



Phillips, Salmi & Associates, LLC
Certified Public Accountants

**CITY OF WASHINGTON, ILLINOIS
FINANCIAL STATEMENTS**

YEAR ENDED APRIL 30, 2013

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the City Council
City of Washington, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Washington, Illinois**, as of and for the year ended April 30, 2013, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited each fiduciary fund type of the City of Washington, Illinois as of and for the year ended April 30, 2013. The prior year summarized comparative information has been derived from the City's 2012 financial statements and, in our report dated October 4, 2012, we expressed unqualified opinions on the respective financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Washington, Illinois, as of April 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund, schedule of funding progress – Illinois Municipal Retirement Fund (unaudited) and schedule of funding progress – police pension trust fund (unaudited) on pages 3-11 and 60-63, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Washington, Illinois' financial statements as a whole. The other supplementary information, as listed in the accompanying table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information, on pages 64-80, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The information included on page 81 has been summarized from the City's records. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Phillips, Salmi & Associates, LLC

October 16, 2013

MANAGEMENT DISCUSSION AND ANALYSIS FISCAL YEAR ENDING APRIL 30, 2013

The following narrative overview and analysis is provided by the management of the City of Washington, IL to serve as an introduction to and to aid in the understanding of the more detailed financial statements which follow. Comparative information for the prior fiscal year ending April 30, 2012 is provided where available and applicable. This overview should be read in conjunction with the financial statements and footnotes that follow this section.

BACKGROUND

The City of Washington, IL operates under the Mayor/Council form of government. Other elected officials include a City Clerk and City Treasurer. Voters approved a Home Rule referendum in 1998 which affords the city greater latitude in meeting the needs of its residents and managing its governmental affairs.

The city directly provides or makes provision for the delivery of services to its residents including, but not limited to, the following: police; fire; ambulance and rescue; water; wastewater; streets; solid waste disposal and recycling; storm water management; and planning, zoning and code enforcement. It also performs a variety of functions related to these services and other general administrative responsibilities including: budgeting and financial management, human resources administration, accounts payable/receivable and engineering.

The format and content of the financial statements for the fiscal year ending April 30, 2013 are in accordance with the GASB 34 reporting model. Among other things, GASB 34 requires the city to account for the depreciation of fixed assets (city-owned streets, buildings, land, etc.) within governmental activities.

FINANCIAL HIGHLIGHTS

- The total net position of the City of Washington exceeded liabilities at April 30, 2013 by \$68,368,327, a \$3,784,886 or 5.9% increase over the prior year. Of the \$68.4 million, \$17,123,594 is unrestricted and may be used to meet the city's ongoing obligations to citizens and creditors. Unrestricted net position for the year ending April 30, 2012 totaled \$14,309,241.
- At April 30, 2013, the governmental funds reported combined fund balances of \$10,984,528, of which \$7,125,285 were unassigned. In the prior year, the governmental funds combined fund balance was \$9,706,494 of which \$6,005,251 was unassigned.
- Unrestricted cash, cash equivalents and investments increased by \$844,339 in the General Fund, increased by \$1,365,963 in the Sewer Funds and increased by \$120,987 in the Water Funds.
- The city strives to maintain cash reserves equal to at least three months annual operating revenues for cash flow purposes. Additional funds are maintained for unanticipated needs that may occur at any time and in anticipation of major capital projects planned for future years.

- The City's long-term debt totaled \$12,597,753 at fiscal year end. This total includes not only bonded indebtedness, but also vested employee compensated absences. The City continues to meet its debt obligations in a full and timely manner. Total long-term debt as of April 30, 2012 was \$13,424,774. The only additional long-term debt in 2013 relates to a new capital lease for three backhoes.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Washington's basic financial statements. The financial statements include three major component parts: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. The report contains other supplementary information as well.

Government-wide Financial Statements. The *government-wide financial statements* are intended to provide readers with a broad overview of the City of Washington's finances in a manner similar to a private-sector business. The statement of net position presents information on all of the City of Washington's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position can serve as a useful indicator of whether the financial position of the city is improving or deteriorating. Readers are cautioned that substantive conclusions should only be made following a more thorough evaluation of the full financial details and notes included herein.

Government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The City of Washington's governmental activities include General Government, Public Safety, Highways and Streets, Health and Welfare, Cemetery and interest on long-term debt.

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information for governmental funds with information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The City of Washington maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the WACC Debt Service Fund which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in this report.

The City of Washington adopts an annual budget for all of the governmental funds pursuant to Illinois statutes. A budgetary comparison statement for these funds has been provided in the Required Supplementary Information section.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City of Washington maintains two different types of proprietary funds, enterprise and internal service:

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Washington utilizes enterprise funds to account for financial transactions related to its Waterworks and Sewerage systems.
- Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City of Washington uses internal service funds to account for the city's self-insured health plan (Employees' Benefit Fund) and for fleet and equipment maintenance and replacement (Motor Equipment Replacement Fund).

Fiduciary funds account for resources held for the benefit of parties outside of the government: pension trust funds and agency funds held by the city in a custodial capacity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Washington's programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 29 of this report.

Other Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents supplementary information concerning combining statements and schedules for various funds; funding progress for the City's Illinois Municipal Retirement Fund (IMRF) and Police Pension Trust Fund; a historical review of property tax levies, rates and collections; and comparisons of budget vs. actual revenue and expense data.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. The largest part of the City of Washington's net position reflects its investment in capital assets (land, buildings and improvements, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Washington uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Washington's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At the end of the fiscal year, the City of Washington is able to report increased positive balances in all categories of net position, both for the government as a whole (\$68,368,327 for FYE April 2013 compared to \$64,583,441 for FYE April 2012, a 5.9% increase), as well as for governmental activities (\$34,998,383 compared to \$32,702,388, an 7.0% increase) and business-type activities (\$33,369,944 compared to \$31,881,053, a 4.7% increase).

Financial Analysis: Government Funds

As previously noted, the City of Washington uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City of Washington's governmental funds reported combined ending fund balances of \$10,984,528, an increase of \$1,278,034. The sum of \$7,125,285 is unassigned.

The General Fund is the primary operating fund of the City. Unassigned fund balances at fiscal year-end totaled \$7,204,408. During the year, revenues exceeded expenditures in the general fund by \$1,781,811. After planned transfers to various other funds, a net increase in the fund balance totaled \$706,431.

Financial Analysis: Proprietary Funds

The city's primary Proprietary Funds include the Waterworks and Sewerage Enterprise Funds. Monies in these funds are principally generated from user fees; they are primarily dedicated to the operation, maintenance, repair and replacement of the water treatment and distribution system and the sewer collection and treatment system.

Net position in the Waterworks Fund total \$12,240,887 with \$2,579,163 being unrestricted. Net position increased by \$222,312 during the year ending April 30, 2013. Sewerage Fund net position total \$20,703,165; \$5,972,541 are unrestricted. Net position in this fund grew by \$1,164,857.

Internal Service Funds include the Employee Benefits Fund (Health Insurance) with net position of \$883,766 and the Motor Equipment Replacement Fund with net position of \$2,447,472.

Financial Analysis: Trust and Agency Funds

Total fund balances in Trust and Agency Funds are \$6,179,578 which represents the fund balance of the Police Pension Fund (Pension Trust). Importantly, the net position grew by \$304,677 over the past year. These monies are restricted for the payment of pension benefits to sworn officers of the Washington Police Department.

Capital Asset Administration

The City of Washington's investment in capital assets includes land, buildings and improvements, equipment, streets, sewer systems, lighting systems, traffic signals, and other infrastructure. This investment in capital assets as of April 30, 2013 was \$55,306,058 (net of accumulated depreciation) compared to \$55,247,032 in the prior year. See Note 3 for further details.

Long-Term Debt

The city's long-term debt totaled \$12,597,753 at April 30, 2013 compared to \$13,424,774 at April 30, 2012. Governmental activity debt totaled \$5,953,106. Business-type activity debt (associated with the City's enterprise funds) totaled \$6,644,647.

Debt reductions during the year totaled \$924,241. Additions to long-term debt during the year totaled \$97,220. The sum of \$77,745 is attributable to a new capital equipment lease and \$19,475 is related to increases in vested employee compensated absences.

As a home-rule unit, no legal limit exists on the amount of outstanding debt. Additional information on the City's long-term debt can be found in Note 4 of this report.

Economic Factors and Next Year's Budget

The economy is showing signs of improving as are indicated by the slight increase in sales tax revenue of 2.7% and the significant increase of 11.7% in income tax revenue. The growth of the city's assessed valuation continues to remain somewhat flat in conjunction with the downturn in building activity.

A fiscal concern involves potential state legislative action in an attempt to ease the state's budgetary problems by shifting some of the burden to local governmental bodies. On a positive note, the state's late payment practices have improved over the past fiscal year. However, continued threats to permanently reduce state revenue distributions to municipalities would have long term consequences. Staff continues to remain aware of these concerns and the need to diversify revenue sources as so not to be too dependent on intergovernmental revenues.

Capital spending is anticipated to increase in the coming years. Supplemental funding is needed in the near term for the following specific capital purposes: general street repair and maintenance, storm water management and control, and replacement of STP No. 1. The next phase of the Sewer Treatment Plant #2 Expansion is anticipated for 2014 with completion scheduled for 2017. City owned property with planned development presents long-term benefits to the community as well as opportunities to explore alternatives for revenue sources for debt service financing.

Personnel costs account for about one-third of total budgeted expenditures. These expenses present steady upward pressure on the city's budget from year to year. A new approach to health insurance benefits with an emphasis on wellness has been implemented with the long-term goal of containment of health insurance costs and a healthier workforce. Notably, investment yields have improved during the fiscal year which will more than likely result in stabilized pension levies.

The city's near-term financial well being is directly dependent on the sustained growth of the city's key sources of revenue: sales tax, income tax, and water and sewer user fees. Continued commercial growth is essential to the city's long-term financial well-being. Income tax revenue is largely dependent on the overall health of the state and national economy and the preservation of the current state distribution formula to municipalities. While property taxes account for a comparatively small portion of total city revenue, growth in the city's assessed valuation is important to meet future fire protection/ambulance, pension and liability insurance expenses as these costs are largely funded through property taxes. Sustained building activity is essential to the growth of the local property tax base.

Request for Information

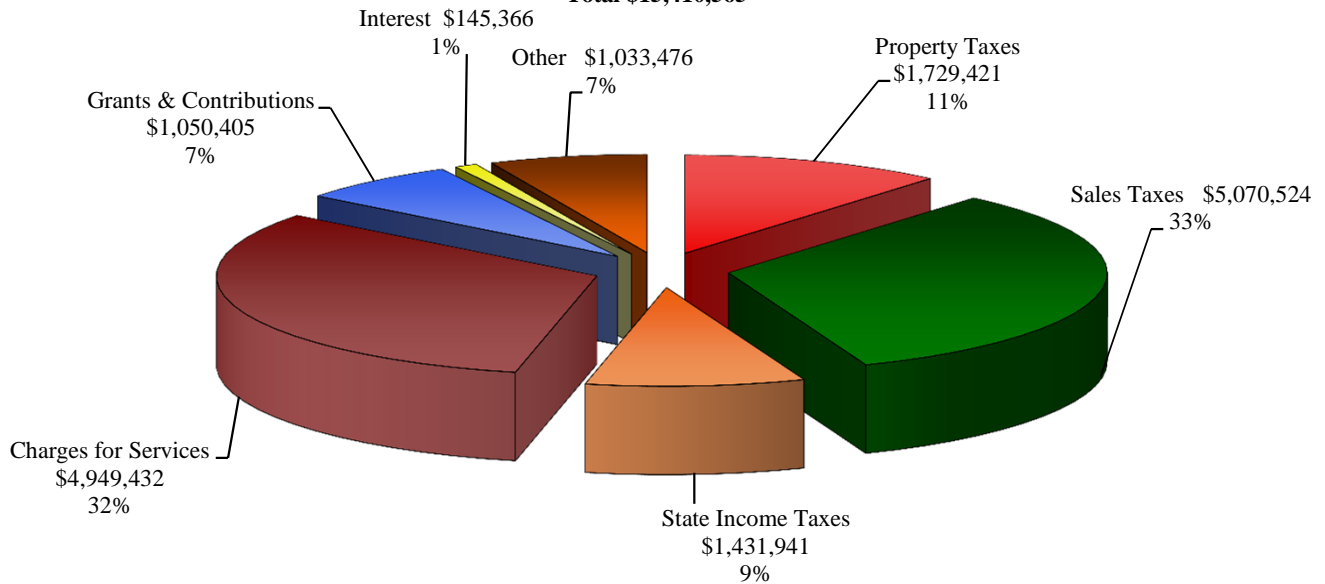
This financial report is designed to provide a general overview of the City of Washington's finances. Questions concerning the information provided in this report or requests for additional financial information should be directed to City Hall at 301 Walnut Street, Washington, IL 61571, (309) 444-3196 to the attention of Mr. Tim Gleason, City Administrator (tgleason@ci.washington.il.us) or Mrs. Joanie Baxter, Washington City Controller (jbaxter@ci.washington.il.us).

CITY OF WASHINGTON, ILLINOIS

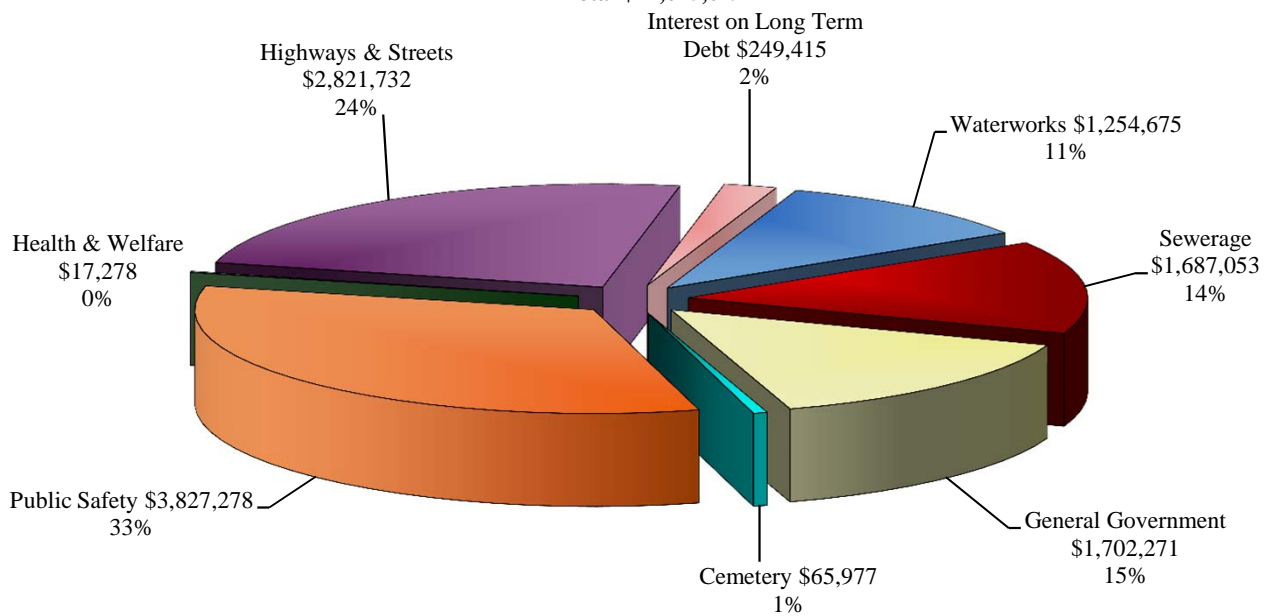
**Revenues
(All Activities)**

Year Ended April 30, 2013

Total \$15,410,565



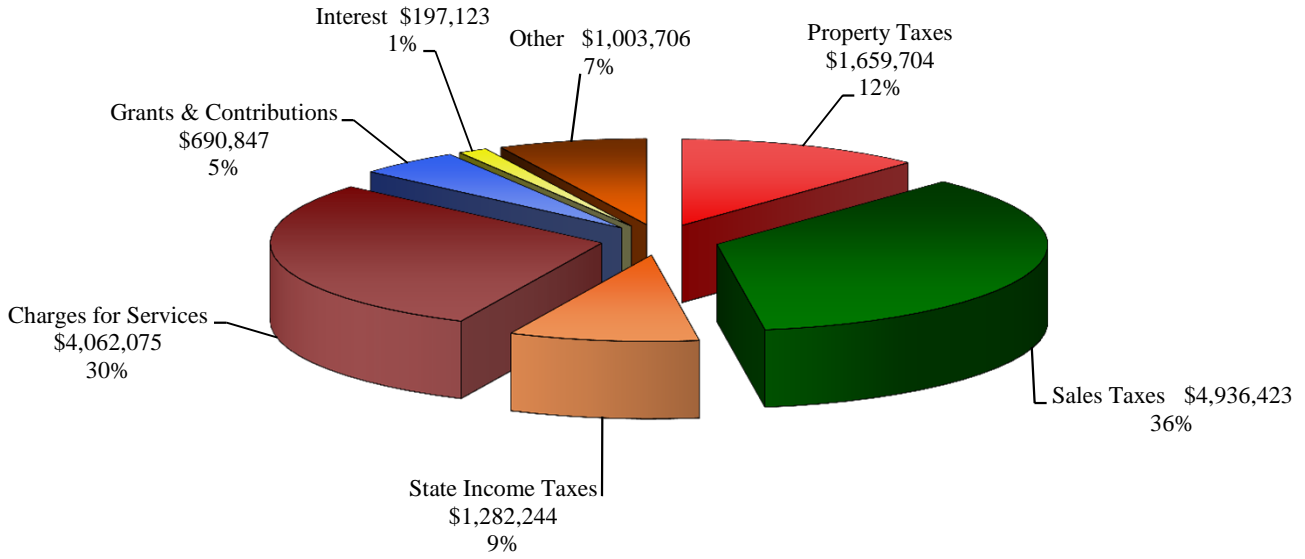
**Expenses
(All Activities)
Year Ended April 30, 2013
Total \$11,625,679**



