

**CITY OF MOMENCE, ILLINOIS**

**Financial Statements**

**For the Year Ended  
April 30, 2005**

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**CITY OF MOMENCE, ILLINOIS**  
**Financial Statements**  
**As of April 30, 2005**

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## Independent Auditor's Report

City Council  
City of Momence, Illinois  
Momence, Illinois 60954

We have audited the accompanying financial statements of the City of Momence, Illinois, as of and for the year ended April 30, 2005, as listed in the table of contents. These financial statements are the responsibility of the City of Momence's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the audited financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the City of Momence, prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The City has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental and business-type activities. The City has also not presented management's discussion and analysis. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements and management's discussion and analysis. The amounts that would be reported in government-wide financial statements for the City's governmental and business-type activities are not reasonably determinable. In addition, the City does not maintain historical cost records for fixed assets and we were unable to satisfy ourselves by other means as to the carrying value of the fixed asset account group.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly in conformity with accounting principles generally accepted in the United States the financial position of the City of Momence, Illinois, as of April 30, 2005, and the results of its operations or its cash flows, where applicable, for the year then ended.

In addition, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding general fixed assets, the financial statements referred to above present fairly the cash balances of the City of Momence's General Fund, Combined Special Revenue Funds and its Enterprise Funds and the revenues received and expenditures paid on the basis of accounting described in Note 1.



The required supplementary information as identified in the table of contents is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



October 31, 2005

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**Report on Compliance and on Internal Control  
Over Financial Reporting Based on an  
Audit of Financial Statements Performed in Accordance  
With Government Auditing Standards**

City Council  
City of Mokenca  
Mokenca, Illinois 60954

We have audited the financial statements of the City of Mokenca, Illinois as of and for the year ended April 30, 2005, and have issued our report thereon dated October 31, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered City of Mokenca, Illinois's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

**Compliance**

As part of obtaining reasonable assurance about whether City of Mokenca, Illinois's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, and City Council and is not intended to be and should not be used by anyone other than these specified parties.

October 31, 2005



CITY OF MOMENCE, ILLINOIS  
 Combined Balance Sheet - Modified Cash Basis  
 All Fund Types and Account Groups  
 April 30, 2005

Exhibit A

Assets	Governmental Fund Types		Proprietary	Account Groups		Totals (Memo Only)
	General Fund	Special Revenue Funds	Fund Types Enterprise Funds	General Fixed Assets	General Long Term Debt	
Cash	\$ 210,164.96	\$ 86,287.86	\$ 1,065,617.14			\$ 1,362,069.96
Investments - Notes 1 and 2	608,308.47		1,076,443.35			1,684,751.82
Property and equipment, net, Notes 1 and 3			1,148,914.00	\$ 4,631,028.20		5,779,942.20
Due from other funds			1,349.60			1,349.60
To be provided for retirement of debt					\$ 14,382.71	14,382.71
<b>Total assets</b>	<b>\$ 818,473.43</b>	<b>\$ 86,287.86</b>	<b>\$ 3,292,324.09</b>	<b>\$ 4,631,028.20</b>	<b>\$ 14,382.71</b>	<b>\$ 8,842,496.29</b>
<b>Liabilities and Municipal Equity</b>						
Liabilities:						
Due to other funds	\$ 1,349.60					\$ 1,349.60
Payroll withholdings payable	10,065.63					10,065.63
Notes and agreements payable - Note 4					\$ 14,382.71	14,382.71
<b>Total liabilities</b>	<b>11,415.23</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>14,382.71</b>	<b>25,797.94</b>
Fund equity:						
Contributed capital, net			103,233.00			103,233.00
Investment in general fixed assets				4,631,028.20		4,631,028.20
Retained earnings / fund balance:						
Restricted	151,390.19					151,390.19
Unrestricted	655,668.01	86,287.86	3,189,091.09			3,931,046.96
<b>Total retained earnings/fund balance</b>	<b>807,058.20</b>	<b>86,287.86</b>	<b>3,189,091.09</b>	<b>-</b>	<b>-</b>	<b>4,082,437.15</b>
<b>Total municipal equity</b>	<b>807,058.20</b>	<b>86,287.86</b>	<b>3,292,324.09</b>	<b>4,631,028.20</b>	<b>-</b>	<b>8,816,698.35</b>
<b>Total liabilities and municipal equity</b>	<b>\$ 818,473.43</b>	<b>\$ 86,287.86</b>	<b>\$ 3,292,324.09</b>	<b>\$ 4,631,028.20</b>	<b>\$ 14,382.71</b>	<b>\$ 8,842,496.29</b>

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

CITY OF MOMENCE, ILLINOIS  
 Combined Statement of Revenues, Expenditures and Changes in Fund  
 Balance - Budget and Actual - Modified Cash Basis - Governmental Fund Types  
 For the year ended April 30, 2005

