712		15,611,201		20,509,107
\$	76,557,646	\$	78,824,842	\$	79,220,934	\$	80,694,683	\$	82,151,380	\$	87,906,782
\$	125,646,879	\$	126,076,759	\$	130,479,024	\$	129,295,422	\$	131,313,414	\$	132,192,630
	7,037,265		6,721,750		6,134,576		6,141,375		10,947,408		9,797,845
	4,558,905		5,993,965		8,194,321		14,847,516		11,005,398		23,523,422
\$	137,243,049	\$	138,792,474	\$	144,807,921	\$	150,284,313	\$	153,266,220	\$	165,513,897

# CITY OF MOLINE

## Changes In Net Position Last Ten Fiscal Years (accrual basis of accounting) (Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
<b>Expenses:</b>				
<b>Governmental activities:</b>				
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>
<b>Business-type activities:</b>				
Water	4,982,739	5,623,684	6,004,057	6,782,301
Water pollution control	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>
<b>Program revenue:</b>				
<b>Governmental activities:</b>				
<b>Charges for services:</b>				
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
<b>Operating grants and contributions:</b>				
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
<b>Capital grants and contributions</b>				
	-	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>
<b>Business-type activities:</b>				
<b>Charges for services:</b>				
Water	6,550,490	6,422,726	7,011,133	7,160,628
Water pollution control	4,973,268	4,758,667	4,871,104	5,398,128
Stormwater	823,812	760,162	1,041,674	1,091,219
Curbside	-	-	-	-
<b>Operating grants and contributions, stormwater</b>				
	-	-	-	-
<b>Capital grants and contributions:</b>				
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>
<b>Net (expense) revenue:</b>				
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		2012		
\$	2,861,969	\$	1,954,577	\$	2,497,892	\$	2,573,283	\$	3,048,061	\$	4,678,673	
	21,505,184		24,551,936		23,770,749		25,475,065		23,931,072		26,453,904	
	16,514,727		16,002,231		12,760,178		13,289,803		14,854,483		13,100,178	
	-		-		-		-		-		-	
	5,080,793		7,368,010		4,238,506		4,366,582		12,199,242		5,703,904	
	3,983,659		4,759,742		2,154,698		2,499,745		2,290,352		4,289,430	
	3,185,328		3,267,811		3,000,735		3,119,042		4,296,255		3,122,944	
	3,766,018		3,998,121		3,810,629		3,585,046		3,367,407		3,159,415	
	56,897,678		61,902,428		52,233,387		54,908,566		63,986,872		60,508,448	
	6,897,268		6,994,231		6,762,061		7,664,423		6,931,688		6,692,550	
	5,647,112		5,633,636		5,992,480		6,091,218		5,874,480		5,793,013	
	837,297		954,319		900,169		908,505		873,083		817,808	
	-		357,248		485,115		439,393		-		-	
	13,381,677		13,939,434		14,139,825		15,103,539		13,679,251		13,303,371	
	70,279,355		75,841,862		66,373,212		70,012,105		77,666,123		73,811,819	
	3,780,916		3,499,674		1,591,131		1,605,665		1,663,452		4,249,059	
	1,694,783		1,839,004		1,666,990		1,654,274		1,692,816		1,839,572	
	29,050		26,080		28,245		47,963		869,270		1,437,251	
	29,050		980,325		1,844,984		840,736		890,973		1,069,280	
	965,790		-		-		-		-		-	
	627,459		814,418		663,845		870,273		694,276		796,596	
	76,241		79,335		86,953		85,210		88,446		89,585	
	459,185		151,569		573,760		457,079		452,430		279,108	
	644,216		1,629,770		794,497		497,248		583,974		664,619	
	1,349,795		1,250,500		1,210,507		1,321,750		1,375,564		1,508,724	
	1,863,312		1,989,553		2,138,597		1,653,434		5,791,971		1,352,034	
	220,367		280,410		237,227		43,089		53,200		37,464	
	111,747		71,400		25,743		41,468		85,658		53,756	
	53,550		52,990		52,951		44,692		44,790		44,592	
	11,905,481		12,665,028		10,915,430		9,162,881		14,286,820		13,421,640	
	7,006,038		7,296,886		7,152,112		7,300,576		7,124,628		9,058,944	
	5,365,875		5,797,693		5,737,278		6,445,526		7,016,140		8,939,213	
	1,012,055		1,004,611		990,071		965,327		998,088		1,031,616	
	-		357,049		475,202		476,870		-		-	
	-		133,458		-		-		-		-	
	118,275		1,042,382		89,300		1,116,318		-		-	
	54,000		238,015		-		231,500		-		-	
	-		68,777		-		-		-		-	
	13,556,243		15,938,871		14,443,963		16,536,117		15,138,856		19,029,773	
	25,461,724		28,603,899		25,359,393		25,698,998		29,425,676		32,451,413	
	(44,992,197)		(49,237,400)		(41,317,957)		(45,745,685)		(49,700,052)		(47,086,808)	
	174,566		1,999,437		304,138		1,432,578		1,459,605		5,726,402	
	(44,817,631)		(47,237,963)		(41,013,819)		(44,313,107)		(48,240,447)		(41,360,406)	

# CITY OF MOLINE

## Changes In Net Assets (Continued) Last Ten Fiscal Years (accrual basis of accounting) (Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
General revenues and other changes in net position:				
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 position:				
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>

