

Final Official Statement Dated December 16, 2013

Subject to compliance by the City with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.



\$8,770,000
CITY OF ELMHURST
 DuPage and Cook Counties, Illinois
 General Obligation Refunding Bonds, Series 2014A

Dated Date of Delivery Book-Entry Non-Callable Bank Qualified Due Serially March 1, 2015-2022

The \$8,770,000 General Obligation Refunding Bonds, Series 2014A (the "Bonds") are being issued by the City of Elmhurst, DuPage and Cook Counties, Illinois (the "City"). Interest is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2014. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on March 1 in the following years and amounts.

AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS

Principal Amount	Due March 1	Interest Rate	Yield	CUSIP Number	Principal Amount	Due March 1	Interest Rate	Yield	CUSIP Number
\$1,670,000	2015	1.500%	0.390%	289425 SN1	\$ 405,000	2019	2.000%	1.410%	289425 SS0
500,000	2016	2.000%	0.540%	289425 SP6	1,745,000	2020	2.750%	1.830%	289425 ST8
495,000	2017	2.000%	0.800%	289425 SQ4	1,860,000	2021	2.875%	2.210%	289425 SU5
15,000	2018	2.000%	1.310%	289425 SR2	2,080,000	2022	3.000%	2.450%	289425 SV3

OPTIONAL REDEMPTION

The Bonds are **not** subject to optional redemption prior to maturity.

PURPOSE, LEGALITY AND SECURITY

Proceeds of the Bonds will be used to: (i) currently refund the City's outstanding General Obligation Refunding Bonds, Series 2004, dated December 1, 2004; (ii) currently refund the City's outstanding General Obligation Refunding Bonds, Series 2005, dated December 1, 2005; and (iii) pay costs associated with the issuance of the Bonds. See "PLAN OF FINANCING" herein.

In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, the Bonds are valid and legally binding upon the City and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

This Final Official Statement is dated December 16, 2013, and has been prepared under the authority of the City. An electronic copy of this Final Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Competitive Sales Calendar". Additional copies may be obtained from Ms. Marilyn K. Gaston, Director of Finance, City of Elmhurst, 209 North York Road, Elmhurst, Illinois, 60126-2755, or from the Independent Public Finance Consultants to the City:

Established 1954

Speer Financial, Inc.

INDEPENDENT PUBLIC FINANCE CONSULTANTS
 ONE NORTH LASALLE STREET, SUITE 4100 • CHICAGO, ILLINOIS 60602
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No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. **THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.**

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

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BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Final Official Statement, which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors.

Issuer:	City of Elmhurst, DuPage and Cook Counties, Illinois.
Issue:	\$8,770,000 General Obligation Refunding Bonds, Series 2014A.
Dated Date:	Date of delivery, expected to be on or about January 7, 2014.
Interest Due:	Each March 1 and September 1, commencing March 1, 2014.
Principal Due:	Serially each March 1, commencing March 1, 2015 through 2022, as detailed on the front page of this Final Official Statement.
Optional Redemption:	The Bonds are not subject to optional redemption prior to maturity.
Authorization:	The City is a home rule unit under the Illinois Constitution and as such has no debt limitation and is not required to seek referendum approval to issue the Bonds.
Security:	The Bonds are valid and legally binding obligations of the City payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount.
Credit Rating:	The Bonds have been rated “AAA” from Standard & Poor’s, a Division of the McGraw-Hill Companies.
Purpose:	Proceeds of the Bonds will be used to: (i) currently refund the City’s outstanding General Obligation Refunding Bonds, Series 2004, dated December 1, 2004; (ii) currently refund the City’s outstanding General Obligation Refunding Bonds, Series 2005, dated December 1, 2005; and (iii) pay costs associated with the issuance of the Bonds. See “ PLAN OF FINANCING ” herein.
Tax Exemption:	Chapman and Cutler LLP, Chicago, Illinois, will provide an opinion as to the tax exemption of the interest on the Bonds as discussed under “ TAX EXEMPTION ” in this Final Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
Bank Qualification:	The Bonds are “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See “ QUALIFIED TAX-EXEMPT OBLIGATIONS ” herein.
Bond Registrar/Paying Agent/ Escrow Agent:	U.S. Bank National Association, Chicago, Illinois.
Delivery:	The Bonds are expected to be delivered on or about January 7, 2014.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Bonds. See APPENDIX B herein.
Denomination:	\$5,000 or integral multiples thereof.
Financial Advisor:	Speer Financial, Inc., Chicago, Illinois.

CITY OF ELMHURST
DuPage and Cook Counties, Illinois

Steven M. Morley
Mayor

Aldermen

Michael J. Bram	Stephen W. Hipskind	Scott M. Levin
Marti Deuter	Michael Honquest	Mark A. Mulliner
Bob Dunn	Jim Kennedy	Danee Polomsky
Diane C. Gutenkauf	Norman Leader	Patrick Wagner
Chris Healy		Kevin L. York

Other Officials

Patty Spencer <i>City Clerk</i>		Elaine Libovicz <i>City Treasurer</i>
James A. Grabowski <i>City Manager/Budget Officer</i>	Donald J. Storino <i>City Attorney</i>	Marilyn K. Gaston <i>Director of Finance</i>

The General Obligation Refunding Bonds, Series 2014A (the “Bonds”), are being issued pursuant to the home-rule powers of the City of Elmhurst, DuPage and Cook Counties, Illinois (the “City”), under Section 6, Article VII of the 1970 Constitution of the State of Illinois. The Bonds are issuable pursuant to a bond ordinance to be adopted by the City Council of the City on the 16th day of December, 2013 (the “Bond Ordinance”). 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 Bond Ordinance provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the City in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Ordinance will be filed with the County Clerks of The Counties of DuPage and Cook, Illinois, and will serve as authorization to said County Clerks to extend and collect the property taxes as set forth in the Bond Ordinance.

THE CITY

The City encompasses an area of approximately 10 square miles, is located approximately 17 miles north and west of downtown Chicago in DuPage and Cook Counties. All of the City's 2012 Equalized Assessed Valuation (the "EAV") is located in eastern DuPage County. A small tax-exempt portion of the City, headquarters of DuPage Water Commission, is located in western Cook County. With a population of 44,121, the City is one of the largest communities in DuPage County according to the 2010 Census. Founded by German settlers, it was incorporated as a village in 1881 and as a city in 1910. Elmhurst was the 14th community in the state to be named as an Illinois Certified City and the first in DuPage County. Elmhurst has been named a "Tree City, U.S.A." every year since 1981.

Government

The City operates under a Council/Manager form of government. The City Council of 14 aldermen are elected for four-year staggered terms from 7 wards. The Mayor, Clerk and Treasurer are also elected, to terms of four years. The professional City Manager, appointed by the City Council, manages the day-to-day operations of the City and is responsible for administering the policies established by the Mayor and City Council.

Basic services provided by the City include: police protection, fire protection, emergency medical service, maintenance of highways and streets, refuse and recycling collection, water supply and wastewater treatment. The City owns and operates its own water and sewerage facilities with water supplied from Lake Michigan through the DuPage Water Commission, a separate unit of government.

Employment for the City totals some 257 full time and 86 part time/seasonal persons. The City employs 68 full time police officers and 44 full time firefighters. The City's fire insurance rating is IS02.

Major City-owned facilities include the City Hall building which houses general government services, public works administration, fire administration, cable television administrative offices and senior citizen services. A separate police facility houses police administration and operations and there are two fire stations. The City recently completed a new public works garage facility, and it owns a state-of-the-art sewerage treatment plant.

The City has three collective bargaining agreements, covering a total of 153 employees. The Illinois Fraternal Order of Police Lodge No. 81 ("FOP") represents 52 employees. The current FOP contract expires April 30, 2014. The International Union of Operating Engineers, Local 150 ("IUOE") represents 62 City employees. The current IUOE contract expires April 30, 2016. The Elmhurst Professional Firefighters Association, IAFF Local 3541 (IAFF) represents 39 City employees. The current IAFF contract expires April 30, 2014. There is no history of labor strikes by these collective bargaining units and the City considers its labor relations to be good.

Pursuant to authority granted by Article VII of the 1970 Constitution of the State of Illinois, any municipality which according to the most recent official U. S. Census, has a population of more than 25,000 is a home rule unit. The City is a home rule unit based upon the 2010 Census and as such may exercise any power and perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and incur debt without referendum and without limitation as to amount. Debt payable from ad valorem tax receipts must mature within 40 years and is payable from taxes to be levied upon taxable property in the City, in addition to all other taxes, without limitation as to rate or amount, except as limited by bankruptcy, insolvency, moratorium, reorganization and other laws relating to the enforcement of creditors' rights.

Transportation

Commuter train travel to and from Chicago's downtown (the "Loop") is provided by Metra, a commuter railway line that reaches the Loop in approximately 30 minutes. Several Pace (a subsidiary of the Regional Transportation Authority) buses provide local service to City residents. Drive time to the Loop is approximately 45 minutes. Midway and O'Hare airports are within one-half hour of the City.

City residents have excellent access to major highways in the Chicago metropolitan area. Two major Interstates, I-290 and I-294, are within the City limits and have seven interchanges in the City. I-290 is the major east-west route into the City of Chicago (the "Eisenhower Expressway"). I-294 (the "TriState Tollway") provides convenient access to O'Hare International Airport and into Wisconsin to the north and to Indiana to the south. The TriState Tollway also intersects with I-88, the "East-West Tollway", just south of the City. Kingery Highway (I-83), North Avenue (I-64) and Butterfield Road (I-56) are major transportation arteries that are also accessible to the City.

Education

Public education in the City is provided by School District Numbers 45, 48, 88 and Unit School District 205. The major school district unit, Unit School District Number 205 (the "District"), is a K-12th grade district. The District operates eight elementary schools, three middle schools, one senior school and a pre-K early childhood center. The combined enrollment of the District is approximately 8,000 students annually.

Opportunities for higher education are available to City residents throughout the Chicago metropolitan area. The City and adjacent communities have several noteworthy institutions of higher education, the following is a brief summary of some of these institutions:

The College of DuPage ("COD"), Community College District Number 502, is located just outside the City's western boundary in nearby Glen Ellyn. With an annual enrollment of over 31,000, COD is the largest community college in Illinois in terms of enrollment. Educational programs in over 80 areas of study include associate degrees, college transfer classes, occupational and vocational programs, continuing education, and special programs such as the Older Adult Institute and the Business and Professional Institute. COD employs approximately 2,600 full and part time employees.

Elmhurst College, (the "College") a private, four year liberal arts college, founded in 1871, is located in the City and has an annual enrollment of approximately 3,400 students and employs approximately 500 persons. The College has 22 academic departments offering 50 majors in the humanities, natural and social sciences, education, business administration and baccalaureate nursing. The College is uniquely designed as an arboretum and features more than 1,000 plants of 270 species and varieties. The campus of the College is an accredited arboretum of woody plants and is registered as a national arboretum.

The following are located within 30 minutes of the City in the nearby City of Wheaton.

Wheaton College's 80-acre campus was founded in 1860. An interdenominational Christian liberal arts college, Wheaton College offers both graduate and undergraduate degrees. Wheaton College has approximately 2,900 students and employs 600 full-time faculty and administrative staff. The Billy Graham Center and Museum, a research institute, is also located on the campus.

The Illinois Institute of Technology campus is named the Daniel F. and Ada L. Rice Campus of IIT. The Rice Campus is the third branch opened in addition to IIT's main Chicago campus. Enrollment is approximately 850 students, who are offered upper level graduate and undergraduate technical courses in computer, communications, sciences, and all branches of engineering. A total of approximately 60 faculty and staff are employed. IIT officials report that many of the new campus' evening and part-time students are employed in companies located along the Interstate 88 "Research and Development Corridor".

National Lewis is a private independent university with undergraduate and graduate degree programs in the areas of Education, Arts and Science, and Management and Business. It has campuses in Chicago, Evanston, Wheaton and Wheeling, Illinois, as well as an academic center in Elgin, Illinois, and several out-of-state and overseas centers. The campus primarily serves upper level graduate and undergraduate students and has an annual enrollment of approximately 1,500.

Community Life

The City is a center for a variety of cultural and recreational facilities, some of which are discussed below:

The Elmhurst Park District (the "Park District") was established in 1920. Approximately 29 park sites and recreation facilities totaling over 430 acres are owned by the Park District. Principal park facilities include indoor tennis, racquetball, a fitness center, a nine-hole golf course and three swimming pools. Wilder Park Conservatory is the site of the Spring Flower show, which is an annual event sponsored by the Park District, and is held for three weeks in April. A fairly recent addition, Courts Plus, is an award-winning health, sports and fitness center. There are also two outdoor pools, a shared-use community center, a conservatory and greenhouse and the Abbey Leisure Center for adults over 55. The Stay N' Play Gym is an indoor play and gym area for preschoolers.

For nature enthusiasts, walking and hiking are available on the newly-developed Elmhurst segment of the Salt Creek Greenway nature trail. Volunteers work on the preservation and restoration of the prairie in cooperation with the Park District.

Public library services are provided to City residents by the Elmhurst Public Library (the "Library"). The Library stocks over 300,000 books in addition to a full range of periodicals, films, illustrations, various reproductions including sculptures. The Library serves approximately 38,000 patrons annually and its annual circulation is over 1,000,000. A new state-of-the-art library opened in October 2003.

Located in a Mies van der Rohe house in Wilder Park, the Elmhurst Art Museum opened in 1997. Museum exhibits include work from local and regional artists as well as work from national and international artists.