Exhibit B

	General Fund		Special Revenue Funds		Total Actual (Memo Only)
	Budget	Actual	Budget	Actual	
<b>Revenues</b>					
Taxes - property	\$ 234,000.00	\$ 254,784.89			\$ 254,784.89
Licenses and permits	32,085.00	52,420.46			52,420.46
Intergovernmental	619,500.00	659,383.08	-	\$ 91,978.65	751,361.73
Charges for services	117,500.00	121,268.53			121,268.53
Fines and forfeitures	30,900.00	102,431.47			102,431.47
Donations	-	1,000.00			1,000.00
Interest	21,000.00	16,503.86	-	1,538.35	18,042.21
Other	33,500.00	57,504.46	-	-	57,504.46
<b>Total revenues</b>	<b>1,088,485.00</b>	<b>1,265,296.75</b>	<b>-</b>	<b>93,517.00</b>	<b>1,358,813.75</b>
<b>Expenditures</b>					
General government	567,200.00	306,154.02			306,154.02
Public safety	687,000.00	580,577.64			580,577.64
Public works/transportation	682,993.00	296,971.17	125,000.00	90,524.67	387,495.84
Health and welfare	141,000.00	129,106.98	-	4.19	129,111.17
Culture and recreation	66,500.00	17,041.51			17,041.51
Miscellaneous contingencies	-	415.00			415.00
<b>Total expenditures</b>	<b>2,144,693.00</b>	<b>1,330,266.32</b>	<b>\$ 125,000.00</b>	<b>90,528.86</b>	<b>1,420,795.18</b>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,056,208.00)</u>	<u>(64,969.57)</u>		2,988.14	<u>(61,981.43)</u>
Fund balance, beginning of period		872,027.77		83,299.72	955,327.49
Fund balance, end of period		<u>\$ 807,058.20</u>		<u>\$ 86,287.86</u>	<u>\$ 893,346.06</u>

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



CITY OF MOMENCE, ILLINOIS  
 Combined Statement of Revenues, Expenses and  
 Changes in Retained Earnings - Modified Cash Basis  
 All Proprietary Fund Types  
 For the year ended April 30, 2005

Exhibit C

Operating revenues:	
Water and sewer fees	\$1,127,715.43
Meter sales and tap-on fees	43,265.00
Other operating income	645.00
Total operating revenue	<u>1,171,625.43</u>
Operating expenses:	
Personal services	235,865.41
Payroll taxes and benefits	83,116.07
Utilities	257,131.77
Equipment rent	3,641.55
Maintenance and repairs	142,034.11
Materials and supplies	24,220.99
Testing expense	7,396.43
Water removal	16,517.29
Chemicals and lab	13,146.22
Professional services	19,068.89
Other operating expenses	31,074.90
Depreciation	82,899.02
Total operating expenses	<u>916,112.65</u>
Operating income (loss)	<u>255,512.78</u>
Nonoperating revenue (expense):	
Interest income	<u>32,444.24</u>
Net nonoperating revenue	<u>32,444.24</u>
Net income before amortization of contributed capital	287,957.02
Add depreciation of fixed assets acquired by grants that reduces contributed capital	<u>10,410.00</u>
Increase (decrease) in retained earnings	<u>298,367.02</u>
Retained earnings, beginning of period	<u>2,890,724.07</u>
Retained earnings, end of period	<u>\$3,189,091.09</u>

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

**CITY OF MOMENCE, ILLINOIS**  
**Combined Statement of Cash Flows**  
**Proprietary Fund Types**  
**For the year ended April 30, 2005**

Exhibit D

<b>Operating activities</b>	
Operating income (loss)	\$ 255,512.78
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	82,899.02
Net cash provided by operating activities	<u>338,411.80</u>
<b>Capital and related financing activities</b>	
Acquisition of capital assets	<u>(99,111.76)</u>
Net cash provided (used) by capital and related financing activities	<u>(99,111.76)</u>
<b>Noncapital and related financing activities</b>	
Loan to other funds	<u>(1,349.60)</u>
Net cash provided (used) by noncapital and related financing activities	<u>(1,349.60)</u>
<b>Investing activities</b>	
Interest on investments	32,444.24
Purchase of investments	(1,236,079.68)
Proceeds from sale of investments	1,228,138.83
Net cash provided (used) by investment activities	<u>24,503.39</u>
Net increase (decrease) in cash and cash equivalents	262,453.83
Cash and cash equivalents, beginning of period	803,163.31
<b>Cash and cash equivalents, end of period</b>	<u><u>\$ 1,065,617.14</u></u>

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

**Note 1 - Summary of Significant Accounting Policies**

**Financial Reporting Entity** - The City of Momence 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 and any component units, entities for which the City is considered to be financially accountable. Blended components 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, accounts groups, 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 Statement No. 14 of the Governmental Accounting Standards Board.

**Fund Accounting** - The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following funds are used by the City:

**Governmental Funds**

**General Fund** - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

**Proprietary Funds**

**Enterprise Funds** - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, maintenance control, accountability, or other purposes.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Account Groups**

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund is determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

**General Fixed Assets** - Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. All fixed assets are valued at historical or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

**General Long-Term Debt** - Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurements focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components.

**Basis of Accounting** - Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. In the fund financial statements, governmental, business-like, and component unit activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Proprietary funds (where appropriate) conform to standards promulgated by the Governmental Accounting Standards Board of the American Institute of CPA's after November 30, 1989 and appropriate standard setting bodies prior thereto.

**CITY OF MOMENCE, ILLINOIS**  
**Notes to Financial Statements**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as account payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting.

**Investments** - Investments are stated at cost, which approximates market.

**Budgets and Budgetary Accounting** - The City follows these procedures in establishing the budgetary data reflected in financial statements:

The City Clerk is required to submit to the City Council an annual estimate of expenses 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.

Appropriations for the General Fund are adopted on a basis consistent with the modified cash basis of accounting. The Motor Fuel Tax Fund appropriations are by separate action of the City Council.

**Cash and Cash Equivalents** - For purposes of the statement of cash flows, the City considers all highly liquid assets (including restricted assets) with maturities of three months or less to be cash equivalents.

**Property, Equipment and Depreciation** - Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are capitalized along with other general fixed assets. Depreciation has not been reflected in the statement of general fixed assets, nor has interest been capitalized.

