

CITY OF MOMENCE, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2013

CITY OF MOMENCE, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of Momence, Illinois

We have audited accompanying financial statements of the governmental activities, the business-type activities, and each major fund the City of Momence, Illinois as of and for the year ended April 30, 2013, which collectively comprise the City of Momence, Illinois' basic financial statements as listed in the table of contents.

Management's Responsibility for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the basic financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the City of Momence, Illinois' preparation and fair presentation of the basic 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 Momence, Illinois' 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 basic financial statements.

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

Basis for Adverse Opinion on Governmental Activities

Management has not recorded certain general and infrastructure assets in governmental activities and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those general and infrastructure assets be capitalized and depreciated, which would increase the assets, net position, and expenses of the governmental activities. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the basic financial statements referred to previously do not present fairly the financial position of the governmental activities of the City of Momence, Illinois as of April 30, 2013 or the changes in financial position thereof for the year then ended.

Unmodified Opinions

In our opinion, the basic financial statements referred to previously present fairly, in all material respects, the respective financial position – modified cash basis of the business-type activities of the City of Momence, Illinois as of April 30, 2013 and the respective changes in financial position – modified cash basis and, where applicable, cash flows thereof for the year then ended in conformity with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the basic financial statements, which describes the basis of accounting. The basic financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Management's Discussion and Analysis

The City of Momence, Illinois has not presented a Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that certain information listed as required supplementary information in the accompanying 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 regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Momence, Illinois' basic financial statements. The individual fund financial statements and the financial information listed as schedules and supplemental data in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements, the schedules and supplemental data are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.



Naperville, Illinois
December 3, 2013

CITY OF MOMENCE, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 257,844	\$ 2,045,757	\$ 2,303,601
Investments	63,167	826,408	889,575
Internal balances	(10,745)	10,745	-
Capital assets (net of accumulated depreciation)	-	1,755,338	1,755,338
Total assets	310,266	4,638,248	4,948,514
LIABILITIES			
Due to others	8,534	-	8,534
Long-term liabilities			
Due within one year	27,974	-	27,974
Due in more than one year	463,163	-	463,163
Total liabilities	499,671	-	499,671
NET ASSETS			
Invested in capital assets	-	1,755,338	1,755,338
Restricted for			
Highways and streets	98,893	-	98,893
Debt service	34,809	-	34,809
Unrestricted	(323,107)	2,882,910	2,559,803
Total net assets	\$ (189,405)	\$ 4,638,248	\$ 4,448,843

See accompanying notes to financial statements.

CITY OF MOMENCE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets		Total
		Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	
PRIMARY GOVERNMENT							
Governmental Activities							
General government	\$ 362,112	\$ 92,648	\$ 78,688	\$ -	\$ (190,776)	\$ -	\$ (190,776)
Public safety	760,768	92,814	-	-	(667,954)	-	(667,954)
Public works/transportation	274,822	93,330	-	-	(181,492)	-	(181,492)
Health and welfare	187,517	190,500	-	-	2,983	-	2,983
Culture and recreation	5,646	-	-	-	(5,646)	-	(5,646)
Interest	23,510	-	-	-	(23,510)	-	(23,510)
Total governmental activities	1,614,375	469,292	78,688	-	(1,066,395)	-	(1,066,395)
Business-Type Activities							
Water and sewer	1,160,207	1,244,280	-	1,500	-	85,573	85,573
Total business-type activities	1,160,207	1,244,280	-	1,500	-	85,573	85,573
Total primary government	\$ 2,774,582	\$ 1,713,572	\$ 78,688	\$ 1,500	(1,066,395)	85,573	(980,822)
General revenues							
Taxes							
Property					348,865	-	348,865
Sales and use					397,263	-	397,263
Income					317,442	-	317,442
Replacement					33,005	-	33,005
Investment income					177	7,630	7,807
Miscellaneous					30,955	-	30,955
Total					1,127,707	7,630	1,135,337
Change in Net Assets					61,312	93,203	154,515
Net Assets - May 1					(250,717)	4,545,045	4,294,328
Net Assets - April 30					\$ (189,405)	\$ 4,638,248	\$ 4,448,843

See accompanying notes to financial statements.