The Lizzadro Museum of Lapidary Art (a private foundation) houses and displays fine gems, gemstone carvings dating back to the Ming Dynasty and objects of art made of gem materials and minerals.

Located in a 1892 mansion built by the City's first president, the Elmhurst Historical Museum exhibits a multitude of books, photographs, newspapers, clothing, toys and other historical objects that tells of the City's rich history.

The City is served by two weekly newspapers, the Independent and the Elmhurst Press, and two radio stations, WREE and WKDC.

Founded in 1926, Elmhurst Memorial Hospital is now Elmhurst Memorial Healthcare. The new facility opened June 20, 2011, and brings sophisticated medical technology and high quality nursing care. Elmhurst Memorial Healthcare is a Level II Trauma Center, with departments in medical and surgical care, cardiology, oncology, orthopedics, pediatrics, maternity, gastroenterology, behavioral health and emergency care. The new facility has 259 private inpatient suites and a staff of more than 3,000 employees and over 600 physicians. Specialty services include a sleep disorders center and center for pain management. Specialized surgical capabilities include open heart surgery, laparoscopic cholecystectomy, pelviscopy and progressive orthopedic and ophthalmic procedures, as well as the complete range of general surgical procedures. The 24-hour emergency center is staffed by Board Certified Emergency Medicine Specialists and assisted by nurses specially trained in emergency care. Elmhurst Memorial Center for Health, an out-patient clinic owned by Elmhurst Memorial Healthcare, opened in 1999.

Founded in 1959, the Elmhurst Symphony (the “Symphony”) performs in Hammersmidt Chapel on the campus of Elmhurst College. The chapel features state-of-the-art acoustical appointments and seating for 900 patrons. The Symphony’s 2012-2013 concert season represents its 53rd season of performance.

SOCIOECONOMIC INFORMATION

Employment

Substantial employment is available in surrounding communities, the “Research and Development Corridor” immediately south of the City, and throughout the Chicago metropolitan area. Numerous employers are located within the City and in surrounding communities.

The following employment data shows a consistently diverse and strong growth trend for employment in DuPage County. This data is **NOT** comparable to similar U.S. Census statistics, which would include government employment, and establishments not covered by the Illinois Unemployment Insurance Program, and could classify employment categories differently.

DuPage County Private, Non-Agricultural Employment Covered by the Illinois Unemployment Insurance Act(1)

(Data as of March for each Year)

	2008	2009	2010	2011	2012
Farm, Forestry, Fisheries	338	310	280	243	342
Mining and Quarrying	112	90	84	77	96
Construction	26,903	23,042	19,192	19,063	18,558
Manufacturing	59,719	53,193	49,208	50,700	52,024
Transportation, Communications, Utilities.....	41,205	37,913	34,566	34,315	34,992
Wholesale Trade	0,669	47,984	44,552	45,609	47,015
Retail Trade.....	68,274	61,886	59,906	60,903	61,120
Finance, Insurance, Real Estate	43,489	39,579	37,239	37,365	38,220
Services(2)	<u>247,072</u>	<u>237,881</u>	<u>239,883</u>	<u>251,853</u>	<u>257,521</u>
Total	537,781	501,878	484,910	500,128	509,888

Notes: (1) Source: Illinois Department of Employment Security.
 (2) Includes unclassified establishments.

The following are lists of large employers located in the City and the nearby surrounding area. Additional employment opportunities are available to City residents throughout the Chicago metropolitan area.

Major City Employers(1)

<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Elmhurst Memorial Hospital	General Hospital	2,173
Mc Master-Carr Supply Co.....	Industrial Supply Distribution Company Headquarters	850
Elmhurst College.....	College.....	600
Duchossois Enterprises Group	Electronic Components Corporate Headquarters	450
The Chamberlain Group, Inc.....	Garage Door Openers Corporate Headquarters	350
Sterling Engineering, Inc.....	Temporary Engineers, Designers, Drafters and Technicians	320
Patten Power Systems.....	Power Supplies, Truck Engines, and Generators.....	276
Laboratory Corp. of America.....	Medical Testing Laboratory.....	250
Superior Sound, Inc.....	Automotive Accessories Sales and Installation	250
Semblem Corporation	Machined Components	210
FedEx Freight, Inc.....	Package Delivery Service	200
Hassett Air Express.....	Air Freight Forwarding	200
Superior Ambulance.....	Ambulance Service.....	200

Note: (1) Source: 2013 Illinois Manufacturers Directory, 2013 Illinois Services Directory and a selective telephone survey.

Major Area Employers(1)

<u>Location</u>	<u>Name</u>	<u>Business or Product</u>	<u>Approximate Employment</u>
Hoffman Estates.....	Sears Holding Corp.	Retail Chain Corporate Headquarters	6,200
Elk Grove Village.....	Alexian Brothers Medical Center	Regional Medical Center	3,100
Naperville	Alcatel-Lucent	Telecommunications Research and Development	3,000
Naperville	Edward Hospital	General Hospital.....	3,000
Glen Ellyn.....	College of DuPage	Community College	2,600
Hoffman Estates.....	AT & T Services, Inc.....	Communications Divisional Headquarters	2,500
Schaumburg.....	Zurich North America Commercial	Life Insurance Corporate Headquarters	2,500
Rolling Meadows.....	Northrop Grumman Corp., Defense Systems Division	Electronic Countermeasures Divisional Headquarters.....	2,300
Naperville	Nicor Gas.....	Gas Utility Company Divisional Headquarters	2,264
Hoffman Estates.....	St. Alexius Medical Center	Full Service Hospital.....	2,045
Oak Brook	Mc Donalds Corp.....	Fast Food Restaurant Chain Corporate Headquarters.....	2,000
Batavia	Fermi Research Alliance	High Energy Physics Research Laboratory.....	1,800
Naperville	BP, Global Fuels Technology Division	Chemical and Petrochemical Research Company Headquarters	1,600
Hinsdale	Adventist Hinsdale Hospital.....	Hospital	1,555
Elk Grove Village.....	Automatic Data Processing, Inc. Employer Services	Data Processing and Payroll Services	1,500
Naperville	OfficeMax, Inc.....	Office Supplies Corporate Headquarters	1,500
Oak Brook	Inland Real Estate Corp.	Real Estate Agency	1,500
Oak Park	West Suburban Medical Center.....	Medical Center	1,500
Naperville	Nalco Company	Chemicals and Allied Products Corporate Headquarters.....	1,200

Note: (1) Source: 2013 Illinois Manufacturers Directory, 2013 Illinois Services Directory and a selective telephone survey.

The following tables show employment by industry and by occupation for the City, DuPage County (the “County”) and the State of Illinois (the “State”) as reported by the U.S. Census Bureau 2007-2011 American Community Survey 5-year estimated values.

Employment By Industry(I)

Classification	The City		DuPage County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	86	0.4%	1,156	0.2%	63,960	1.1%
Construction	1,524	7.3%	24,539	5.2%	343,232	5.7%
Manufacturing	2,214	10.7%	59,805	12.7%	775,663	12.8%
Wholesale Trade	1,021	4.9%	21,836	4.6%	196,738	3.3%
Retail Trade	1,532	7.4%	50,681	10.8%	659,708	10.9%
Transportation and Warehousing, and Utilities	1,138	5.5%	24,993	5.3%	355,486	5.9%
Information	618	3.0%	12,435	2.6%	135,688	2.2%
Finance and Insurance, and Real Estate and Rental and Leasing	2,300	11.1%	45,742	9.7%	466,468	7.7%
Professional, Scientific, and Management, Administrative, and Waste Management Services	3,196	15.4%	63,971	13.6%	662,987	11.0%
Educational Services and Health Care and Social Assistance	4,735	22.8%	94,522	20.1%	1,337,455	22.1%
Arts, Entertainment and Recreation and Accommodation and Food Services	1,132	5.4%	37,942	8.1%	524,925	8.7%
Other Services, Except Public Administration	809	3.9%	21,922	4.7%	288,538	4.8%
Public Administration	471	2.3%	11,047	2.3%	232,923	3.9%
Total	20,776	100.0%	470,591	100.0%	6,043,771	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2007 to 2011.

Employment By Occupation(I)

Classification	The City		DuPage County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts	10,234	49.3%	206,413	43.9%	2,167,571	35.9%
Service	2,028	9.8%	57,376	12.2%	1,007,434	16.7%
Sales and Office	5,922	28.5%	131,039	27.8%	1,550,202	25.6%
Natural Resources, Construction, and Maintenance	1,343	6.5%	29,011	6.2%	474,566	7.9%
Production, Transportation, and Material Moving	1,249	6.0%	46,752	9.9%	843,998	14.0%
Total	20,776	100.0%	470,591	100.0%	6,043,771	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2007 to 2011.

Unemployment Rates

The following table shows the trend in annual average unemployment rates for the City, DuPage County and the State.

Annual Average Unemployment Rates(I)

Calendar Year	The City	DuPage County	State of Illinois
2004	4.4%	5.0%	6.2%
2005	4.2%	4.7%	5.8%
2006	2.9%	3.4%	4.6%
2007	3.2%	3.8%	5.0%
2008	4.2%	5.0%	6.5%
2009	7.3%	8.4%	10.1%
2010	7.2%	8.3%	10.5%
2011	7.0%	8.0%	9.8%
2012	6.6%	7.3%	8.9%
2013(2)	7.3%	7.6%	9.0%

Notes: (1) Source: Illinois Department of Employment Security.
 (2) Preliminary rates for August 2013.

Building Permits

Building Permits(I) (Excludes the Value of Land)

Calendar Year	Single-Family Homes		Multi-Family Homes		Miscellaneous Value	Total Value
	Number	Value	Number	Value		
2003	215	\$61,133,800	6	\$ 1,500,000	\$ 59,180,080	\$121,813,880
2004	242	78,094,150	2	16,400,000	69,648,200	164,142,350
2005	189	67,948,000	1	2,090,000	51,579,068	121,617,068
2006	138	53,246,750	4	2,550,000	66,181,655	121,978,405
2007	110	48,437,000	1	7,717,400	74,945,942	131,100,342
2008	58	26,425,000	0	0	352,661,489	379,086,489
2009	38	17,009,326	0	0	47,060,960	64,070,286
2010	46	19,630,000	1	69,942,000	45,271,096	134,843,096
2011	57	24,939,985	0	0	53,619,551	78,559,536
2012	96	39,138,000	28	8,000,000	35,172,887	82,310,907

Note: (1) Source: the City.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City's owner-occupied homes was \$383,000. This compares to \$309,800 for the County and \$198,500 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2007-2011 American Community Survey.

Specified Owner-Occupied Units(I)

Value	The City		DuPage County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$50,000	195	1.5%	2,821	1.1%	218,208	6.7%
\$50,000 to \$99,999	181	1.4%	4,676	1.8%	451,967	13.8%
\$100,000 to \$149,999	269	2.1%	14,371	5.6%	464,158	14.2%
\$150,000 to \$199,999	668	5.2%	26,931	10.6%	518,957	15.8%
\$200,000 to \$299,999	2,025	15.8%	72,555	28.5%	725,004	22.1%
\$300,000 to \$499,999	5,592	43.6%	91,527	36.0%	613,486	18.7%
\$500,000 to \$999,999	3,441	26.8%	34,391	13.5%	234,600	7.2%
\$1,000,000 or more	452	3.5%	7,320	2.9%	53,191	1.6%
Total	12,823	100.0%	254,592	100.0%	3,279,571	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2007 to 2011.

Mortgage Status(I)

	The City		DuPage County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage	8,753	68.3%	191,178	75.1%	2,272,745	69.3%
Housing Units without a Mortgage	4,070	31.7%	63,414	24.9%	1,006,826	30.7%
Total	12,823	100.0%	254,592	100.0%	3,279,571	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2007 to 2011.

Income

DuPage County is ranked second in per capita personal income in the State.

**Per Capita Personal Income
 for the Ten Highest Income Counties in the State(1)**

<u>Rank</u>		<u>2007-2011</u>
1	Lake County.....	\$38,512
2	DuPage County	38,405
3	McHenry County.....	32,318
4	Monroe County	31,570
5	Kendall County	31,325
6	Will County.....	30,199
7	Cook County	29,920
8	Woodford County.....	29,886
9	Kane County	29,864
10	Sangamon County.....	29,167

Note: (1) Source: U.S. Bureau of the Census. 2007-2011 American Community 5-Year Estimates.

The following shows a ranking of median family income for the Chicago metropolitan area from the 2007-2011 American Community Survey.

Ranking of Median Family Income(1)

<u>Ill. County</u>	<u>Family Income</u>	<u>Ill. Rank</u>
DuPage County	\$94,049	1
Lake County.....	93,260	2
Kendall County.....	90,696	3
McHenry County	87,133	4
Will County	86,372	5
Kane County	79,686	7
Cook County	65,842	20

Note: (1) Source: U.S. Bureau of the Census. 2007-2011 American Community 5-Year Estimates.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$111,016. This compares to \$94,409 for DuPage County and \$69,658 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2007-2011 American Community Survey.