Property and equipment acquired in enterprise funds are stated at cost. Real property granted to the City is stated at its fair value at the time of the transfer. Depreciation is computed by the straight-line method over estimated useful lives as follows:

Equipment	3-10 years
Sewers, Wells, Water mains, Water towers and Treatment Plant	30-50 years

Contributed capital restricted for acquisition of property and equipment in enterprise funds is amortized over the same lives as the assets financed.

**CITY OF MOMENCE, ILLINOIS**  
**Notes to Financial Statements**

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Use of Estimates** - In connection with the preparation of its financial statements the City uses estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Memorandum Totals** - Total columns on the Combined Statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Note 2 - Deposits and Investments**

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers acceptances, repurchase agreements (meeting certain statutory requirements), certain rated instruments of commercial paper and the state treasurer's investment pool. Similar investments are permitted for the pension trust funds.

The City's bank deposits are categorized below to give an indication of the custodian credit risk assumed by the City at year-end. Category 1 includes deposits/investments covered by federal depository insurance, those secured by letters of credit that take on the nature of commercial insurance, or those collateralized with securities held by the City or its agent in the City's name. Category 2 includes deposits/investments which are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 includes deposits/investments which are uncollateralized (this includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name). The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit. Market value of investments approximates carrying value.

	Category			Total	Carrying
	1	2	3	Bank Balance	Value
Deposits	\$1,437,543.82	\$-0-	\$ 2,910.20	\$1,440,454.02	\$1,361,869.96
Investments	<u>851,609.67</u>	<u>—</u>	<u>146,747.21</u>	<u>998,356.88</u>	<u>997,879.69</u>
Total	<u>\$2,289,153.49</u>	<u>\$-0-</u>	<u>\$149,657.41</u>	2,438,810.90	2,359,749.65
Not subject to credit risk:					
U.S. Government Securities				686,872.13	686,872.13
Other				<u>-0-</u>	<u>200.00</u>
Total				<u>\$3,125,683.03</u>	<u>\$3,046,821.78</u>

**CITY OF MOMENCE, ILLINOIS**  
**Notes to Financial Statements**

**Note 3 - General Fixed Assets and Proprietary Fund Property and Equipment**

A summary of changes in general fixed assets is as follows:

Balance April 30, 2004	Additions	Retirements	Balance April 30, 2005
<u>\$4,516,585.78</u>	<u>\$114,442.42</u>	<u>\$-0-</u>	<u>\$4,631,028.20</u>

A summary of proprietary fund property and equipment in the enterprise funds is as follows:

	Water	Sewer	Total
Sewer and water systems	\$1,758,623.34	\$5,069,915.87	\$6,828,539.21
Less accumulated depreciation	<u>935,157.61</u>	<u>4,744,467.60</u>	<u>5,679,625.21</u>
Property and equipment, net	<u>\$ 823,465.73</u>	<u>\$ 325,448.27</u>	<u>\$1,148,914.00</u>

**Note 4 - Changes in Long-term Debt**

The following is a summary of long-term debt for the year ended April 30, 2005:

	Balance April 20, 2004	Additions	Retirements	Balance April 30, 2005
Capital Lease Agreements	<u>\$27,690.61</u>	<u>\$-0-</u>	<u>\$13,307.90</u>	<u>\$14,382.71</u>

Long-term debt is comprised of the following lease agreements:

Capital lease dated September 1, 2000 financing \$28,751, payable in five annual installments of \$6,916.66, including interest at 6.9% per annum.	\$ 6,470.22
Capital lease dated July 17, 2002 financing \$21,820.78, payable in three annual installments of \$8,628.82, including interest at 9.05% per annum.	<u>7,912.39</u>
Total long-term debt	<u>\$14,382.61</u>

The annual requirements to amortize all outstanding long-term debt including interest payments of \$1,162.91 are as follows:

Year Ending April 30, 2006	Lease Agreements	
	Principal	Interest
	\$14,382.61	\$1,162.91

**Note 5 - Retirement Fund Commitments**

The City participates in an agent multiple-employer public retirement system for eligible employees. Disclosures with respect to this plan are made in accordance with Governmental Accounting Standards Board Statements No. 27. Information with respect to this plan follows.

**CITY OF MOMENCE, ILLINOIS**  
**Notes to Financial Statements**

**Note 5 - Retirement Fund Commitments (Continued)**

The City of Momence's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF 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. That report may be obtained at [www.imrf.org/pubs/pubs\\_homepage.htm](http://www.imrf.org/pubs/pubs_homepage.htm) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The City of Momence is required to contribute at an actuarially determined rate. The employer rate for calendar year 2004 was 8.21 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The remaining amortization period at December 31, 2004 was 28 years.

For December 31, 2004, the City of Momence's annual pension cost of \$56,223 was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50 percent investment rate of return (net of administrative expenses), (b) projected salary increases of 4 percent per year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2004 actuarial valuation were based on the 1999-2001 experience study.