							Fiscal Year					
							2007	2008	2009	2010	2011	2012
\$	16,360,726	\$	17,543,384	\$	18,117,131	\$	17,855,293	\$	17,830,538	\$	19,018,508	
	10,329,548		10,180,790		9,975,304		10,989,828		10,683,518		10,557,865	
	6,658,480		6,611,526		6,219,676		7,844,608		8,207,285		8,153,477	
	3,907,201		4,138,395		3,557,485		2,857,866		3,108,624		2,947,521	
	2,720,044		2,508,904		2,281,414		2,398,869		2,245,652		2,169,704	
	1,155,277		1,267,206		1,144,394		1,205,644		1,269,800		1,302,793	
	2,004,746		1,803,392		1,804,182		2,636,109		4,260,755		5,331,484	
	2,340,998		2,340,621		2,284,129		2,257,915		2,305,142		2,408,460	
	1,609,674		1,096,194		492,259		402,708		543,568		541,203	
	608,990		1,032,666		1,061,338		1,227,715		741,666		1,148,068	
	-		-		-		-		-		-	
	-		(3,449)		-		-		28,714		-	
	47,695,684		48,519,629		46,937,312		49,676,555		51,225,262		53,579,083	
	546,228		260,931		86,482		35,068		15,132		18,814	
	1,494		3,379		5,472		6,103		10,674		10,186	
	-		3,449		-		-		(28,714)		-	
	547,722		267,759		91,954		41,171		(2,908)		29,000	
	48,243,406		48,787,388		47,029,266		49,717,726		51,222,354		53,608,083	
	2,674,437		(717,771)		5,619,355		3,930,870		1,525,210		6,492,275	
	722,288		2,267,196		396,092		1,473,749		1,456,697		5,755,402	
\$	3,396,725	\$	1,549,425	\$	6,015,447	\$	5,404,619	\$	2,981,907	\$	12,247,677	

# CITY OF MOLINE

## Program Revenues by Function/Program Last Ten 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>	9,730,914	10,241,696	10,312,941	10,964,711
<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>	13,436,970	12,507,255	13,487,936	13,892,675
<b>Total government</b>	\$ 23,167,884	\$ 22,748,951	\$ 23,800,877	\$ 24,857,386

		Fiscal Year									
		2007	2008	2009	2010	2011	2012				
\$	4,240,101	\$	3,651,243	\$	2,164,891	\$	2,062,744	\$	2,115,882	\$	4,528,167
	2,338,999		3,468,774		2,461,487		2,151,522		2,276,790		2,504,191
	1,378,845		1,276,580		1,238,752		1,369,713		2,244,834		2,945,975
	-		-		-		-		-		-
	2,829,102		2,969,878		3,983,581		2,494,170		6,682,944		2,421,314
	847,846		1,094,828		901,072		913,362		747,476		834,060
	241,538		203,725		165,647		171,370		218,894		187,933
	11,876,431		12,665,028		10,915,430		9,162,881		14,286,820		13,421,640
	7,124,313		8,339,268		7,241,412		8,416,894		7,124,628		9,058,944
	5,419,875		6,035,708		5,737,278		6,677,026		7,016,140		8,939,213
	1,012,055		1,206,846		990,071		965,327		998,088		1,031,616
	-		357,049		475,202		476,870		-		-
	13,556,243		15,938,871		14,443,963		16,536,117		15,138,856		19,029,773
\$	25,432,674	\$	28,603,899	\$	25,359,393	\$	25,698,998	\$	29,425,676	\$	32,451,413

# CITY OF MOLINE

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

	2003	2004	2005	2006
<b>General Fund:</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	560,667	418,905	1,900,545	1,285,780
Unreserved	5,183,303	7,139,319	8,550,898	10,712,344
<b>Total General Fund</b>	<b>\$ 5,743,970</b>	<b>\$ 7,558,224</b>	<b>\$ 10,451,443</b>	<b>\$ 11,998,124</b>
<b>All Other Governmental Funds:</b>				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	367,823	513,728	466,666	444,632
Unreserved, reported in:				
Special revenue funds	17,678,737	13,191,859	5,426,427	3,362,616
Debt service funds	-	-	-	-
Capital projects funds	5,694,311	26,346,262	16,106,163	6,667,527
<b>Total all other government funds</b>	<b>\$ 23,740,871</b>	<b>\$ 40,051,849</b>	<b>\$ 21,999,256</b>	<b>\$ 10,474,775</b>

		Fiscal Year							
		2007	2008	2009	2010	2011	2012		
\$	-	\$	-	\$	-	\$	4,031,322	\$	4,884,461
	-		-		-		345,609		386,631
	-		-		-		-		-
	-		-		-		-		-
	-		-		-		10,635,397		12,857,666
	2,750,421		2,709,469		2,856,481		3,800,315		-
	12,077,644		12,174,488		11,542,429		10,308,466		-
\$	14,828,065	\$	14,883,957	\$	14,398,910	\$	14,108,781	\$	15,012,328
\$	-	\$	-	\$	-	\$	-	\$	527,840
	-		-		-		-		10,956,793
	-		-		-		-		2,034,819
	-		-		-		-		45,054
	-		-		-		-		(12,654,569)
	7,901,321		7,608,107		7,549,677		8,579,975		-
	2,465,248		(634,396)		(2,787,027)		(3,630,630)		-
	20,328		52,134		98,559		(6,957,917)		-
	3,783,994		4,313,832		2,919,023		2,345,314		-
\$	14,170,891	\$	11,339,677	\$	7,780,232	\$	336,742	\$	909,937
									4,002,728