Median Family Income(1)

<u>Income</u>	<u>The City</u>		<u>DuPage County</u>		<u>State of Illinois</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under \$10,000	138	1.2%	3,963	1.7%	131,841	4.2%
\$10,000 to \$14,999	25	0.2%	3,250	1.4%	86,610	2.7%
\$15,000 to \$24,999	305	2.7%	8,873	3.7%	224,421	7.1%
\$25,000 to \$34,999	444	4.0%	13,840	5.8%	260,262	8.3%
\$35,000 to \$49,999	773	7.0%	21,969	9.2%	389,862	12.4%
\$50,000 to \$74,999	1,663	15.0%	38,936	16.3%	606,737	19.2%
\$75,000 to \$99,999	1,392	12.6%	37,126	15.6%	486,151	15.4%
\$100,000 to \$149,999	2,838	25.6%	53,390	22.4%	547,784	17.4%
\$150,000 to \$199,999	1,450	13.1%	27,076	11.3%	212,016	6.7%
\$200,000 or more.....	<u>2,063</u>	<u>18.6%</u>	<u>30,153</u>	<u>12.6%</u>	<u>207,841</u>	<u>6.6%</u>
Total	11,091	100.0%	238,576	100.0%	3,153,525	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2007 to 2011.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$87,935. This compares to \$77,598 for DuPage County and \$56,576 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2007-2011 American Community Survey.

Household Income(1)

Income	The City		DuPage County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	477	3.0%	10,554	3.1%	324,506	6.8%
\$10,000 to \$14,999	322	2.1%	8,192	2.4%	225,927	4.7%
\$15,000 to \$24,999	1,086	6.9%	20,974	6.2%	480,204	10.1%
\$25,000 to \$34,999	1,210	7.7%	25,263	7.5%	462,115	9.7%
\$35,000 to \$49,999	1,398	8.9%	37,669	11.2%	628,998	13.2%
\$50,000 to \$74,999	2,395	15.3%	59,441	17.7%	884,623	18.5%
\$75,000 to \$99,999	1,785	11.4%	49,399	14.7%	627,813	13.2%
\$100,000 to \$149,999	3,236	20.6%	62,355	18.6%	656,199	13.7%
\$150,000 to \$199,999	1,666	10.6%	29,651	8.8%	243,765	5.1%
\$200,000 or more	<u>2,117</u>	<u>13.5%</u>	<u>32,153</u>	<u>9.6%</u>	<u>238,852</u>	<u>5.0%</u>
Total	15,692	100.0%	335,651	100.0%	4,773,002	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2007 to 2011.

Sales Tax History

The City received sales taxes of \$15,244,117, including the 3/4% home-rule municipal sales, in fiscal year 2012.

The table below shows the distribution of the City portion of the Retailer's Occupation, Service Occupation and Use Tax ("Sales Tax") collected by the State Department of Revenue from retailers within the City.

Retailers' Occupation, Service Occupation and Use Tax(1)

State Fiscal Year Ending June 30	State Sales Tax Distributions(2)	Annual Percent Change + (-)
2004.....	\$ 9,624,962	(3.47%)(3)
2005.....	9,892,534	2.78%
2006.....	10,135,684	2.46%
2007.....	10,696,361	5.53%
2008.....	10,298,283	(3.72%)
2009.....	8,936,342	(13.22%)
2010.....	7,919,645	(11.38%)
2011.....	8,438,942	6.56%
2012.....	8,880,934	5.24%
2013.....	9,936,377	11.88%
Growth from 2004 to 2013.....		3.24%

- Notes: (1) Source: Illinois Department of Revenue. This table does not include the 3/4% home-rule sales tax.
 (2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the City, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.
 (3) The 2004 percentage is based on a 2003 sales tax of \$9,970,556.

Sales Tax Receipts by Kind of Business(1)
 (For the 12 months ended December 31, 2012)

	Amount Returned <u>To the City(2)</u>	<u>Percent</u>
General Merchandise	\$ 327,210	3.35%
Food	812,316	8.33%
Drinking and Eating Places	792,443	8.12%
Apparel	116,353	1.19%
Furniture, Hardware and Radio	215,944	2.21%
Lumber, Building and Hardware	126,054	1.29%
Automotive and Filling Stations	2,988,853	30.63%
Drugs and Other Retail	1,310,769	13.43%
Agriculture and Extractive	2,859,294	29.30%
Manufacturers	<u>207,971</u>	<u>2.13%</u>
Total	\$9,757,206	100.00%

- Notes: (1) Source: State of Illinois, Department of Revenue. This table does not include the 3/4% home-rule sales tax.
 (2) The amount returned to the City is equal to 1% of taxable sales made at businesses located within the corporate limits of the City.

Tax Increment Financing Districts

The City has been successful in their use of Tax Increment Financing Districts (“TIF”) in its downtown redevelopment strategy. The following is a brief summary of the City’s four TIF districts:

Located in the City’s downtown area, TIF Number 1 was established by the City in 1986. Through 2012, this district had accumulated \$25,654,358 of new property value tax base after release of fully developed property with a TIF increment valued at \$39,841,873. Its major tenants are a Jewel Food Store, Osco Drugstore, Walgreens and York Theater. Approximately 2,000 people are employed in the district.

TIF Number 1, originally scheduled to close in 2009, has been extended twelve years, to 2021. Also, in calendar 2004, 2006 and 2007, twelve fully developed parcels were released and now benefit all taxing bodies.

TIF Number 2 was established by the City in 1993 and is located in the northwest section of the City. Through 2012, this district had accumulated \$9,682,691 of new property value tax base. The major tenants in this district are Murane Paper, Superior Metro Ambulance, John Sakash Company, Springhill Suites and Elmhurst Toyota. Approximately 750 people are employed in the district. This district is expected to be closed out by 2016.

Established by the City in 1996, TIF number 3 is located at the corner of St. Charles Road and Route 83 on the City’s western border. The major tenants in this district are Dominicks food store and Kohl’s department store. Approximately 500 people are employed in this district. Through 2012, this district had accumulated \$6,896,450 of new property value tax base. This district is expected to be closed out by 2019.

TIF Number 4 was established by the City in 2012 and is located on the City’s north side on the east and west sides of York Street from approximately Hahn Street to Grand Avenue. The major tenants in this district are the new Mariano’s food store and a Wilkin’s Mazda car dealership. The district’s current property tax valuation is \$29,010,890. The district is expected to be closed out by 2035.

PLAN OF FINANCING

Bond proceeds will be used to fund an escrow to currently refund the City’s outstanding General Obligation Refunding Bonds, Series 2004 and General Obligation Refunding Bonds, Series 2005, as listed below (the “Refunded Bonds”).

The Refunded Bonds

General Obligation Refunding Bonds, Series 2004

Refunded Maturities	Outstanding Amount	Amount Refunded	Redemption Price	Redemption Date
3/1/2014	\$ 35,000	\$ 0	N/A	N/A
3/1/2015	1,120,000	1,120,000	100.00%	3/1/2014
3/1/2016	20,000	20,000	100.00%	3/1/2014
3/1/2017	20,000	20,000	100.00%	3/1/2014
3/1/2018	20,000	20,000	100.00%	3/1/2014
3/1/2019	430,000	430,000	100.00%	3/1/2014
3/1/2020	1,780,000	1,780,000	100.00%	3/1/2014
3/1/2021	<u>1,925,000</u>	<u>1,925,000</u>	100.00%	3/1/2014
Total	\$5,350,000	\$5,315,000		

General Obligation Refunding Bonds, Series 2005

Refunded Maturities	Outstanding Amount	Amount Refunded	Redemption Price	Redemption Date
3/1/2014	\$1,495,000	\$ 0	N/A	N/A
3/1/2015	505,000	505,000	100.00%	3/1/2014
3/1/2016	500,000	500,000	100.00%	3/1/2014
3/1/2017	495,000	495,000	100.00%	3/1/2014
3/1/2018	5,000	5,000	100.00%	3/1/2014
3/1/2019	5,000	5,000	100.00%	3/1/2014
3/1/2020	5,000	5,000	100.00%	3/1/2014
3/1/2021	10,000	10,000	100.00%	3/1/2014
3/1/2022	<u>2,120,000</u>	<u>2,120,000</u>	100.00%	3/1/2014
Total	\$5,140,000	\$3,645,000		

Bond proceeds will be deposited in an escrow account (the “Escrow Account”) with U.S. Bank National Association, Chicago, Illinois (the “Escrow Trustee”), under the terms of an escrow agreement dated as of the date of issuance of the Bonds between the City and the Escrow Trustee. The moneys so deposited in the Escrow Account will be held in cash in an amount sufficient to pay on the redemption date, March 1, 2014, the interest on the Refunded Bonds and the principal of the Refunded Bonds on the redemption date.

DEBT INFORMATION

After issuance of the Bonds, the City will have outstanding \$47,495,000 principal amount of general obligation debt. The City also has outstanding \$11,500,000 of Sales Tax Revenue Bonds which are not subject to any general obligation pledge.

The City intends to issue additional debt in 2014 relating to a parking garage and other capital improvements.

General Obligation Debt Summary (1)

	Amount <u>Outstanding</u>	<u>Abated By</u>
Series 2004	\$ 5,350,000	Various Funds, Tax Increment Area property and sales tax revenues and Elmhurst Library Fund.
Series 2005	5,140,000	Various Funds, Tax Increment Area property tax revenues and Elmhurst Library Fund.
Series 2006	775,000	General Fund revenues and Redevelopment Fund (TIF 1) revenues.
Series 2008	7,065,000	Redevelopment Fund (TIF 1), General Fund revenues, Parking System and Municipal Utility Fund revenues
Series 2009	8,560,000	General Fund Revenues and Parking System Revenues.
Series 2009A	1,815,000	Redevelopment Fund (TIF 1), General Fund and Municipal Utility Fund.
Series 2012	9,830,000	General Fund revenues and Redevelopment Fund (TIF 1) revenues.
Series 2013	9,150,000	Elmhurst Library Fund and General Fund revenues.
The Bonds	8,770,000	Various Funds, Tax Increment Area property and sales tax revenues and Elmhurst Library Fund.
Less: The Refunded Bonds	<u>(8,960,000)</u>	
Total	\$47,495,000	

Note: (1) Source: the City.

General Obligation Bonded Debt(I) (Principal Only)

Calendar Year	Series 2004	Series 2005	Series 2006	Series 2008	Series 2009	Series 2009A	Series 2012	Series 2013	The Bonds	Less: The Refunded Bonds		Total Outstanding Debt	Cumulative Principal Retirement	
										Series 2004	Series 2005		Amount	Percent
2014	\$ 35,000	\$1,495,000	\$380,000	\$ 465,000	\$ 390,000	\$ 200,000	\$ 60,000	\$ 485,000	\$ 0	\$ 0	\$ 0	\$ 3,510,000	\$ 3,510,000	7.39%
2015	1,120,000	505,000	395,000	150,000	410,000	210,000	190,000	505,000	1,670,000	(1,120,000)	(505,000)	3,530,000	7,040,000	14.82%
2016	20,000	500,000	0	150,000	425,000	210,000	605,000	1,735,000	500,000	(20,000)	(500,000)	3,625,000	10,665,000	22.45%
2017	20,000	495,000	0	50,000	440,000	215,000	625,000	1,880,000	495,000	(20,000)	(495,000)	3,705,000	14,370,000	30.26%
2018	20,000	5,000	0	500,000	460,000	230,000	640,000	1,345,000	15,000	(20,000)	(5,000)	3,190,000	17,560,000	36.97%
2019	430,000	5,000	0	500,000	475,000	240,000	660,000	1,030,000	405,000	(430,000)	(5,000)	3,310,000	20,870,000	43.94%
2020	1,780,000	5,000	0	250,000	495,000	250,000	670,000	505,000	1,745,000	(1,780,000)	(5,000)	3,915,000	24,785,000	52.18%
2021	1,925,000	10,000	0	200,000	515,000	260,000	685,000	530,000	1,860,000	(1,925,000)	(10,000)	4,050,000	28,835,000	60.71%
2022	0	2,120,000	0	200,000	535,000	0	700,000	555,000	2,080,000	0	(2,120,000)	4,070,000	32,905,000	69.28%
2023	0	0	0	500,000	560,000	0	1,720,000	580,000	0	0	0	3,360,000	36,265,000	76.36%
2024	0	0	0	500,000	580,000	0	1,720,000	0	0	0	0	2,800,000	39,065,000	82.25%
2025	0	0	0	1,000,000	605,000	0	155,000	0	0	0	0	1,760,000	40,825,000	85.96%
2026	0	0	0	1,000,000	630,000	0	160,000	0	0	0	0	1,790,000	42,615,000	89.73%
2027	0	0	0	800,000	655,000	0	165,000	0	0	0	0	1,620,000	44,235,000	93.14%
2028	0	0	0	800,000	680,000	0	170,000	0	0	0	0	1,650,000	45,885,000	96.61%
2029	0	0	0	0	705,000	0	170,000	0	0	0	0	875,000	46,760,000	98.45%
2030	0	0	0	0	0	0	175,000	0	0	0	0	175,000	46,935,000	98.82%
2031	0	0	0	0	0	0	180,000	0	0	0	0	180,000	47,115,000	99.20%
2032	0	0	0	0	0	0	185,000	0	0	0	0	185,000	47,300,000	99.59%
2033	0	0	0	0	0	0	195,000	0	0	0	0	195,000	47,495,000	100.00%
Total	\$5,350,000	\$5,140,000	\$775,000	\$7,065,000	\$8,560,000	\$1,815,000	\$9,830,000	\$9,150,000	\$8,770,000	\$(5,315,000)	\$(3,645,000)	\$47,495,000		

Note: (1) Source: the City. Mandatory sinking fund redemption amounts shown for term bonds.