CITY OF WASHINGTON, ILLINOIS

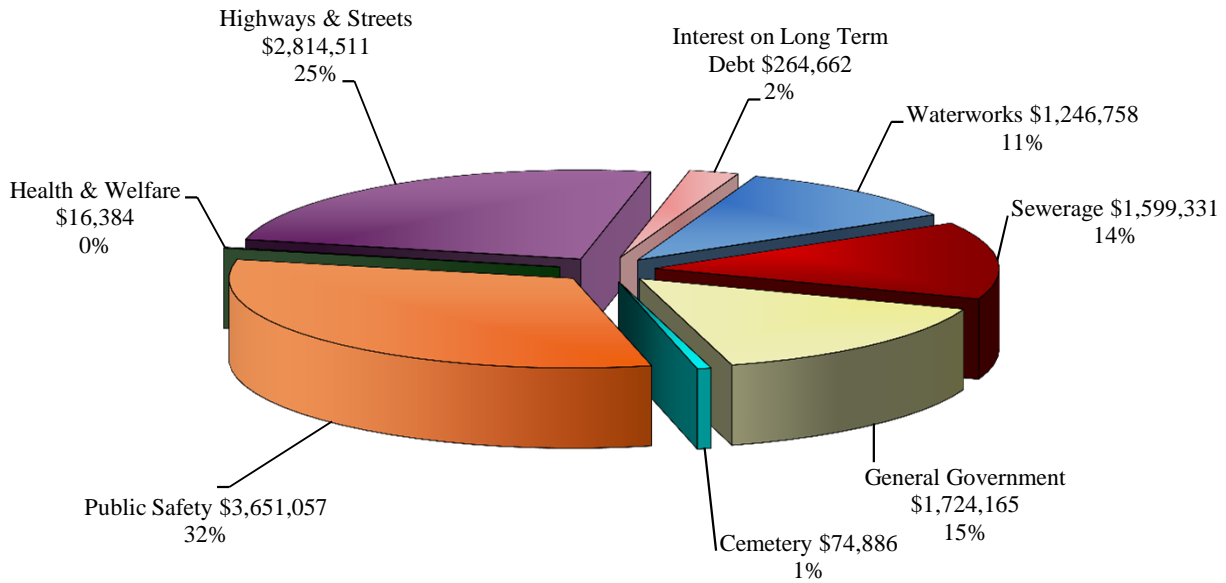
**Revenues
(All Activities)**

**Year Ended April 30, 2012
Total \$13,832,122**



**Expenses
(All Activities)**

**Year Ended April 30, 2012
Total \$11,391,754**



**CITY OF WASHINGTON, ILLINOIS
COMPARISON OF REVENUES, EXPENDITURES - GOVERNMENTAL FUNDS
AND OTHER DATA - GOVERNMENT WIDE
YEARS ENDED APRIL 30, 2009 THROUGH 2013**

	2013	2012	2011	2010	2009
REVENUES					
Property taxes	\$ 1,667,174	\$ 1,618,695	\$ 1,514,701	\$ 1,572,154	\$ 1,524,420
Licenses and permits	347,478	282,710	306,098	284,742	281,064
Intergovernmental	7,487,969	7,195,456	6,729,979	6,724,263	6,761,846
Grant proceeds	166,288	645,940	585,928	186,782	248,247
Charges for services	159,873	180,978	141,545	150,564	151,087
Fines and forfeitures	197,201	133,459	157,440	158,454	236,361
Interest	90,517	118,851	109,339	34,776	107,357
Other	209,669	144,891	244,933	66,200	80,831
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	10,326,169	10,320,980	9,789,963	9,177,935	9,391,213
EXPENDITURES					
Current					
General government	1,673,180	1,661,341	2,107,677	1,586,989	1,439,161
Public safety	3,916,140	3,671,141	3,610,357	3,378,940	3,112,587
Highways and streets	1,646,075	1,629,832	1,248,548	1,241,015	1,298,155
Health and welfare	17,278	16,384	15,403	15,012	13,608
Cemetery	63,181	68,804	60,272	67,207	52,049
Debt service					
Principal	308,160	296,120	282,560	270,520	276,309
Interest	284,882	302,559	319,402	335,381	352,882
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,908,896	7,646,181	7,644,219	6,895,064	6,544,751
Excess of revenues over expenditures before capital outlay					
	2,417,273	2,674,799	2,145,744	2,282,871	2,846,462
Capital outlay					
	1,216,548	3,097,350	648,033	3,815,142	2,097,685
Excess (deficiency) of revenues over expenditures					
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 1,200,725	\$ (422,551)	\$ 1,497,711	\$ (1,532,271)	\$ 748,777
OTHER DATA					
Assets and liabilities					
Unrestricted cash and investments	\$ 19,550,489	\$ 16,488,644	\$ 16,554,867	\$ 14,669,442	\$ 16,597,846
Capital assets	55,306,058	55,247,032	53,888,908	49,290,281	43,266,915
Long-term liabilities	12,597,753	13,424,774	13,766,054	10,528,867	9,628,898
Total Payroll	3,592,416	3,591,646	3,413,506	3,389,620	3,258,577
Annual Pension Costs					
IMRF	293,757	293,891	241,959	189,521	180,066
Police Pension	247,629	264,413	265,010	178,179	141,018
Assessed Valuation	305,649,264	302,711,642	296,446,874	291,456,522	270,622,514
Property tax rates	0.4212	0.4174	0.4102	0.3906	0.3757

CITY OF WASHINGTON, ILLINOIS
COMPARISON OF OPERATING REVENUES AND EXPENSES
WATERWORKS AND SEWERAGE FUNDS
YEARS ENDED APRIL 30, 2009 THROUGH 2013

WATERWORKS

	2013	2012	2011	2010	2009
OPERATING REVENUES	\$ 1,391,999	\$ 1,202,567	\$ 1,201,275	\$ 1,101,199	\$ 1,119,005
OPERATING EXPENSES					
Personal services	489,200	480,025	427,381	469,336	430,342
Heat, light, and power	118,069	109,115	139,662	133,890	152,352
Materials and supplies	144,529	149,011	127,949	119,896	123,920
Other services and charges	155,692	164,725	157,622	208,755	182,292
	<u>907,490</u>	<u>902,876</u>	<u>852,614</u>	<u>931,877</u>	<u>888,906</u>
Cash Generated from Operations	484,509	299,691	348,661	169,322	230,099
Depreciation	<u>(386,224)</u>	<u>(367,159)</u>	<u>(353,003)</u>	<u>(327,868)</u>	<u>(322,626)</u>
Operating income (loss)	<u>\$ 98,285</u>	<u>\$ (67,468)</u>	<u>\$ (4,342)</u>	<u>\$ (158,546)</u>	<u>\$ (92,527)</u>

SEWERAGE

	2013	2012	2011	2010	2009
OPERATING REVENUES	\$ 2,751,782	\$ 2,145,468	\$ 2,184,169	\$ 2,125,557	\$ 2,069,817
OPERATING EXPENSES					
Personal services	652,533	609,994	579,206	565,380	563,237
Heat, light, and power	145,948	147,588	206,828	212,175	226,214
Materials and supplies	24,074	20,923	18,919	13,044	17,419
Other services and charges	216,371	224,739	191,565	190,394	182,223
	<u>1,038,926</u>	<u>1,003,244</u>	<u>996,518</u>	<u>980,993</u>	<u>989,093</u>
Cash Generated from Operations	1,712,856	1,142,224	1,187,651	1,144,564	1,080,724
Depreciation	<u>(658,254)</u>	<u>(568,194)</u>	<u>(491,953)</u>	<u>(470,843)</u>	<u>(464,041)</u>
Operating income	<u>\$ 1,054,602</u>	<u>\$ 574,030</u>	<u>\$ 695,698</u>	<u>\$ 673,721</u>	<u>\$ 616,683</u>

BASIC FINANCIAL STATEMENTS

CITY OF WASHINGTON, ILLINOIS
STATEMENT OF NET POSITION
APRIL 30, 2013

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	2012 (Memorandum Only)
ASSETS				
Cash and cash equivalents	\$ 11,299,832	\$ 7,945,560	\$ 19,245,392	\$ 16,136,676
Investments	-	305,097	305,097	351,968
Receivables (net of allowance for uncollectibles)				
Property taxes	1,671,986	-	1,671,986	1,626,314
Other taxes	1,784,364	-	1,784,364	1,957,022
Special assessments	281,000	-	281,000	314,000
Accounts - customers	10,285	8,795	19,080	41,361
Estimated unbilled usage	-	896,856	896,856	841,693
Interest	-	259	259	316
Other	2,691,863	-	2,691,863	1,228,768
Internal balances	(391,701)	391,701	-	-
Inventory	26,730	-	26,730	26,730
Due from fiduciary funds	-	2,470	2,470	2,470
Prepaid items	67,051	16,643	83,694	104,359
Restricted assets				
Cash and cash equivalents	617,766	1,091,482	1,709,248	1,639,959
Bond costs, net of accumulated amortization	78,092	-	78,092	82,973
Capital assets not being depreciated	1,211,367	535,786	1,747,153	3,081,579
Capital assets, net of accumulated depreciation	24,222,177	29,336,728	53,558,905	52,165,453
	<u>\$ 43,570,812</u>	<u>\$ 40,531,377</u>	<u>\$ 84,102,189</u>	<u>\$ 79,601,641</u>

See accompanying notes.

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	2012 (Memorandum Only)
LIABILITIES AND NET POSITION				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,566,564	\$ 224,522	\$ 2,791,086	\$ 1,215,778
Construction retainage payable	13,939	1,394	15,333	38,347
Escrow and customer deposits	-	290,870	290,870	272,995
Deferred revenue	38,820	-	38,820	66,306
Long-term liabilities:				
Due within one year	356,313	550,940	907,253	862,260
Due in more than one year	5,596,793	6,093,707	11,690,500	12,562,514
Total liabilities	8,572,429	7,161,433	15,733,862	15,018,200
NET POSITION				
Invested in capital assets, net of related debt	24,453,381	23,300,866	47,754,247	47,087,460
Restricted for:				
Debt service	487,923	1,091,482	1,579,405	1,545,043
Other purposes	1,911,081	-	1,911,081	1,641,697
Unrestricted	8,145,998	8,977,596	17,123,594	14,309,241
Total net position	34,998,383	33,369,944	68,368,327	64,583,441
	\$ 43,570,812	\$ 40,531,377	\$ 84,102,189	\$ 79,601,641

**CITY OF WASHINGTON, ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED APRIL 30, 2013**

FUNCTION/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:				
General government	\$ 1,702,271	\$ 503,897	\$ 30,000	\$ -
Public safety	3,827,278	205,115	65,120	-
Highways and streets	2,821,732	9,212	15,780	674,456
Health and welfare	17,278	-	-	-
Cemetery	65,977	72,700	-	-
Interest on long term debt	249,415	-	-	-
Total governmental activities	8,683,951	790,924	110,900	674,456
Business-type activities:				
Waterworks	1,254,675	1,413,065	-	89,804
Sewerage	1,687,053	2,745,443	-	175,245
Total business-type activities	2,941,728	4,158,508	-	265,049
TOTAL	\$ 11,625,679	\$ 4,949,432	\$ 110,900	\$ 939,505

See accompanying notes.

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION

	GOVERNMENTAL ACTIVITIES	BUSINESS -TYPE ACTIVITIES	TOTAL	2012 (Memorandum Only)
	\$ (1,168,374)	\$ -	\$ (1,168,374)	\$ (1,303,199)
	(3,557,043)	-	(3,557,043)	(3,494,032)
	(2,122,284)	-	(2,122,284)	(2,141,645)
	(17,278)	-	(17,278)	(16,384)
	6,723	-	6,723	28,864
	(249,415)	-	(249,415)	(264,662)
	(7,107,671)	-	(7,107,671)	(7,191,058)
	-	248,194	248,194	6,826
	-	1,233,635	1,233,635	545,400
	-	1,481,829	1,481,829	552,226
	(7,107,671)	1,481,829	(5,625,842)	(6,638,832)
General Revenues				
Taxes:				
Property	1,729,421	-	1,729,421	1,659,704
Replacement	51,604	-	51,604	48,960
Sales	5,070,524	-	5,070,524	4,936,423
State income	1,431,941	-	1,431,941	1,282,244
Other local	497,583	-	497,583	387,454
Motor fuel	436,317	-	436,317	441,886
Interest on investments	90,517	54,849	145,366	197,123
Other	18,450	29,522	47,972	125,406
Transfers	77,309	(77,309)	-	-
Total general revenues and transfers	9,403,666	7,062	9,410,728	9,079,200
Change in net position	2,295,995	1,488,891	3,784,886	2,440,368
NET POSITION - BEGINNING	32,702,388	31,881,053	64,583,441	62,143,073
NET POSITION - ENDING	\$ 34,998,383	\$ 33,369,944	\$ 68,368,327	\$ 64,583,441

**CITY OF WASHINGTON, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2013**

ASSETS	General	WACC Debt Service	Nonmajor	Total	2012 (Memorandum Only)
Cash and cash equivalents	\$ 6,193,434	\$ 265,048	\$ 2,493,257	\$ 8,951,739	\$ 7,768,690
Receivables (net of allowance for uncollectibles)					
Property taxes	808,687	-	863,299	1,671,986	1,626,314
Other taxes	1,778,373	-	-	1,778,373	1,952,701
Special assessments	-	-	47,438	47,438	47,062
Accounts-customers	-	-	6,876	6,876	9,004
Other	67,556	698,943	34,392	800,891	795,521
Due from other funds	39,079	-	108	39,187	17,009
Due from other governments	-	-	26,026	26,026	29,381
Prepaid items	32,476	-	31,589	64,065	84,779
Inventory	26,730	-	-	26,730	26,730
Restricted assets					
Cash and cash equivalents	222,028	395,468	270	617,766	586,011
	<u>\$ 9,168,363</u>	<u>\$ 1,359,459</u>	<u>\$ 3,503,255</u>	<u>\$ 14,031,077</u>	<u>\$ 12,943,202</u>

See accompanying notes.