CITY OF MOMENCE, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

April 30, 2013

	General	Project	Motor Fuel Tax	Debt Service	Total
ASSETS					
Cash and investments	\$ 129,813	\$ -	\$ 128,031	\$ -	\$ 257,844
Investments	63,167	-	-	-	63,167
Due from other funds	280,000	451,562	54,422	34,809	820,793
Total assets	\$ 472,980	\$ 451,562	\$ 182,453	\$ 34,809	\$ 1,141,804
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to other funds	\$ 286,193	\$ 461,785	\$ 83,560	\$ -	\$ 831,538
Due to others	8,534	-	-	-	8,534
Total liabilities	294,727	461,785	83,560	-	840,072
Fund Balances					
Restricted					
Highways and streets	-	-	98,893	-	98,893
Debt service	-	-	-	34,809	34,809
Unrestricted					
Unassigned	178,253	(10,223)	-	-	168,030
Total fund balances	178,253	(10,223)	98,893	34,809	301,732
Total liabilities and fund balances	\$ 472,980	\$ 451,562	\$ 182,453	\$ 34,809	\$ 1,141,804

See accompanying notes to financial statements.

CITY OF MOMENCE, ILLINOIS

RECONCILIATION OF FUND BALANCES ARISING FROM CASH TRANSACTIONS
OF THE GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF NET POSITION

April 30, 2013

Fund balances of governmental funds	\$ 301,732
Amounts reported for governmental activities in the statement of net assets are different because:	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	<u>(491,137)</u>
Net assets of governmental activities	<u>\$ (189,405)</u>

See accompanying notes to financial statements.

CITY OF MOMENCE, ILLINOIS

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

For the Year Ended April 30, 2013

	General	Project	Motor Fuel Tax	Debt Service	Total
Revenues					
Property taxes	\$ 348,865	\$ -	\$ -	\$ -	\$ 348,865
Replacement taxes	33,005	-	-	-	33,005
Income taxes	317,442	-	-	-	317,442
Sales and use taxes	397,263	-	-	-	397,263
Grant revenue	78,688	-	-	-	78,688
Motor fuel taxes	-	-	47,978	45,352	93,330
Garbage fees	190,500	-	-	-	190,500
Licenses and fees	92,648	-	-	-	92,648
Fines and forfeitures	72,963	-	-	-	72,963
Refunds and reimbursements	19,851	-	-	-	19,851
Investment income	61	-	116	-	177
Miscellaneous	30,955	-	-	-	30,955
Total revenues	1,582,241	-	48,094	45,352	1,675,687
Expenditures					
General government	289,171	-	72,941	-	362,112
Public safety	769,631	-	-	-	769,631
Public works/transportation	274,822	-	-	-	274,822
Health and welfare	187,517	-	-	-	187,517
Culture and recreation	5,646	-	-	-	5,646
Debt Service					
Principal	-	-	-	15,000	15,000
Interest	-	-	-	23,510	23,510
Total expenditures	1,526,787	-	72,941	38,510	1,638,238
Excess (Deficiency) of Revenues over Expenditures	55,454	-	(24,847)	6,842	37,449
Other Financing Sources					
Installment contract proceeds	75,000	-	-	-	75,000
Net Change in Fund Balances	130,454	-	(24,847)	6,842	112,449
Fund Balances - May 1	47,799	(10,223)	123,740	27,967	189,283
Fund Balances - April 30	\$ 178,253	\$ (10,223)	\$ 98,893	\$ 34,809	\$ 301,732

See accompanying notes to financial statements.

CITY OF MOMENCE, ILLINOIS

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

For the Year Ended April 30, 2013

Net change in fund balances - governmental funds	\$ 112,449
Amounts reported for governmental activities in the statement of activities are different because:	
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding when incurred in the statement of activities	23,863
Installment contract debt issued is reported as a liability and not as an addition to fund balance	<u>(75,000)</u>
Change in net assets of governmental activities	<u>\$ 61,312</u>

See accompanying notes to financial statements.

CITY OF MOMENCE, ILLINOIS

STATEMENT OF NET POSITION
WATER AND SEWER FUND

April 30, 2013

ASSETS	
Current	
Cash and cash equivalents	\$ 2,045,757
Investments	826,408
Due from other funds	<u>316,267</u>
Total current assets	<u>3,188,432</u>
Noncurrent	
Capital assets	
Water system and equipment	2,108,040
Sewer system and equipment	<u>6,206,532</u>
Total capital assets	8,314,572
Less accumulated depreciation	<u>(6,559,234)</u>
Capital assets, net	<u>1,755,338</u>
Total assets	<u>4,943,770</u>
LIABILITIES	
Current	
Due to other funds	<u>305,522</u>
NET POSITION	
Invested in capital assets	1,755,338
Unrestricted	<u>2,882,910</u>
Total net position	<u>\$ 4,638,248</u>

See accompanying notes to financial statements.