# CITY OF MOLINE

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

	2003	2004	2005	2006
<b>Revenues:</b>				
Taxes	\$ 34,800,907	\$ 38,045,313	\$ 40,270,996	\$ 42,980,668
Intergovernmental	3,649,017	4,258,967	3,662,658	3,638,524
Licenses and permits	732,376	794,251	712,554	816,825
Charges for services	3,180,550	3,896,065	4,409,463	4,746,186
Fines and forfeitures	639,036	575,735	582,172	590,372
Use of money and property	584,478	987,973	1,300,660	951,980
Other	822,864	824,945	854,407	1,632,919
<b>Total revenues</b>	44,409,228	49,383,249	51,792,910	55,357,474
<b>Expenditures:</b>				
General government	6,779,073	3,440,785	3,515,200	3,594,313
Public safety	14,711,281	18,397,804	18,902,065	20,188,107
Public Works	4,054,318	7,727,005	8,263,695	9,951,054
Cemetery	331,651	368,895	370,523	-
Economic development	6,516,083	2,702,909	5,926,299	3,697,966
Culture and recreation	2,606,774	2,934,220	3,502,092	3,580,364
Library	2,046,722	2,169,779	2,217,779	2,548,700
Capital outlay	7,927,017	19,978,161	21,667,821	15,078,131
<b>Debt service:</b>				
Principal	1,936,154	1,686,643	2,615,004	2,777,409
Interest	2,136,471	3,080,666	4,009,943	3,955,433
Bond Issuance Cost	-	-	-	-
<b>Total expenditures</b>	49,045,544	62,486,867	70,990,421	65,371,477
<b>Excess of revenues (under) expenditures</b>	(4,636,316)	(13,103,618)	(19,197,511)	(10,014,003)
<b>Other financing sources (uses):</b>				
Transfers in	2,085,280	2,740,410	3,978,854	8,777,961
Transfers out	(2,085,280)	(2,740,410)	(3,978,854)	(8,777,961)
Issuance of long-term debt	20,963,978	31,525,000	3,639,431	-
Proceeds of refunding bonds	(139,669)	(307,946)	398,706	-
Payment to refunded bond escrow agent	96,462	-	-	-
Premium (discount) on long-term debt	(6,279,656)	-	-	-
Capital contributions	189,903	-	-	-
Proceeds from sale of property	-	11,796	-	-
<b>Total other financing sources (uses)</b>	14,831,018	31,228,850	4,038,137	-
<b>Net changes in fund balance</b>	\$ 10,194,702	\$ 18,125,232	\$ (15,159,374)	\$ (10,014,003)
Debt service as a percentage of noncapital expenditures	8.3%	7.6%	9.3%	10.3%

		Fiscal Year									
		2007	2008	2009	2010	2011	2012				
\$	45,411,222	\$	46,551,605	\$	45,345,529	\$	47,227,867	\$	49,609,256	\$	53,047,052
	3,852,527		5,108,216		3,975,090		4,147,311		6,456,009		5,144,976
	810,858		841,424		731,901		778,997		826,474		928,845
	5,208,113		5,202,252		4,984,534		5,555,656		6,403,824		7,132,019
	549,508		569,627		485,287		418,879		446,250		378,304
	1,207,368		691,364		364,195		375,638		538,976		563,323
	1,126,523		1,331,191		1,702,510		1,553,127		1,155,557		1,566,666
	58,166,119		60,295,679		57,589,046		60,057,475		65,436,346		68,761,185
	3,887,576		3,600,975		3,329,074		2,882,614		2,828,944		2,629,173
	20,947,310		23,620,556		23,189,309		24,564,811		25,130,024		25,545,707
	9,665,799		10,924,327		9,851,889		10,139,948		11,126,862		10,637,878
	-		-		-		-		-		-
	4,176,988		4,710,934		4,293,106		4,024,389		12,254,178		5,496,553
	3,316,175		3,874,815		3,590,174		3,647,417		3,526,436		3,676,577
	2,906,180		3,001,445		2,869,311		2,890,066		3,026,917		2,911,431
	7,556,706		5,050,853		5,620,897		4,527,110		6,373,438		7,472,975
	3,905,983		4,425,625		5,261,295		11,769,437		4,272,034		9,226,854
	3,614,144		3,854,973		3,693,859		3,465,664		3,384,968		2,484,662
	209,503		-		-		-		293,732		560,987
	60,186,364		63,064,503		61,698,914		67,911,456		72,217,533		70,642,797
	(2,020,245)		(2,768,824)		(4,109,868)		(7,853,981)		(6,781,187)		(1,881,612)
	10,007,781		7,255,943		9,093,663		8,085,837		8,095,594		7,199,789
	(10,007,781)		(7,262,679)		(9,093,663)		(8,085,837)		(8,066,880)		(7,199,789)
	17,550,000		-		-		-		16,820,000		36,522,224
	-		-		-		-		-		-
	(9,733,353)		-		-		-		(9,862,838)		(30,767,495)
	(86,826)		-		-		-		831,053		2,305,855
	-		-		-		-		-		-
	816,481		238		65,376		120,362		441,000		30,249
	8,546,302		(6,498)		65,376		120,362		8,257,929		8,090,833
\$	6,526,057	\$	(2,775,322)	\$	(4,044,492)	\$	(7,733,619)	\$	1,476,742	\$	6,209,221
	13.6%		14.6%		16.0%		23.8%		11.7%		18.3%

# CITY OF MOLINE

## 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
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
2011	17,830,538	8,234,104	10,405,678	3,108,624	2,245,652
2012	19,018,508	8,139,735	10,511,516	4,174,189	2,170,042
<b>Change</b> 2003-2012	28.55%	43.32%	16.33%	30.76%	32.30%

Source: City records.