Sales Tax Revenue Bonds

Due (5-15)	Series 2006A	Cumulative Retirement	
		Amount	Percent
2014	\$ 1,145,000	\$ 1,145,000	9.96%
2015	1,220,000	2,365,000	20.57%
2016	1,295,000	3,660,000	31.83%
2017	1,380,000	5,040,000	43.83%
2018	1,470,000	6,510,000	56.61%
2019	1,560,000	8,070,000	70.17%
2020	1,660,000	9,730,000	84.61%
2021	1,770,000	11,500,000	100.00%
Total	\$11,500,000		

Detailed Overlapping Bonded Debt(1)
(As of May 13, 2013)

	Outstanding Debt	Applicable to the City	
		Percent(2)	Amount
Schools:			
Grade School District Number 45	\$ 26,540,777	2.10%	\$ 557,356
High School District Number 88	115,810,000	3.85%	4,458,685
Unit School District Number 205	121,948,882	88.49%	107,912,566
Community College District No. 502	340,300,000	5.77%	19,635,310
Total Schools			<u>\$132,563,917</u>
Others:			
DuPage County	\$245,820,000	5.57%	\$ 13,692,174
DuPage County Forest Preserve District	220,555,485	5.57%	12,284,941
Bensenville Park District	5,525,000	0.67%	37,018
Elmhurst Park District	5,166,000	98.01%	5,063,197
Total Others			<u>\$ 31,077,329</u>
Total Schools and Others Overlapping Bonded Debt			<u>\$163,641,246</u>

- Notes: (1) Source: DuPage County Clerk.
(2) Overlapping debt percentages based on 2012 EAV, the most current available.

Statement of Bonded Indebtedness

	Amount Applicable	Ratio To		Per Capita (2010 Census 44,121)
		Equalized Assessed	Estimated Actual	
Equalized Assessed Valuation of Taxable Property, 2012	\$1,929,004,352	100.00%	33.33%	\$ 43,720.78
Estimated Actual Value, 2012	\$5,787,013,056	300.00%	100.00%	\$131,162.33
Direct Bonded Debt(1)	\$ 47,495,000	2.46%	0.82%	\$ 1,076.47
Overlapping Bonded Debt(2):				
Schools	\$ 132,563,917	6.87%	2.29%	\$ 3,004.55
Others	31,077,329	1.61%	0.54%	704.37
Total Overlapping Bonded Debt	<u>\$ 163,641,246</u>	<u>8.48%</u>	<u>2.83%</u>	<u>\$ 3,708.92</u>
Total Direct and Overlapping Bonded Debt	\$ 211,136,246	10.95%	3.65%	\$ 4,785.39

- Notes: (1) The City partially abates its general obligation debt annually and levies a property tax for the portion of the debt service allocated to governmental funds.
(2) As of May 13, 2013.

PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2012 levy year, the City's EAV was comprised of 84.7% residential, 6.5% industrial, 8.7% commercial, and less than 1% farm and railroad property valuations.

Equalized Assessed Valuation(1)

Property Class	Levy Years				
	2008	2009	2010	2011	2012
Residential	\$2,091,430,365	\$2,100,011,869	\$1,949,351,396	\$1,785,510,536	\$1,634,713,819
Farm	312	343	377	0	0
Commercial	209,858,711	206,561,340	188,803,574	230,401,863	168,215,778
Industrial	157,324,012	154,439,452	139,846,132	136,695,852	124,715,832
Railroad	777,472	939,999	1,142,887	1,188,762	1,358,923
Total	<u>\$2,459,390,872</u>	<u>\$2,461,953,003</u>	<u>\$2,279,144,366</u>	<u>\$2,153,797,013</u>	<u>\$1,929,004,352</u>
Percent Change +/-	9.10%(2)	0.10%	(7.43%)	(5.50%)	(10.44%)

- Notes: (1) Source: DuPage County Clerk.
(2) Percentage change based on 2007 EAV of \$2,254,308,663.

Representative Tax Rates(1)
 (Per \$100 EAV)

	Levy Years				
	2008	2009	2010	2011	2012
City:					
Corporate	\$0.0000	\$0.0000	\$0.0000	\$0.0094	\$0.0000
I.M.R.F.	0.0425	0.0446	0.0506	0.0282	0.0357
Bond & Interest	0.0000	0.0957	0.1060	0.1119	0.1203
Fire Protection.....	0.0724	0.1421	0.1900	0.2101	0.2205
Firemen's Pension	0.0478	0.0584	0.0599	0.0601	0.0661
Policemen's Pension.....	0.0632	0.0808	0.0815	0.0851	0.1009
Ambulance	0.0157	0.0120	0.0098	0.0061	0.0068
Social Security	0.0000	0.0000	0.0000	0.0251	0.0284
Library	<u>0.2608</u>	<u>0.2737</u>	<u>0.2983</u>	<u>0.3309</u>	<u>0.3684</u>
Total City(2)	\$0.5024	\$0.7073	\$0.7961	\$0.8669	\$0.9471
Others:					
DuPage County.....	\$0.1557	\$0.1554	\$0.1659	\$0.1773	\$0.1929
DuPage Forest Preserve District	0.1206	0.1217	0.1321	0.1414	0.1542
DuPage County Airport	0.0160	0.0148	0.0158	0.0169	0.0168
York Township(3).....	0.0644	0.0660	0.0737	0.0810	0.0928
Elmhurst Park District	0.2713	0.2762	0.3094	0.3435	0.3853
Unit School District 205.....	3.2691	3.3246	3.7325	4.1257	4.8021
Community College District 502.....	<u>0.1858</u>	<u>0.2127</u>	<u>0.2349</u>	<u>0.2495</u>	<u>0.2681</u>
Total Rates(4)	\$4.5853	\$4.8787	\$5.4604	\$6.0022	\$6.8593

- Notes: (1) Source: DuPage County Clerk.
 (2) The City is a home rule unit under the 1970 Illinois Constitution and as such has no statutory tax rate limits.
 (3) Includes township and road district.
 (4) Representative tax rates for other government units are from York Township tax code 6046, which represents 66.51% of the City's 2012 EAV.

Tax Extensions and Collections(1)
 (Includes Road and Bridge Levy)

Levy Year	Coll. Year	Taxes Extended(2)	Total Collections(3)	
			Amount	Percent
2007.....	2008	\$ 6,149,381	\$ 6,149,381	100.00%
2008.....	2009	6,161,049	6,160,837	100.00%
2009.....	2010	10,902,686	10,901,248	99.99%
2010.....	2011	11,579,389	11,576,634	99.98%
2011.....	2012	11,757,923	11,696,562	99.48%
2012.....	2013(4).....	11,380,754	7,766,736	69.57%

- Notes: (1) Source: DuPage County Treasurer and the City.
 (2) Tax extensions have been adjusted for abatements.
 (3) Total collections include back taxes, taxpayer refunds, interest, etc.
 (4) As of October 1, 2013.

Principal Taxpayers(1)

<u>Taxpayer Name</u>	<u>Business/Service</u>	<u>2012 EAV(2)</u>
Mc Master-Carr Supply Co.....	Office - Warehouse.....	\$ 14,366,160
Federal Construction Inc.....	Real Estate.....	11,076,100
Three Galleria Tower.....	Real Property.....	11,070,880
Elmhurst Memorial Hospital.....	Hospital.....	5,852,780
UBS Realty Investors LLC.....	Real Estate.....	5,638,070
Royal Management Corp.....	Real Property.....	5,560,160
Horizon Group VIII LLC.....	Construction Machinery Manufacturing.....	5,137,560
HC Elmhurst I LLC.....	Real Property.....	4,759,220
VIP Elmhurst II LLC.....	Real Property.....	4,357,010
Patten Tractor & Equipment.....	Agriculture.....	<u>4,031,500</u>
Total.....		\$ 71,849,440
Ten Largest Taxpayers as Percent of City's 2012 EAV (\$1,929,004,352).....		3.72%

- Notes: (1) Source: DuPage County Clerk.
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2012 EAV is the most current available.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

DuPage County Tax Levy and Collection Procedures

Local assessment officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local assessment officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

DuPage County Exemptions

An annual General Homestead Exemption provides that the Equalized Assessed Valuation ("EAV") of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000 for tax year 2012 and thereafter.

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the 2 years following a catastrophic event. The exemption is limited to \$45,000 through December 31, 2003, and \$75,000 per year beginning January 1, 2004 and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizen's. Beginning with tax year 2013, the maximum exemption is \$5,000.

A Senior Citizens Assessment Freeze Homestead Exemption ("Senior Citizens Assessment Freeze Homestead Exemption") freezes property tax assessments for homeowners, who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$35,000 for years prior to 1999, \$40,000 for assessment years 1999 through 2003, \$45,000 for assessment years 2004 and 2005, \$50,000 from assessment years 2006 and 2007 and for assessments year 2008 and after, the maximum income limitation is \$55,000. In general, the Senior Citizens Assessment Freeze Homestead Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. In counties with a population of 3,000,000 or more, the exemption for all assessment years is equal to the EAV of the residence in the assessment year for which application is made less the base amount. Furthermore, for those counties with a population of less than 3,000,000, the Senior Citizens Assessment Freeze Homestead Exemption is as follows: through assessment year 2005 and for assessment year 2007 and later, the exempt amount is the difference between (i) the current EAV of their residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the Exemption (plus the EAV of improvements since such year). For assessment year 2006, the amount of the Senior Citizens Assessment Freeze Homestead Exemption phases out as the amount of household income increases. The amount of the Senior Citizens Assessment Freeze Homestead Exemption is calculated by using the same formula as above, and then multiplying the resulting value by a ratio that varies according to household income.

The Natural Disaster Homestead Exemption (the "Natural Disaster Exemption") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the equalized assessed value of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Another exemption available to disabled veterans operates annually to exempt up to \$70,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals. However, individuals claiming exemption under the Disabled Persons' Homestead Exemption ("Disabled Persons' Homestead Exemption") or the Disabled Veterans Standard Homestead Exemption ("Disabled Veterans Standard Homestead Exemption") cannot claim the aforementioned exemption.

Furthermore, beginning with assessment year 2007, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

In addition, the Disabled Veterans Standard Homestead Exemption provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of 75% are granted an exemption of \$5,000 and (ii) those veterans with a service-connected disability of less than 75%, but at least 50% are granted an exemption of \$2,500. Furthermore, the veteran's surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. Moreover, if the property is sold by the surviving spouse, then an exemption amount not to exceed the amount specified by the current property tax roll may be transferred to the spouse's new residence, provided that it is the spouse's primary residence and the spouse does not remarry. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Persons' Homestead Exemption cannot claim the aforementioned exemption.

Beginning with assessment year 2007, the Returning Veterans' Homestead Exemption ("Returning Veterans' Homestead Exemption") is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of \$5,000, which is applicable in all counties. In order to apply for the Returning Veterans' Homestead Exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, "or a leasehold interest of land on which a single family residence is located, which is occupied as a principle residence of a veteran returning from an armed conflict involving the armed forces of the United States who has an ownership interest therein, legal, equitable or as a lessee, and on which the veteran is liable for the payment of property taxes." Those individuals eligible for the Returning Veterans' Homestead Exemption may claim the Returning Veterans' Homestead Exemption, in addition to other homestead exemptions, unless otherwise noted.

DuPage County Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law (the "Limitation Law") limits the amount of the annual increase in property taxes to be extended for certain Illinois non-home rule units of government. In general, the Limitation Law restricts the amount of such increases to the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Currently, the Limitation Law applies only to and is a limitation upon all non-home rule taxing bodies in Cook County, the five collar counties (DuPage, Kane, Lake, McHenry and Will) and several downstate counties.

Home rule units, including the City, are exempt from the limitations contained in the Limitation Law. If the Limitation Law were to apply in the future to the City, the limitations set forth therein will not apply to any taxes levied by the City to pay the principal of and interest on the Bonds.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

FINANCIAL INFORMATION

The City has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association consecutively for the years 1990 through 2012. The City has received the Distinguished Budget Presentation Award from the Government Finance Officers Association for the years 2007 through 2013.

Basis of Accounting

Revenues and expenditures of the governmental fund types are recognized using the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are due and collectible within the current period or soon enough thereafter (generally within 60 days) to be used to pay liabilities of the current period. Property taxes levied in the current year which are not collected at year end and are not used to pay liabilities of the current period, therefore, do not meet the "available" criterion and are reported as deferred revenue. Interest and most charges for services are accrued since these revenues are measurable and available. Revenues on cost reimbursement grants are accrued when the related expenditures are incurred. Licenses and permits, fines and forfeitures, federal and state shared revenues and entitlements, and other revenues are accrued when they meet both the measurable and available criteria. Revenues collected in advance are deferred and recognized in the period to which they apply. Expenditures are recognized in the accounting period in which the liability is incurred; principal and interest on general long-term debt is recognized when due.

Investment Policy

The investment policy for the City of Elmhurst applies to the investment activities of all City funds. The City's investment objectives are preservation of capital and the protection of investment principal; conformance with all legal requirements; maintenance of sufficient liquidity to meet operating requirements; diversification to avoid incurring unreasonable risks; and attainment of the highest rate of return on investment consistent with the previously mentioned constraints. The investment officer is the Director of Finance of the City, operating under the direction of the City Manager and the City Treasurer. The standard of prudence to be used by the investment officer in the context of managing the City's investments is the prudent investor rule. The policy states diversification rules by instrument and by financial institution and states investment maturity limitations and guidelines. Safekeeping and collateralization rules are also specified in the investment policy.

Budget

The City budget represents departmental budgets expressed on a line item basis as authorized by the City Council through the annual budget and any revisions authorized by the City Council during the year. Revisions to the budget are made in accordance with the Illinois Revised Statutes and City ordinances, and require a two-thirds favorable vote of the City Council. Expenditures at the fund level are not permitted to exceed the budget without City Council approval. Encumbered amounts lapse at year end. However, encumbrances generally are rebudgeted as part of the following year's budget.