CITY OF MOMENCE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
WATER AND SEWER FUND

For the Year Ended April 30, 2013

<hr/>	
Operating Revenues	
Fees for services	\$ 1,236,922
Meter sales and tap-on fees	6,247
Other operating income	<u>1,111</u>
Total operating revenues	<u>1,244,280</u>
Operating Expenses	
Personnel services	301,643
Payroll taxes and benefits	111,070
Utilities	160,519
Insurance	76,210
Repairs and maintenance	209,623
Materials and supplies	79,486
Testing expenses	11,089
Waste removal	30,430
Chemicals	8,081
Professional services	11,810
Depreciation	134,323
Other	<u>25,923</u>
Total operating expenses	<u>1,160,207</u>
Operating Income	<u>84,073</u>
Nonoperating Revenues	
Investment income	7,630
Capital grant	<u>1,500</u>
Total nonoperating revenues	<u>9,130</u>
Change in Net Position	93,203
Net Position - May 1	<u>4,545,045</u>
Net Position - April 30	<u>\$ 4,638,248</u>

See accompanying notes to financial statements.

CITY OF MOMENCE, ILLINOIS

STATEMENT OF CASH FLOWS
WATER AND SEWER FUND

For the Year Ended April 30, 2013

Cash Flows from Operating Activities	
Receipts from customers and users	\$ 1,243,169
Other receipts	1,111
Payments to suppliers	(724,241)
Payments to employees	<u>(301,643)</u>
Net cash from operating activities	<u>218,396</u>
Cash Flows from Noncapital Financing Activities	
Increase in loans from other funds	180,711
Increase in loans to other funds	<u>(29,641)</u>
Net cash from noncapital financing activities	<u>151,070</u>
Cash Flows from Capital Financing Activities	
Receipts from granting agencies	1,500
Acquisition of capital assets	<u>(79,960)</u>
Net cash from capital financing activities	<u>(78,460)</u>
Cash Flows from Investing Activities	
Interest received on investments	7,630
Purchase of investments	(826,408)
Proceeds from sale of investments	<u>823,014</u>
Net cash from investing activities	<u>4,236</u>
Net Increase in Cash and Cash Equivalents	295,242
Cash and Cash Equivalents - May 1	<u>1,750,515</u>
Cash and Cash Equivalents - April 30	<u>\$ 2,045,757</u>
Reconciliation of Operating Income to Net Cash Flows from Operating Activities	
Operating income	\$ 84,073
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation expense	<u>134,323</u>
Net Cash from Operating Activities	<u>\$ 218,396</u>

See accompanying notes to financial statements.

CITY OF MOMENCE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Momence, Illinois (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)), except as described in Note 1d. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

a. Reporting Entity

The City is located in Kankakee County, Illinois, and was chartered in 1891. The City is governed by an elected mayor and eight-member council and provides a full range of services including public safety, public works, health and sanitation, planning, zoning and water and sewer. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and any component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units would be combined with data of the City. There are no component units of the City of Momence. For financial reporting purposes, the City includes all funds, agencies, boards, commissions and authorities that are controlled by or dependent on the City. Control by or dependence on the City (financial accountability) was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the City, operational independence and/or obligation of the City to finance any deficits that may occur, in accordance with standards established by the Governmental Accounting Standards Board (GASB).

b. Fund Accounting

The City uses funds to report its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental and proprietary.

CITY OF MOMENCE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting*, the City has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise funds.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the overall activities of the City. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods or services. The City has no fiduciary activities.

The statement of net assets presents the cash and investments of the governmental activities and the cash, investments and capital assets of the business-type activities of the City at the fiscal year end. As discussed in Note 1g, capital assets are not presented for the governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) fines, fees and 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 standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF MOMENCE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

During the year, the City segregates transactions related to certain city functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Separate statements for each fund category - governmental and proprietary - are presented. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary funds distinguish operating transactions from nonoperating transactions. Operating transactions 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 City's enterprise fund are charges to customers for water and sewer services. Operating expenses for enterprise funds include the cost of providing such services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City and is used to account for all financial resources of the City unless required to be accounted for in another fund.