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	Hotel/Motel Tax	Other Taxes	Franchise Taxes	Utility Tax	Total
\$	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	2,691,106	2,257,915	379,154	47,227,867
	1,269,800	2,372,374	2,305,142	1,837,344	49,609,256
	1,302,793	2,475,912	2,408,460	2,846,235	50,201,155
	46.67%	100.00%	100.00%	100.00%	36.15%

# CITY OF MOLINE

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

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Fiscal Year	Residential Property	Commercial Property	Industrial Property	Farm Property
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
2011	589,965,771	281,611,805	14,525,856	116,862
2012	576,260,657	277,070,521	14,176,933	104,868

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 Property	Total Assessed Value	Percent Growth	Total Direct Tax Rate	Total Taxable Assessed Value
\$ 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
659,658	886,879,952	-0.06%	1.9744	743,947,252
716,481	868,329,460	-2.09%	2.0268	724,014,627

# CITY OF MOLINE

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

Tax Year Levied	City Direct Rates						
	General Fund	Fire Pension Fund	Police Pension Fund	Illinois Municipal Retirement Fund	Capital Improvement Fund	Park and Recreation Fund	Library Fund
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	0.307	0.1966	0	0.3494	0.3572
2011	0.0304	0.4044	0.4136	0.235	0	0.3512	0.359

**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.

Overlapping Rates

Social Security	Total Direct	School District	Rock Island County	Moline Township	Forest Preserve	Airport Authority	Metro Transit	Black Hawk Community College
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
0.181	1.9324	5.0584	0.8574	0.2096	0	0.0734	0.1822	0.5324
0.1808	1.9744	5.06	0.8684	0.2146	0	0.075	0.1872	0.5369

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# CITY OF MOLINE

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Southpark Mall	\$12,415,425	1	1.71%	\$ 21,484,436	1	3.36%
Kone Towers	\$5,362,961	2	0.74%			
United Healthcare	\$4,058,804	3	0.56%			
Deere & Company	\$3,989,863	4	0.55%	10,443,502	2	1.64%
Walmart	\$3,652,322	5	0.50%	3,105,651	4	0.49%
Hiland Toyota	\$3,096,115	6	0.43%			
Trinity Medical Center	\$3,080,769	7	0.43%	2,504,943	5	0.39%
Heritage Plaza	\$3,062,784	8	0.42%	3,268,608	3	0.51%
Radisson/TGIF	\$2,820,654	9	0.39%			
City Line Plaza	\$2,805,199	10	0.39%			
Lowes				2,214,326	8	0.35%
Holiday Inn				2,245,622	7	0.35%
Ryan Property (Apartments)				2,454,569	6	0.38%
King Plaza				2,170,060	9	0.34%
Caxton				2,046,715	10	0.32%
<b>Total</b>	<b>\$ 44,344,896</b>		<b>6.12%</b>	<b>\$ 51,938,432</b>		<b>8.13%</b>
<b>Total Taxable EAV</b>	<b>\$724,014,627</b>			<b>\$638,548,553</b>		

Source: Rock Island County Assessor's Office

# CITY OF MOLINE

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

Fiscal Year Ended:	Tax Year	Taxes Levied for the Tax Year	Collected Within the Fiscal Year of the Levy	
			Amount	Percentage of Levy
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%
2011	2010	14,351,000	14,323,438	99.81%
2012	2011	14,684,000	14,658,100	99.82%

Source: Rock Island County Auditor

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Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy
\$ 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	99.72%
17,660	14,341,098	99.93%
-	14,658,100	99.82%

# CITY OF MOLINE

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

Fiscal Year	Governmental Activities		Net General Bonded Debt	Percentage of Actual Property Value	Debt Per Capita
	General Obligation Bonds	Less Amount Available in Debt Service			
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
2011	65,604,915	1,100,634	64,504,281	7.27%	1,483
2012	64,926,541	495,201	64,431,340	8.90%	1,482

**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							
Loan Payable	General Obligation Bonds	Revenue Bonds	Total Primary Government	Percentage of Per Capita Income	Per Capita		
\$ -	\$ 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	9.70%	2,549.79		
10,954,967	11,161,625	-	96,934,967	8.43%	2,214.75		
10,466,111	10,687,629	-	111,346,111	9.68%	2,544.01		
9,964,091	10,200,012	-	98,494,091	8.56%	2,250.37		
9,448,553	9,700,153	-	92,728,553	8.06%	2,118.64		
10,911,830	9,278,052	-	82,506,831	7.02%	1,887.45		
10,251,155	8,725,087	-	83,480,523	7.11%	1,919.84		
9,570,994	7,828,459	-	81,830,793	N/A	1,881.95		