Actuarial Valuation Date	Trend information		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage of APC Contributed	
12/31/04	\$56,223	100%	\$-0-
12/31/03	23,934	100%	-0-
12/31/02	15,968	100%	-0-
12/31/01	42,713	100%	-0-
12/31/00	38,980	100%	-0-
12/31/99	46,267	100%	-0-
12/31/98	48,638	100%	-0-
12/31/97	57,774	100%	-0-
12/31/96	55,129	100%	-0-
12/31/95	52,039	100%	-0-



**CITY OF MOMENCE, ILLINOIS**  
**Notes to Financial Statements**

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**Note 6 - Segment Information**

The City provides water and sewer services to residents. Segment information for the year ended April 30, 2005 is as follows:

	<u>Water Department</u>	<u>Sewer Department</u>	<u>Water and Sewer Fund</u>
Operating revenues	\$374,393.89	\$797,231.54	\$1,171,625.43
Depreciation expense	61,894.23	21,004.79	82,899.02
Operating income	28,730.23	226,782.55	255,512.78
Net income			287,957.02
Total assets			3,292,324.09
Plant property and equipment:			
Additions	31,000.80	68,110.96	99,111.76
Balance (net of accumulated depreciation)	823,465.73	325,448.27	1,148,914.00
Net working capital			1,765,086.96
Equity:			
Contributed capital, net			103,233.00
Unreserved retained earnings			3,189,091.09

**Note 7 - Property Taxes and Receipts**

The City's property tax is levied each year on all taxable real property located in the City on or before the last Tuesday in December. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments due approximately on June 1 and September 1. The City receives significant distributions of tax receipts approximately one month after these due dates.

**Note 8 - Restricted Equity**

Revenues and expenditures from certain tax levies are recorded in the General Fund. At April 30, 2005, cumulative excess of revenues over expenditures allocable to these levies existed in the General Fund. Accordingly, fund balance restrictions are as follows:

Municipal Band	\$ 6,793.79
Audit	4,992.93
IMRF	122,683.76
Liability insurance	16,919.71
Total restricted tax levies	<u>\$151,390.19</u>

Cumulative expenses over taxes levied for workers' compensation amounted to \$39,301.75 at April 30, 2005.

**CITY OF MOMENCE, ILLINOIS**  
**Notes to Financial Statements**

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**Note 9 - Insurance**

The City, through membership in the Illinois Municipal League Risk Management Association, insures all major areas of risk. This insurance program combines elements of self-insurance (at the Association level) with pure insurance. Member contributions are based on the loss experience of the City and that of the Association as a whole.

Under Section 1405 of the Illinois Unemployment Insurance Act, the City of Momence has elected, in lieu of paying contributions to Illinois Unemployment Insurance, to reimburse the State for the actual amount of regular benefits and 50% of the extended benefits paid to the City's former workers if the City was both the last employer and a base period employer of a worker and to reimburse 50% of these amounts if the City was the last employer but not a base period employer of a worker. The amount that the City will have to pay cannot be readily predicted because the City must reimburse for the actual benefits paid to its former workers. The amount of such reimbursement will depend upon the number of workers who become unemployed, the duration of their unemployment, the number of such workers who file claims for benefits and the amount of total benefits paid to them.

**Note 10 - Major Customers**

The City provides water and sewer services to Momence Packing, a commercial entity located in Momence. In addition to charges for water and sewer, the City is reimbursed for expenses directly related to pretreatment. Activity for the year ended April 30, 2005 is as follows:

	Gallons	Receipts		Expenses
		Water	Sewer	
Billed for the period May 1, 2004 through April 30, 2005	<u>72,265,400</u>	<u>\$74,981.60</u>	<u>\$191,460.28</u>	<u>\$193,361.30</u>
Charges outstanding at April 30, 2005	<u>11,474,000</u>	<u>\$12,122.50</u>	<u>\$29,031.75</u>	<u>\$17,502.37</u>

Required Supplementary Information

Schedule of Funding Progress – Illinois Municipal Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/04	\$1,762,836	\$1,709,233	\$(53,612)	103.14%	\$684,811	33.15%
12/31/03	1,627,926	1,646,487	18,561	98.87%	435,405	38.25%
12/31/02	1,529,479	1,457,762	(71,717)	104.92%	628,661	0.0%
12/31/01	1,526,016	1,270,399	(255,617)	120.12%	534,587	0.0%
12/31/00	1,384,408	1,127,750	(256,658)	122.76%	504,928	0.0%
12/31/99	1,194,419	1,147,671	(46,748)	104.07%	573,331	0.0%
12/31/98	1,049,021	1,008,289	(40,732)	104.04%	557,773	0.0%
12/31/97	825,559	810,687	(14,872)	101.83%	587,118	0.0%
12/31/96	641,948	688,209	46,261	93.28%	549,094	8.42%
12/31/95	559,122	723,271	164,149	77.30%	495,133	33.15%
12/31/94	442,067	608,617	166,550	72.63%	435,405	38.25%

On a market basis, the actuarial value of assets as of December 31, 2004 is \$1,766,124. On a market basis, the funded ratio would be 103.33%.

\*Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2004 are based on the 1999-2001 Experience Study.

The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For regular members, fewer normal and early retirements are expected to occur.

Other Supplementary Information

Disclosure of Tort Expenditures under PA 91-0628

	General Fund
Illinois Municipal League Risk Management Association	\$41,502.28

CITY OF MOMENCE, ILLINOIS  
General Fund  
Balance Sheet - Modified Cash Basis  
April 30, 2005

Schedule 1



Assets

Cash	\$ 210,164.96
Investments	608,308.47
<b>Total assets</b>	<b>\$ 818,473.43</b>

Liabilities and Fund Balance

Liabilities:	
Due to other funds	\$ 1,349.60
Payroll withholdings payable	10,065.63
<b>Total liabilities</b>	<b>11,415.23</b>
Fund Balance:	
Restricted	151,390.19
Unrestricted	655,668.01
<b>Total fund balance</b>	<b>807,058.20</b>
<b>Total liabilities and fund balance</b>	<b>\$ 818,473.43</b>