The Project Fund, a capital projects fund, is used to account for the resources of the bond issuance for the purpose of paying the costs of street, parking lot, sidewalk and lighting improvements within the City.

The Motor Fuel Tax Fund accounts for the revenues received from motor fuel taxes and expenditures for maintenance of roads.

The Debt Service Fund accounts for payment of principal and interest on the general obligation bonds.

The City reports the following major proprietary fund:

The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents and commercial users within the City.

CITY OF MOMENCE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Revenues are recorded at the time of receipt by the City. Expenses are recorded when the funds are disbursed except that the acquisition of a capital asset is capitalized in proprietary funds and depreciation of capital assets has been reported as an expense. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with accounting principles generally accepted in the United States of America.

Governmental fund financial statements are reported using the current financial resources measurement focus and the cash basis of accounting. Revenues are recorded at the time of receipt by the City. Expenditures/expenses are recorded when the funds are disbursed. Accordingly, the financial statements are not intended to present financial position and changes in financial position in conformity with accounting principles generally accepted in the United States of America.

e. Cash and Cash Equivalents

For the statement of cash flows, the City considers all deposits in demand accounts (cash) and investments with an original maturity of 90 days or less when purchased to be cash and cash equivalents.

f. Investments

Investments in nonnegotiable certificates of deposit and other investments with a maturity of less than one year when purchased are stated at cost. Investments with a maturity of one year or greater when purchased are reported at fair value.

g. Capital Assets

Capital assets, which include property, plant and equipment for business-type activities are reported in the business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital and infrastructure assets are not recorded in the government-wide financial statements for governmental activities. Capital assets are defined by the City as assets with an initial, individual cost in excess of \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

CITY OF MOMENCE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Equipment, furniture and fixtures	3 - 10
Sewer infrastructure, wells, water mains, water towers and treatment plant	30 - 50

h. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or enterprise fund financial statements.

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

i. Fund Balances/Net Assets

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Mayor. Any residual fund balance of the General Fund is reported as unassigned.

CITY OF MOMENCE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Fund Balances/Net Assets (Continued)

The City has not adopted a flow of funds policy and therefore applies the flow of funds from GASB Statement No. 54, which prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the City considers committed funds to be expended first followed by assigned and then unassigned funds. For net assets, restricted funds are spent first then unrestricted funds.

In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt, represents the City's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

None of the restricted net assets or restricted fund balance results from enabling legislation adopted by the City.

j. Interfund Transactions

During the normal course of operations, the City has transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in governmental funds and as transfers in proprietary funds. Interfund transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the City are treated similarly when involving other funds of the City.

These receivables and payables are classified as "due from other funds" or "due to other funds." Short-term interfund loans, if any, are classified as "interfund receivables/payables." Long-term interfund loans, if any, are classified as "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Interfund service transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services transactions and reimbursements, are reported as transfers.

CITY OF MOMENCE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Use of Estimates

The modified cash basis of accounting used by the City requires management to make estimates and assumptions that affect certain reported amounts and disclosures of the financial statements. Actual results could differ from those estimates.

2. PROPERTY TAX CALENDAR

Property taxes are levied each year on all taxable real property located in the City. The certification of tax levy is filed annually on or before the last Tuesday in December based on the assessed valuation as of January 1 of the same year. The City receives property tax distributions shortly after the installment dates and continuing through January of the ensuing year. Accordingly, the City recognized property tax revenue during the year ended April 30, 2013, for collections received from the calendar year 2011 tax levy. Property taxes levied for calendar year 2011, were intended to finance the fiscal year 2013 expenditures. The property taxes levied for the calendar year 2012 which will be collected in fiscal year 2014 are not recorded in these financial statements.

The following information gives significant dates on the property tax calendar of the City:

- The property tax lien date is January 1.
- The annual tax levy ordinance for 2012 was passed in December 2012.
- Property taxes are due to the County Collector in two installments, June 1 and September 1.
- Significant amounts of property taxes for 2012 will be distributed to the City during June 2013 - January 2014.

3. DEPOSITS WITH FINANCIAL INSTITUTIONS

Permitted Deposits and Investments - The City's investment policy authorizes the City to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements (meeting certain statutory requirements), certain rated instruments of commercial paper and the state treasurer's investment pool. The City's investment policy limits its deposits and investments to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

CITY OF MOMENCE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS WITH FINANCIAL INSTITUTIONS (Continued)

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, return of investment, diversification and public confidence.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the City’s deposits may not be returned to it. The City’s investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, with the collateral held by the City or an independent third party. At April 30, 2013, the bank balances of deposits not covered by depository insurance were fully collateralized by pledges of securities held by independent third parties.