LIABILITIES AND FUND BALANCES	General	WACC Debt Service	Nonmajor	Total	2012
					(Memorandum Only)
Liabilities					
Accounts payable and accrued liabilities	\$ 392,960	\$ -	\$ 149,469	\$ 542,429	\$ 744,105
Construction retainage payable	13,939	-	-	13,939	38,347
Due to other funds	608	-	4,388	4,996	4,208
Deferred revenue	847,507	698,943	938,735	2,485,185	2,450,048
Total liabilities	1,255,014	698,943	1,092,592	3,046,549	3,236,708
Fund balances					
Nonspendable					
Prepays	32,476	-	31,589	64,065	84,779
Inventory	26,730	-	-	26,730	26,730
Restricted for:					
Special Police Funds	129,574	-	-	129,574	94,153
Debt Service	92,455	395,468	-	487,923	491,095
Civil Defense	-	-	24,846	24,846	24,418
Audit	-	-	16,709	16,709	15,128
Motor Fuel Tax	-	-	514,949	514,949	403,776
Incremental Tax	-	-	1,076,071	1,076,071	990,814
Liability Insurance	-	-	148,932	148,932	113,408
Assigned for:					
Capital Projects	427,706	-	-	427,706	628,674
Cemetery	-	-	276,644	276,644	265,826
Storm Water Management	-	-	51,794	51,794	25,952
Illinois Municipal Retirement	-	-	169,906	169,906	133,275
Social Security	-	-	178,346	178,346	142,218
Debt Service	-	265,048	-	265,048	260,997
Unassigned	7,204,408	-	(79,123)	7,125,285	6,005,251
Total fund balances	7,913,349	660,516	2,410,663	10,984,528	9,706,494
	\$ 9,168,363	\$ 1,359,459	\$ 3,503,255	\$ 14,031,077	\$ 12,943,202

**CITY OF WASHINGTON, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2013**

RECONCILIATION TO STATEMENT OF NET POSITION

Total fund balances - governmental funds	\$ 10,984,528
Capital assets used in governmental activities of \$32,741,222, net of accumulated depreciation of \$8,408,020 are not financial resources and, therefore, are not reported in the governmental funds.	24,333,202
Property taxes and long term receivables are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,446,365
Internal service funds are used to account for the financing of goods or services by one department to other departments of the City. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	2,905,346
Long term liabilities, accrued interest and compensation are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(5,982,712)
Special assessment capital debt obligations are recorded as capital debt proceeds in the governmental funds, but the proceeds create current and long-term receivables and long-term liabilities in the Statement of Net Position.	233,562
Bond costs of \$112,259, net of accumulated amortization of \$34,167, are recorded as expenditures in the governmental funds, but the cost creates a capital asset which must be expensed over the life of the bond.	78,092
Net position of governmental activities.	\$ 34,998,383

See accompanying notes.

CITY OF WASHINGTON, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2013

	General	WACC Debt Service	Nonmajor	Total	2012 (Memorandum Only)
REVENUES					
Property taxes	\$ 773,202	\$ -	\$ 893,972	\$ 1,667,174	\$ 1,618,695
Licenses and permits	347,478	-	-	347,478	282,710
Intergovernmental	7,027,561	-	460,408	7,487,969	7,195,456
Grant proceeds	166,288	-	-	166,288	645,940
Charges for services	87,173	-	72,700	159,873	180,978
Fines and forfeitures	197,201	-	-	197,201	133,459
Interest	34,565	41,671	14,281	90,517	118,851
Other	116,039	11,423	82,207	209,669	144,891
	<u>8,749,507</u>	<u>53,094</u>	<u>1,523,568</u>	<u>10,326,169</u>	<u>10,320,980</u>
EXPENDITURES					
Current					
General government	900,736	-	772,444	1,673,180	1,661,341
Public safety	3,909,513	-	6,627	3,916,140	3,671,141
Highways and streets	1,646,075	-	-	1,646,075	1,625,213
Health and welfare	17,278	-	-	17,278	16,384
Cemetery	-	-	63,181	63,181	68,804
Capital outlay	494,094	-	722,454	1,216,548	3,101,969
Debt service					
Principal	-	155,000	153,160	308,160	296,120
Interest	-	235,894	48,988	284,882	302,559
	<u>6,967,696</u>	<u>390,894</u>	<u>1,766,854</u>	<u>9,125,444</u>	<u>10,743,531</u>
Excess (deficiency) of revenues over expenditures	<u>1,781,811</u>	<u>(337,800)</u>	<u>(243,286)</u>	<u>1,200,725</u>	<u>(422,551)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	165,339	341,000	811,689	1,318,028	2,000,095
Transfers out	(1,240,719)	-	-	(1,240,719)	(1,903,191)
Total other financing sources (uses)	<u>(1,075,380)</u>	<u>341,000</u>	<u>811,689</u>	<u>77,309</u>	<u>96,904</u>
Net change in fund balances	706,431	3,200	568,403	1,278,034	(325,647)
FUND BALANCES, BEGINNING OF YEAR	<u>7,206,918</u>	<u>657,316</u>	<u>1,842,260</u>	<u>9,706,494</u>	<u>10,032,141</u>
FUND BALANCES, END OF YEAR	<u>\$ 7,913,349</u>	<u>\$ 660,516</u>	<u>\$ 2,410,663</u>	<u>\$ 10,984,528</u>	<u>\$ 9,706,494</u>

See accompanying notes.

CITY OF WASHINGTON, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2013

RECONCILIATION TO STATEMENT OF ACTIVITIES

Net change in fund balances - governmental funds	\$ 1,278,034
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the Statement of Activities	
Capital asset purchases capitalized	1,216,548
Depreciation expense	(1,480,768)
	(264,220)
Capital contributions made to the City that are not recorded as proceeds in the governmental fund, but are reported in the Statement of Activities.	525,268
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
Capital debt obligation principal payments	386,515
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	1,785
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(9,728)
Internal service funds are used to account for the financing of goods or services by one department to other departments of the City. The net revenue of certain activities of internal service funds is reported with governmental activities in the Statement of Activities.	355,760
Amortization of bond costs are recorded as expenditures in the governmental funds in the year of issuance, but the costs create a capital asset which must be expensed over the life of the bond.	(4,881)
Amortization of capital debt premium is recorded as a revenue in the governmental funds in the year of issuance, but the premium creates a capital liability which must be amortized over the life of the debt.	27,462
	1,017,961
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 2,295,995

See accompanying notes.

CITY OF WASHINGTON, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
APRIL 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>	<u>2012 (Memorandum Only)</u>
	<u>Waterworks</u>	<u>Sewerage</u>	<u>Total</u>		
ASSETS					
Current assets					
Cash and cash equivalents	\$ 2,408,944	\$ 5,536,616	\$ 7,945,560	\$ 2,348,093	\$ 8,367,986
Investments	204,946	100,151	305,097	-	351,968
Receivables (net of allowance for uncollectibles)					
Accounts - customers	563	8,232	8,795	-	32,357
Estimated unbilled usage	314,123	582,733	896,856	-	841,693
Interest	144	115	259	-	316
Other	-	-	-	1,874,346	408,187
Due from other funds	25,015	2,470	27,485	-	27,485
Prepaid items	7,454	9,189	16,643	2,986	19,580
Restricted assets					
Cash and cash equivalents	7,531	1,083,951	1,091,482	-	1,053,948
Total current assets	2,968,720	7,323,457	10,292,177	4,225,425	11,103,520
Capital assets, net of accumulated depreciation	9,692,018	20,180,496	29,872,514	1,100,342	31,174,878
Total assets	<u>\$ 12,660,738</u>	<u>\$ 27,503,953</u>	<u>\$ 40,164,691</u>	<u>\$ 5,325,767</u>	<u>\$ 42,278,398</u>

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
APRIL 30, 2013**

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	2012 (Memorandum Only)
	Waterworks	Sewerage	Total		
LIABILITIES AND NET POSITION					
Current liabilities					
Current maturities of long term debt	\$ 7,480	\$ 534,841	\$ 542,321	\$ -	\$ 529,288
Accounts payable and accrued liabilities	55,385	169,137	224,522	1,920,161	358,139
Accrued compensated absences	3,535	5,084	8,619	-	6,659
Retainage payable	1,394	-	1,394	-	-
Current portion of lease payable	-	-	-	14,885	-
Due to other funds	-	59,206	59,206	-	37,816
Customer deposits	290,870	-	290,870	-	272,995
Total current liabilities	358,664	768,268	1,126,932	1,935,046	1,204,897
Noncurrent liabilities					
Lease payable	-	-	-	53,198	-
Accrued compensated absences	30,842	33,538	64,380	6,285	77,818
IEPA loans payable, net of current maturities	-	5,676,687	5,676,687	-	6,127,124
Bonds payable, net of current maturities	30,345	322,295	352,640	-	437,920
Total noncurrent liabilities	61,187	6,032,520	6,093,707	59,483	6,642,862
Total liabilities	419,851	6,800,788	7,220,639	1,994,529	7,847,759
Net position					
Invested in capital assets, net of related debt	9,654,193	13,646,673	23,300,866	1,100,342	24,080,546
Restricted for:					
IEPA loan debt service	-	1,033,401	1,033,401	-	994,529
Bond debt service	7,531	50,550	58,081	-	59,419
Unrestricted	2,579,163	5,972,541	8,551,704	2,230,896	9,296,145
Total net position	12,240,887	20,703,165	32,944,052	3,331,238	34,430,639
	\$ 12,660,738	\$ 27,503,953		\$ 5,325,767	\$ 42,278,398
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			425,892		
Net position of business-type activities			\$ 33,369,944		

CITY OF WASHINGTON, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>	<u>2012 (Memorandum Only)</u>
	<u>Waterworks</u>	<u>Sewerage</u>	<u>Total</u>		
OPERATING REVENUES					
Metered sales	\$ 1,275,853	\$ 1,986,376	\$ 3,262,229	\$ -	\$ 2,943,950
Charges for services	85,493	723,691	809,184	1,854,404	2,016,457
Employee contributions	-	-	-	106,578	99,805
Other	30,653	41,715	72,368	48,124	80,186
	<u>1,391,999</u>	<u>2,751,782</u>	<u>4,143,781</u>	<u>2,009,106</u>	<u>5,140,398</u>
OPERATING EXPENSES					
General and administrative	-	-	-	21,336	19,798
Personal services	489,200	652,533	1,141,733	1,012,286	2,185,221
Heat, light, and power	118,069	145,948	264,017	-	256,703
Materials and supplies	144,529	24,074	168,603	186,491	344,966
Other services and charges	155,692	216,371	372,063	84,949	483,007
Depreciation	386,224	658,254	1,044,478	236,016	1,156,543
	<u>1,293,714</u>	<u>1,697,180</u>	<u>2,990,894</u>	<u>1,541,078</u>	<u>4,446,238</u>
Operating income	98,285	1,054,602	1,152,887	468,028	694,160
NONOPERATING (REVENUES) EXPENSES					
Interest income	(15,638)	(39,211)	(54,849)	(15,070)	(96,414)
Rental income	(44,249)	-	(44,249)	-	(54,554)
Interest and fiscal agent fee expense	1,826	50,730	52,556	1,570	61,383
(Gain) loss on sale of equipment	-	-	-	24,046	(7,024)
	<u>(58,061)</u>	<u>11,519</u>	<u>(46,542)</u>	<u>10,546</u>	<u>(96,609)</u>
Net income before capital contributions and transfers	156,346	1,043,083	1,199,429	457,482	790,769
CAPITAL CONTRIBUTIONS FROM DEVELOPERS	89,804	175,245	265,049	-	-
TRANSFERS IN (OUT), NET	(23,838)	(53,471)	(77,309)	-	(96,904)
Change in net position	222,312	1,164,857	1,387,169	457,482	693,865
TOTAL NET POSITION, BEGINNING OF YEAR	<u>12,018,575</u>	<u>19,538,308</u>		<u>2,873,756</u>	<u>33,736,774</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 12,240,887</u>	<u>\$ 20,703,165</u>		<u>\$ 3,331,238</u>	<u>\$ 34,430,639</u>
RECONCILIATION TO STATEMENT OF ACTIVITIES:					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>101,722</u>		
Change in net position of business-type activities			<u>\$ 1,488,891</u>		

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2013**

	Business-Type Activities - Enterprise Funds			Governmental Activities -	2012 (Memorandum Only)
	Waterworks	Sewerage	Total	Internal Service Funds	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 1,390,625	\$ 2,721,555	\$ 4,112,180	\$ 1,213,420	\$ 5,163,245
Receipts from interfund services provided	-	-	-	819,111	668,300
Payments to suppliers	(570,567)	(287,850)	(858,417)	(1,241,221)	(3,621,945)
Payments to employees	(494,794)	(655,402)	(1,150,196)	(93,226)	(1,168,613)
Receipt of utility customer deposits	17,875	-	17,875	-	17,895
Net cash provided by operating activities	343,139	1,778,303	2,121,442	698,084	1,058,882
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES					
(Advances to) repayments from other funds	-	21,390	21,390	-	22,331
Transfers to other funds	(23,838)	(53,471)	(77,309)	-	(96,904)
Net cash used in noncapital and related financing activities	(23,838)	(32,081)	(55,919)	-	(74,573)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(249,289)	(200,360)	(449,649)	(334,276)	(617,654)
Proceeds from sale of equipment	-	-	-	24,200	33,825
Loan proceeds	-	384,694	384,694	-	375,565
Principal paid on capital leases	-	-	-	(9,662)	-
Principal paid on bond and loan maturities	(7,480)	(515,203)	(522,683)	-	(383,144)
Interest paid on bonds and loans	(1,826)	(50,730)	(52,556)	(1,570)	(63,677)
Net cash used in capital and related financing activities	(258,595)	(381,599)	(640,194)	(321,308)	(655,085)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	15,810	39,096	54,906	15,070	96,499
Rental income received	44,249	-	44,249	-	54,554
Proceeds from sale/maturity of investments	47,022	-	47,022	-	-
Purchase of investments	-	(151)	(151)	-	(2,320)
Net cash provided by investing activities	107,081	38,945	146,026	15,070	148,733
NET CHANGE IN CASH AND CASH EQUIVALENTS	167,787	1,403,568	1,571,355	391,846	477,957
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,248,688	5,216,999	7,465,687	1,956,247	8,943,977
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,416,475</u>	<u>\$ 6,620,567</u>	<u>\$ 9,037,042</u>	<u>\$ 2,348,093</u>	<u>\$ 9,421,934</u>

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2013**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>	<u>2012 (Memorandum Only)</u>
	<u>Waterworks</u>	<u>Sewerage</u>	<u>Total</u>		
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 98,285	\$ 1,054,602	\$ 1,152,887	\$ 468,028	\$ 694,160
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	386,224	658,254	1,044,478	236,016	1,156,543
(Increase) decrease in usage receivable	(8,901)	(46,262)	(55,163)	-	(81,875)
(Increase) decrease in other receivables	7,527	16,035	23,562	(1,850,853)	773,022
(Increase) decrease in prepaid items	(330)	848	518	(567)	(915)
Increase (decrease) in accounts payable and accrued liabilities	(154,789)	96,060	(58,729)	1,845,273	(1,105,889)
Increase (decrease) in accrued compensated absences	(4,146)	(1,234)	(5,380)	187	3,641
Increase (decrease) in retainage payable	1,394	-	1,394	-	(397,700)
Increase in customer deposits	17,875	-	17,875	-	17,895
Net cash provided by operating activities	<u>\$ 343,139</u>	<u>\$ 1,778,303</u>	<u>\$ 2,121,442</u>	<u>\$ 698,084</u>	<u>\$ 1,058,882</u>

**PRESENTATION OF CASH AND CASH EQUIVALENTS ON THE
STATEMENT OF NET POSITION PROPRIETARY FUNDS**

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Waterworks</u>	<u>Sewerage</u>	<u>Total</u>	
Cash and cash equivalents	\$ 2,408,944	\$ 5,536,616	\$ 7,945,560	\$ 2,348,093
Restricted cash and cash equivalents	7,531	1,083,951	1,091,482	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,416,475</u>	<u>\$ 6,620,567</u>	<u>\$ 9,037,042</u>	<u>\$ 2,348,093</u>

See accompanying notes.