Formal budgetary review is employed as a management control procedure during the year for the General, Special Revenue, and Debt Service Funds. Budgetary control is exercised at the fund level. The budget is prepared on the cash basis of accounting.

No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the “Excerpted Financial Information”) contained in this “**FINANCIAL INFORMATION**” section and in **APPENDIX A** are from the audited financial statements of the City, including the audited financial statements for the fiscal year ended April 30, 2013 (the “2013 Audit”), which was approved by formal action of the City Council. The City has not requested the Auditor to update information contained in the Excerpted Financial Information; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information in this Final Official Statement. Other than as expressly set forth in this Final Official Statement, the financial information contained in the Excerpted Financial Information has not been updated since the date of the 2013 Audit. The inclusion of the Excerpted Financial Information in this Final Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2013 Audit. Questions or inquiries relating to financial information of the City since the date of the 2013 Audit should be directed to the City.

Financial Reports

The City’s financial statements are audited annually by certified public accountants. The City’s financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principals applicable to governmental entities. See **APPENDIX A** for more detail.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for excerpts of the City’s 2013 fiscal year audit.

**Statement of Net Position
 Governmental Activities**

(Page 1 of 2)

	Audited as of April 30				
	2009	2010	2011	2012	2013
ASSETS:					
Cash	\$ 9,282,439	\$ 11,520,729	\$ 6,931,447	\$ 8,986,869	\$ 17,426,847
Investments:					
U.S. Treasury Publications	5,444,017	0	0	0	0
Negotiable Certificates of Deposits	5,046,549	4,433,900	8,457,294	9,471,406	10,567,084
Receivables:					
Taxes:					
Property	9,793,246	14,614,207	15,273,486	15,671,206	14,972,262
Sales	2,924,802	3,020,477	3,273,352	3,445,284	3,669,719
Illinois Income Tax	217,790	1,195,145	865,969	1,246,599	642,265
Utility	871,673	812,787	806,879	876,418	728,468
Motor Fuel Tax	0	0	0	21,083	21,081
Food and Beverage Tax	70,638	71,379	80,704	82,866	90,935
Motor Fuel Tax Allotments	86,462	93,920	111,017	85,656	75,876
Loans	19,149,710	18,822,119	17,515,153	12,932,429	11,797,739
Accounts	382,425	353,018	275,971	312,309	305,977
Accrued Interest	74,643	20,245	13,604	13,330	19,044
Miscellaneous	486,043	533,345	643,870	846,917	846,472
Due From Other Governments	1,307,516	1,303,505	1,338,659	1,220,889	1,333,204
Due From Other Funds	0	(1,450,000)	(1,450,000)	0	0
Prepaid Items	0	46,664	46,250	46,250	48,790
Deferred Charges	325,849	328,893	274,810	220,728	0
Restricted Assets:					
Cash	1,247,553	1,258,833	1,272,610	1,297,241	1,326,767
Investments	1,752,680	1,773,956	1,788,973	1,791,000	1,797,044
Interest Receivable	467	868	421	1,613	1,554
Net Pension Asset	441,594	597,257	756,767	891,440	1,052,870
Capital Assets (Net of Accumulated Depreciation):					
Capital Assets Not Being Depreciated:					
Land	62,429,110	62,462,720	62,638,310	66,138,310	66,287,156
Construction in Progress	3,426,486	0	0	0	0
Capital Assets Being Depreciated, Net:					
Buildings	21,080,215	26,264,725	25,644,173	24,889,248	24,134,323
Improvements Other Than Buildings	116,576	113,593	110,609	107,626	104,642
Machinery and Equipment	4,228,138	3,876,154	3,317,254	3,222,157	2,950,682
Infrastructure	<u>35,360,878</u>	<u>35,284,597</u>	<u>34,338,208</u>	<u>34,515,387</u>	<u>34,265,457</u>
Total Assets	<u>\$185,547,499</u>	<u>\$187,353,036</u>	<u>\$184,325,790</u>	<u>\$188,334,261</u>	<u>\$194,466,258</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Charge on Refunding	\$ 0	\$ 0	\$ 0	\$ 0	\$ 758,281
Total Deferred Outflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 758,281
LIABILITIES:					
Accounts Payable	\$ 4,899,730	\$ 1,882,356	\$ 2,346,319	\$ 2,230,461	\$ 4,844,819
Accrued Payroll	678,970	745,981	829,008	880,098	967,007
Accrued Interest Payable	700,470	678,012	643,122	596,594	534,572
Due to Other Funds	0	0	(1,903,808)	0	0
Due to Other Governments	80,000	67,500	22,254	0	0
Deferred Revenue	12,291,098	17,175,824	17,631,705	18,065,218	2,388,104
Liability for Self-Insurance Claims	1,655,997	1,583,213	1,570,150	2,217,921	2,295,560
Non-Current Liabilities:					
Due Within One Year	6,999,491	7,268,015	5,882,364	4,563,149	4,845,900
Due In More Than One Year	<u>41,856,260</u>	<u>43,136,420</u>	<u>40,466,780</u>	<u>37,357,330</u>	<u>34,570,628</u>
Total Liabilities	<u>\$ 69,162,016</u>	<u>\$ 72,537,321</u>	<u>\$ 67,487,894</u>	<u>\$ 65,910,771</u>	<u>\$ 50,446,590</u>

(Continued on following page)

Statement of Net Position Governmental Activities

(Page 2 of 2)

	Audited as of April 30				
	2009	2010	2011	2012	2013
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue- Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,972,262
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,972,262
NET POSITION:					
Invested in Capital Assets Net of Related Debt	\$100,247,337	\$103,742,555	\$103,110,141	\$103,978,780	\$104,328,512
Restricted For:					
Working Cash.....	0	0	222,863	415,183	608,956
Streets.....	23,602	95,328	304,787	419,155	410,437
Special Purposes	33,711	33,966	34,199	34,329	34,460
Redevelopment	5,396,388	6,710,253	5,668,436	3,091,772	5,435,960
Debt Service.....	2,122,201	2,190,058	2,271,168	2,363,131	2,460,890
Capital Projects	0	0	0	39	0
IMRF Settlement	14,486	0	0	0	0
Unrestricted	<u>8,547,758</u>	<u>2,043,555</u>	<u>5,226,302</u>	<u>12,121,101</u>	<u>16,526,472</u>
Total Net Position	\$116,385,483	\$114,815,715	\$116,837,896	\$122,423,490	\$129,805,687

Statement of Activities Governmental Activities

	Audited Fiscal Year Ending April 30				
	2009	2010	2011	2012	2013
FUNCTIONS/PROGRAMS:					
General Government.....	\$ (81,087)	\$ (1,504,054)	\$ (536,128)	\$ (2,219,130)	\$ (1,133,498)
Public Safety	(16,449,482)	(17,459,771)	(20,201,598)	(19,833,608)	(20,677,451)
Streets.....	(8,589,687)	(8,000,617)	(9,618,499)	(8,592,408)	(8,677,336)
Rubbish Disposal	(6,452)	92,257	157,196	180,297	145,590
Public Health and Welfare.....	(605,642)	(443,833)	(331,713)	(440,273)	(488,736)
Culture.....	(1,128,541)	(974,780)	(880,766)	(928,802)	(953,729)
Redevelopment	(6,774,920)	(4,755,590)	(3,180,112)	(1,052,569)	(1,581,909)
Interest on Long-Term Debt	(2,094,364)	(2,143,166)	(2,096,972)	(1,950,037)	(1,519,209)
Total	<u>\$ (35,730,175)</u>	<u>\$ (35,189,554)</u>	<u>\$ (36,688,592)</u>	<u>\$ (34,836,530)</u>	<u>\$ (34,886,278)</u>
GENERAL REVENUES:					
Taxes:					
Property.....	\$ 9,275,329	\$ 9,458,887	\$ 14,131,814	\$ 14,859,054	\$ 15,082,758
Sales	12,025,124	12,206,231	13,254,344	13,860,383	15,244,117
Utility	4,852,312	4,546,152	4,511,270	4,609,215	4,499,003
Real Estate Transfer	325,264	345,462	275,906	301,232	385,165
Food and Beverage.....	917,333	877,048	928,706	1,012,659	1,065,805
Other	518,778	432,368	632,668	720,998	784,664
Intergovernmental	4,262,011	3,720,416	3,762,105	3,870,835	4,393,494
Investment Income	1,714,107	1,272,143	1,105,723	1,031,116	918,509
Miscellaneous	625,581	761,079	108,237	156,632	116,460
Transfers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(221,500)</u>
Total	\$ 34,515,839	\$ 33,619,786	\$ 38,710,773	\$ 40,422,124	\$ 42,268,475
Change in Net Position	\$ (1,214,336)	\$ (1,569,768)	\$ 2,022,181	\$ 5,585,594	\$ 7,382,197
Net Position, Beginning.....	<u>\$117,599,819</u>	<u>\$116,385,483</u>	<u>\$114,815,715</u>	<u>\$116,837,896</u>	<u>\$122,423,490</u>
Net Position, Ending.....	\$116,385,483	\$114,815,715	\$116,837,896	\$122,423,490	\$129,805,687

General Fund Balance Sheet

Audited as of April 30

	2009	2010	2011	2012	2013
ASSETS:					
Cash	\$ 3,331,245	\$ 7,358,506	\$ 3,776,222	\$ 7,093,713	\$13,069,343
Investments:					
U. S. Treasury Obligations	4,088,402	0	0	0	0
Certificates of Deposit	3,749,458	1,650,000	4,600,976	6,750,575	7,277,958
Receivables:					
Property Taxes	6,445,253	11,271,535	11,957,105	12,100,926	11,679,737
Municipal Sales Tax	2,874,016	2,964,169	3,224,192	3,390,083	3,604,547
Illinois Income Tax	217,790	1,195,145	865,969	1,246,599	642,265
Utility Tax	871,673	812,787	806,879	876,418	728,468
Motor Fuel Tax	0	0	0	21,083	21,081
Food and Beverage	70,638	71,379	80,704	82,866	90,935
Accounts	382,425	353,018	275,971	312,309	305,977
Accrued Interest	64,297	16,794	10,243	9,719	14,670
Loan	3,668,452	4,229,791	3,859,932	279,133	212,898
Miscellaneous	486,043	533,345	665,523	846,917	796,472
Due From Other Governments	29,386	25,375	168,259	50,489	162,804
Prepaid Items	0	46,664	46,250	46,250	48,790
Due From Other Funds	914,586	0	1,970,569	13,559	41,757
Restricted Assets	<u>1,753,504</u>	<u>1,774,995</u>	<u>1,789,440</u>	<u>1,792,786</u>	<u>1,798,771</u>
Total Assets	<u>\$28,947,168</u>	<u>\$32,303,503</u>	<u>\$34,098,234</u>	<u>\$34,913,425</u>	<u>\$40,496,473</u>
LIABILITIES:					
Accounts Payable	\$ 1,263,798	\$ 1,466,307	\$ 1,475,208	\$ 1,508,840	\$ 3,539,894
Accrued Payroll	628,202	700,824	781,530	817,261	906,005
Due to Other Funds	1,450,000	1,450,000	1,512,206	0	1,119
Due to Other Governments	80,000	67,500	22,254	0	0
Deferred Revenue	7,664,975	12,555,022	13,144,924	13,324,538	1,217,704
Liability for Self Insurance Claims	1,655,997	1,583,213	1,570,150	2,217,921	2,295,560
Total Liabilities	<u>\$12,742,972</u>	<u>\$17,822,866</u>	<u>\$18,506,272</u>	<u>\$17,868,560</u>	<u>\$ 7,960,282</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue-Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$11,679,737
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$11,679,737</u>
FUND BALANCES:					
Nonspendable	\$ 3,794,555	\$ 4,229,791	\$ 3,780,987	\$ 230,151	\$ 221,279
Assigned:					
Designated for Capital Improvements	5,490,398	5,605,562	5,540,848	7,934,914	7,760,740
Designated for Veteran's Memorial	3,765	4,342	2,987	3,015	1,502
Unassigned	<u>6,915,478</u>	<u>4,640,942</u>	<u>6,267,140</u>	<u>8,876,785</u>	<u>12,872,933</u>
Total Fund Balances and Other Credits	<u>\$16,204,196</u>	<u>\$14,480,637</u>	<u>\$15,591,962</u>	<u>\$17,044,865</u>	<u>\$20,856,454</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$28,947,168</u>	<u>\$32,303,503</u>	<u>\$34,098,234</u>	<u>\$34,913,425</u>	<u>\$40,496,473</u>