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# CITY OF MOLINE

## Direct and Overlapping Governmental Activities Debt For the Year Ended December 31, 2012 (Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
East Moline School District Number 37	\$ 4,923,410	3.81%	\$ 187,582
United Township High School District Number 30	1,825,000	2.77%	50,553
Moline School District Number 40	25,730,620	86.99%	22,383,066
Blackhawk Community College District Number 503	17,740,000	21.18%	3,757,332
Rock Island County	25,400,000	31.03%	7,881,620
Rock Island County Forest Preserve	4,255,000	31.03%	1,320,327
Metropolitan Mass Transit Authority	9,765,000	44.44%	4,339,566
Metropolitan Airport Authority	24,585,000	39.19%	9,634,862
<b>Subtotal, overlapping debt</b>	114,224,030		49,554,907
City Direct Debt	65,505,067	100.00%	65,505,067
<b>Total direct and overlapping debt</b>	179,729,097		<b>\$ 115,059,974</b>

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

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

Fiscal Year Ended December 31	Population (1)	Median Household Income(2)	Personal Income (2)	Per Capita Income (2)	Unemployment Rate (3)
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	45,052	1,150,179,272	26,279	8.5%
2010	43,483	45,052	1,165,692,284	26,808	9.1%
2011	43,483	45,052	1,173,332,544	26,984	8.1%
2012	43,483	N/A	N/A	N/A	8.8%

**Sources:**

- (1) Estimates are based on actual census data for 2000 and 2010
- (2) U.S. Census Bureau, 2009-2011 American Community Survey
- (3) Illinois Department of Employment Security

# CITY OF MOLINE

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

Employer	2012			2003		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Deere & Company	1,785	1	2.51%	6,470	1	8.74%
Moline Schools	1,400	2	1.97%	1,042	2	1.41%
Black Hawk College	800	3	1.12%	899	4	1.21%
John Deere Seeding Group	600	4	0.84%			
City of Moline	431	5	0.61%	405	8	0.55%
I Wireless	400	6	0.56%	480	6	0.65%
Wal-Mart	380	7	0.53%	475	7	0.64%
Kone	350	8	0.49%	900	3	1.22%
Moline Dispatch Publishing	300	9	0.42%	350	9	0.47%
John Deere Harvester Works	280	10	0.39%			
Eagle Foods				644	5	0.87%
McLaughlin Body				300	10	0.41%

Sources: City of Moline Official Statement

# CITY OF MOLINE

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

Functions/Program	Full-Time Equivalent Employees as of December 31			
	2012	2011	2010	2009
<b>General Government:</b>				
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	1.48
Information Technology	4.00	4.00	0.00	
Health Benefits	2.44	2.44	2.19	2.19
Liability Insurance	3.08	3.08	3.13	3.13
Public Information	0.00	0.00	0.00	0.00
Planning	4.38	4.33	10.90	10.60
GIS	0.00	0.00	0.00	0.00
Economic Development	0.00	0.00	0.00	1.30
Code Compliance	5.15	5.10	6.00	6.00
Community Development	5.85	6.65	0.00	
TIF	1.77	2.07	0.00	0.00
Finance	10.50	10.50	10.00	10.00
Law	5.00	4.95	9.30	11.30
Parks and Recreation:	8.00	8.00	8.00	8.00
<b>Police:</b>				
Officers	83.00	82.00	83.00	83.00
Civilians	42.00	45.00	46.00	49.00
<b>Fire:</b>				
Firefighters and Officers	62.00	68.00	69.00	70.00
Civilians	1.00	0.50	1.00	1.00
<b>Public Works:</b>				
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	9.22	10.42
Engineering	13.70	10.80	11.00	12.00
Traffic Signal	1.00	1.00	1.00	1.00
Streets	21.54	21.54	22.54	23.04
Sanitation	8.34	8.34	8.34	8.64
Park Maintenance	11.00	11.00	12.00	12.00
Fleet	10.90	10.90	9.90	10.90
<b>Water:</b>				
Administration	2.25	1.75	2.25	2.75
Water Plant	14.00	14.00	14.00	14.00
Distribution	12.50	13.50	12.50	12.50
Metering	3.50	2.00	4.00	4.00
<b>Water Pollution Control:</b>				
Administration	2.25	1.75	2.25	1.92
North Slope	7.50	7.50	7.50	7.17
South Slope	10.50	10.50	10.50	11.00
Sewer Maintenance	7.80	8.30	8.30	8.30
Regional	0.20	0.20	0.20	0.20
Stormwater	2.15	2.10	2.00	2.00
Library	28.00	28.00	28.00	29.00
<b>Total</b>	421.00	426.00	431.00	443.33

Source: City Personnel Department

Full-Time Equivalent Employees as of December 31

2008	2007	2006	2005	2004	2003
10.00	10.00	10.25	10.25	10.25	10.25
2.00	2.00	1.75	1.75	1.65	1.65
1.40	1.40	1.40	1.30	1.30	1.30
	4.44	3.00	3.10	3.10	3.10
1.85	2.00	2.00	0.60	0.25	0.25
3.25	3.25	3.25	3.75	3.55	3.55
0.00	0.00	1.00	1.00	1.00	1.00
3.65	3.75	3.75	3.85	4.15	4.30
0.00	0.00	0.33	0.00	0.00	0.00
1.50	0.50	0.50	0.50	0.40	1.10
6.00	6.00	6.60	6.00	6.30	6.30
3.25	2.65	2.65	3.05	4.15	4.15
1.50	1.50	1.50	1.50	2.00	1.10
11.00	12.00	12.00	12.00	12.00	12.00
12.60	4.85	3.15	3.45	3.45	3.45
10.00	10.00	10.00	10.00	10.00	13.35
83.00	82.00	82.00	82.00	82.00	82.00
50.00	53.00	54.00	57.00	57.00	53.00
70.00	70.00	70.00	71.00	71.00	71.00
1.00	1.00	1.00	1.00	1.00	1.00
1.00	1.00	1.00	1.00	1.00	0.00
2.50	2.50	2.50	2.50	2.50	2.50
10.42	10.50	7.50	7.50	7.50	7.30
12.00	15.00	15.00	15.10	16.67	10.00
1.00	1.00	1.00	1.00	1.00	1.00
23.04	22.70	22.70	22.70	22.70	2.20
8.64	9.30	13.30	13.30	13.30	13.00
11.00	11.00	11.00	11.00	11.00	9.00
11.90	11.50	11.50	11.50	9.50	10.50
2.75	3.08	3.08	3.25	3.25	3.25
14.00	14.00	15.00	15.00	15.00	15.00
12.50	12.50	10.50	10.50	10.50	10.50
4.00	4.00	5.00	5.00	5.00	5.00
2.25	2.58	2.58	2.75	2.75	2.75
7.50	7.50	7.50	7.50	7.50	7.50
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	2.00	1.90	0.33	0.00
30.00	30.00	30.00	28.00	28.00	28.00
448.00	450.00	450.79	452.10	451.55	420.85