The City has not adopted a formal cash and investment policy that limits investments based on custodial, credit or interest rate risk. The City minimizes those risks by limiting investments to certificates of deposit, obtaining additional collateral and limiting maturities to less than one year.

Investments consist of the following:

	Governmental Activities	Business-type Activities
Certificates of Deposit	\$ 63,167	\$ 826,408

4. CAPITAL ASSETS

The following is a summary of capital asset activity during the fiscal year:

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Construction in progress	\$ -	\$ -	-	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated				
Sewer system and equipment	6,126,572	79,960	-	6,206,532
Water system and equipment	2,108,040	-	-	2,108,040
Total capital assets being depreciated	8,234,612	79,960	-	8,314,572

CITY OF MOMENCE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES (Continued)				
Less accumulated depreciation for				
Sewer system and equipment	\$ 5,152,681	\$ 99,769	\$ -	\$ 5,222,450
Water system and equipment	1,272,230	34,554	-	1,306,784
Total accumulated depreciation	6,424,911	137,323	-	6,559,234
Total capital assets being depreciated, net	1,809,701	(54,363)	-	1,755,338
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 1,809,701	\$ (54,363)	\$ -	\$ 1,755,338

5. LEGAL COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances/Net Assets of Individual Funds

The following fund had a deficit in fund balance at year end.

Fund	Deficit Balance
Project	\$ 10,223

6. LONG-TERM DEBT

a. Governmental Activities

The following is a summary of changes in long-term debt of the governmental activities of the City for the year ended April 30, 2013:

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
G.O. Bonds (Alternate Revenue Source) Series 2010	\$ 440,000	\$ -	\$ 15,000	\$ 425,000	\$ 10,000
Installment Contract 2013	-	75,000	8,863	66,137	17,974
	440,000	75,000	23,863	491,137	27,974
TOTAL GOVERNMENTAL LONG-TERM LIABILITIES	\$ 440,000	\$ 75,000	\$ 23,863	\$ 491,137	\$ 27,974

CITY OF MOMENCE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

a. Governmental Activities (Continued)

Long-term debt is comprised of the following:

During the fiscal year ended April 30, 2011, the City issued \$450,000 Series 2010 General Obligation Bonds (Alternate Revenue Source), dated November 1, 2010, which mature serially December 1, 2011 through 2030 at various interest rates (interest rate varies from 4.0% to 7.5%). The bonds are to be payable first from receipts of motor fuel taxes then receipts of personal property replacement taxes. The proceeds of the bond issuance will be used to finance various public capital infrastructure improvements, including street, lighting, parking lots, and sidewalks.

The annual debt service requirements including interest payments are as follows:

Fiscal Years Ending April 30	Installment Contract 2013		General Obligation (Alternate Revenue Source) Bonds, Series 2010	
	Principal	Interest	Principal	Interest
2014	\$ 17,974	\$ 2,358	\$ 15,000	\$ 22,385
2015	18,697	1,634	15,000	21,260
2016	19,450	882	15,000	20,135
2017	10,016	149	20,000	19,085
2018			20,000	17,735
2019			20,000	16,385
2020			20,000	15,085
2021			20,000	13,785
2022			20,000	12,585
2023			25,000	11,785
2024			25,000	10,760
2025			25,000	9,710
2026			25,000	8,635
2027			30,000	7,535
2028			30,000	6,185
2029			30,000	4,805
2030			35,000	3,395
2031			35,000	1,715
TOTAL	\$ 66,137	\$ 5,023	\$ 425,000	\$ 222,965

CITY OF MOMENCE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INDIVIDUAL FUND DISCLOSURES

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

Fund	Due From	Due To
Major Governmental		
General	\$280,000	\$286,194
Motor Fuel Tax	54,422	83,560
Project	451,562	461,785
Debt Service	34,809	-
Total	820,793	831,539
Major		
Water and Sewer	316,267	305,522
TOTAL ALL FUNDS	\$1,137,060	\$1,137,060

Due From/To Other Funds

The due to/from other funds represent short-term borrowing that will be repaid in one year.