General Fund Revenues and Expenditures

	Audited Fiscal Year Ending April 30				
	2009	2010	2011	2012	2013
REVENUES:					
Property Taxes	\$ 6,136,491	\$ 6,148,920	\$10,880,397	\$11,547,936	\$11,498,914
Sales Taxes	11,460,999	11,576,448	12,732,034	13,337,524	14,637,070
Utility Taxes	4,852,312	4,546,152	4,511,270	4,609,215	4,499,003
Real Estate Transfer Taxes	325,264	345,462	275,906	301,232	385,165
Food and Beverage Taxes	917,333	877,048	928,706	1,012,659	1,065,805
Other Taxes	518,778	432,368	632,668	720,998	784,664
Intergovernmental	4,410,775	3,983,072	4,211,036	4,071,820	5,428,873
Licenses and Permits	3,887,872	3,831,746	4,270,199	3,932,013	4,422,591
Fines and Penalties	984,358	951,293	1,129,799	1,259,091	1,056,172
Charges for Service	3,120,492	3,774,211	3,975,606	4,462,763	4,379,550
Interest	518,483	264,851	153,009	136,180	76,000
Revenue Replacement	49,454	51,862	52,801	52,912	54,192
Miscellaneous	<u>1,755,614</u>	<u>2,219,539</u>	<u>1,558,408</u>	<u>1,598,226</u>	<u>1,732,636</u>
Total Revenues	\$38,938,225	\$39,002,972	\$45,311,839	\$47,042,569	\$50,020,635
EXPENDITURES:					
General Government	\$ 4,351,906	\$ 4,271,817	\$ 3,993,817	\$ 5,175,011	\$ 4,577,964
Public Safety	20,673,312	21,164,359	22,387,320	22,309,438	22,965,864
Streets	6,766,272	6,417,614	7,074,178	6,860,625	7,248,303
Public Health and Welfare	605,642	443,833	331,713	440,273	488,736
Rubbish Disposal	2,749,592	2,833,140	2,848,003	2,974,969	2,991,824
Culture	1,110,749	1,014,828	950,386	993,435	997,642
Capital Outlay	<u>4,056,922</u>	<u>3,932,238</u>	<u>3,477,600</u>	<u>7,647,226</u>	<u>4,122,200</u>
Total Expenditures	\$40,314,395	\$40,077,829	\$41,063,017	\$46,400,977	\$43,392,533
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,376,170)	\$ (1,074,857)	\$ 4,248,822	\$ 641,592	\$ 6,628,102
OTHER FINANCING SOURCES (USES):					
Operating Transfers In(1)	\$ 617,028	\$ 1,884,019	\$ 303,000	\$ 3,789,991	\$ 39
Operating Transfers Out	<u>(2,379,285)</u>	<u>(2,532,721)</u>	<u>(3,440,497)</u>	<u>(2,978,680)</u>	<u>(2,816,552)</u>
Total Other Financing Sources (Uses)	\$ (1,762,257)	\$ (648,702)	\$ (3,137,497)	\$ 811,311	\$ (2,816,513)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (3,138,427)	\$ (1,723,559)	\$ 1,111,325	\$ 1,452,903	\$ 3,811,589
Beginning Fund Balance	<u>\$19,342,623</u>	<u>\$16,204,196</u>	<u>\$14,480,637</u>	<u>\$15,591,962</u>	<u>\$17,044,865</u>
Ending Fund Balance	\$16,204,196	\$14,480,637	\$15,591,962	\$17,044,865	\$20,856,454

Note: (1) Transfers to the General Fund consist primarily of the proceeds of bonds from the Capital Projects Fund to pay for capital outlays.

**General and Capital Improvement Funds
 Budgeted Financial Information**

	Budget Eight Months Ending <u>12/31/13(1)</u>
REVENUES:	
Property Taxes, Net.....	\$11,257,644
Sales Taxes.....	9,796,400
Utility Taxes.....	2,929,900
Other Taxes.....	1,349,100
Intergovernmental.....	6,555,900
Licenses and permits.....	3,028,900
Charges for services.....	2,817,900
Fines and penalties.....	707,100
Interest Income.....	53,900
Other Income.....	<u>1,400,808</u>
Total Revenues.....	\$39,897,552
EXPENDITURES:	
General government.....	\$ 3,116,520
Public safety.....	17,331,725
Streets.....	5,727,100
Public health and welfare.....	409,045
Cultural.....	774,930
Sanitation.....	1,992,530
Capital.....	8,287,702
Other.....	<u>92,825</u>
Total Expenditures.....	\$37,732,377
Excess (Deficiency) Revenues Over Expenditures.....	\$ 2,165,175
Other Financing Source:	
Operating Transfers In.....	\$ 0
Operating Transfers Out.....	<u>(2,865,920)</u>
Total Other Financing Sources.....	\$ (2,865,920)
Excess of revenues and other financing sources over expenditures and other financing uses.....	\$ (700,745)

Note: (1) Beginning with the 2013 budget, the City will operate on a calendar year based fiscal year with the 2013 budget concluding in 8 months (5/1 – 12/31/13) and the 2014 budget beginning, January 1, 2014, as the first full fiscal year.

PENSION AND RETIREMENT OBLIGATIONS

The latest audited pension information is contained in **APPENDIX D** herein.

The police and fire pensions are subject to audit. Currently, the pensions are not fully funded. The state law provides for fully funding over an extended period. The City annually funds the actuarially required contribution. In the event that contributions and investment revenue are insufficient for the pension obligation, the City will be required to increase its contribution by increasing revenues or decreasing expenditures on other services.

The Illinois Municipal Retirement Fund (IMRF) is held by the State of Illinois, which sets the annual contribution by the City. The full annual amount is funded each year.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The City shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds to be kept at the principal corporate trust office of the Bond Registrar in Chicago, Illinois. The City will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount.

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond following the close of business on the fifteenth day of the month next preceding any interest payment date on such Bond (known as the record date), and ending at the opening of business on such interest payment date.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the City complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the City's compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

CONTINUING DISCLOSURE

The City will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934. No person, other than the City, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under "**THE UNDERTAKING.**"

There have been no instances in the previous five years in which the City failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. A failure by the City to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See "**THE UNDERTAKING - Consequences of Failure of the City to Provide Information.**" The City must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the City and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the City.

Annual Financial Information Disclosure

The City covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information within 210 days after the last day of the City's fiscal year (currently April 30, 2013). If Audited Financial Statements are not available when the Annual Financial Information is filed, the City will file unaudited financial statements. The City will submit Audited Financial Statements to the MSRB's Electronic Municipal Market Access ("EMMA") system within 30 days after availability to the City. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

“Annual Financial Information” means:

1. The table under the heading of “**Retailers’ Occupation, Service Occupation and Use Tax**” within this Final Official Statement;
2. All of the tables under the heading “**PROPERTY ASSESSMENT AND TAX INFORMATION**” within this Final Official Statement;
3. All of the tables under the heading “**DEBT INFORMATION**” within this Final Official Statement; and
4. All of the tables under the heading “**FINANCIAL INFORMATION**” within this Final Official Statement.

“Audited Financial Statements” means financial statements of the City as audited annually by independent certified public accountants. Audited Financial Statements are expected to continue to be prepared according to Generally Accepted Accounting Principles as applicable to governmental units (i.e., as subject to the pronouncements of the Governmental Accounting Standards Board and subject to any express requirements of State law).

Reportable Events Disclosure

The City covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The “Events” are:

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the City*
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

**This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.*

Consequences of Failure of the City to Provide Information

The City shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the City to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the City to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the City by resolution or ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

- (a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the City, or type of business conducted; or
- (ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the City shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

Termination of Undertaking

The Undertaking shall be terminated if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. The City shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the City chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertaking, the City shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its EMMA system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

NO OPTIONAL REDEMPTION

The Bonds are **not** subject to optional redemption prior to maturity.

LITIGATION

There is no litigation of any nature now pending and in which the City has been served or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the "Bond Counsel"), who has been retained by, and acts as, Bond Counsel to the City. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Final Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Final Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the City, reviewed only those portions of this Final Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), the description of the federal tax exemption of the interest on the Bonds and the "bank-qualified" status of the Bonds, if any. This review was undertaken solely at the request and for the benefit of the City and did not include any obligation to establish or confirm factual matters set forth herein.

FINAL OFFICIAL STATEMENT AUTHORIZATION

This Final Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the City, and all expressions of opinion, whether or not so stated, are intended only as such.

INVESTMENT RATING

The Bonds have been rated “AAA” from Standard & Poor’s, a Division of the McGraw-Hill Companies. The City has supplied certain information and material concerning the Bonds and the City to the rating service shown on the cover page, including certain information and materials which may not have been included in this Final Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment rating may be obtained from the rating agency: Standard & Poor’s Corporation, 55 Water Street, New York, New York 10041, telephone 212-438-2000. The City will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

DEFEASANCE

The Bonds are subject to legal defeasance by the irrevocable deposit of full faith and credit obligations of the United States of America, obligations the timely payment of which are guaranteed by the United States Treasury, or certificates of participation in a trust comprised solely of full faith and credit obligations of the United States of America (collectively, the “Government Obligations”) with a bank or trust company acting as escrow agent. Any such deposit must be of sufficient amount that the receipts from the Government Obligations plus any cash on deposit will be sufficient to pay debt service on the Bonds when due or as called for redemption.

UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on December 16, 2013. The best bid submitted at the sale was submitted by William Blair & Co., LLC, Chicago, Illinois (the “Underwriter”). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$9,071,512.15. The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in this Final Official Statement.

FINANCIAL ADVISOR

The City has engaged Speer Financial, Inc. as financial advisor (the “Financial Advisor”) in connection with the issuance and sale of the Bonds. The Financial Advisor is a Registered Municipal Advisor in accordance with the rules of the Municipal Securities Rulemaking Board (the “MSRB”). The Financial Advisor will not participate in the underwriting of the Bonds. The financial information included in the Final Official Statement has been compiled by the Financial Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Financial Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Financial Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Final Official Statement, nor is the Financial Advisor obligated by the City’s continuing disclosure undertaking.

CERTIFICATION

We have examined this Final Official Statement dated December 16, 2013, for the \$8,770,000 General Obligation Refunding Bonds, Series 2014A, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ **STEVEN M. MORLEY**
Mayor
CITY OF ELMHURST
DuPage and Cook Counties, Illinois

/s/ **PATTY SPENCER**
City Clerk
CITY OF ELMHURST
DuPage and Cook Counties, Illinois

APPENDIX A

**CITY OF ELMHURST
DuPage and Cook Counties, Illinois**

EXCERPTS OF FISCAL YEAR 2013 AUDITED FINANCIAL STATEMENTS

CITY OF ELMHURST, ILLINOIS
STATEMENT OF NET POSITION

April 30, 2013

	Primary Government			Component Units		
	Governmental Activities	Business- Type Activities	Total	Public Library	Elmhurst Heritage Foundation	
ASSETS						
Cash	\$ 17,426,847	\$ 6,927,862	\$ 24,354,709	\$ 593,901	\$ 102,889	
Investments	10,567,084	885,380	11,452,464	4,588,093	-	795,099
Negotiable certificates of deposit	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Taxes	14,972,262	-	14,972,262	7,078,026	-	-
Property	3,609,719	-	3,609,719	-	-	-
Sales	642,265	-	642,265	-	-	-
Illinois income	728,468	-	728,468	-	-	-
Utility	21,081	-	21,081	-	-	-
Motor fuel tax (local)	90,935	-	90,935	-	-	-
Food and beverage	75,876	-	75,876	-	-	-
Motor fuel tax allotments	11,797,739	-	11,797,739	-	-	-
Loans	305,977	2,638,653	2,944,630	-	-	-
Accounts	19,044	974	20,018	6,803	-	-
Accrued interest	48,790	39,760	88,550	-	-	-
Prepaid items	846,472	480,891	1,327,363	-	-	-
Miscellaneous	1,333,204	-	1,333,204	45,341	-	-
Due from other governments	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-
Cash	1,326,767	-	1,326,767	-	-	-
Investments	1,797,044	-	1,797,044	-	-	-
Interest receivable	1,554	-	1,554	-	-	-
Net pension asset	1,052,870	-	1,052,870	-	-	-
Capital assets						
Capital assets not being depreciated	66,287,156	4,617,748	70,904,904	621,421	-	-
Land	-	-	-	35,000	-	-
Improvements other than buildings	-	6,046,203	6,046,203	-	-	-
Construction in progress	24,134,323	11,460,087	35,594,410	17,371,946	-	-
Buildings	104,642	-	104,642	-	-	-
Improvements other than buildings	2,950,682	567,079	3,517,761	250,986	-	-
Machinery and equipment	34,265,457	-	34,265,457	-	-	-
Infrastructure	-	13,449,316	13,449,316	-	-	-
Sewerage treatment plant	-	38,074,121	38,074,121	-	-	-
Water and sanitary sewer systems	-	-	-	-	-	-
Total assets	194,466,258	85,188,074	279,654,332	30,591,517	897,988	
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	758,281	-	758,281	656,912	-	-
Total deferred outflows of resources	758,281	-	758,281	656,912	-	-
Total assets and deferred outflows of resources	195,224,539	85,188,074	280,412,613	31,248,429	897,988	

CITY OF ELMHURST, ILLINOIS
STATEMENT OF NET POSITION (Continued)

April 30, 2013

	Primary Government			Component Units		
	Governmental Activities	Business- Type Activities	Total	Public Library	Elmhurst Heritage Foundation	
LIABILITIES						
Accounts payable	\$ 4,844,819	\$ 2,205,807	\$ 7,050,626	\$ 332,517	\$ -	
Accrued payroll	967,007	283,944	1,250,951	172,931	-	
Accrued interest payable	534,572	62,395	596,967	93,260	-	
Deposits payable	-	444,076	444,076	-	-	
Unearned revenue	2,388,104	-	2,388,104	-	-	
Self-insurance claims payable	2,295,560	306,101	2,601,661	-	-	
Noncurrent liabilities	4,845,900	989,810	5,835,710	1,050,000	-	
Due within one year	34,570,628	12,413,725	46,984,353	12,714,000	-	
Due in more than one year	-	-	-	-	-	-
Total liabilities	50,446,590	16,705,858	67,152,448	14,362,708	-	
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	14,972,262	-	14,972,262	7,078,026	-	
Total deferred inflows of resources	14,972,262	-	14,972,262	7,078,026	-	
Total liabilities and deferred inflows of resources	65,418,852	16,705,858	82,124,710	21,440,734	-	
NET POSITION						
Net investment in capital assets	104,328,512	61,625,797	165,954,309	4,515,353	-	
Restricted for						
Streets	410,437	-	410,437	-	-	
Culture	34,460	-	34,460	177,193	-	
Working cash	608,956	-	608,956	1,554,346	-	
Redevelopment	5,435,960	-	5,435,960	-	-	
Capital projects	-	-	-	-	-	
Debt service	2,460,890	-	2,460,890	-	-	
Unrestricted	16,526,472	6,856,419	23,382,891	3,560,803	897,988	
Total NET POSITION	\$ 129,805,687	\$ 68,482,216	\$ 198,287,903	\$ 9,807,695	\$ 897,988	