# CITY OF MOLINE

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

Function/Program	Calendar Year			
	2003	2004	2005	2006
<b>Police:</b>				
Calls for service	62,353	56,150	53,178	56,071
Adult arrest - Misdemeanor and Felony	2,068	1,884	1,732	1,880
Adult arrest - City Ordinance	685	543	429	496
Juvenile arrest - Misdemeanor and Felony	316	267	283	280
Juvenile arrest - City Ordinance	829	871	761	808
Traffic citations (includes speeding citations)	7,477	8,169	7,809	7,094
<b>Fire:</b>				
Total fire runs	1118	1,098	1,098	1,013
Total ambulance runs	2956	3,063	3,063	3,345
Property Value Saved	\$ 7,393,500	\$ 2,322,500	2,322,500 \$	7,328,400
Property Value Loss	\$ 792,250	\$ 521,000	521,000 \$	2,051,750
ISO Rating	3	3	3	3
<b>Building safety:</b>				
Total building permits	3221	3,826	3,722	3,559
Total value all permits	\$53,355,809	\$ 76,571,179	\$ 87,267,044	\$ 78,587,632
<b>Library:</b>				
Number of Materials Loaned	447,215	447,215	447,215	397,327
Gate Count	238,416	238,416	238,416	285,605
Number of Registered Borrowers	25,625	25,625	25,625	24,059
<b>Public Works:</b>				
Solid Waste Collected (tons)	17,441	18,464	17,619	17,149
Recycle collected (ton)	2,577	3,467	2,971	3,391

Source: City Departments

Calendar Year						
2007	2008	2009	2010	2011	2012	
57,143	58,965	59,138	55,821	55,842	58,583	
1,999	2,448	2,432	1,941	2,968	1,802	
392	494	439	248	255	216	
136	267	210	257	363	265	
759	675	510	599	578	513	
8,724	10,674	9,579	8,508	7,023	6,995	
1,151	1,940	1,287	1,330	1,163	1,384	
3,741	4,306	4,175	4,257	4,331	4,314	
\$ 16,231,450	\$ 1,715,500	\$ 26,333,350	\$ 6,616,750	\$ 21,326,050	\$ 13,733,400	
\$ 1,868,150	\$ 234,000	\$ 723,800	\$ 511,600	\$ 640,701	\$ 623,600	
3	3	3	3	3	3	
4,177	4,164	4,072	3,180	3,442	2,178	
\$ 73,677,247	\$ 68,625,974	\$ 40,006,035	\$ 25,693,988	\$ 62,381,967	\$ 71,385,111	
498,703	510,998	525,678	501,661	459,559	428,944	
373,562	315,775	337,152	331,727	306,239	303,226	
26,123	27,640	21,218	25,255	25,425	24,095	
15,964	14,250	13,985	15,275	13,155	14,032	
3,166	3,500	2,273	4,947	2,169	2,509	

# CITY OF MOLINE

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

Function/Program	2003	2004	2005	2006
<b>Police:</b>				
Stations	1	1	1	1
Sub Stations	3	3	3	3
<b>Fire, Fire Stations</b>	4	4	4	4
<b>Public Works:</b>				
Collection Trucks	7	7	7	7
Streets (Miles)	214	214	214	214
Traffic Signals	101	102	102	102
<b>Parks &amp; Recreation:</b>				
Park Acreage	698	698	698	698
Parks	22	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	186,518	186,518	186,518	183,261
<b>Water:</b>				
Watermain (miles)	207	207	207	207
Water Customers Served	17,055	17,055	17,055	17,055
Storage Capacity (MGPD)	8.1	8.1	8.0	8.0
Average Daily Consumption (MGPD)	5.5	5.2	5.4	5.2
Peak Consumption (MGPD)	8.6	8.8	7.7	9.3
Treatment Plants	1	1	1	1
Watermain Breaks	52	32	72	38
<b>Wastewater:</b>				
<b>Sewer</b>				
Sanitary Sewers (miles)	190	190	190	190
Sewer Customers Served	16,466	16,466	16,466	16,466
Pump Stations	14	14	14	14
Treatment Plants	2	2	2	2