8. RISK MANAGEMENT

The City is exposed to various risks of loss including, but not limited to, general liability, property casualty, workers' compensation, employee health and public official liability. To limit exposure to these risks, the City participates in the Illinois Counties Risk Management Trust. Insurance coverage provided for the above risks range from \$5,000 to \$7,000,000 with deductibles ranging from \$1,000 to \$5,000 per claim. There are separate deductibles of \$50,000 per claim that applies to flood damages and \$25,000 or 2% of the damaged location; whichever is greater per claim for earthquake damages. The City's policy is to record any related expenditures in the year in which they are notified and pay the assessment. The City is not aware of any additional assessments owed as of April 30, 2013. The City purchases health insurance through a third party indemnity for employee health coverage.

CITY OF MOMENCE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

The City's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees participating in the IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The City is required to contribute at an actuarially determined rate. The employer rate for calendar year 2012 was 10.94% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

CITY OF MOMENCE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

For the year ended April 30, 2013, the City's annual pension cost of \$68,708 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit and (d) postretirement benefit increases of 3.00% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2010 was 30 years on an open basis.

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

For Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 75,203	100.00%	\$ -
2012	71,813	100.00%	-
2013	68,708	100.00%	-

The funded status of the plan as of December 31, 2012, based on the actuarial valuation performed as of the same date is as follows. The actuarial assumptions are the same as those used to determine the employer annual pension costs of the plan as disclosed above.

Actuarial accrued liability (AAL)	\$ 1,582,649
Actuarial value of plan assets	1,204,357
Unfunded actuarial accrued liability (UAAL)	378,292
Funded ratio (actuarial value of plan assets/AAL)	76.10%
Covered payroll (active plan members)	628,046
UAAL as a percentage of covered payroll	60.23%

See the schedule of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plan.

CITY OF MOMENCE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
Revenues		
Taxes		
Property taxes	\$ 345,000	\$ 348,865
Replacement taxes	33,500	33,005
Income taxes	235,000	317,442
Sales and use taxes	368,500	397,263
Subtotal	982,000	1,096,575
Grant revenue	12,500	78,688
Garbage fees	185,000	190,500
Licenses and fees	32,125	40,357
Building and electrical permits	23,000	25,252
Fines	97,350	72,963
Franchise fees	23,500	21,291
Cable and amusement fees	8,000	5,748
Refunds and reimbursements	1,000	19,851
Interest income	1,500	61
Miscellaneous	179,000	30,955
Total revenues collected	1,544,975	1,582,241
Expenditures		
General government		
Mayor's department	24,575	24,182
City clerk department	16,250	9,406
City treasurer department	13,750	18,055
Public property department	52,225	48,834
Zoning and planning commission	17,400	17,000
Insurance department	95,450	84,288
Legal department	70,000	31,952
Local improvement department	30,685	30,627
Liquor commission	1,640	1,615
City hall	18,000	21,403
Miscellaneous	3,025	1,809
Total general government	343,000	289,171
Public Safety		
Street lighting	26,100	42,331
Police department	612,670	727,300
Total public safety	638,770	769,631

See independent auditor's report.

CITY OF MOMENCE, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
 GENERAL FUND

For the Year Ended April 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>
Expenditures (Continued)		
Public works		
Engineering department	\$ 2,500	\$ 2,500
Street and alley department	214,100	272,322
	<u>216,600</u>	<u>274,822</u>
Health and welfare		
Waste removal	185,000	185,448
Sewer and water department	-	2,069
	<u>185,000</u>	<u>187,517</u>
Cultural and recreation		
Community center	8,625	5,646
	<u>1,391,995</u>	<u>1,526,787</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 152,980</u>	<u>55,454</u>
Other Financing Sources (Uses)		
Installment contract proceeds		75,000
Total		<u>75,000</u>
Net Change in Fund Balance		130,454
Fund Balance - May 1		<u>47,799</u>
Fund Balance - April 30		<u>\$ 178,253</u>

See independent auditor's report

CITY OF MOMENCE, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2013

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	AAL (UAAL) as a Percentage of Covered Payroll (4) / (5)
2007	\$ 2,060,420	\$ 1,889,234	109.06%	\$ (171,186)	\$ 738,203	(23.19%)
2008	1,652,723	1,822,082	90.71%	169,359	748,299	22.63%
2009	1,465,544	1,747,138	83.88%	281,594	764,472	36.84%
2010	1,166,220	1,524,152	76.52%	357,932	795,667	44.99%
2011	1,350,805	1,643,991	82.17%	293,186	710,211	41.28%
2012	1,204,357	1,582,649	76.10%	378,292	628,046	60.23%

See independent auditor's report.