**CITY OF WASHINGTON, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
TRUST AND AGENCY FUNDS
APRIL 30, 2013**

	<u>Pension Trust</u>	<u>Agency Special</u>		<u>2012</u>
	<u>Police</u>	<u>Assessment</u>	<u>Total</u>	<u>(Memorandum</u>
	<u>Pension</u>	<u>Collection</u>		<u>Only)</u>
ASSETS				
Cash and cash equivalents	\$ 237,239	\$ -	\$ 237,239	\$ 262,388
Investments	5,665,936	-	5,665,936	5,359,886
Receivables (net of allowance for uncollectibles)				
Employer contribution	267,004	-	267,004	241,977
Interest	9,399	-	9,399	10,650
Other	-	2,470	2,470	2,470
	<u>\$ 6,179,578</u>	<u>\$ 2,470</u>	<u>\$ 6,182,048</u>	<u>\$ 5,877,371</u>
LIABILITIES AND NET POSITION				
Liabilities				
Due to other funds	\$ -	\$ 2,470	\$ 2,470	\$ 2,470
Net Position			-	
Reserved for police pension benefits	<u>6,179,578</u>	-	<u>6,179,578</u>	<u>5,874,901</u>
Total net position	<u>6,179,578</u>	-	<u>6,179,578</u>	<u>5,874,901</u>
	<u>\$ 6,179,578</u>	<u>\$ 2,470</u>	<u>\$ 6,182,048</u>	<u>\$ 5,877,371</u>

See accompanying notes.

CITY OF WASHINGTON, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
TRUST FUND
YEAR ENDED APRIL 30, 2013

	<u>Pension Trust</u>	
	Police Pension	2012 (Memorandum Only)
Additions		
Contributions		
Plan members' contributions	\$ 110,124	\$ 114,600
Employer contributions	274,706	250,121
Other	50	46
Investment earnings		
Investment income	122,262	139,202
Net gain (loss) in fair value of investments	226,877	(105,978)
	<u>734,019</u>	<u>397,991</u>
Deductions		
Benefits paid	388,992	315,721
Administrative expenses	40,350	3,848
	<u>429,342</u>	<u>319,569</u>
Change in net position	304,677	78,422
Net position		
Beginning of year	<u>5,874,901</u>	<u>5,796,479</u>
End of year	<u>\$ 6,179,578</u>	<u>\$ 5,874,901</u>

See accompanying notes.

CITY OF WASHINGTON, ILLINOIS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED APRIL 30, 2013

	Balance				Balance
	April 30, 2012	Additions	Deductions		April 30, 2013
SPECIAL ASSESSMENT					
COLLECTION FUND					
ASSETS					
Due from property owners	\$ 2,470	\$ 11	\$ 11		\$ 2,470
LIABILITIES					
Due to other funds	\$ 2,470	\$ 11	\$ 11		\$ 2,470
POLICE BOND REMITTANCE FUND					
ASSETS					
Cash	\$ -	\$ 31,999	\$ 31,999		\$ -
LIABILITIES					
Due to other governmental entities	\$ -	\$ 31,999	\$ 31,999		\$ -
EMERGENCY ASSISTANCE FUND					
ASSETS					
Cash	\$ -	\$ 176	\$ 176		\$ -
LIABILITIES					
Due to other governmental entities	\$ -	\$ 176	\$ 176		\$ -
TOTAL - ALL AGENCY FUNDS					
ASSETS					
Cash	\$ -	\$ 32,175	\$ 32,175		\$ -
Due from property owners	2,470	11	11		2,470
	\$ 2,470	\$ 32,186	\$ 32,186		\$ 2,470
LIABILITIES					
Due to other funds	\$ 2,470	\$ 11	\$ 11		\$ 2,470
Due to other governmental entities	-	32,175	32,175		-
	\$ 2,470	\$ 32,186	\$ 32,186		\$ 2,470

See accompanying notes.

CITY OF WASHINGTON, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Washington, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the significant policies. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Nature of Operations

The City of Washington, located in Central Illinois, provides a broad range of services to citizens, including general government, public safety, streets, and the water and sewer utilities. Revenues are substantially generated as a result of taxes assessed and allocated to the City (examples would be property, sales, income, and motor fuel taxes), charges for services performed, and governmental grants. Revenues are therefore dependent on the economy within the territorial boundaries of the City and nearby surrounding area and the appropriations of grant entitlements at the federal/state government level. Taxable industry within the area is primarily retail. The surrounding area has a substantial agricultural base.

B. Financial Reporting Entity

Generally accepted accounting principles require the financial reporting entity to include the primary government and other organizations for which the primary government is financially accountable (component units). Financial accountability includes the primary government's ability to appoint a voting majority of the organization's governing body, the ability to impose will on an organization, and if an organization is fiscally dependent on the primary government. Based on this guidance, management has determined there are no component units required to be included in the City's basic financial statements.

C. Basis of Presentation

Management's Discussion and Analysis – Provides introductory information on basic financial statements and an analytical overview of the City's financial activities.

Government wide financial statements – The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Fund financial statements – Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the City or if it meets the following criteria:

- total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Required supplementary information – Budgetary comparison schedules are presented. The original budget for revenues and expenditures is presented in comparison with the actual final budgetary revenues and expenditures.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund – The General Fund is the general operating fund of the City and always classified as a major fund. It is used to account for all financial resources and expenditures not required by law or contractual agreement to be accounted for in another fund. The General Fund expenditures include corporate, city hall, street, police, tourism and economic development, zoning operations, and fire and rescue subsidies.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources used to finance specified activities, as required by law or administrative regulation. The City maintains the following special revenue funds:

Cemetery Fund - Accounts for the operations of the municipal cemetery. Revenue is derived principally from sale of lots and interment fees.

Civil Defense Fund – Accounts for the operations of the City’s program in connection with the “Illinois Emergency Services and Disaster Agency Act of 1975.” Financing is provided through property taxes with the purpose to pay those costs which may be necessary or proper to prevent, minimize, repair and alleviate injury, loss of life, or property damage resulting from disasters caused by flood, earthquake, extended periods of severe and inclement weather, etc.

Audit Fund – Accounts for the cost of the annual audit of the City’s financial statements.

Motor Fuel Tax Fund – Accounts for the state motor fuel tax revenue collected by the City and used in connection with the highway construction and maintenance projects of the City as authorized by the Illinois Department of Transportation.

Incremental Tax Fund – Accounts for the revenue and expenditures related to tax increment designated areas within the City.

Liability Insurance Fund – Accounts for the cost of insurance premiums and tort judgments or settlements of the City.

Storm Water Management Fund - Accounts for the revenue and expenditures in connection with storm water management.

Illinois Municipal Retirement Fund – Accounts for the expenditures related to the City’s participation in the Illinois Municipal Retirement Fund system.

Social Security Fund – Accounts for the expenditures related to the City’s portion of Social Security and Medicare for eligible employees.

Capital Projects Funds – Capital projects funds are used to account for general construction or renovation projects being carried out by the City which are not financed by proprietary or trust funds. The City maintains the following capital projects fund:

Dallas Road Improvement Fund – To account for the reconstruction of Dallas Road.

Police Station Remodel – To account for the remodeling of the police station.

Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, general obligation bond principal, interest, and related costs. The City maintains the following debt service funds:

Cruger Road Fund – Accounts for the accumulation of resources for and the payment of general obligation bond principal, interest, and related costs for projects in the Cruger Road area.

South Cummings Lane Fund – Accounts for the accumulation of resources for and the payment of general obligation bond principal, interest, and related costs for projects in the South Cummings Lane area.

Mallard Crossing Fund - Accounts for the accumulation of resources for and the payment of general obligation bond principal, interest, and related costs for projects in the Mallard Crossing area.

Washington Area Community Center (WACC) Fund – Accounts for the accumulation of resources for and the payment of general obligation bond principal, interest, and related costs for the Washington Area Community Center project. The WACC Fund is reported as a major fund.

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 revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains the following enterprise funds, which are reported as major funds:

Waterworks Fund – To account for the water service to the residents of the City. Revenue is provided through user charges which are designed to pay operating expenses (including depreciation of the Fund’s fixed assets) and provide for a net income to finance the continued operations of the system.

Sewerage Fund – To account for the sewer services to the residents of the City. Revenue is provided through user charges which are designed to pay operating expenses (including depreciation of the Fund’s fixed assets) and provide for a net income to finance the continued operations of the system.

Internal Service Funds – Internal service funds are used to account for the financing of goods or services by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City maintains the following internal service funds:

Employees’ Benefit Fund – Accounts for the City’s self-insured health plan. The purpose of the Fund is to pay medical claims of the City’s employees and retirees and their covered dependents and to minimize the total cost of the annual insurance to the City.

Motor Equipment Replacement Fund – Provides for the maintenance and repair of motorized equipment and vehicles used in the operations of City services. Revenue is from rental charges to user departments. Expenses include cost of labor, material, supplies, and services.

Fiduciary Funds

Pension Trust Fund – The Police Pension Fund accounts for the accumulation of resources to be used for the payment of retirement benefits to the City police.

Agency Funds – Agency funds are used to account for assets held by the City in a custodial capacity (i.e., assets equal liabilities). Agency funds do not involve the measurement of results of operations. The City maintains the following agency funds:

Special Assessment Collection Fund – To account for the assets and liabilities related to certain special assessment projects.

Police Bond Remittance Fund – To account for bond monies collected by the police department and remitted to the Circuit Clerk.

Emergency Assistance Fund – To account for emergency assistance provided to those in need.

D. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus and the accrual basis of accounting, as defined in Basis of Accounting below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

1. Governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. Proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

The government-wide financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the “current financial resources” measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 75 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City’s water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

E. Budgets and Budgetary Accounting

The budget for all governmental fund types is prepared on the modified accrual basis of accounting, which is the same basis that is used in the fund financial reporting. This allows for comparability between budget and actual amounts. The budget was passed on April 16, 2012.

For each fund, total fund expenditures may not legally exceed the budgeted expenditures. Unexpended budgeted amounts lapse at the end of each fiscal year. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at the line item level. Encumbrances accounting is not employed.

The City adopts its annual budget in accordance with Chapter 65, Paragraph 5/8-2-9.4 of the Illinois Compiled Statutes, as follows:

- (1) The budget officer submits to the City Council a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) A public hearing is conducted to obtain taxpayer comments.
- (3) Prior to May 1, the budget is legally adopted through passage of an ordinance.

(4) Budgeted amounts may be transferred between object classes within a fund at any time. The annual budget may be revised by a vote of two-thirds of the City Council by deleting, adding to, or changing budgeted items. No revision of the budget can be made increasing the budget in the event funds are not available. The budget was amended on April 15, 2013.

The City also adopts an informal operating budget for proprietary funds containing estimated revenues and expenditures, which is used as a management control device.

F. Cash and Cash Equivalents

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short term investments with an original maturity of three months or less.

G. Investments

Investments classified in the financial statements consist of certificates of deposit whose original maturity exceeds three months and Police Pension Trust Fund investments, including federal agency notes, mutual funds, certificates of deposit and annuities. Investments are stated at fair value.

The City's investment policy is to invest in allowable investments under the Illinois Compiled Statutes. These include (a) interest-bearing savings accounts and certificates of deposit and (b) bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America. In addition to the investments listed above, the City's police pension trust fund may also invest in various money market mutual funds, short-term corporate obligations, and diversified portfolios managed by life insurance companies or registered investment companies within the guidelines established under Section 1-113 of Article 5 of the Illinois Pension Code.

H. Real Estate Taxes

Real estate taxes are a lien on individual properties from January 1 in the year in which the taxes are levied. The levy must be filed with the County Clerk by the last Tuesday in December each year. The tax levy for amounts received in the fiscal year ended April 30, 2013 was passed December 24, 2011. Due dates, by statute, are June 1 and September 1 of the following year. Generally, collections of tax monies are made within 30 to 60 days of the due dates.

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

J. Restricted Assets

Cash and investments have been restricted for the various purposes for which equity has been reserved in the respective funds of the City.

K. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Contributed or donated assets are carried at their estimated market value as of the date received. Prior to May 1, 2004 governmental funds infrastructure assets were not capitalized. Infrastructure assets acquired since May 1, 2004 are recorded at cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives and capitalization threshold by type of asset is as follows:

Capitalization

	<u>Useful Life</u>	<u>Threshold</u>
Buildings	20-50 years	\$10,000
Land improvements	20 years	\$10,000
Water and sewer systems	10-60 years	\$10,000
Equipment	3-50 years	\$1,000
Infrastructure	20-50 years	\$10,000

Fund Financial Statements

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

L. Compensated Absences

The City's sick leave policy allows for twelve sick days per year. Employees with unused sick leave accumulated prior to January 1, 1992, may carry forward up to 30 days and will be paid for unused hours remaining upon an employee's retirement or separation from City service at the employee's hourly rate of pay in effect on December 31, 1991. Sick leave accumulated since December 31, 1991 and not covered by the terms of the police officer's collective bargaining agreement does not vest. For employees covered by the police officer's collective bargaining agreement, sick leave accumulates at their current hourly rate.

The City's vacation policy allows each regular full-time employee assigned as a commander or to a position classification of a range lower than 90 within the City's position classification system, and not otherwise covered by the terms of a collective bargaining agreement, to earn two weeks of vacation after one year of service and one additional day for each year of service in excess of six years, up to a maximum vacation time of five weeks. Each regular full-time employee or to a position classification of a range 90 or above earns two weeks of vacation after one year of service and up to five years of service, three weeks of vacation from five to ten years of service, four weeks of vacation from eleven to fifteen years of service, and five weeks of vacation for sixteen and more years of service. For employees with up to 15 years of service, up to one week of vacation may be carried over to the following year. Employees with 15 or more years of service may carry two weeks of vacation over to the following year. Upon termination, an employee is entitled to be paid for any vested vacation from the prior year and a prorated share of the current year's vacation.

The City Council passed an ordinance to amend the personnel manual to provide for non-union part-time employee leave. The employee must have worked 1,000 hours in the prior year to qualify. The employee will receive up to 80 hours of paid leave based on the ratio of total hours worked by the employee to 2,080 hours.

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

N. Long Term Debt

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

Long term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest is reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

O. Equity Classification

Government-Wide Statements

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

- (1) Invested in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- (2) Restricted net position - Net position with constraints placed on their use by external groups or by law through constitutional provisions or enabling legislation.
- (3) Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

The governmental activities column of the government wide statement of net position reports \$1,911,081 of restricted net position for other purposes. Of this amount, the following are restricted by enabling legislation related to the audit fund of \$16,709, the motor fuel fund of \$514,949, incremental tax of \$1,076,071 and liability insurance of \$148,932. In addition, \$24,846 is restricted for civil defense, and \$129,574 is restricted for drug and alcohol enforcement, police fundraising, education, vehicle seizures and miscellaneous other police purposes.

Fund Financial Statements

Governmental fund equity is classified as fund balance. The components of fund balance are:

- Non-spendable – consists of resources that cannot be spent because of their form.
- Restricted – consists of resources which have limitations imposed by enabling legislation and limitations imposed by creditors, grantors, or contributors.
- Committed – consists of resources which have limitations imposed by the governing board through formal action.

- Assigned – consists of resources which have limitations resulting from intended use.
- Unassigned – consists of the residual net resources of a fund.

The City’s flow of funds assumption 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. If different levels of unrestricted funds are available for spending, the City considers committed funds to be expended first followed by assigned and, lastly unassigned funds.

Reserves for bond debt service in the General Fund and the Enterprise Funds have been established to provide for certain restricted accounts as required by bond ordinances. These restrictions are described at Note 4.

P. Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the City’s taxpayers are reported as program revenues. The City has the following program revenues in each activity:

General Government – Licenses, permits, fees, and fines.

Public Safety - Fine revenue, reimbursement for school activities, specific donations, and grants from the US Departments of Justice and Transportation and the Illinois Liquor Control Commission.