CITY OF ELMHURST, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2013

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Charges for			Capital Grants
	Expenses	Services	Operating Grants	
Governmental Activities	\$ 4,742,806	\$ 3,609,308	\$ -	\$ -
General government	23,586,972	2,750,632	158,889	-
Public safety	12,708,565	1,958,492	1,247,183	825,554
Streets	2,991,824	3,137,414	-	-
Rubbish disposal	488,736	-	-	-
Public health and welfare	1,077,783	24,046	100,008	-
Culture	1,687,709	34,000	-	71,800
Redevelopment	1,519,209	-	-	-
Interest on long-term debt	-	-	-	-
Total governmental activities	48,803,604	11,513,892	1,506,080	897,354
Business-Type Activities	16,559,144	16,475,117	-	1,465
Water and sewer	1,209,151	1,068,068	-	-
Parking	-	-	-	-
Total business-type activities	17,768,295	17,543,185	-	1,465
TOTAL PRIMARY GOVERNMENT	\$ 66,571,899	\$ 29,057,077	\$ 1,506,080	\$ 898,819
COMPONENT UNITS	\$ 6,847,387	\$ 269,017	\$ 45,341	\$ -
Elmhurst Public Library	77,512	-	84,704	-
Elmhurst Heritage Foundation	-	-	-	-
TOTAL COMPONENT UNITS	\$ 6,924,899	\$ 269,017	\$ 130,045	\$ -

Net (Expense) Revenue and Change in Net Assets	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Public Library	Elmhurst Heritage Foundation
\$ (1,133,498)	\$ -	\$ (1,133,498)	\$ -	\$ -	\$ -
(20,677,451)	-	(20,677,451)	-	-	-
(8,677,336)	-	(8,677,336)	-	-	-
145,590	-	145,590	-	-	-
(488,736)	-	(488,736)	-	-	-
(953,729)	-	(953,729)	-	-	-
(1,581,909)	-	(1,581,909)	-	-	-
(1,519,209)	-	(1,519,209)	-	-	-
(34,886,278)	-	(34,886,278)	-	-	-
-	(82,562)	(82,562)	-	-	-
-	(141,083)	(141,083)	-	-	-
-	(223,645)	(223,645)	-	-	-
(34,886,278)	(223,645)	(35,109,923)	-	-	-
-	-	-	(6,533,029)	-	7,192
-	-	-	(6,533,029)	-	7,192

General Revenues

Taxes					
Property	15,082,758	-	15,082,758	6,966,435	-
Sales	15,244,117	-	15,244,117	-	-
Utility	4,499,003	-	4,499,003	-	-
Rent estate transfer	385,165	-	385,165	-	-
Food and beverage	1,065,805	-	1,065,805	-	-
Other	784,664	-	784,664	-	-
Intergovernmental	4,393,494	-	4,393,494	204,332	-
Unrestricted	918,509	42,390	960,899	25,323	75,031
Investment income	116,460	-	116,460	-	-
Miscellaneous	(221,500)	221,500	-	-	-
Transfers	-	-	-	-	-
Total	42,268,475	263,890	42,532,365	7,196,090	75,031
CHANGE IN NET POSITION	7,382,197	40,245	7,422,442	663,061	82,223
NET POSITION, MAY 1	122,423,490	68,441,971	190,865,461	9,144,634	815,765
NET POSITION, APRIL 30	\$ 129,805,687	\$ 68,482,216	\$ 198,287,903	\$ 9,807,695	\$ 897,988

CITY OF ELMHURST, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2013
(with comparative totals for 2012)

	Sales Tax Revenue Bonds 2006	Debt Service General Obligation Bonds	Redevelopment Projects	Route 83 Commercial Development Projects	Industrial Development Projects	Nonmajor Governmental Funds	Total Governmental Funds	
							2013	2012
General								
	\$ 13,069,343	\$ -	\$ 1,794,029	\$ 39,372	\$ 1,743,478	\$ 780,625	\$ 17,426,847	\$ 8,986,869
	7,277,958	-	1,262,129	1,030,955	248,900	747,142	10,567,084	9,471,406
	11,679,737	-	2,106,020	471,156	668,336	47,013	14,972,262	15,671,206
	3,604,547	-	65,172	-	-	-	3,669,719	3,445,284
	642,265	-	-	-	-	-	642,265	1,246,599
	728,468	-	-	-	-	-	728,468	876,418
	21,081	-	-	-	-	-	21,081	21,083
	90,935	-	-	-	-	-	90,935	82,866
	-	-	-	-	-	75,876	75,876	85,656
	212,898	-	-	-	-	-	11,797,739	12,932,429
	305,977	-	-	-	-	-	305,977	312,309
	14,670	-	1,774	1,494	2	1,104	19,044	13,330
	48,790	-	-	-	-	-	48,790	46,250
	796,472	-	-	-	-	50,000	846,472	846,917
	162,804	-	-	-	-	1,170,400	1,333,204	1,220,889
	41,757	-	50,000	-	-	1,119	92,876	13,559
Restricted assets								
Cash	173	1,326,594	-	-	-	-	1,326,767	1,297,241
Investments	1,797,044	-	-	-	-	-	1,797,044	1,791,000
Interest receivable	1,554	-	-	-	-	-	1,554	1,613
TOTAL ASSETS	\$ 40,496,473	\$ 12,911,435	\$ 5,279,124	\$ 1,542,977	\$ 2,660,716	\$ 2,873,279	\$ 65,764,004	\$ 58,362,924

ASSETS

Cash	
Investments	
Negotiable certificates of deposit	
Receivables	
Taxes	
Property	
Sales	
Illinois income tax	
Utility	
Motor fuel tax (local)	
Food and beverage	
Motor fuel tax allotments	
Loans	
Accounts	
Accrued interest	
Prepaid items	
Miscellaneous	
Due from other governments	
Due from other funds	
Restricted assets	
Cash	
Investments	
Interest receivable	

CITY OF ELMHURST, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS (Continued)

April 30, 2013
(with comparative totals for 2012)

	Sales Tax Revenue Bonds 2006	Debt Service General Obligation Bonds	Route 83 Commercial Development Projects	Industrial Development Projects	Nonmajor Governmental Funds	Total Governmental Funds	
						2013	2012
General							
\$ 3,539,894	\$ -	\$ -	\$ 960,425	\$ 300,813	\$ 219	\$ 43,468	\$ 4,844,819
906,005	-	-	-	-	-	61,002	967,007
1,119	-	-	-	-	-	91,757	92,876
1,217,704	-	-	-	-	-	1,170,400	2,388,104
2,295,560	-	-	-	-	-	-	2,295,560
Total liabilities	-	-	960,425	300,813	219	1,366,627	10,588,366
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - Property taxes			2,106,020	471,156	668,336	47,013	14,972,262
Total deferred inflows of resources			2,106,020	471,156	668,336	47,013	14,972,262
Total liabilities and deferred inflows of resources			3,066,445	771,969	668,555	1,413,640	25,560,628
FUND BALANCES							
Nonspendable							
Long-term loans	172,489	10,450,545	-	-	-	-	10,623,034
Prepaid items	48,790	-	-	-	-	-	48,790
Restricted							
Working cash	-	-	-	-	-	608,956	415,183
Streets	-	-	-	-	-	410,437	419,155
Culture	-	-	-	-	-	34,460	34,329
Redevelopment	-	-	2,212,679	771,008	1,992,161	460,112	5,435,960
Capital projects	-	-	-	-	-	-	3,091,733
Debt service	-	-	-	-	-	-	39
Assigned	-	2,460,890	-	-	-	-	2,460,890
Capital improvements	7,760,740	-	-	-	-	-	7,760,740
Veteran's memorial	1,502	-	-	-	-	-	1,502
Unassigned	-	-	-	-	-	(54,326)	(54,326)
Redevelopment	-	-	-	-	-	-	-
Unassigned for General Fund	12,872,933	-	-	-	-	-	12,872,933
Total fund balances	20,856,454	12,911,435	2,212,679	771,008	1,992,161	1,459,639	40,203,376
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 40,496,473	\$ 12,911,435	\$ -	\$ 5,279,124	\$ 1,542,977	\$ 2,660,716	\$ 65,764,004
							\$ 58,362,924

CITY OF ELMHURST, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

April 30, 2013
(with comparative totals for 2012)

	Totals	
	2013	2012
FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 40,203,376	\$ 34,955,668
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	127,742,260	128,872,728
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in governmental funds	758,281	220,728
Net pension assets are not a current financial resource and, therefore, are not reported in the governmental funds	1,052,870	891,440
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds	(534,572)	(596,594)
Unamortized discount on G.O. Bonds is reported as a reduction of liabilities on the statement of net assets	74,870	79,762
Unamortized premium on G.O. Bonds is reported as a liability on the statement of net assets	(108,570)	(28,895)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(23,380,048)	(24,944,815)
General obligation bonds	(12,575,000)	(13,585,000)
Sales tax revenue bonds	(3,427,780)	(3,413,762)
Compensated absences	-	(27,770)
Other postemployment benefits obligation	-	-
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 129,805,687	\$ 122,423,490
Capital assets	\$ 127,742,260	\$ 128,872,728
General obligation bonds net of premiums and discounts	(23,413,748)	(24,893,948)
NET INVESTMENT IN CAPITAL ASSETS	\$ 104,328,512	\$ 103,978,780

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CITY OF ELMHURST, ILLINOIS

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

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

	General	Sales Tax Revenue Bonds		Debt Service General Obligation Bonds		Redevelopment Projects		Route 83 Commercial Development Projects		Industrial Development Projects		Nonmajor Governmental Funds		Total Governmental Funds	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
REVENUES															
Taxes															
Property	\$ 11,498,914	\$ -	\$ -	\$ 2,416,059	\$ 469,480	\$ 698,305	\$ -	\$ 15,082,758	\$ 14,859,054						
Sales	14,637,070	-	-	607,047	-	-	-	15,244,117	13,860,383						
Utility	4,499,003	-	-	-	-	-	-	4,499,003	4,609,215						
Real estate transfer	385,165	-	-	-	-	-	-	385,165	301,232						
Food and beverage	1,065,805	-	-	-	-	-	-	1,065,805	1,012,659						
Other	784,664	-	-	-	-	-	-	784,664	720,998						
Intergovernmental	5,428,873	-	-	71,800	-	-	-	1,238,663	6,739,336						
Licenses and permits	4,422,591	-	-	-	-	-	-	4,422,591	3,932,013						
Fines and penalties	1,056,172	-	-	-	-	-	-	1,056,172	1,259,091						
Charges for services	4,379,550	-	-	-	-	-	-	4,379,550	4,462,763						
Investment income	76,000	810,187	-	8,994	3,669	6,052	-	13,607	918,509						
Revenue replacement	54,192	-	-	-	-	-	-	-	54,192						
Miscellaneous	1,732,636	-	-	34,000	-	5,129	-	3,674	1,775,439						
Total revenues	50,020,635	810,187	-	3,137,900	473,149	709,486	1,255,944	56,407,301	53,079,212						
EXPENDITURES															
Current															
General government	4,577,964	-	-	-	-	-	-	4,577,964	5,175,011						
Public safety	22,965,864	-	-	-	-	-	-	22,965,864	22,309,438						
Streets	7,248,303	-	-	-	-	-	-	1,248,867	8,021,310						
Rubbish disposal	2,991,824	-	-	-	-	-	-	2,991,824	2,974,969						
Public health and welfare	488,736	-	-	-	-	-	-	488,736	440,273						
Culture	997,642	-	-	-	-	-	-	997,642	993,435						
Redevelopment	-	1,646	-	659,238	14,119	5,986	223,468	904,457	660,731						
Capital outlay	4,122,200	-	-	684,545	-	-	98,707	4,905,452	8,063,164						
Debt service	-	-	-	-	-	-	-	-	-						
Principal	-	1,010,000	-	-	-	-	-	3,129,767	4,294,441						
Interest, fiscal charges, and other	-	837,470	-	802,269	-	-	-	1,639,739	1,940,804						
Total expenditures	43,392,533	1,849,116	-	1,343,783	14,119	5,986	1,571,042	51,098,615	54,873,576						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,628,102	(1,038,929)	(2,922,036)	1,794,117	459,030	703,500	(315,098)	5,308,686	(1,794,364)						