Source: City Departments

	2007	2008	2009	2010	2011	2012
	1	1	1	1	1	1
	3	4	4	4	4	4
	4	4	4	4	4	4
	7	7	7	7	7	7
	214	214	218	218	218	220
	102	102	103	104	104	105
	698	698	608	608	608	610
	22	22	22	22	22	23
	112	112	110	110	110	110
	11	11	11	11	11	11
	1	1	1	1	1	1
	2	2	1	1	1	1
	199,597	200,603	205,000	211,856	259,869	211,438
	228	230	207	234	236	237
	16,722	16,761	17,055	16,588	16,710	17,192
	9.1	9.1	8.0	9.1	9.1	9.1
	5.3	5.2	5.2	5.0	5.0	5.0
	7.3	6.7	9.3	6.6	7.7	8.3
	1	1	1	1	1	1
	45	48	47	55	48	59
	190	190	190	204	206	208
	16,466	16,466	16,466	16,640	16,640	16,799
	14	14	14	14	14	14
	2	2	2	2	2	2

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**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**

**INDEPENDENT AUDITORS' REPORT**

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

We have audited, 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, 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, 2012 and the related notes to the financial statements, which collectively comprise the City of Moline's basic financial statements, and have issued our report thereon dated June 12, 2013.

***Internal Control Over Financial Reporting***

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. This material weakness is item 2012-01.

Honorable Mayor and  
Members of the City Council

***Compliance and Other Matters***

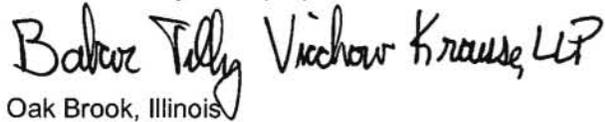
As part of obtaining reasonable assurance about whether the City of Moline's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 the City of Moline in a separate letter dated June 12, 2013.

The City of Moline's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City of Moline's responses and, accordingly, we express no opinion on the response.

***Purpose of this Report***

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



Oak Brook, Illinois  
June 12, 2013

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITORS' REPORT

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

***Report on Compliance for Each Major Federal Program***

We have audited the City of Moline, Illinois' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Moline's major federal programs for the year ended December 31, 2012. The City of Moline's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

Honorable Mayor and  
Members of the City Council

***Opinion on Each Major Federal Program***

In our opinion, the City of Moline complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

***Report on Internal Control Over Compliance***

Management of the City of Moline is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Moline's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Moline's 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 a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

***Purpose of this Report***

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

Honorable Mayor and  
Members of the City Council

***Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133***

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, 2012 and the related notes to the financial statements, which collectively comprise the City of Moline's basic financial statements. We issued our report thereon dated June 12, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Barbara Tully Viechow Krause, LLP*

Oak Brook, Illinois  
June 12, 2013

**CITY OF MOLINE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2012**

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Grant Number	Expenditures
<b>U.S. Department of Housing and Urban Development:</b>			
<i>Direct:</i>			
Community Development Block Grant (M)	14.218	B-12-MC-17-0014	\$ 727,521
Lead Hazard Control in Privately-Owned Housing (ARRA) (M)	14.907	ILLHB043008	209,184
<i>Subtotal Direct:</i>			<u>936,705</u>
<i>Passed through the Rock Island Economic Growth Corp</i>			
NSP2 (ARRA) (M)	14.256	B-09-CN-IL-0027	681,414
<i>Subtotal passed through Rock Island Economic Growth Corp:</i>			<u>681,414</u>
<i>Passed through Illinois Housing Development Authority</i>			
2011 Homebuyer Assistance Program	14.239	SHB-50438	83,122
2010 Small Rental Properties	14.239	HS-50206	164,101
2010 Single Family Owner Occupied Rehabilitation	14.239	HO-50221	132,341
2012 Single Family Owner Occupied Rehabilitation	14.239	HO-50532	<u>16,302</u>
Subtotal Home Investment Partnerships Program:			<u>395,866</u>
<i>Subtotal passed through Illinois Housing Development Authority:</i>			<u>395,866</u>
<b>Total U.S. Department of Housing and Urban Development:</b>			<u><u>\$ 2,013,985</u></u>
<b>U.S. Department of Justice (Direct):</b>			
2012 Edward Byrne Memorial Justice Assistance Grant	16.738	2012-H1369-IL-DJ	\$ 34,127
2012 Bulletproof Vest Partnership Program	16.607	N/A	1,810
<b>Total U.S. Department of Justice:</b>			<u><u>\$ 35,937</u></u>

**CITY OF MOLINE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2012**

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Grant Number	Expenditures
<b>US Department of Homeland Security</b>			
<i>(Passed through Illinois Emergency Management Agency)</i>			
Homeland Security Grant Program	97.067	2003 SHSGP	\$ 3,796
FEMA Port Security Grant	97.056	EMW-2011-PU-APP-00257	194,999
<i>Subtotal passed through Illinois Emergency Management Agency:</i>			<u>198,795</u>
<b>Total U.S. Department of Homeland Security:</b>			<u>\$ 198,795</u>
<b>Federal Highway Administration (Direct)</b>			
Illinois Highway Planning & Research Program	20.205	SPR-PL-3000(46)	\$ 10,920
State and Community Highway Safety	20.600	AL-13-275	5,031
<b>Total Federal Highway Administration:</b>			<u>\$ 15,951</u>
<b>Total expenditures of federal awards</b>			<u>\$ 2,264,668</u>

(M) - Denotes Major Program

# CITY OF MOLINE

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2012

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### NOTE 1 – REPORTING ENTITY

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This Report on Federal Awards includes the federal awards of the City of Moline, Illinois. The reporting entity for the City is based upon criteria established by the Governmental Accounting Standards Board.