CITY OF MOMENCE, ILLINOIS  
 General Fund  
 Statement of Revenues, Expenditures and Changes in  
 Fund Balance, Budget and Actual - Modified Cash Basis  
 For the year ended April 30, 2005

Schedule 2

	<u>Budget</u>	<u>Actual</u>
<b>Revenues:</b>		
General property taxes	\$ 234,000.00	\$ 254,784.89
State replacement taxes	22,500.00	25,616.19
State income taxes	192,000.00	209,258.18
State sales and use tax	396,500.00	405,732.51
State highway maintenance	8,500.00	8,776.20
Grant revenue	-	10,000.00
Garbage fees	117,500.00	121,268.53
Licenses and fees	9,310.00	9,590.00
Building and electrical permits	15,275.00	36,193.00
Fines and forfeitures	30,900.00	102,431.47
Franchise agreements	7,500.00	6,637.46
Cable and amusement fees	14,200.00	15,640.79
Donation	-	1,000.00
Interest income	21,000.00	16,503.86
Miscellaneous income	19,300.00	41,863.67
<b>Total revenues</b>	<b><u>1,088,485.00</u></b>	<b><u>1,265,296.75</u></b>
<b>Expenditures:</b>		
<b>General Government</b>		
Mayor's Department		
Salary of mayor and council	15,000.00	13,025.00
Payroll taxes	1,250.00	277.25
Office supplies	2,250.00	300.18
Travel and other expenses	2,750.00	296.00
Contingencies	400.00	-
Total Mayor's Department	<u>21,650.00</u>	<u>13,898.43</u>
City Clerk Department		
Salary of clerk	7,500.00	2,625.00
Salary of city collector	33,000.00	27,896.00
Payroll taxes	1,250.00	2,271.16
IMRF	-	1,553.16
Dues and subscriptions	2,000.00	298.50
Publication fees	4,000.00	1,686.60
Repairs and maintenance	2,500.00	215.40
Supplies	2,500.00	593.30
Miscellaneous other expenses	1,750.00	105.00
Contingencies	900.00	5,977.48
Total City Clerk Department	<u>55,400.00</u>	<u>43,221.60</u>

CITY OF MOMENCE, ILLINOIS  
 General Fund  
 Statement of Revenues, Expenditures and Changes in  
 Fund Balance, Budget and Actual - Modified Cash Basis  
 For the year ended April 30, 2005

Schedule 2

	Budget	Actual
City Treasurer Department		
Salary of treasurer	\$ 5,500.00	\$ 2,520.00
Payroll taxes	750.00	192.84
Audit expense	5,000.00	4,081.00
Accounting services	10,000.00	8,040.00
Printing, stationary and supplies	2,500.00	31.75
Premium surety bond	500.00	-
Miscellaneous expense	1,500.00	603.50
Total City Treasurer Department	<u>25,750.00</u>	<u>15,469.09</u>
Public Property Department		
Wages and other fees	5,000.00	4,672.00
Property taxes	2,500.00	(455.68)
Supplies	4,000.00	3,668.95
Museum	3,000.00	221.82
Telephone	10,000.00	12,113.31
Insurance	1,000.00	-
State of Illinois - Dixie Highway	2,000.00	-
Log cabin	1,000.00	668.50
Utilities - heat	1,000.00	614.84
Contingencies	2,000.00	3,280.62
Surveyor	10,000.00	593.75
Land and economic development	3,000.00	-
Repairs and maintenance	4,000.00	15,301.69
Purchases of equipment	4,000.00	-
Total Public Property Department	<u>52,500.00</u>	<u>40,679.80</u>
Zoning and Planning Commission		
Salaries of zoning board and other	13,000.00	13,406.91
Plumbing fees	3,000.00	4,800.00
Electrical fees	3,000.00	2,575.00
Other operating expenses	2,000.00	-
Code enforcement officer	15,000.00	7,450.00
Payroll taxes	1,500.00	569.92
Publication fees	2,000.00	40.40
Comprehensive plan	10,000.00	7,121.46
Repairs and maintenance - vehicle	1,000.00	164.70
Gas and oil - vehicle	2,500.00	-
Supplies	1,500.00	202.60
Zoning	1,500.00	44.00
Total Zoning & Planning Commission	<u>56,000.00</u>	<u>36,374.99</u>

**CITY OF MOMENCE, ILLINOIS**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in**  
**Fund Balance, Budget and Actual - Modified Cash Basis**  
**For the year ended April 30, 2005**

**Schedule 2**

	<u>Budget</u>	<u>Actual</u>
<b>Insurance Department</b>		
Worker's compensation	\$ 40,000.00	\$ 30,655.00
Liability and other insurance	74,000.00	43,025.28
Contingencies	4,000.00	-
<b>Total Insurance Department</b>	<u>118,000.00</u>	<u>73,680.28</u>
<b>Legal Department</b>		
Retainer fee of city attorney	12,500.00	7,700.00
Court cost and stenographer fees	2,500.00	-
Travel and expense	1,000.00	-
Contingencies	13,500.00	3,179.75
Ordinance revision	6,500.00	4,692.00
<b>Total Legal Department</b>	<u>36,000.00</u>	<u>15,571.75</u>
<b>Local Improvement Department</b>		
July 4th celebration	10,000.00	6,133.00
Christmas decorations	10,000.00	-
Tree planting	5,000.00	4,255.00
Industrial park	20,000.00	8,646.00
Storm warning system	5,000.00	3,363.50
Sidewalk ramps	7,000.00	-
Downtown park development	5,000.00	483.65
Contingencies	9,000.00	-
Downtown area	40,000.00	15,331.62
Community donations	7,500.00	1,000.00
City Hall renovations	25,000.00	4,457.00
Comprehensive computerization	25,000.00	3,235.82
Tree removal	30,000.00	17,898.57
<b>Total Local Improvement</b>	<u>198,500.00</u>	<u>64,804.16</u>
<b>Liquor Commission</b>		
Salary of liquor commissioner	2,000.00	1,500.00
IMRF expense	500.00	-
Payroll taxes	500.00	114.84
Contingencies	400.00	-
<b>Total Liquor Commission</b>	<u>3,400.00</u>	<u>1,614.84</u>
<b>City Hall</b>		
Utilities	-	839.08
<b>Total City Hall</b>	<u>-</u>	<u>839.08</u>
<b>Total General Government</b>	<u>567,200.00</u>	<u>306,154.02</u>