Highways and Streets - Reimbursements and grants received from the Illinois Department of Transportation.

Cemetery – Grave sites, interment fees and footings.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

Q. Operating Revenue and Expenses

Operating revenues and expenses for proprietary funds result from providing services and producing and delivering goods/and or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

R. Interfund Balances and Activities

Short-term amounts owed between funds are classified as “due to/from other funds”, representing expenditures paid by one fund on behalf of the other. Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal balances – Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as internal balances.

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as transfers-internal activities.

NOTE 2. CASH AND INVESTMENTS

Investment risks include: credit risk (custodial credit risk and concentrations of credit risk), interest rate risk, and foreign currency risk. Deposit risks include: custodial credit risk and foreign currency risk.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's deposit policy provides that all deposits be guaranteed by the U.S. government, insured by the Federal Deposit Insurance Corporation (FDIC), or fully collateralized with securities held by the City or its agent in the City's name or by its counterparty's trust department or agent in the City's name.

The City's cash and cash equivalents at April 30, 2013 consisted of deposits with financial institutions and the Illinois Funds Money Market Fund. The Illinois Funds have a credit rating of AAAM, by an independent rating agency, indicating a strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and liquidity risks.

The monies invested in the Illinois Funds by the individual participants are pooled together and invested in U.S. Treasury bills and notes backed by the full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements.

At April 30, 2013, all the City's deposits, excluding \$600 in cash on hand, were covered by federal depository insurance, by collateral held by the financial institution's trust department or agent in the City's name, or invested in Illinois Funds Money Market Fund.

The following is a reconciliation of cash and cash equivalents at April 30, 2013:

	<u>Carrying Amount</u>
Illinois Funds	\$ 1,564,622
Money market funds	18,558,371
Checking and savings	1,068,286
Cash on hand	600
Total cash and cash equivalents	<u><u>\$ 21,191,879</u></u>

The deposits are reflected on the financial statements at April 30, 2013 as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 19,245,392
Restricted assets – cash and cash equivalents	1,709,248
Statement of fiduciary net position:	
Cash and cash equivalents	237,239
	<u><u>\$ 21,191,879</u></u>

Investments

As of April 30, 2013, the City had the following investments:

<u>Type of Investment</u>	<u>Fair Value/ Carrying Amount</u>	<u>Average Credit Quality/ Ratings (1)</u>	<u>Weighted Average Years to Maturity (2)</u>
Primary Government			
Certificates of deposit	\$ 305,097	N/A	1.05
Fiduciary Fund			
Certificates of deposit	3,172,955	N/A	.57
Mutual funds-equities	1,342,193	N/A	N/A
Mutual funds-diversified	447,672	N/A	4.96
Annuities-equities	600,082	N/A	N/A
Annuities-diversified	103,034	N/A	6.60
Total Fiduciary Fund Investments	<u>5,665,936</u>		
Total Investments	<u>\$ 5,971,033</u>		

(1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

(2) Interest rate risk is estimated using the weighted average years to maturity method.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investing for the Fiduciary Fund is performed in accordance with investment policies adopted by the Board of Trustees complying with Illinois Compiled Statutes. Funds shall be invested as per Illinois Pension Code Section 3-135 and by the Public Funds Investment Act (20 ILCS 235/01).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Fund's policy provides that investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities while the Fund maintains sufficient liquidity. Investment guidelines have been established for monies invested to meet approximate market rates of return on its investments, consistent with constraints established by its safety objectives, cash flow considerations, and Illinois State laws that restrict the placement of public funds.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The City's policy provides that investments be diversified or collateralized to avoid incurring unreasonable risks regarding specific security types and/or financial institutions. Investments are insured by FDIC insurance or collateralized with securities held by the City or its agent in the City's name.

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. Investments representing 5% or more of total investments at April 30, 2013 are as follows:

Washington State Bank Certificates of Deposit	\$ 1,447,552
GE Capital Bank Certificates of Deposit	352,786

NOTE 3. CAPITAL ASSETS

Capital asset activity for the fiscal year ended April 30, 2013 was as follows:

	Balance			Balance
	<u>May 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>April 30, 2013</u>
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 745,515	\$ -	\$ -	\$ 745,515
Construction in process	1,922,304	376,728	1,833,180	465,852
	<hr/>			
Total capital assets not being depreciated	2,667,819	376,728	1,833,180	1,211,367
	<hr/>			
Other capital assets:				
Land improvements	331,667	38,483	-	370,150
Buildings	2,717,247	1,855,010	-	4,572,257
Infrastructure	24,348,931	1,269,706	-	25,618,637
Equipment and vehicles	3,016,997	447,090	243,041	3,221,046
	<hr/>			
Total other capital assets	30,414,842	3,610,289	243,041	33,782,090
	<hr/>			
Less accumulated depreciation for:				
Land improvements	116,331	19,706	-	136,037
Buildings	786,154	91,222	-	877,376
Infrastructure	5,639,477	1,307,358	-	6,946,835
Equipment and vehicles	1,495,962	298,498	194,795	1,599,665
	<hr/>			
Total accumulated depreciation	8,037,924	1,716,784	194,795	9,559,913
	<hr/>			
Other capital assets, net	22,376,918	1,893,505	48,246	24,222,177
	<hr/>			
Governmental activities, net	\$ 25,044,737	\$ 2,270,233	\$ 1,881,426	\$ 25,433,544
	<hr/>			

	<u>Balance</u> <u>May 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>April 30,</u> <u>2013</u>
<i>Business-type activities:</i>				
Capital assets not being depreciated:				
Land	\$ 204,676	\$ -	\$ -	\$ 204,676
Construction in process	209,084	300,653	178,627	331,110
	<hr/>			
Total capital assets not being depreciated	413,760	300,653	178,627	535,786
	<hr/>			
Other capital assets:				
Water system	12,966,354	354,766	-	13,321,120
Sewer system	29,174,654	203,427	-	29,378,081
Equipment	1,068,147	34,478	-	1,102,625
	<hr/>			
Total other capital assets	43,209,155	592,671	-	43,801,826
	<hr/>			
Less accumulated depreciation for:				
Water system	3,835,597	361,378	-	4,196,975
Sewer system	8,809,634	651,341	-	9,460,975
Equipment	775,389	31,759	-	807,148
	<hr/>			
Total accumulated depreciation	13,420,620	1,044,478	-	14,465,098
	<hr/>			
Other capital assets, net	29,788,535	(451,807)	-	29,336,728
	<hr/>			
Business- type activities, net	<u>\$ 30,202,295</u>	<u>\$ (151,154)</u>	<u>\$ 178,627</u>	<u>\$ 29,872,514</u>

Depreciation expense was charged as follows in the Statement of Activities:

Governmental Activities:

General government	\$ 49,866
Public safety	84,261
Highways and streets	1,338,493
Cemetery	8,148
Capital assets held by the government's internal service fund are charged to the various functions based on their usage of the assets	<u>236,016</u>

Total depreciation expense for governmental activities \$ 1,716,784

Business-Type Activities:

Water	\$ 386,224
Sewer	<u>658,254</u>

Total depreciation expense for business-type activities \$ 1,044,478

NOTE 4. LONG-TERM DEBT

The City's long term debt is segregated between amounts to be paid from governmental activities and amounts repaid from business type activities. The changes in the City's long-term debt for the year ended April 30, 2013 are as follows:

	<u>Balance</u> <u>May 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>April 30, 2013</u>	<u>Amount</u> <u>Due In</u> <u>One Year</u>
Governmental Activities:					
General obligation bonds:					
Special Assessment Bonds, Series 2005	\$ 314,000	\$ -	\$ 33,000	\$ 281,000	\$ 35,000
Alternate Revenue Source, Series 2002**	362,440	-	59,840	302,600	59,840
Alternate Revenue Source, Series 2002B**	388,800	-	60,320	328,480	61,880
General Obligation Bonds, Series 2006	4,821,930	-	182,462	4,639,468	165,000
Capitalized equipment lease	-	77,745	9,662	68,083	14,885
Other postemployment retirement benefits	51,649	-	50,893	756	-
Vested compensated absences	313,244	19,475	-	332,719	19,708
Total Governmental Activities	\$ 6,252,063	\$ 97,220	\$ 396,177	\$ 5,953,106	\$ 356,313
Business-Type Activities:					
General obligation bonds:					
Alternate Revenue Source, Series 2002**	\$ 170,560	\$ -	\$ 28,160	\$ 142,400	\$ 28,160
Alternate Revenue Source, Series 2002B**	351,200	-	55,680	295,520	57,120
1997 Illinois Environmental Protection Agency Loan	1,106,074	-	171,379	934,695	176,369
2009 Illinois Environmental Protection Agency Loan	5,466,498	-	267,465	5,199,033	280,672
Vested compensated absences	78,379	-	5,380	72,999	8,619
Total Business-Type Activities	\$ 7,172,711	\$ -	\$ 528,064	\$ 6,644,647	\$ 550,940

** These bonds were issued as Alternate Revenue Source bonds by the City, payable from various tax revenues; however, portions of the projects include improvements to the water and sewer systems. The portion related to water and sewer activities is recorded in the Enterprise Funds.

Governmental Activities

Special Assessment Bonds

Mallard Crossing

In fiscal year 2005, the City issued Special Service Area Number One (Mallard Crossing) Unlimited Ad Valorem Tax Bonds, Series 2005 in the amount of \$500,000. These bonds are limited obligations of the City, payable solely from the collection of the special service area taxes. The special service area taxes are irrevocably pledged for the payment of principal and interest on the bonds. The bonds are secured by the full faith and credit of and levy of general property taxes on property within the special service area. The debt service requirements on these bonds are as follows:

Years Ending <u>April 30,</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 35,000	4.75	\$ 13,348	\$ 48,348
2015	36,000	4.75	11,685	47,685
2016	38,000	4.75	9,975	47,975
2017	40,000	4.75	8,170	48,170
2018	42,000	4.75	6,270	48,270
2019 to 2020	<u>90,000</u>	4.75	<u>6,460</u>	<u>96,460</u>
Total	<u>\$ 281,000</u>		<u>\$ 55,908</u>	<u>\$ 336,908</u>

Principal paying date: December 1
 Interest paying dates: June 1 and December 1

The bond ordinance requires monies to be segregated and restricted in special restricted accounts as described below:

<u>Account</u>	<u>Amount</u>	<u>Nature of Authorized Expenditures</u>
Principal and interest	Amount that results from deposit of property tax levy receipts less payment of principal and interest on the bonds as they become due. As of April 30, 2013, \$270 has been required to be accumulated.	Paying principal and interest.
Administration	Amount not to exceed \$1,000 to be deposited each year from receipts of special service area taxes. For the year ended April 30, 2013, no amounts were transferred to the General Fund for administration of the Fund.	Paying costs and expenses related to the administration of the Special Services Fund.

The following amounts are reported as restricted cash as follows:

Debt Service Fund	<u><u>\$ 270</u></u>
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General Obligation Bonds – Alternate Revenue Source

In fiscal year 2003, the City issued Alternate Revenue Bonds, Series 2002. These bonds are general obligations of the City and contain a pledge of its full faith and credit for the payment of principal and interest. The City, however, expects these bonds to be paid by sales and income taxes and charges for services. Portions of the project relate to improvements to the water and sewer systems and, therefore, the portion of the debt related to these projects has been recorded in the Enterprise Funds.

The debt service requirements on these bonds are as follows:

Years Ending April 30,	Principal	Interest Rate	Interest	Total
2014	\$ 88,000	4.75	\$ 19,048	\$ 107,048
2015	88,000	4.75	14,868	102,868
2016	88,000	4.75	10,688	98,688
2017	88,000	4.75	6,508	94,508
2018	93,000	4.75	2,204	95,204
Total	\$ 445,000		\$ 53,316	\$ 498,316

Payable from:

Governmental Funds	\$ 302,600
Enterprise Funds	142,400
	<u>\$ 445,000</u>

Principal paying date: June 1

Interest paying dates: June 1 and December 1

The bond ordinance requires monies to be segregated and restricted in special restricted accounts as described below:

Account	Amount	Nature of Authorized Expenditures
Project	Proceeds of bonds net of issuance costs. As of April 30, 2013, all proceeds have been used.	Costs associated with the project.
Principal and interest	Amount necessary to make the amount credited to the account equal to any principal and interest due and unpaid plus the amount of principal and interest deemed to accrue monthly on the outstanding bonds. As of April 30, 2013, \$88,603 has been required to be accumulated.	Paying current principal and interest.

The following amounts are reported as restricted cash as follows:

General Fund	\$ 60,250
Waterworks Fund	7,531
Sewerage Fund	<u>20,822</u>
	<u>\$ 88,603</u>

In fiscal year 2003, the City issued Alternate Revenue Bonds, Series 2002B. These bonds are general obligations of the City and contain a pledge of its full faith and credit for the payment of taxes and charges for services. A portion of the project relates to improvements to the sewer system and, therefore, the portion of the debt related to the sewer project has been recorded in the Enterprise Funds. The debt service requirements on these bonds are as follows:

Years Ending April 30,	Principal	Interest Rate	Interest	Total
2014	\$ 119,000	4.75	\$ 29,640	\$ 148,640
2015	122,000	4.75	23,988	145,988
2016	125,000	4.75	18,192	143,192
2017	128,000	4.75	12,255	140,255
2018	<u>130,000</u>	4.75	<u>6,173</u>	<u>136,173</u>
Total	<u>\$ 624,000</u>		<u>\$ 90,248</u>	<u>\$ 714,248</u>

Payable from:

Governmental Funds	\$ 328,480
Enterprise Funds	<u>295,520</u>
	<u>\$ 624,000</u>

Principal paying date: December 1
Interest paying dates: June 1 and December 1

The bond ordinance requires monies to be segregated and restricted in special restricted accounts as described below:

<u>Account</u>	<u>Amount</u>	<u>Nature of Authorized Expenditures</u>
Project	Proceeds of bonds net of issuance costs. As of April 30, 2013, there were no remaining bond proceeds.	Costs associated with the project.
Principal and interest	Amount necessary to make the amount credited to the account equal to any principal and interest due and unpaid plus the amount of principal and interest deemed to accrue monthly on the outstanding bonds. As of April 30, 2013, \$61,933 has been required to be accumulated.	Paying current principal and interest.

The following amounts are reported as restricted cash as follows:

General Fund	\$ 32,205
Sewerage Fund	<u>29,728</u>
	<u>\$ 61,933</u>

General Obligation Bonds

In fiscal year 2007, the City issued General Obligation Bonds, Series 2006. The proceeds of these bonds were used to construct a community center complex within the City. The Bonds constitute valid and legally binding full faith and credit general obligations of the City, payable from ad valorem taxes levied on all taxable property in the City, without limitation as to rate or amount. The City, however, expects these bonds to be paid by sales and income taxes. The debt service requirements on these bonds are as follows:

Years Ending April 30,	Principal	Interest Rate	Interest	Total
2014	\$ 165,000	7.00%	\$ 224,694	\$ 389,694
2015	175,000	7.00	212,794	387,794
2016	190,000	7.00	200,019	390,019
2017	200,000	7.00	186,369	386,369
2018	215,000	4.00	175,069	390,069
2019-2020	455,000	4.125	322,872	777,872
2021-2025	1,335,000	5.00	599,875	1,934,875
2026-2030	<u>1,705,000</u>	5.00	<u>221,125</u>	<u>1,926,125</u>
Total	4,440,000		<u>\$ 2,142,817</u>	<u>\$ 6,582,817</u>
Bond premium	428,165			
Accumulated amortization	<u>(228,697)</u>			
	<u>\$ 4,639,468</u>			

These General Obligation Bonds were issued at a premium of \$428,165. This premium is amortized over the life of the bonds using the interest method. Amortization on the premium was \$27,462 for the year ended April 30, 2013.

The City incurred \$112,259 of bond issuance costs to issue these bonds. Bond issuance costs are carried net of accumulated amortization, which is calculated using the straight line method over the life of the bonds, which approximates interest method. Amortization expense was \$4,881 and accumulated amortization was \$34,167 at April 30, 2013.