CITY OF MOMENCE , ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2013

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2009	\$ 25,075	\$ 25,075	100.00%
2010	43,048	43,048	100.00%
2011	75,203	75,203	100.00%
2012	71,813	71,813	100.00%
2013	68,708	68,708	100.00%

Note: Prior year information not available.

See independent auditor's report.

CITY OF MOMENCE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2013

BUDGETS AND BUDGETARY ACCOUNTING

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

- a. The appropriations for the General Fund are adopted on a cash basis of accounting which is not consistent with generally accepted accounting principles (GAAP).
- b. The City Clerk is required to submit to the City Council an annual estimate of expense for the fiscal/year period commencing May 1, on or before May 15. This estimate contributes to the development of an appropriation ordinance which must be passed during the first quarter of the fiscal year. A public hearing is conducted to obtain taxpayer comments. Responsibility for control of and amendments to the appropriation ordinance rests with the City Council. No supplemental appropriations were necessary during the year.
- c. A formal working budget is employed as a control device during the year at the object level for the governmental funds, except for the Project, Debt Service and Motor Fuel Tax Funds.
- d. All budgets lapse at the end of the year for which the budgets were adopted.
- e. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, no supplementary appropriations were necessary.

The following schedule reports the appropriations, budgets and actual expenditures/expenses (including transfers out and excluding depreciation) by fund:

Fund	Original Appropriations Budget	Final Budget	Actual Expenditures
General	\$ 3,877,400	\$ 1,391,995	\$ 1,526,787

CITY OF MOMENCE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2013
(with actual for 2012)

	Final Budget	2013 Actual	2012 Actual
Revenues			
Taxes			
Property taxes	\$ 345,000	\$ 348,865	\$ 341,653
Replacement taxes	33,500	33,005	33,290
Income taxes	235,000	317,442	233,044
Sales and use taxes	368,500	397,263	366,881
Subtotal	982,000	1,096,575	974,868
Grant revenue	12,500	78,688	39,217
Garbage fees	185,000	190,500	184,483
Licenses and fees	32,125	40,357	33,868
Building and electrical permits	23,000	25,252	22,844
Fines	97,350	72,963	98,376
Franchise fees	23,500	21,291	22,316
Cable and amusement fees	8,000	5,748	5,865
Refunds and reimbursements	1,000	19,851	100
Interest income	1,500	61	3,216
Miscellaneous	179,000	30,955	63,969
Total revenues	1,544,975	1,582,241	1,449,122
Expenditures			
General government			
Mayor's department	24,575	24,182	23,815
City clerk department	16,250	9,406	15,520
City treasurer department	13,750	18,055	21,228
Public property department	52,225	48,834	15,370
Zoning and planning commission	17,400	17,000	15,457
Insurance department	95,450	84,288	96,216
Legal department	70,000	31,952	63,659
Local improvement department	30,685	30,627	162,005
Liquor commission	1,640	1,615	1,615
City hall	18,000	21,403	8,468
Miscellaneous	3,025	1,809	-
Total general government	343,000	289,171	423,353
Public Safety			
Street lighting	26,100	42,331	34,153
Police department	612,670	727,300	639,148
Total public safety	638,770	769,631	673,301

See independent auditor's report.

CITY OF MOMENCE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND

For the Year Ended April 30, 2013
(with actual for 2012)

	Final Budget	2013 Actual	2012 Actual
Expenditures (Continued)			
Public works			
Engineering department	\$ 2,500	\$ 2,500	\$ -
Street and alley department	214,100	272,322	182,749
Total public works	<u>216,600</u>	<u>274,822</u>	<u>182,749</u>
Health and welfare			
Waste removal	185,000	185,448	177,618
Sewer and water department	-	2,069	2,525
Total health and welfare	<u>185,000</u>	<u>187,517</u>	<u>180,143</u>
Cultural and recreation			
Community center	8,625	5,646	8,451
Total expenditures	<u>1,391,995</u>	<u>1,526,787</u>	<u>1,467,997</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 152,980</u>	<u>55,454</u>	<u>(18,875)</u>
Other Financing Sources (Uses)			
Transfers in		-	233,062
Installment contract proceeds		75,000	-
Total		<u>75,000</u>	<u>233,062</u>
Net Change in Fund Balance		<u>\$ 130,454</u>	<u>\$ 214,187</u>

See independent auditor's report.