CITY OF MOMENCE, ILLINOIS  
 General Fund  
 Statement of Revenues, Expenditures and Changes in  
 Fund Balance, Budget and Actual - Modified Cash Basis  
 For the year ended April 30, 2005

Schedule 2

	<u>Budget</u>	<u>Actual</u>
<b>Public Safety</b>		
Street Lighting		
Electricity	\$ 30,000.00	\$ 26,365.73
Repairs and maintenance	15,000.00	73.82
Contingencies	2,000.00	-
Total Street Lighting	<u>47,000.00</u>	<u>26,439.55</u>
Police Department		
Salaries of city police	319,500.00	318,473.61
Payroll taxes	28,000.00	23,376.31
Employee health insurance	95,000.00	90,622.57
Gas, fuel and oil	20,000.00	18,834.98
Repairs and maintenance	21,000.00	9,893.78
Supplies	10,000.00	6,809.79
Education and training	8,000.00	1,797.08
Insurance	3,000.00	630.00
Miscellaneous	67,500.00	29,700.20
Publication Fees	1,500.00	356.35
Travel and expenses	1,500.00	490.49
Animal control	5,000.00	2,770.00
IMRF	35,000.00	25,863.99
Purchase of equipment	25,000.00	24,518.94
Total Police Department	<u>640,000.00</u>	<u>554,138.09</u>
<b>Total Public Safety</b>	<u>687,000.00</u>	<u>580,577.64</u>



CITY OF MOMENCE, ILLINOIS  
 General Fund  
 Statement of Revenues, Expenditures and Changes in  
 Fund Balance, Budget and Actual - Modified Cash Basis  
 For the year ended April 30, 2005

Schedule 2

	<u>Budget</u>	<u>Actual</u>
<b>Public Works</b>		
Engineering Department		
Engineering fees	\$ 20,000.00	\$ 1,277.14
Surveyor fees	7,500.00	-
Procuring of maps & plats	5,000.00	-
Contingencies	2,000.00	-
Supplies	5,000.00	-
Total Engineering Department	<u>39,500.00</u>	<u>1,277.14</u>
Street and Alley Department		
Salary of superintendent	55,000.00	42,888.57
Wages - other personnel	139,745.00	59,174.65
Payroll taxes	20,000.00	7,654.87
Employee health insurance	40,000.00	30,467.53
Gas, fuel, and oil	15,000.00	5,787.91
Equipment repairs/rental	31,000.00	11,538.57
Material and supplies	37,248.00	14,985.50
Utilities - heat	3,000.00	1,136.93
Building repairs	5,000.00	424.80
Sidewalks-new construction	50,000.00	50,000.00
Blacktopping	7,000.00	3,343.37
Stone and salt	20,000.00	11,462.43
Equipment purchases	30,000.00	22,738.09
Equipment storage building	25,000.00	-
Engineering fees	20,000.00	-
Tree removal	15,000.00	7,425.00
Snow removal	7,000.00	-
Parking lot renovations	10,000.00	-
Downtown sidewalks	50,000.00	17,185.39
Reimbursement of road cuts	10,000.00	-
IMRF	17,500.00	9,037.63
Miscellaneous	36,000.00	442.79
Total Street and Alley Department	<u>643,493.00</u>	<u>295,694.03</u>
<b>Total Public Works</b>	<u><b>682,993.00</b></u>	<u><b>296,971.17</b></u>

## General Fund

Statement of Revenues, Expenditures and Changes in  
Fund Balance, Budget and Actual - Modified Cash Basis  
For the year ended April 30, 2005

	<u>Budget</u>	<u>Actual</u>
<b>Health and Welfare</b>		
Waste removal	\$ 120,000.00	\$ 119,254.00
Contingencies	5,000.00	35.00
Garbage containers, net of sales	-	(70.00)
<b>Total Health and Welfare Department</b>	<u>125,000.00</u>	<u>119,219.00</u>
<b>Sewer and Water Department</b>		
Maintenance - Labor and Materials	10,000.00	8,054.30
Utilities	5,000.00	1,833.68
Contingencies	1,000.00	-
<b>Total Sewer and Water Department</b>	<u>16,000.00</u>	<u>9,887.98</u>
<b>Total Health and Welfare</b>	<u>141,000.00</u>	<u>129,106.98</u>
<b>Community Center</b>		
Property taxes	9,000.00	8,429.55
Cleaning personnel	5,000.00	225.00
Utilities	10,000.00	7,105.64
Telephone	1,500.00	-
Repairs and maintenance	30,000.00	1,110.06
Equipment purchases	3,000.00	-
Insurance	2,000.00	-
Contingencies	3,000.00	-
Supplies	3,000.00	171.26
<b>Total Community Center</b>	<u>66,500.00</u>	<u>17,041.51</u>
<b>Miscellaneous contingencies</b>	-	415.00
<b>Total expenditures</b>	<u>2,144,693.00</u>	<u>1,330,266.32</u>
Excess (deficiency) of revenues over expenditures	<u>\$(1,056,208.00)</u>	<u>(64,969.57)</u>
Fund balance, beginning of period		<u>872,027.77</u>
<b>Fund balance, end of period</b>		<u><b>\$ 807,058.20</b></u>