<u>Account</u>	<u>Amount</u>	<u>Nature of Authorized Expenditures</u>
Project	Proceeds of bonds net of issuance costs. As of April 30, 2013, there are no proceeds that remain in this account.	Costs associated with the project.
Principal and interest	Amount necessary to make the amount credited to the account equal to any principal and interest due and unpaid plus the amount of principal and interest deemed to accrue monthly on the outstanding bonds. As of April 30, 2013, \$395,468 has been required to be accumulated.	Paying current principal and interest.

The following amounts are reported as restricted cash as follows:

Debt Service Fund	\$ 395,468
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Capital Lease

The City has entered into capital lease agreement for the purchase of three backhoes. The lease has a term of five years, monthly payments of \$1,404 with an imputed interest rate of 3.2%.

The future minimum lease payments are as follows:

Fiscal Year	Principal	Interest	Total
2014	\$ 14,885	\$ 1,961	\$ 16,846
2015	15,368	1,478	16,846
2016	15,867	979	16,846
2017	16,382	464	16,846
2018	5,581	37	5,618
	\$ 68,083	\$ 4,919	\$ 73,002

Business-Type Activities

1997 IEPA Loan Payable

In fiscal year 1997, the City entered into a loan agreement with the Illinois Environmental Protection Agency (IEPA) for the purpose of paying a part of the cost of constructing, improving, and extending the City's sewerage system facilities. The loan carries a fixed interest rate of 2.89 percent for a term of twenty years. Payments are due in semiannual amounts of \$101,058, including interest, thereafter, with final payment due March 1, 2018. The debt service requirements on this loan are as follows:

<u>Years Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 176,369	\$ 25,747	\$ 202,116
2015	181,502	20,614	202,116
2016	186,786	15,330	202,116
2017	192,223	9,893	202,116
2018	197,815	4,298	202,113
Total	\$ 934,695	\$ 75,882	\$ 1,010,577

The sewer loan ordinance for the IEPA loan requires monies held in the Sewerage Enterprise Fund to be segregated and restricted in separate special restricted accounts in the priority indicated by the order of the following:

<u>Account</u>	<u>Amount</u>	<u>Nature of Authorized Expenditures</u>
(a) Operation and maintenance	Amount sufficient, when added to amount then on deposit, to establish a balance equal to an amount not less than the amount necessary to pay operation and maintenance expenses for two months. The City ensures each month that the operating accounts of the Sewerage Enterprise Fund have adequate funds to meet this covenant. A separate account has not been established.	Expenses of operating, maintaining, and repairing the system.
(b) Bond, interest, and principal	Amount that results from the monthly accumulation of not less than a pro-rata of the interest becoming due on the next succeeding interest payment date and not less than a pro-rata of the principal becoming due on the next succeeding principal payment date. As of April 30, 2013, \$33,686 has been required to be accumulated.	Paying current principal and interest on bonds.
(c) Bond reserve	1/120 of maximum annual debt service per month, commencing May 1, 1997, until the account accumulates the total sum of \$202,116 (maximum annual debt service). As of April 30, 2013, \$202,116 has been accumulated.	Paying principal and interest on bonds in the event that the bond and interest account has insufficient funds.

- | | | |
|------------------|---|---|
| (d) Depreciation | \$1,200 per month, commencing May 1, 1997, until the account accumulates the total sum of \$145,000. As of April 30, 2013, \$145,000 has been accumulated. | Paying principal and interest on bonds or extraordinary maintenance and repair costs in the event that no other funds are available for these purposes. |
| (e) Surplus | The amount remaining after payment into the above accounts. This is accounted for as the remainder of the unrestricted funds of the Sewerage Enterprise Fund. | Constructing or acquiring repairs, improvements or extensions to the system, calling or redeeming bonds or any other lawful purpose of the system. |

The following amounts are reported as restricted cash as follows:

Sewerage Fund	\$ 380,802
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2009 IEPA Loan Payable

In fiscal year 2010, the City entered into a loan agreement with the Illinois Environmental Protection Agency (IEPA) for the purpose of paying a part of the cost of constructing, improving, and extending the City's sewerage system facilities. The loan carries zero percent interest rate for a term of twenty years. The debt service requirements on this loan are as follows:

<u>Years Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 280,672	\$ -	\$280,672
2015	280,672	-	280,672
2016	280,672	-	280,672
2017	280,672	-	280,672
2018	280,672	-	280,672
2019-2023	1,403,360	-	1,403,360
2024-2028	1,403,360	-	1,403,360
2029-2032	988,953	-	988,953
Total	\$ 5,199,033	\$ -	\$ 5,199,033

The sewer loan ordinance for the IEPA loan requires monies held in the Sewerage Enterprise Fund to be segregated and restricted in separate special restricted accounts in the priority indicated by the order of the following:

<u>Account</u>	<u>Amount</u>	<u>Nature of Authorized Expenditures</u>
(a) Operation and maintenance	Amount sufficient, when added to amount then on deposit, to establish a balance equal to an amount not less than the amount necessary to pay operation and maintenance expenses for two months. The City ensures each month that the operating accounts of the Sewerage Enterprise Fund have adequate funds to meet this covenant. A separate account has not been established.	Expenses of operating, maintaining, and repairing the system.
(b) Bond, interest, and principal	Amount that results from the monthly accumulation of not less than a pro-rata of the interest becoming due on the next succeeding interest payment date and not less than a pro-rata of the principal becoming due on the next succeeding principal payment date. As of April 30, 2013, \$143,992 has been required to be accumulated.	Paying current principal and interest on bonds.
(c) Bond reserve	1/24 of maximum annual debt service per month, until the account accumulates the total sum of \$267,464 (maximum annual debt service). As of April 30, 2013, \$267,464 has been accumulated.	Paying principal and interest on bonds in the event that the bond and interest account has insufficient funds.
(d) Depreciation	1/120 of 10% of the total outstanding debt, until the account accumulates the total sum of \$521,553. As of April 30, 2013, \$241,143 has been accumulated.	Paying principal and interest on bonds or extraordinary maintenance and repair costs in the event that no other funds are available for these purposes.
(e) Surplus	The amount remaining after payment into the above accounts. This is accounted for as the remainder of the unrestricted funds of the Sewerage Enterprise Fund.	Constructing or acquiring repairs, improvements or extensions to the system, calling or redeeming bonds or any other lawful purpose of the system.

The following amounts are reported as restricted cash as follows:

Sewerage Fund	\$ 652,599
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Debt Covenants

The various bond indentures contain limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, and minimum amounts to be maintained in various funds. The City is in compliance with all financial limitations and restrictions. The City is a home-rule municipality and, accordingly, is not subject to any constitutional debt limit.

NOTE 5. CONDUIT DEBT AGREEMENTS

In October 2006, the City issued Industrial Project Revenue Bonds to provide financial assistance to a private-sector entity for the construction of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities will transfer to the private-sector entity. As of April 30, 2013, the outstanding Industrial Project Revenue Bonds had an aggregate principal amount outstanding of \$4,580,870.

The City is not obligated in any manner for repayment of the above bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

NOTE 6. RETIREMENT PLANS AND OTHER POST EMPLOYMENT BENEFITS

Illinois Municipal Retirement Fund

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

Funding Policy. As set by statute, the City’s plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2012 was 14.07 percent. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2012 was \$293,757.

Three Year Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/12	\$ 293,757	100%	\$ -
12/31/11	293,891	100%	-
12/31/10	241,959	100%	-

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 65.34 percent funded. The actuarial accrued liability for benefits was \$6,842,337 and the actuarial value of assets was \$4,470,911, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,371,426. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$2,087,828 and the ratio of the UAAL to the covered payroll was 114 percent.

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

Police Pension

Plan Description

The City of Washington Police Pension Trust Fund was created and is administered as prescribed by “Article 3. Police Pension Fund – Municipalities 500,000 and Under” of the Illinois Pension Code (Illinois Compiled Statutes, 1992, Chapter 40). Provisions of the plan can only be modified by State legislation.

The Police Pension Trust Fund is a single-employer defined benefit pension plan, which covers the police-sworn personnel of the City. The Police Pension Trust Fund, which is administered by the City, provides retirement, death, and disability benefits to plan members and their beneficiaries. Qualifying employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5 percent of final salary for each year of service up to 30 years, to a maximum of 75 percent of such salary. Employees with at least 8 years, but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5 percent of final salary for each year of service.

Surviving spouses receive 100 percent of final salary for fatalities resulting from an act of duty or, otherwise, the greater of 50 percent of final salary or the employee’s retirement benefit.

Employees disabled in the line of duty receive 65 percent of final salary.

The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the originally granted pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3 percent of the amount of the pension payable at the time of the increase.

For employees hired after January 1, 2011, the Normal Retirement age is attainment of age 55 and completion of 10 years of service; Early Retirement age is attainment of age 50, completion of 10 years of service and the Early Retirement Factor is 6% per year; the Employee's Accrued Benefit is based on the employee's final 8-year average salary not to exceed \$106,800 (as indexed); Cost-of-living adjustments are simple increases (not compounded) to the lesser of 3% or 50% of CPI beginning the later of the anniversary date and age 60; Surviving Spouse's Benefits are 66 2/3% of the employee's benefit at the time of death.

Membership of the plan consisted of the following at May 1, 2012, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	10
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>20</u>
Total	<u>30</u>
Number of participating employers	<u><u>1</u></u>

Financial information for the Police Pension Trust Fund is recorded only in the City's fund financial statements.

Funding Policy

Qualifying employees are required to contribute 9.91 percent of their base salary to the Police Pension Trust Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan at an actuarially determined rate; the current rate is 22.42 percent of annual covered payroll.

Recognition of Contributions and Benefits Paid

Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Annual Pension Cost and Net Pension Obligation

The City’s annual pension cost and net pension obligations to the Police Pension Trust Fund for May 1, 2012 (the date of the latest actuarial valuation) were as follows:

Annual Required Contribution (ARC)	\$ 248,296
Interest on net pension obligation	(1,800)
Adjustment to ARC	<u>1,133</u>
Annual pension cost	247,629
Contributions made	<u>250,121</u>
Decrease in net pension obligation	(2,492)
Net pension obligation, beginning of year	<u>(25,715)</u>
Net pension obligation, end of year	<u><u>\$ (28,207)</u></u>

The required contribution was determined as part of the May 1, 2012 actuarial valuation using the entry age level percentage of payroll method over a 30 year closed period. The actuarial assumptions included (a) 7.00 percent investment rate of return which included a 3.00 percent increase for inflation (b) projected salary increases of 5.00 percent which included a 3.00 percent increase for inflation and (c) 3.00 percent per year cost of living adjustment. The actuarial value of Police Pension Plan’s assets was determined using market value method. There was a change with respect to Actuarial Assumptions from the prior year to reflect revised expectations with respect to future interest rates.

Three Year Trend Information

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
5/1/12	\$ 247,629	101.0%	\$ (28,207)
5/1/11	264,413	100.9%	(25,715)
5/1/10	265,010	100.6%	(23,323)

Post-Employment Health Insurance

Plan Description

The City provides for extended health care coverage for retirees and their dependents. To be eligible for coverage a retiree needs to be at least 55 years old, have combined age and years of service of at least 80 and have been hired by the City before August 1, 1998. The City is funding this benefit on a pay as you go basis. At April 30, 2013, the retiree’s portion of coverage is \$100/month for family and \$50/month for single. Membership of the plan consisted of the following at April, 30 2013, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	10
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	28
Active plan members	28
Total	<u>66</u>
Number of participating employers	<u>1</u>

Funding Policy

The current funding policy of the City is to pay health claims as they occur. This arrangement does not qualify as other postemployment benefit (OPEB) plan assets under GASB for current GASB reporting; however, the City has established an internal service fund to accumulate assets and pay benefits.

The required contribution is based on projected pay-as-you-go financing. For fiscal year 2013, the City contributed \$123,629.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The City's annual OPEB cost and net OPEB obligations for April 30, 2012 (based on the latest actuarial valuation on April 30, 2010) were as follows:

Annual Required Contribution (ARC)	\$ 150,272
Interest on net OPEB obligation	(1,029)
Adjustment to ARC	<u>(76,507)</u>
Annual OPEB cost	72,736
Contributions made	<u>123,629</u>
Change in net OPEB obligation	(50,893)
Net OPEB obligation, beginning of year	<u>51,649</u>
Net OPEB obligation, end of year	<u><u>\$ 756</u></u>

Three Year Trend Information

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
5/1/13	\$ 150,100	82.4%	\$ 756

Funded status and funding progress

As of April 30, 2013, the most recent valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$3,210,847 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$3,210,847.

Actuarial methods and assumptions

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

The actuarial assumptions included a 4 percent investment rate of return which is based on the expected long-term investment return of the City's own investments used to pay plan benefits, discount rate of 5% and an initial annual health care cost trend rate of 8% which is reduced over time to an ultimate rate of 6%. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The amortization of UAAL is done over a period of 30 years.

Retirement Health Savings Plan

In August 2007, the City initiated three retirement health savings plans which cover the unionized telecommunicators, the unionized police employees and non-union employees hired after July 31, 1998. The City will contribute 1.75% of an eligible participant's base wage plus longevity, with the exception of police officers who receive 1.5% of base plus longevity on an annual basis. The funds will be available to any participant upon separation from service. The City's contribution to the plan for the year ended April 30, 2013 was approximately \$37,000.

NOTE 7. INTERFUND BALANCES

Interfund receivable and payable balances as of April 30, 2013 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 39,079	\$ 608
Special Revenue Fund		
Social Security	108	-
Debt Service		
Mallard Crossing Special Assessment Fund	-	4,388
Enterprise and Internal Service Funds		
Waterworks Fund	25,015	-
Sewerage Fund	2,470	59,206
Trust and Agency Fund		
Special Assessment Collection Fund	-	2,470
	<hr/>	<hr/>
Total interfund receivables and payables	\$ 66,672	\$ 66,672

NOTE 8. INTERFUND TRANSFERS

Transfers between funds for the year ended April 30, 2013, were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 165,339	\$ 1,240,719
Special Revenue Funds		
Illinois Municipal Retirement Fund	31,000	-
Social Security Fund	63,500	-
Civil Defense Fund	5,000	-
Motor Fuel Tax Fund	15,760	
Storm Water Management Fund	190,000	
Capital Projects Funds		
Police Station Remodel	352,196	-
Debt Service Funds		
South Cummings Lane Fund	75,635	-
Cruger Road Fund	78,598	-
Washington Area Community Center Fund	341,000	-
Enterprise Funds		
Waterworks Fund	27,506	51,344
Sewerage Fund	617,633	671,104
Total interfund transfers	<u>\$ 1,963,167</u>	<u>\$ 1,963,167</u>

NOTE 9. SELF INSURANCE

The City is exposed to various risks of loss related to torts, theft of, damages to, and destruction of assets; injuries to employees; and natural disasters. The City purchases commercial insurance for these risks of loss.

The City uses an internal service fund, the Employees' Benefit Fund, to account for and finance its uninsured risks of loss associated with medical and dental claims of its employees and their dependents. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Estimated payables for claims and losses for medical and hospital claims include an amount for claims incurred but not reported based upon actuarial estimates and prior experience. The City has specific excess insurance that provides coverage when medical and hospital claims in a given year exceed \$35,000 individually and \$980,200 in the aggregate for claims paid over an annual liability period.

Various funds of the City participate and make payments to the internal service fund based on historical cost information. Based on the requirements of *Governmental Accounting Standards Board Statement No. 10*, which requires that a liability for claims be reported if information prior to the issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated, unpaid claims of \$1,900,569 at April 30, 2013 have been included in the financial statements as a payable. The City has also recorded a receivable at April 30, 2013 for \$1,872,541 the amount expected to be reimbursed through reinsurance.