CITY OF MOMENCE, ILLINOIS
 SCHEDULE OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION
 WATER AND SEWER FUND

For the Year Ended April 30, 2013

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Operating Revenues	
Fees for services	\$ 1,236,922
Meter sales and tap-on fees	6,247
Other operating income	<u>1,111</u>
Total operating revenues	<u>1,244,280</u>
Operating Expenses	
Personnel services	301,643
Payroll taxes and benefits	111,070
Utilities	160,519
Insurance	76,210
Repairs and maintenance	209,623
Materials and supplies	79,486
Testing expenses	11,089
Waste removal	30,430
Chemicals	8,081
Professional services	11,810
Other operating expenses	<u>25,923</u>
Total operating expenses	<u>1,025,884</u>
Operating Income before Depreciation	218,396
Depreciation	<u>134,323</u>
Operating Income	<u>84,073</u>
Nonoperating Revenues	
Investment income	7,630
Capital grant	<u>1,500</u>
Total nonoperating revenues	<u>9,130</u>
Change in Net Position	93,203
Net Position - May 1	<u>4,545,045</u>
Net Position - April 30	<u><u>\$ 4,638,248</u></u>

See independent auditor's report.

CITY OF MOMENCE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES
SEWER DEPARTMENT

For the Year Ended April 30, 2013

	Pre-treatment	Final Treatment	Total
Personnel services	\$ -	\$ 147,577	\$ 147,577
Social Security taxes	-	9,889	9,889
IMRF expense	-	14,876	14,876
Health insurance	-	26,064	26,064
Insurance	-	38,105	38,105
Telephone	2,625	5,858	8,483
Electricity	34,901	87,306	122,207
Heating	2,010	-	2,010
Repairs and maintenance	94,216	63,690	157,906
Gas, fuel and oil	-	4,350	4,350
Supplies	24,880	17,114	41,994
Testing expenses	-	4,010	4,010
Waste removal	-	30,429	30,429
Chemicals	211	7,870	8,081
Professional services	-	2,813	2,813
Depreciation	-	99,769	99,769
Other	-	20,265	20,265
TOTAL	\$ 158,843	\$ 579,985	\$ 738,828

See independent auditor's report.

CITY OF MOMENCE, ILLINOIS
 SCHEDULE OF ASSESSED VALUATIONS, TAX RATES,
 EXTENSIONS, AND COLLECTIONS

Last Five Tax Levy Years

Tax Levy Year	2012	2011	2010	2009	2008
Assessed Valuations					
Kankakee County	\$ 51,703,253	\$ 53,933,065	\$ 55,589,981	\$ 53,905,897	\$ 54,202,589
Tax Rates (percents)					
General corporate	0.235	0.215	0.200	0.249	0.249
IMRF	0.058	0.053	0.049	-	-
Police protection	0.091	0.084	0.078	0.078	0.076
Liability insurance	0.106	0.097	0.091	0.091	0.090
Workmen's compensation	0.094	0.086	0.080	0.080	0.079
Total Tax Rates	0.584	0.535	0.498	0.498	0.494
Tax Extensions					
General corporate	\$ 121,503	\$ 115,956	\$ 111,736	\$ 134,226	\$ 134,423
IMRF	29,988	28,585	27,239	-	-
Police protection	47,050	45,304	43,360	42,046	41,194
Liability insurance	54,805	52,315	50,587	49,054	48,782
Workmen's compensation	48,601	46,382	44,472	43,125	42,820
Total Tax Extensions	\$ 301,947	\$ 288,542	\$ 277,394	\$ 268,451	\$ 267,219
Tax Collections					
General Fund	\$ -	\$ 276,639	\$ 276,590	\$ 268,184	\$ 266,936
Road and Bridge Twp Transfer	-	65,019	65,044	63,520	61,767
Total Tax Collections	\$ -	\$ 341,658	\$ 341,634	\$ 331,704	\$ 328,703
Percentage of General Tax Extensions Collected as of April 30, 2013	0.00%	95.87%	99.71%	99.90%	99.89%

See independent auditor' report.

CITY OF MOMENCE, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

April 30, 2013

Assessed Valuation (2012 Latest Year Available)	<u>\$ 51,703,253</u>
Statutory Debt Limitation (8.625% of assessed valuation)	\$ 4,459,406
Total Debt Bonds payable	<u>425,000</u>
Legal Debt Margin	<u>\$ 4,034,406</u>

See independent auditor's report.