CITY OF MOMENCE, ILLINOIS  
Special Revenue Funds  
Combining Balance Sheet - Modified Cash Basis  
April 30, 2005

Schedule 3

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	<u>Motor Fuel Tax Fund</u>	<u>Dare Fund</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 86,287.86	\$ -	\$ 86,287.86
Total assets	<u>\$ 86,287.86</u>	<u>\$ -</u>	<u>\$ 86,287.86</u>
<b><u>Fund Balance</u></b>			
Unrestricted fund balance	\$ 86,287.86	\$ -	\$ 86,287.86
Total fund balance	<u>\$ 86,287.86</u>	<u>\$ -</u>	<u>\$ 86,287.86</u>

## Special Revenue Funds

## Combining Statement of Revenues, Expenditures and Changes in

## Fund Balance, Budget and Actual - Modified Cash Basis

For the year ended April 30, 2005

	Motor Fuel Tax Fund		Dare Fund	Total Actual
	Budget	Actual	Actual	
<b>Revenues</b>				
Intergovernmental	\$ -	\$91,978.65	\$ -	\$ 91,978.65
Interest	-	1,538.35	-	1,538.35
<b>Total revenues</b>	-	93,517.00	0.00	93,517.00
<b>Expenditures</b>				
Streets and alleys	125,000.00	76,050.23	-	76,050.23
Materials and supplies	-	-	-	-
Engineering	-	14,474.44	-	14,474.44
Miscellaneous	-	-	4.19	4.19
<b>Total expenditures</b>	\$125,000.00	90,524.67	4.19	90,528.86
Excess (deficiency) of revenues over expenditures		2,992.33	(4.19)	2,988.14
Fund balance, beginning of period		83,295.53	4.19	83,299.72
Fund balance, end of period		\$86,287.86	\$ -	\$ 86,287.86

CITY OF MOMENCE, ILLINOIS  
 Water and Sewer Fund  
 Balance Sheet - Modified Cash Basis  
 April 30, 2005

Schedule 5

<u>Assets</u>	
Cash and cash equivalents	\$ 1,065,617.14
Investments, current	698,120.22
Due from other funds	<u>1,349.60</u>
Total current assets	<u>1,765,086.96</u>
Investments	<u>378,323.13</u>
Property and equipment:	
Sewer Plant	4,298,441.04
Sewer equipment	771,474.83
Water equipment	<u>1,758,623.34</u>
	6,828,539.21
Less accumulated depreciation	<u>(5,679,625.21)</u>
Property and equipment, net	<u>1,148,914.00</u>
Total assets	<u>\$ 3,292,324.09</u>
<u>Liabilities and Fund Equity</u>	
Miscellaneous liabilities	<u>\$ -</u>
Total liabilities	<u>-</u>
Fund Equity:	
Contributed capital	208,200.00
Less amortization	<u>(104,967.00)</u>
Contributed capital, net	<u>103,233.00</u>
Retained Earnings	<u>3,189,091.09</u>
Total fund equity	<u>3,292,324.09</u>
Total liabilities and fund equity	<u>\$ 3,292,324.09</u>

CITY OF MOMENCE, ILLINOIS  
Water and Sewer Fund  
Statement of Revenues, Expenses and  
Changes in Retained Earnings - Modified Cash Basis  
For the year ended April 30, 2005

Schedule 6

	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
Operating revenues:			
Fees for Services	\$ 357,878.89	\$ 769,836.54	\$ 1,127,715.43
Meter sales and tap-on fees	16,515.00	26,750.00	43,265.00
Other operating income	-	645.00	645.00
Total operating revenue	<u>374,393.89</u>	<u>797,231.54</u>	<u>1,171,625.43</u>
Operating expenses:			
Personal services	137,230.85	98,634.56	235,865.41
Payroll taxes and benefits	42,351.72	40,764.35	83,116.07
Utilities	18,958.76	238,173.01	257,131.77
Equipment rent	1,729.17	1,912.38	3,641.55
Maintenance and repairs	60,883.43	81,150.68	142,034.11
Materials and supplies	12,837.04	11,383.95	24,220.99
Testing expenses	4,294.12	3,102.31	7,396.43
Waste removal	-	16,517.29	16,517.29
Chemicals and lab	-	13,146.22	13,146.22
Professional services	1,809.50	17,259.39	19,068.89
Depreciation	61,894.23	21,004.79	82,899.02
Other operating expenses	3,674.84	27,400.06	31,074.90
Total operating expenses	<u>345,663.66</u>	<u>570,448.99</u>	<u>916,112.65</u>
Operating income (loss)	<u>\$ 28,730.23</u>	<u>\$ 226,782.55</u>	<u>255,512.78</u>
Nonoperating revenue (expense):			
Interest and investment income			<u>32,444.24</u>
Net nonoperating revenue			<u>32,444.24</u>
Net income before amortization of contributed capital			287,957.02
Add depreciation of fixed assets acquired by grants that reduces contributed capital			<u>10,410.00</u>
Increase (decrease) in retained earnings			298,367.02
Retained earnings, beginning of period			<u>2,890,724.07</u>
Retained earnings, end of period			<u>\$ 3,189,091.09</u>