Changes in the claims liability in fiscal year 2013 were:

Balance at April 30, 2012	\$ 58,923
Current year claims and changes in estimates	2,683,620
Claims paid	(841,974)
Balance at April 30, 2013	<u><u>\$ 1,900,569</u></u>

NOTE 10. LITIGATION

The City is the defendant in several claims and lawsuits. Based on information of the City’s legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 11. COMMITMENTS

The City is under contract for work to be completed regarding the construction and maintenance of planned improvements to Illinois Route 8 between Summit Drive and Legion Road. As of April 30, 2013, the total estimated City obligation was \$337,525. A total of \$162,046 has been paid or is included in payables as of the year end.

The City is under contract for work to be completed in conjunction with the Centennial Road project. As of April 30, 2013, the total estimated City obligation was \$250,000.

The City has agreed to a consent order with the Illinois Environmental Protection Agency. This consent order obligates the City to complete the expansion of the Sewer Treatment Plant #2 phase 2a by December 31, 2014 and phase 2b December 31, 2017. The total estimated cost of these projects is \$7,000,000. As of April 30, 2013, a total of \$138,118 has been paid and accrued for the Phase 2a project and \$14,553 has been paid and accrued for the Phase 2a project.

NOTE 12. DEFICIT FUND BALANCES

The following City funds have a deficit fund/equity balance as of April 30, 2013:

Dallas Road – Capital Project Fund	\$75,005
Mallard Crossing – Debt Service Fund	4,118

NOTE 13. SUBSEQUENT EVENTS

On September 26, 2013, the City Council authorized a loan agreement for the purchase of 223 acres on U.S. Rte. 24 (south side, north of Cruger Rd., east of Nofsinger Rd. and a small portion on the north side of U.S. Rte. 24) in an amount up to \$5,750,000. The note bears interest at the rate of 2.75% per annum and the City will make interest only payments for a period of up to 7 years at which time the remaining unpaid principal of the loan will be due. The purchase price of the land was \$4,965,000 and the City has the ability to draw against the note to pay the interest that is due from time to time.

The City has evaluated subsequent events through October 16, 2013, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WASHINGTON, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED APRIL 30, 2013

	General Fund			Variance Favorable (Unfavorable)
	Budget	Final	Actual	
REVENUES				
Property taxes	\$ 786,310	\$ 786,310	\$ 773,202	\$ (13,108)
Licenses and permits	286,600	286,600	347,478	60,878
Intergovernmental	6,729,500	6,729,500	7,027,561	298,061
Grant proceeds	360,312	360,312	166,288	(194,024)
Charges for services	76,185	76,185	87,173	10,988
Fines and forfeitures	139,500	139,500	197,201	57,701
Interest	50,650	50,650	34,565	(16,085)
Other	44,600	44,600	116,039	71,439
	<u>8,473,657</u>	<u>8,473,657</u>	<u>8,749,507</u>	<u>275,850</u>
EXPENDITURES				
Current				
General government	1,082,390	1,082,390	900,736	181,654
Public safety	4,003,802	4,035,407	3,909,513	125,894
Highways and streets	1,859,650	1,859,650	1,646,075	213,575
Health and welfare	18,400	18,400	17,278	1,122
Capital outlay	861,852	861,852	494,094	367,758
	<u>7,826,094</u>	<u>7,857,699</u>	<u>6,967,696</u>	<u>890,003</u>
Excess of revenue over expenditures	<u>647,563</u>	<u>615,958</u>	<u>1,781,811</u>	<u>1,165,853</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	136,460	136,460	165,339	28,879
Transfers out	(848,023)	(848,023)	(1,240,719)	(392,696)
Total other financing sources (uses)	<u>(711,563)</u>	<u>(711,563)</u>	<u>(1,075,380)</u>	<u>(363,817)</u>
Net change in fund balances	<u>\$ (64,000)</u>	<u>\$ (95,605)</u>	<u>\$ 706,431</u>	<u>\$ 802,036</u>

**CITY OF WASHINGTON, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND**

(Unaudited - See Accompanying Independent Auditors' Report)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2012	\$ 4,470,911	\$ 6,842,337	\$ 2,371,426	65.34 %	\$ 2,087,828	113.58 %
12/31/2011	3,858,021	6,316,642	2,458,621	61.08	2,134,288	115.20
12/31/2010	4,338,053	6,535,089	2,197,036	66.38	2,057,477	106.78

On a market value basis, the actuarial value of the assets as of December 31, 2012 is \$4,657,073. On a market basis, the funded ratio would be 68.06%.

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

**CITY OF WASHINGTON, ILLINOIS
POLICE PENSION TRUST FUND**

(Unaudited - See Accompanying Independent Auditors' Report)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date (Year beginning May 1)	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]
2012	\$ 5,874,900	\$ 8,784,493	\$2,909,593	66.9 %	\$1,115,826	260.8 %
2011	5,796,480	8,032,667	2,236,187	72.2	1,105,881	202.2
2010	5,253,911	7,872,538	2,618,627	66.7	973,705	268.9

**CITY OF WASHINGTON, ILLINOIS
POST-EMPLOYMENT HEALTH INSURANCE PLAN**

(Unaudited - See Accompanying Independent Auditors' Report)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date (Year beginning May 1)	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
2013	\$ -	\$ 3,210,847	\$ 3,210,847	-
2012	-	2,664,486	2,664,486	-
2011	-	2,664,486	2,664,486	-

OTHER SUPPLEMENTARY INFORMATION

**CITY OF WASHINGTON, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED APRIL 30, 2013**

	General			
	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES				
Property taxes	\$ 786,310	\$ 786,310	\$ 773,202	\$ (13,108)
Licenses and permits	286,600	286,600	347,478	60,878
Intergovernmental	6,729,500	6,729,500	7,027,561	298,061
Grant proceeds	360,312	360,312	166,288	(194,024)
Charges for services	76,185	76,185	87,173	10,988
Fines and forfeitures	139,500	139,500	197,201	57,701
Interest	50,650	50,650	34,565	(16,085)
Other	44,600	44,600	116,039	71,439
Total revenues	8,473,657	8,473,657	8,749,507	275,850
EXPENDITURES				
Current				
General government	1,082,390	1,082,390	900,736	181,654
Public safety	4,003,802	4,035,407	3,909,513	125,894
Highways and streets	1,859,650	1,859,650	1,646,075	213,575
Health and welfare	18,400	18,400	17,278	1,122
Cemetery	-	-	-	-
Capital outlay	861,852	861,852	494,094	367,758
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	7,826,094	7,857,699	6,967,696	890,003
Excess (deficiency) of revenue over expenditures	647,563	615,958	1,781,811	1,165,853
OTHER FINANCING SOURCES (USES)				
Transfers in	136,460	136,460	165,339	28,879
Transfers out	(848,023)	(848,023)	(1,240,719)	(392,696)
Total other financing sources (uses)	(711,563)	(711,563)	(1,075,380)	(363,817)
Net change in fund balances	\$ (64,000)	\$ (95,605)	\$ 706,431	\$ 802,036

Special Revenue				Capital Projects			
Budget		Actual	Variance Favorable (Unfavorable)	Budget		Actual	Variance Favorable (Unfavorable)
Original	Final			Original	Final		
\$ 858,200	\$ 858,200	\$ 847,029	\$ (11,171)	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
399,000	399,000	460,408	61,408	-	-	-	-
-	-	-	-	-	-	-	-
81,000	81,000	72,700	(8,300)	-	-	-	-
-	-	-	-	-	-	-	-
17,470	17,470	14,243	(3,227)	-	-	17	17
72,000	72,000	82,207	10,207	-	-	-	-
1,427,670	1,427,670	1,476,587	48,917	-	-	17	17
879,300	909,300	772,444	136,856	-	-	-	-
7,710	7,710	6,627	1,083	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
89,360	89,360	63,181	26,179	-	-	-	-
1,249,000	1,250,500	617,729	632,771	90,000	106,100	104,725	1,375
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,225,370	2,256,870	1,459,981	796,889	90,000	106,100	104,725	1,375
(797,700)	(829,200)	16,606	845,806	(90,000)	(106,100)	(104,708)	1,392
499,500	499,500	305,260	(194,240)	90,000	90,000	352,196	262,196
-	-	-	-	-	-	-	-
499,500	499,500	305,260	(194,240)	90,000	90,000	352,196	262,196
\$ (298,200)	\$ (329,700)	\$ 321,866	\$ 651,566	\$ -	\$ (16,100)	\$ 247,488	\$ 263,588

**CITY OF WASHINGTON, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED APRIL 30, 2013**

	Debt Service		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 48,132	\$ 46,943	\$ (1,189)
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Grant proceeds	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest	5,100	41,692	36,592
Other	-	11,423	11,423
	<hr/>		
Total revenues	53,232	100,058	46,826
	<hr/>		
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Health and welfare	-	-	-
Cemetery	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	308,160	308,160	-
Interest	284,882	284,882	-
	<hr/>		
Total expenditures	593,042	593,042	-
	<hr/>		
Excess (deficiency) of revenue over expenditures	(539,810)	(492,984)	46,826
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers in	493,233	495,233	2,000
Transfers out	-	-	-
	<hr/>		
Total other financing sources (uses)	493,233	495,233	2,000
	<hr/>		
Net change in fund balances	\$ (46,577)	\$ 2,249	\$ 48,826

CITY OF WASHINGTON, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED APRIL 30, 2013

	General Corporate	City Hall	Street
REVENUES			
Property taxes	\$ 358,449	\$ -	\$ 175,778
Licenses and permits	347,478	-	-
Intergovernmental	6,991,894	-	6,813
Grant proceeds	-	-	164,968
Charges for services	-	-	4,610
Fines and forfeitures	105,322	-	-
Interest	34,459	-	-
Other	9,570	-	9,080
	<u>7,847,172</u>	<u>-</u>	<u>361,249</u>
EXPENDITURES			
General government			
Personal services	408,452	35,641	-
Supplies	7,196	3,154	-
WACC Grant	-	-	-
Other services and charges	100,300	28,186	-
Total general government	<u>515,948</u>	<u>66,981</u>	<u>-</u>
Public safety			
Personal services	-	-	-
Supplies	-	-	-
Special projects	-	-	-
Other services and charges	-	-	-
Total public safety	<u>-</u>	<u>-</u>	<u>-</u>
Highways and streets			
Personal services	-	-	720,662
Supplies	-	-	18,513
Summit road payment	-	-	-
Other services and charges	-	-	906,900
Total highways and streets	<u>-</u>	<u>-</u>	<u>1,646,075</u>
Health and welfare			
Other services and charges	13,360	3,918	-
Capital outlay	3,287	14,258	447,588
	<u>532,595</u>	<u>85,157</u>	<u>2,093,663</u>
Excess (deficiency) of revenue over expenditures	<u>7,314,577</u>	<u>(85,157)</u>	<u>(1,732,414)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	658	17,030	147,651
Transfers out	(974,153)	-	(216,566)
Total other financing sources (uses)	<u>(973,495)</u>	<u>17,030</u>	<u>(68,915)</u>
Net change in fund balance	<u>\$ 6,341,082</u>	<u>\$ (68,127)</u>	<u>\$ (1,801,329)</u>

FUND BALANCE, BEGINNING OF YEAR

FUND BALANCE, END OF YEAR

Police	Tourism and Economic Development	Zoning	Fire and Rescue	Total	2012 (Memorandum Only)
\$ 238,975	\$ -	\$ -	\$ -	\$ 773,202	\$ 755,415
-	-	-	-	347,478	282,710
11,730	-	-	17,124	7,027,561	6,731,496
1,320	-	-	-	166,288	38,320
82,563	-	-	-	87,173	77,228
91,879	-	-	-	197,201	131,834
106	-	-	-	34,565	56,508
96,576	-	813	-	116,039	41,085
<u>523,149</u>	<u>-</u>	<u>813</u>	<u>17,124</u>	<u>8,749,507</u>	<u>8,114,596</u>
-	32,945	151,635	-	628,673	678,467
-	-	467	-	10,817	10,805
-	-	-	-	-	201
-	51,654	81,106	-	261,246	227,540
<u>-</u>	<u>84,599</u>	<u>233,208</u>	<u>-</u>	<u>900,736</u>	<u>917,013</u>
2,605,917	-	-	-	2,605,917	2,537,426
16,770	-	-	-	16,770	31,501
75,163	-	-	-	75,163	26,300
571,549	-	-	640,114	1,211,663	1,071,534
<u>3,269,399</u>	<u>-</u>	<u>-</u>	<u>640,114</u>	<u>3,909,513</u>	<u>3,666,761</u>
-	-	-	-	720,662	729,525
-	-	-	-	18,513	17,352
-	-	-	-	-	278,000
-	-	-	-	906,900	600,336
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,646,075</u>	<u>1,625,213</u>
-	-	-	-	17,278	16,384
19,309	-	-	9,652	494,094	244,154
<u>3,288,708</u>	<u>84,599</u>	<u>233,208</u>	<u>649,766</u>	<u>6,967,696</u>	<u>6,469,525</u>
<u>(2,765,559)</u>	<u>(84,599)</u>	<u>(232,395)</u>	<u>(632,642)</u>	<u>1,781,811</u>	<u>1,645,071</u>
-	-	-	-	165,339	34,376
<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,240,719)</u>	<u>(1,903,191)</u>
<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,075,380)</u>	<u>(1,868,815)</u>
<u>\$ (2,815,559)</u>	<u>\$ (84,599)</u>	<u>\$ (232,395)</u>	<u>\$ (632,642)</u>	<u>706,431</u>	<u>(223,744)</u>
				<u>7,206,918</u>	<u>7,430,662</u>
				<u>\$ 7,913,349</u>	<u>\$ 7,206,918</u>

**CITY OF WASHINGTON, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2013**

	Special Revenue						
	Cemetery	Civil Defense	Audit	Motor Fuel Tax	Incremental Tax	Liability Insurance	Storm Water Management
ASSETS							
Cash and cash equivalents	\$ 271,403	\$ 24,910	\$ 16,709	\$ 488,923	\$1,076,364	\$ 148,701	\$ 79,792
Receivables (net of allowance for uncollectibles)							
Property taxes	-	3,301	30,015	-	199,949	100,008	-
Special assessments	-	-	-	-	-	-	-
Accounts - customers	6,876	-	-	-	-	-	-
Other	-	2	-	-	-	231	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	26,026	-	-	-
Prepaid items	621	290	-	-	-	30,678	-
Restricted assets							
Cash and cash equivalents	-	-	-	-	-	-	-
	<u>\$ 278,900</u>	<u>\$ 28,503</u>	<u>\$ 46,724</u>	<u>\$ 514,949</u>	<u>\$1,276,313</u>	<u>\$ 279,618</u>	<u>\$ 79,792</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued liabilities	\$ 1,635	\$ 66	\$ -	\$ -	\$ 293	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	3,301	30,015	-	199,949	100,008	27,998
Total liabilities	1,635	3,367	30,015	-	200,242	100,008	27,998
Fund balances							
Nonspendable	621	290	-	-	-	30,678	-
Restricted	-	24,846	16,709	514,949	1,076,071	148,932	-
Assigned	276,644	-	-	-	-	-	51,794
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>277,265</u>	<u>25,136</u>	<u>16,709</u>	<u>514,949</u>	<u>1,076,071</u>	<u>179,610</u>	<u>51,794</u>
	<u>\$ 278,900</u>	<u>\$ 28,503</u>	<u>\$ 46,724</u>	<u>\$ 514,949</u>	<u>\$1,276,313</u>	<u>\$ 279,618</u>	<u>\$ 79,792</u>

Illinois		
Municipal Retirement	Social Security	Total
\$ 178,070	\$ 183,358	\$2,468,230
290,000	240,026	863,299
-	-	-
-	-	6,876
5,991	3,176	9,400
-	108	108
-	-	26,026
-	-	31,589
-	-	-
\$ 474,061	\$ 426,668	\$3,405,528

\$ 14,155	\$ 8,296	\$ 24,445
-	-	-
290,000	240,026	891,297
304,155	248,322	915,742
-	-	31,589
-	-	1,781,507
169,906	178,346	676,690
-	-	-
169,906	178,346	2,489,786
\$ 474,061	\$ 426,668	\$3,405,528