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### NOTE 2 – BASIS OF PRESENTATION

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The accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*.

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### NOTE 3 – SUBRECIPIENTS

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

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grant (CDBG)	14.218	\$ 33,571
ARRA – Lead Hazard Control Grant	14.907	119,962

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### NOTE 4 – FEDERAL LOAN PROGRAM

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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, 2012, the loans outstanding under these programs totaled \$16,070.

# CITY OF MOLINE

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2012

### SECTION I – SUMMARY OF AUDITORS' RESULTS

#### FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- > Material weakness(es) identified?        X   yes             no
- > Significant deficiency(ies) identified?             yes        X   none reported

Noncompliance material to financial statements noted?

       yes        X   no

#### FEDERAL AWARDS

Internal control over major programs:

- > Material weakness(es) identified?             yes        X   no
- > Significant deficiency(ies) identified?             yes        X   none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

       yes        X   no

Auditee qualified as low-risk auditee?

       yes        X   no

Identification of major federal programs:

CFDA Number(s)

14.218  
14.907  
14.256

Name of Federal Program or Cluster

Community Development Block Grant  
ARRA – Lead Hazard Control Grant  
ARRA – NSP2

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

# CITY OF MOLINE

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2012

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### SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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#### ***Finding 2012-1: Financial Statement Restatement – Correction of Prior Period Error***

*Criteria:* According to Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, sufficient internal controls should be in place that provide for the preparation of reliable financial statements that are fairly presented in conformity with generally accepted accounting principles.

*Condition:* The City's 2011 financial statements presented an employer contribution receivable and related additions in the Police Pension Fund and Firefighters' Pension Fund that should not have been recorded.

*Cause:* The City relied upon inaccurate technical guidance in recording the transaction.

*Effect:* The City's 2011 financial statements were materially misstated, wherein the Statement of Fiduciary Net Assets presented overstated assets and net assets and the Statement of Changes in Fiduciary Net Assets presented overstated additions, beginning net assets, and ending net assets.

*Recommendation:* We recommend that the City's finance personnel continue to participate in continuing education and keep updated on the most recent technical guidance applicable to its financial statements.

*Management Response:* The City relies on their auditors' interpretation and guidance when preparing the annual financial statement. The prior auditor concurred with the City's prior treatment of the receivable in the pension funds based on the guidance in GASB 33 for the recognition of a receivable at the time the property tax is an enforceable lien. Since the property taxes are for the specific purpose of the police and fire pensions and can't be used for any other purpose, they concurred with the City's treatment that this is the legal/contractual obligation to the pension fund at the time of the enforceable lien. In the documentation supporting the accrual of the employer contribution receivable, GASB 25, Paragraph 22 was referenced as follows:

"Plan receivables generally are short term and consist of contributions due as of the reporting date from the employer(s), plan members, and other contributors, and interest and dividends on investments. Amounts recognized as receivables should include those due pursuant to formal commitments as well as statutory or contractual requirements. With respect to an employer's contributions, evidence of a formal commitment may include (a) an appropriation by the employer's governing body of a specified contribution or (b) a consistent pattern of making payments after the plan's reporting date pursuant to an established funding policy that attributes those payments to the preceding plan year. When combined with either (a) or (b), the recognition in the employer's financial statements of a contribution payable to the plan may be supporting evidence of a formal commitment. However, the plan should not recognize a receivable based solely on the employer's recognition of a liability for contributions to the plan."

However the current auditor noted, according to (b) in the paragraph above, the contribution payments made in the subsequent fiscal year must be attributable to the current year. To determine if the subsequent contributions are attributable to the current or subsequent year, the underlying basis of the contributions must be considered. As the contribution receivable is based on the property tax levy, one must assess whether the levy applies to the year the levy was approved or the year when collections are made on that levy.

# CITY OF MOLINE

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2012

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### SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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#### ***Finding 2012-1: Financial Statement Restatement – Correction of Prior Period Error***

Based on the City of Moline's property tax cycle, the property tax levy is approved in December and collections on the levy do not begin until the subsequent fiscal year (typically beginning in June). This timing of collections on the tax levy is anticipated and consistent from year-to-year. The City approves its annual tax levy with the intention of applying those future collections against subsequent year operations. Thus, for the 2011 property tax levy, the City's intention was to use the collections (which were made in 2012) to support 2012 operations. The GASB 33 Impact on Property Tax Recognition "white paper," prepared by the ILCPAS and IGFOA (<http://www.icpas.org/hc-government.aspx?id=4136>), addresses the approach to recording property tax accruals. Example 3 in the report addresses the City's current situation. It states that property taxes levied for use in the subsequent fiscal year are recorded as both a receivable and deferral within the City's governmental funds. From this assessment of the City's intended use of property taxes, it can be determined that the property taxes levied in December 2011 are intended for 2012 operations.

Due to that the 2011 property tax levy was intended for use during 2012, the employer contribution receivable does not meet the requirement that the expected subsequent payments be attributable to 2011. Additionally, it is generally accepted practice that contributions to the pensions are not "due" until the property taxes have been collected. Since the entire amount of the contribution receivable at December 31, 2011 was tied to the 2011 tax levy, no portion of the receivable was related to 2011, management concurs that the Employer Contribution Receivable and Net Assets presented in the Statement of Fiduciary Net Assets were overstated.

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### SECTION III – FEDERAL AWARDS AWARDS FINDINGS AND QUESTIONED COSTS

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None.

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