CITY OF MOMENCE, ILLINOIS  
 Water and Sewer Fund  
 Statement of Expenses - Modified Cash Basis - Sewer Department  
 For the year ended April 30, 2005

Schedule 6A

	<u>Pretreatment</u>	<u>Final Treatment</u>	<u>Totals</u>
Salaries and wages	\$ -	\$ 98,634.56	\$ 98,634.56
Social security taxes	-	8,682.38	8,682.38
IMRF expense	-	10,267.98	10,267.98
Health insurance	-	21,813.99	21,813.99
Auditing fees	-	1,809.50	1,809.50
Engineering fees	15,449.89	-	15,449.89
Gas, fuel, & oil	-	4,437.60	4,437.60
Lab analysis	-	3,102.31	3,102.31
Waste removal	-	16,517.29	16,517.29
Equipment rent	-	1,912.38	1,912.38
Repairs and maintenance	22,154.50	57,214.54	79,369.04
Supplies and materials	439.81	6,506.54	6,946.35
Chemicals	-	13,146.22	13,146.22
Telephone	1,168.26	2,181.29	3,349.55
Electricity	25,669.68	71,101.34	96,771.02
Heating	138,052.44	-	138,052.44
New equipment	-	1,781.64	1,781.64
Depreciation	-	21,004.79	21,004.79
Other operating expenses	26.89	27,373.17	27,400.06
Total expenses	<u>\$ 202,961.47</u>	<u>\$ 367,487.52</u>	<u>\$ 570,448.99</u>

**CITY OF MOMENCE, ILLINOIS**  
**Water and Sewer Fund**  
**Statement of Cash Flows**  
**For the year ended April 30, 2005**

Schedule 7

<b>Operating activities</b>	
Operating income (loss)	\$ 255,512.78
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	<u>82,899.02</u>
Net cash provided by operating activities	<u>338,411.80</u>
<b>Capital and related financing activities</b>	
Acquisition of capital assets	<u>(99,111.76)</u>
Net cash provided (used) by capital and related financing activities	<u>(99,111.76)</u>
<b>Noncapital and related financing activities</b>	
Loans to other funds	<u>(1,349.60)</u>
Net cash provided (used) by noncapital and related financing activities	<u>(1,349.60)</u>
<b>Investing activities</b>	
Interest on investments	32,444.24
Purchase of investments	(1,236,079.68)
Proceeds from sale of investments	<u>1,228,138.83</u>
Net cash provided (used) by investment activities	<u>24,503.39</u>
Net increase (decrease) in cash and cash equivalents	262,453.83
Cash and cash equivalents, beginning of period	803,163.31
<b>Cash and cash equivalents, end of period</b>	<u><u>\$ 1,065,617.14</u></u>



CITY OF MOMENCE, ILLINOIS  
 Assessed Valuations, Rates, Extensions And Collections  
 For the tax levy years 2000 through 2004

Schedule 8

	2004	2003	2002	2001	2000
Assessed valuation	<u>\$40,129,261</u>	<u>\$38,802,712</u>	<u>\$38,816,613</u>	<u>\$36,749,560</u>	<u>\$35,670,710</u>
Tax rates:					
Corporate	\$ 0.250	\$ 0.245	\$ 0.138	\$ 0.132	\$ 0.250
Garbage disposal	-	-	-	0.014	-
Municipal band	-	-	-	0.014	-
Police protection	0.075	0.073	0.075	0.075	0.075
Liability insurance	0.090	0.088	0.129	0.137	0.129
Street lighting	-	-	0.003	0.003	-
Illinois municipal retirement	0.038	0.055	0.142	0.150	0.11
Audit	-	-	0.020	0.021	0.009
Workmen's compensation	0.075	0.065	0.026	0.028	-
Total tax rates	<u>\$ 0.528</u>	<u>\$ 0.526</u>	<u>\$ 0.533</u>	<u>\$ 0.574</u>	<u>\$ 0.576</u>
Tax extensions:					
Corporate	\$100,323.15	\$95,066.64	\$53,566.93	\$48,509.42	\$89,176.78
Garbage disposal	-	-	-	5,144.94	-
Municipal band	-	-	-	5,144.94	-
Police	30,096.95	28,325.98	29,112.46	27,562.17	26,753.03
Liability insurance	36,116.33	34,146.39	50,073.43	50,346.90	46,015.22
Illinois municipal retirement	15,249.12	21,341.49	55,119.59	55,124.34	40,307.90
Audit	-	-	7,763.32	7,717.41	3,210.36
Workmen's compensation	30,096.95	25,221.76	10,092.32	10,289.88	-
Total tax extensions	<u>\$ 211,882.50</u>	<u>\$ 204,102.27</u>	<u>\$ 205,728.05</u>	<u>\$ 209,839.99</u>	<u>\$ 205,463.29</u>
Tax collections:					
General Fund	\$ 201,791.84	\$ 190,788.44	\$ 190,788.44	\$ 209,931.27	\$ 205,565.00
Road & Bridge Twp Levy	52,993.05	42,672.78	42,672.78	48,927.53	42,913.00
Total tax collections	<u>\$ 254,784.89</u>	<u>\$ 233,461.22</u>	<u>\$ 233,461.22</u>	<u>\$ 258,858.80</u>	<u>\$ 248,478.00</u>
Percentage of General Fund extensions collected		98.87%	92.74%	100.04%	100.05%