**CITY OF WASHINGTON, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2013**

	<u>Debt Service</u>		<u>Capital Project</u>		Total Nonmajor Governmental	2012 (Memorandum Only)
	Mallard Crossing		Dallas Road			
ASSETS						
Cash and cash equivalents	\$ -		\$ 25,027		\$ 2,493,257	\$ 2,158,598
Receivables (net of allowance for uncollectibles)						
Property taxes	-		-		863,299	849,918
Special assessments	47,438		-		47,438	47,062
Accounts - customers	-		-		6,876	9,004
Other	-		24,992		34,392	29,313
Due from other funds	-		-		108	278
Due from other governments	-		-		26,026	29,381
Prepaid items	-		-		31,589	53,105
Restricted assets						
Cash and cash equivalents	270		-		270	763
	<u>\$ 47,708</u>		<u>\$ 50,019</u>		<u>\$ 3,503,255</u>	<u>\$ 3,177,422</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued liabilities	\$ -		\$ 125,024		\$ 149,469	\$ 406,266
Due to other funds	4,388		-		4,388	3,930
Deferred revenue	47,438		-		938,735	924,967
Total liabilities	51,826		125,024		1,092,592	1,335,163
Fund balances						
Nonspendable	-		-		31,589	53,105
Restricted	-		-		1,781,507	1,547,544
Assigned	-		-		676,690	567,271
Unassigned	(4,118)		(75,005)		(79,123)	(325,660)
	<u>(4,118)</u>		<u>(75,005)</u>		<u>2,410,663</u>	<u>1,842,260</u>
	<u>\$ 47,708</u>		<u>\$ 50,019</u>		<u>\$ 3,503,255</u>	<u>\$ 3,177,423</u>

**CITY OF WASHINGTON, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2013**

	Special Revenue						
	Cemetery	Civil Defense	Audit	Motor Fuel Tax	Incremental Tax	Liability Insurance	Storm Water Management
REVENUES							
Property taxes	\$ -	\$ 3,315	\$ 29,898	\$ -	\$ 186,496	\$ 99,580	\$ -
Intergovernmental	-	-	-	436,317	-	-	-
Grant proceeds	-	-	-	-	-	-	-
Charges for services	72,700	-	-	-	-	-	-
Interest	1,807	23	32	2,816	5,942	155	36
Other	1,034	-	-	-	-	-	81,173
	<u>75,541</u>	<u>3,338</u>	<u>29,930</u>	<u>439,133</u>	<u>192,438</u>	<u>99,735</u>	<u>81,209</u>
EXPENDITURES							
Current							
General government	-	-	28,349	-	70,169	85,747	11,175
Public safety	-	6,627	-	-	-	-	-
Cemetery	63,181	-	-	-	-	-	-
Capital outlay	1,575	1,230	-	343,720	37,012	-	234,192
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
	<u>64,756</u>	<u>7,857</u>	<u>28,349</u>	<u>343,720</u>	<u>107,181</u>	<u>85,747</u>	<u>245,367</u>
Excess (deficiency) of revenues over expenditures	10,785	(4,519)	1,581	95,413	85,257	13,988	(164,158)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	5,000	-	15,760	-	-	190,000
Net change in fund balances	10,785	481	1,581	111,173	85,257	13,988	25,842
FUND BALANCES, BEGINNING OF YEAR	266,480	24,655	15,128	403,776	990,814	165,622	25,952
FUND BALANCES, END OF YEAR	<u>\$ 277,265</u>	<u>\$ 25,136</u>	<u>\$ 16,709</u>	<u>\$514,949</u>	<u>\$1,076,071</u>	<u>\$ 179,610</u>	<u>\$ 51,794</u>

Illinois		
Municipal Retirement	Social Security	Total
\$ 288,765	\$ 238,975	\$ 847,029
24,091	-	460,408
-	-	-
-	-	72,700
1,750	1,682	14,243
-	-	82,207
314,606	240,657	1,476,587
308,975	268,029	772,444
-	-	6,627
-	-	63,181
-	-	617,729
-	-	-
-	-	-
308,975	268,029	1,459,981
5,631	(27,372)	16,606
31,000	63,500	305,260
36,631	36,128	321,866
133,275	142,218	2,167,920
\$ 169,906	\$ 178,346	\$2,489,786

**CITY OF WASHINGTON, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2013**

	Debt Service			
	Cruger Road	South Cummings Lane	Mallard Crossing	Total
REVENUES				
Property taxes	\$ -	\$ -	\$ 46,943	\$ 46,943
Intergovernmental	-	-	-	-
Grant proceeds	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	21	21
Other	-	-	-	-
	-	-	46,964	46,964
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Cemetery	-	-	-	-
Capital outlay	-	-	-	-
Debt service				-
Principal	60,320	59,840	33,000	153,160
Interest	18,278	15,795	14,915	48,988
	78,598	75,635	47,915	202,148
Excess (deficiency) of revenues over expenditures	(78,598)	(75,635)	(951)	(155,184)
OTHER FINANCING SOURCES (USES)				
Transfers in	78,598	75,635	-	154,233
Net change in fund balances	-	-	(951)	(951)
FUND BALANCES, BEGINNING OF YEAR	-	-	(3,167)	(3,167)
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ (4,118)	\$ (4,118)

Capital Project			Total	Total Nonmajor Governmental	2012 (Memorandum Only)
Dallas Road	Police Station Remodel				
\$ -	\$ -	\$ -	\$ -	\$ 893,972	\$ 863,280
-	-	-	-	460,408	463,960
-	-	-	-	-	607,620
-	-	-	-	72,700	103,750
17	-	17	17	14,281	18,146
-	-	-	-	82,207	95,225
17	-	17	17	1,523,568	2,151,981
-	-	-	-	772,444	744,328
-	-	-	-	6,627	4,380
-	-	-	-	63,181	68,804
-	104,725	104,725	104,725	722,454	2,857,815
-	-	-	-	-	-
-	-	-	-	153,160	151,120
-	-	-	-	48,988	56,166
-	104,725	104,725	104,725	1,766,854	3,882,613
17	(104,725)	(104,708)	(104,708)	(243,286)	(1,730,632)
-	352,196	352,196	352,196	811,689	1,625,219
17	247,471	247,488	247,488	568,403	(105,413)
(75,022)	(247,471)	(322,493)	(322,493)	1,842,260	1,947,673
\$ (75,005)	\$ -	\$ (75,005)	\$ (75,005)	\$ 2,410,663	\$ 1,842,260

**CITY OF WASHINGTON, ILLINOIS
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
APRIL 30, 2013**

ASSETS	Employees' Benefit Fund	Motor Equipment Replacement Fund	Total	2012 (Memorandum Only)
Current assets				
Cash and cash equivalents	\$ 910,607	\$ 1,437,486	\$ 2,348,093	\$ 1,956,247
Receivables (net of allowance for uncollectibles)				
Other	1,874,278	68	1,874,346	23,493
Prepaid items	-	2,986	2,986	2,419
Total current assets	2,784,885	1,440,540	4,225,425	1,982,159
Noncurrent assets				
Capital assets, net of accumulated depreciation	-	1,100,342	1,100,342	972,583
	\$ 2,784,885	\$ 2,540,882	\$ 5,325,767	\$ 2,954,742
LIABILITIES AND NET POSITION				
Liabilities				
Accounts payable and accrued liabilities	\$ 1,901,119	\$ 19,042	\$ 1,920,161	\$ 74,888
Current portion of lease payable	-	14,885	14,885	-
Accrued compensated absences	-	-	-	248
Total current liabilities	1,901,119	33,927	1,935,046	75,136
Noncurrent liabilities				
Lease payable	-	53,198	53,198	-
Accrued compensated absences	-	6,285	6,285	5,850
Total liabilities	1,901,119	93,410	1,994,529	80,986
Net position				
Invested in capital assets	-	1,100,342	1,100,342	972,583
Unrestricted	883,766	1,347,130	2,230,896	1,901,173
Total net position	883,766	2,447,472	3,331,238	2,873,756
	\$ 2,784,885	\$ 2,540,882	\$ 5,325,767	\$ 2,954,742

**CITY OF WASHINGTON, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED APRIL 30, 2013**

	Employees' Benefit Fund	Motor Equipment Replacement Fund	Total	2012 (Memorandum Only)
OPERATING REVENUES				
Charges for services	\$ 1,035,293	\$ 819,111	\$ 1,854,404	\$ 1,655,212
Employee contributions	106,578	-	106,578	99,805
Other	14,017	34,107	48,124	37,346
	<u>1,155,888</u>	<u>853,218</u>	<u>2,009,106</u>	<u>1,792,363</u>
OPERATING EXPENSES				
General and administrative	21,336	-	21,336	19,798
Personal services	919,098	93,188	1,012,286	1,095,202
Materials and supplies	-	186,491	186,491	175,032
Other services and charges	550	84,399	84,949	93,543
Depreciation	-	236,016	236,016	221,190
	<u>940,984</u>	<u>600,094</u>	<u>1,541,078</u>	<u>1,604,765</u>
Operating income	<u>214,904</u>	<u>253,124</u>	<u>468,028</u>	<u>187,598</u>
NONOPERATING REVENUES				
Interest income	(5,236)	(9,834)	(15,070)	(18,142)
Interest expense	-	1,570	1,570	-
(Gain) loss on sale of equipment	-	24,046	24,046	(7,024)
	<u>(5,236)</u>	<u>15,782</u>	<u>10,546</u>	<u>(25,166)</u>
Change in net position	220,140	237,342	457,482	212,764
TOTAL NET POSITION, BEGINNING OF YEAR	<u>663,626</u>	<u>2,210,130</u>	<u>2,873,756</u>	<u>2,660,992</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 883,766</u>	<u>\$ 2,447,472</u>	<u>\$ 3,331,238</u>	<u>\$ 2,873,756</u>

**CITY OF WASHINGTON, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED APRIL 30, 2013**

	Employees' Benefit Fund	Motor Equipment Replacement Fund	Total	2012 (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,179,097	\$ 34,323	\$ 1,213,420	\$ 1,186,558
Receipts from interfund services provided	-	819,111	819,111	668,300
Payments to suppliers	(973,066)	(268,155)	(1,241,221)	(1,393,356)
Payments to employees	-	(93,226)	(93,226)	(88,403)
Net cash provided by operating activities	206,031	492,053	698,084	373,099
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Advances from (to) other funds	-	-	-	4,239
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	(334,276)	(334,276)	(372,331)
Principal payments on lease	-	(9,662)	(9,662)	-
Proceeds from sale of equipment	-	24,200	24,200	33,825
Net cash used in capital and related financing activities	-	(319,738)	(319,738)	(338,506)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	5,236	9,834	15,070	18,142
Interest paid	-	(1,570)	(1,570)	-
Net cash provided by investing activities	5,236	8,264	13,500	18,142
NET CHANGE IN CASH AND CASH EQUIVALENTS	211,267	180,579	391,846	56,974
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	699,340	1,256,907	1,956,247	1,899,273
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 910,607	\$ 1,437,486	\$ 2,348,093	\$ 1,956,247
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 214,904	\$ 253,124	\$ 468,028	\$ 187,598
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	-	236,016	236,016	221,190
(Increase) decrease in receivables	(1,851,069)	216	(1,850,853)	62,495
(Increase) decrease in prepaid items	-	(567)	(567)	(308)
Increase (decrease) in accounts payable and accrued liabilities	1,842,196	3,077	1,845,273	(98,334)
Increase (decrease) in accrued compensated absences	-	187	187	458
Net cash provided by operating activities	\$ 206,031	\$ 492,053	\$ 698,084	\$ 373,099

CITY OF WASHINGTON, ILLINOIS
COMBINING SCHEDULE OF OPERATING EXPENSES, OTHER THAN DEPRECIATION
ENTERPRISE FUNDS
YEAR ENDED APRIL 30, 2013

	Waterworks	Sewerage	Total	2012 (Memorandum Only)
Personal services				
Wages and salaries	\$ 339,621	\$ 440,049	\$ 779,670	\$ 747,083
Payroll taxes	27,105	38,526	65,631	69,831
Group insurance	118,537	168,506	287,043	265,274
Uniforms	3,937	5,452	9,389	7,831
Total personal services	489,200	652,533	1,141,733	1,090,019
Heat, lights, and power				
Electricity	116,439	140,753	257,192	249,702
Heating	1,630	5,195	6,825	7,001
Total heat, lights, and power	118,069	145,948	264,017	256,703
Materials and supplies				
Chemicals and supplies	135,411	16,473	151,884	156,939
Office supplies	4,661	4,406	9,067	8,622
Perishable tools	4,457	3,195	7,652	4,373
Total materials and supplies	144,529	24,074	168,603	169,934
Other services and charges				
Training and recruitment	567	161	728	327
Insurance	4,811	7,560	12,371	9,199
Printing fees	1,668	1,437	3,105	3,204
Legal fees	3,437	5,702	9,139	5,580
Engineering fees	-	732	732	595
Consulting fees	21,498	7,209	28,707	24,129
Rent	3,917	4,918	8,835	3,925
Repairs and maintenance:				
Building	4,625	6,765	11,390	9,207
Equipment	2,887	5,729	8,616	5,970
System	35,629	42,656	78,285	88,127
Motor equipment replacement	57,000	92,000	149,000	185,000
Telephone	3,905	6,414	10,319	11,878
Miscellaneous	15,748	35,088	50,836	42,323
Total other services and charges	155,692	216,371	372,063	389,464
	\$ 907,490	\$ 1,038,926	\$ 1,946,416	\$ 1,906,120

**CITY OF WASHINGTON, ILLINOIS
SCHEDULE OF PROPERTY TAX LEVIES, RATES, COLLECTIONS,
AND ASSESSED VALUATION
2010 THROUGH 2012**

	2012 Levy			2011 Levy			2010 Levy		
	Levy	Rate	Amounts Extended	Levy	Rate	Collections	Levy	Rate	Collections
GENERAL FUND									
General Corporate	\$ 360,000	0.1178	\$ 360,024	\$ 360,000	0.1189	\$ 358,449	\$ 330,000	0.1113	\$ 329,616
Police Pension	264,000	0.0864	264,020	240,000	0.0793	238,975	256,310	0.0865	256,035
SPECIAL REVENUE FUNDS									
Civil Defense	3,300	0.0011	3,301	3,300	0.0011	3,315	3,200	0.0011	3,197
Audit	30,000	0.0099	30,015	30,000	0.0099	29,898	30,000	0.0101	29,965
Illinois Municipal Retirement	290,000	0.0948	290,000	290,000	0.0959	288,765	265,000	0.0894	264,711
Social Security	240,000	0.0785	240,026	240,000	0.0793	238,975	226,000	0.0762	225,744
INTERNAL SERVICE FUND									
Liability Insurance	100,000	0.0327	100,008	100,000	0.0330	99,580	105,600	0.0356	105,499
TOTAL	\$ 1,287,300	0.4212	\$ 1,287,394	\$ 1,263,300	0.4174	\$ 1,257,957	\$ 1,216,110	0.4102	\$ 1,214,767
CITY SHARE OF TOWNSHIP									
ROAD AND BRIDGE			<u>\$ 184,643</u>			<u>\$ 175,778</u>			<u>\$ 169,764</u>
INCREMENTAL TAX DISTRICT			<u>\$ 199,949</u>			<u>\$ 186,496</u>			<u>\$ 189,061</u>
ASSESSED VALUATIONS	<u>\$ 305,649,264</u>			<u>\$ 302,711,642</u>			<u>\$ 296,446,874</u>		

**CITY OF WASHINGTON, ILLINOIS
INFORMATION REGARDING WASTEWATER
USER-CHARGE SYSTEM
YEAR ENDED APRIL 30, 2013**

(Unaudited)

The City adopted Ordinance Number 1299 establishing a user-charge system for wastewater system for wastewater treatment on November 7, 1977.

Information required to be disclosed by Section 53.026 of the Ordinance is as follows:

Replacement cost of wastewater facility	Not Available
Total gallons received at the wastewater plant for the year	712,000,000
Total gallons of wastewater billed based on the user-charge system for the year	268,499,672
Number of metered users connected to the system at April 30, 2013	5,262
Number of nonmetered users at April 30, 2013	1