CITY OF ELMHURST, ILLINOIS

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

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

	General	Sales Tax Revenue Bonds 2006	Debt Service General Obligation Bonds	Redevelopment Projects	Route 83 Commercial Development Projects	Industrial Development Projects	Nonmajor Governmental Funds	Total Governmental Funds	
								2013	2012
OTHER FINANCING SOURCES (USES)									
Bonds issued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,040,000	\$ 7,040,000	\$ -
Premium (discount) on bonds issued	-	-	-	-	-	-	90,421	90,421	-
Payment to escrow agent	-	-	(6,969,899)	-	-	-	-	(6,969,899)	-
Transfers in	39	-	9,891,935	-	-	-	270,096	10,162,070	7,304,013
Transfers (out)	(2,816,552)	-	-	(524,568)	(72,512)	-	(6,969,938)	(10,383,570)	(7,304,013)
Total other financing sources (uses)	(2,816,513)	-	2,922,036	(524,568)	(72,512)	-	430,579	(60,978)	-
NET CHANGE IN FUND BALANCES	3,811,589	(1,038,929)	-	1,269,549	386,518	703,500	115,481	5,247,708	(1,794,364)
FUND BALANCES, MAY 1	17,044,865	13,950,364	-	943,130	384,490	1,288,661	1,344,158	34,955,668	36,750,032
FUND BALANCES, APRIL 30	\$ 20,856,454	\$ 12,911,435	\$ -	\$ 2,212,679	\$ 771,008	\$ 1,992,161	\$ 1,459,639	\$ 40,203,376	\$ 34,955,668

CITY OF ELMHURST, ILLINOIS

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

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

	Totals	
	2013	2012
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 5,247,708	\$ (1,794,364)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	3,087,465	6,863,900
Some expenses in the statement of net assets (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(4,046,171)	(4,039,726)
Depreciation	(171,762)	-
Loss on disposal of capital assets	(7,040,000)	-
The issuance of long-term debt is reported as an other financing source in governmental funds, but as an increase of principal outstanding in the statement of activities	6,485,000	-
The payment to escrow agent for the amount of bonds refunded is reported as an other financing use in governmental funds, but as a decrease of principal outstanding in the statement of activities, net of interest to call date	121,811	134,673
Changes in net pension assets/obligations are reported only in the statement of activities	67,389	66,011
Changes in net other postemployment benefits obligations are reported only in the statement of activities	(14,018)	69,892
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities:	537,553	(54,082)
(Increase) decrease in compensated absences payable	62,022	46,528
Increase in deferred charges (charge on refundings)	(84,567)	(1,679)
Decrease in interest accrual	3,129,767	4,294,441
Decrease in discount/premium on long-term debt Principal payments		
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 7,382,197	\$ 5,585,594

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CITY OF ELMHURST, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2013
(with comparative totals for 2012)

	Municipal Utility	Parking System Revenue	Totals
	2013	2013	2012
CURRENT ASSETS			
Cash and cash equivalents	\$ 6,705,162	\$ 222,700	\$ 6,927,862
Investments			\$ 3,695,865
Negotiable certificates of deposit	785,380	100,000	885,380
Receivables			2,107,350
Accounts - water and sewerage charges			
Billed	1,023,099	175,047	1,198,146
Unbilled	1,440,507	-	1,440,507
Accrued interest	661	313	974
Other	480,891	-	480,891
Prepaid items	39,760	-	39,760
Due from other governments	-	-	-
	-	-	30,805
Total current assets	10,475,460	498,060	10,973,520
			8,754,693
NONCURRENT ASSETS			
CAPITAL ASSETS			
Property, plant, and equipment			
Capital assets not being depreciated			
Land	649,472	3,968,276	4,617,748
Construction in progress	5,410,816	635,387	6,046,203
Buildings and land improvements			1,324,557
Parking decks	772,958	596,200	1,369,158
Wells and reservoirs		14,933,353	14,933,353
Sewerage treatment plant	5,806,192	-	5,806,192
Watermains	32,180,956	-	32,180,956
Pumping stations, sewer, and mains	18,563,849	-	18,563,849
Equipment	39,967,281	-	39,967,281
Less accumulated depreciation	2,473,033	30,504	2,503,537
	(47,371,094)	(4,402,629)	(51,773,723)
Total noncurrent assets	58,453,463	15,761,091	74,214,554
			69,811,517
Total assets	68,928,923	16,259,151	85,188,074
			78,566,210

CITY OF ELMHURST, ILLINOIS
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

April 30, 2013
(with comparative totals for 2012)

	Municipal Utility	Parking System Revenue	Totals
	2013	2013	2012
CURRENT LIABILITIES			
Accounts payable	\$ 2,153,975	\$ 51,832	\$ 2,205,807
Accrued payroll	275,492	8,452	283,944
Compensated absences payable	362,056	10,112	372,168
Interest payable	33,422	28,973	62,395
Deposits payable	444,076	-	444,076
Due to other funds	-	-	-
Current portion of loans payable	268,828	-	268,828
Current portion of general obligation bonds payable	146,089	202,725	348,814
Self-insurance claims payable	306,101	-	306,101
	3,990,039	302,094	4,292,133
Total current liabilities			2,836,005
NONCURRENT LIABILITIES			
Loans payable	3,497,474	-	3,497,474
General obligation bonds payable	4,412,641	4,061,000	8,473,641
Compensated absences payable	437,814	4,796	442,610
	8,347,929	4,065,796	12,413,725
Total noncurrent liabilities			7,288,234
Total liabilities	12,337,968	4,367,890	16,705,858
			10,124,239
NET POSITION			
Net investment in capital assets	50,128,431	11,497,366	61,625,797
Unrestricted	6,462,524	393,895	6,856,419
	\$ 56,590,955	\$ 11,891,261	\$ 68,482,216
TOTAL NET POSITION			68,441,971

CITY OF ELMHURST, ILLINOIS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

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

	Municipal Utility	Parking System Revenue	Totals
	2013	2012	2013
OPERATING REVENUES			
Charges for services	\$ 16,475,117	\$ 1,068,068	\$ 17,543,185
			\$ 15,336,720
OPERATING EXPENSES			
Cost of sales and service			
Personal services	4,267,912	147,886	4,415,798
Employee benefits	2,004,894	62,226	2,067,120
Contractual services	6,824,976	227,250	7,052,226
Commodities	408,254	10,785	419,039
Repairs and maintenance	438,990	198,718	637,708
Insurance	54,766	-	54,766
Miscellaneous	68,140	-	68,140
Depreciation	2,259,796	381,490	2,641,286
			2,597,190
Total operating expenses	16,327,728	1,028,355	17,356,083
OPERATING INCOME (LOSS)	147,389	39,713	187,102
			(168,445)
NONOPERATING REVENUES (EXPENSES)			
Investment income	40,580	1,810	42,390
Interest expense and fiscal charges	(231,416)	(180,796)	(412,212)
			(287,808)
Total nonoperating revenues (expenses)	(190,836)	(178,986)	(369,822)
			(186,024)
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(43,447)	(139,273)	(182,720)
			(354,469)
TRANSFERS			
Transfers in	-	221,500	221,500
Total transfers	-	221,500	221,500
CAPITAL CONTRIBUTIONS			
Federal grants	-	-	340,313
State grants	1,465	-	1,465
Total capital contributions	1,465	-	1,465
			2,994,148
CHANGE IN NET POSITION	(41,982)	82,227	40,245
			2,639,679
NET POSITION, MAY 1	56,632,937	11,809,034	68,441,971
			65,802,292
NET POSITION, APRIL 30	\$ 56,590,955	\$ 11,891,261	\$ 68,482,216
			\$ 68,441,971

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CITY OF ELMHURST, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

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

	Municipal Utility	Parking System Revenue	Totals
	2013	2012	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 15,635,307	\$ 735,565	\$ 16,370,872
Receipts from fines and penalties	-	341,587	393,029
Receipts from miscellaneous revenues	653,177	5,024	658,201
Payments to employees	(5,141,822)	(178,065)	(5,319,887)
Payments to suppliers	(7,558,003)	(436,158)	(7,994,161)
			(8,154,247)
Net cash from operating activities	3,588,659	467,953	4,056,612
			1,957,586
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Interfund borrowing	-	-	-
Transfer from General Fund	-	221,500	221,500
Repayment of interfund receivables	-	-	-
			(1,903,808)
Net cash from noncapital and related financing activities	-	221,500	221,500
			(453,808)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(6,397,106)	(647,214)	(7,044,320)
Loan proceeds	2,748,318	-	2,748,318
Grant proceeds	32,270	-	32,270
Bond proceeds	2,901,639	-	2,901,639
Payment of principal	(418,023)	(194,991)	(613,014)
Interest paid	(135,683)	(180,177)	(315,860)
			(290,381)
Net cash from capital and related financing activities	(1,268,585)	(1,022,382)	(2,290,967)
			(1,639,309)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	21,386	1,496	22,882
Purchases of investments	(785,380)	(100,000)	(885,380)
Sales of investments	2,107,350	-	2,107,350
			5,107,855
Net cash from investing activities	1,343,356	(98,504)	1,244,852
			2,468,722
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,663,430	(431,433)	3,231,997
CASH AND CASH EQUIVALENTS, MAY 1	3,041,732	654,133	3,695,865
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 6,705,162	\$ 222,700	\$ 6,927,862
			\$ 3,695,865

CITY OF ELMHURST, ILLINOIS
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

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

	Municipal Utility	Parking System Revenue	Totals
	2013	2012	2012
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 147,389	\$ 39,713	\$ 187,102
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	2,259,796	381,490	2,641,286
Changes in assets and liabilities			
Receivables	(250,851)	10,931	(239,920)
Accounts payable	1,158,003	35,092	1,193,095
Accrued payroll	11,731	9	11,740
Compensated absences payable - current	26,599	624	27,223
Deposits payable	11,827	-	11,827
Claims payable	214,979	-	214,979
Compensated absences payable	9,186	94	9,280
	\$ 3,588,659	\$ 467,953	\$ 4,056,612
			\$ 1,957,586
NET CASH FROM OPERATING ACTIVITIES			
NONCASH TRANSACTIONS			
Contributed assets	\$ -	\$ -	\$ 340,313
Disposal of assets	(514,274)	-	(514,274)
	\$ -	\$ -	\$ 340,313
TOTAL NONCASH TRANSACTIONS			
	\$ (514,274)	\$ -	\$ (514,274)
			\$ 340,313

CITY OF ELMHURST, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

April 30, 2013

	Pension Trust	Agency
ASSETS		
Investments at fair value		
Cash and cash equivalents	\$ 723,166	\$ 290,191
U.S. Treasury obligations	4,819,848	-
U.S. agency obligations	24,248,691	-
Negotiable certificates of deposit	102,596	200,000
Municipal bonds	4,546,650	-
Corporate bonds	6,413,655	-
Equity mutual funds	41,051,901	-
Receivables		
Accrued interest	427,993	627
Total assets	82,334,500	\$ 490,818
LIABILITIES		
Accounts payable	414	726
Deposits payable	-	490,092
Total liabilities	414	\$ 490,818
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$ 82,334,086	

CITY OF ELMHURST, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

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

	2013	2012
ADDITIONS		
Contributions - employer	\$ 3,203,380	\$ 3,310,409
Contributions - plan members	927,293	888,117
Total contributions	4,130,673	4,198,526
Investment income		
Net appreciation in fair value of investments	4,359,117	1,698,069
Interest on investments	2,681,290	2,407,183
Less investment expenses	(93,022)	(87,514)
Total investment income	6,947,385	4,017,738
Total additions	11,078,058	8,216,264
DEDUCTIONS		
Administration	23,657	29,093
Benefit payments	5,592,423	5,112,460
Total deductions	5,616,080	5,141,553
CHANGE IN NET POSITION	5,461,978	3,074,711
NET POSITION HELD IN TRUST FOR PENSION BENEFITS		
May 1	76,872,108	73,797,397
April 30	\$ 82,334,086	\$ 76,872,108

April 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The City was incorporated July 13, 1910. The City is a municipal corporation operating under a Mayor-Council-City Manager form of government. As required by GAAP, these financial statements present the City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

The City's financial statements include pension trust funds:

Police Pension Employees Retirement System

The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board, which consists of two members appointed by the City's Mayor, one pension beneficiary elected by the membership, and two police employees elected by the membership. The City and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund.

Firefighters' Pension Employees Retirement System

The City's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, which consists of two members appointed by the City's Mayor, one pension beneficiary elected by the membership, and two fire employees elected by the membership. The City and FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's firefighters and because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund.

Discretely Presented Component Units

The component units' column in the basic financial statements includes the financial data of the City's component units. They are reported in a separate column to emphasize that they are legally separate from the City.

Elmhurst Public Library

The City operates and maintains the Elmhurst Public Library (the Public Library) within the City. The Public Library's board is appointed by the Mayor of the City. The Public Library may not issue debt without the City's approval and its annual property tax levy request is subject to the City Council's approval.

Elmhurst Heritage Foundation

The Elmhurst Heritage Foundation (formerly known as the Elmhurst Historical Museum Foundation) (the Foundation) is a not-for-profit corporation, established in July 1992. The funds and resources of the Foundation are devoted exclusively to developing and augmenting the resources and services of the Elmhurst Historical Museum, a department of the City, that are not otherwise provided for through other means of funding. The Foundation's year end is December 31, 2012.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Elmhurst Heritage Foundation (Continued)

Separate financial statements are disclosed in the component unit portion of this report. The Public Library and the Foundation do not issue separate financial statements.

b. Fund Accounting

The City uses funds to report on its financial position, changes in its financial position, and its cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

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

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

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to outside parties (enterprise funds).

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains four fiduciary funds: the Police and the Firefighters' Pension Funds and the Trust and Deposit and Special Assessment Funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment, or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and shared revenues that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items are not properly included among program revenues but are reported instead as general revenues.

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

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund. The Sales Tax Revenue Bonds - 2006 Fund (formerly known as Sales Tax Revenue Bonds - 1998 Fund) is used to account for the proceeds of the taxable \$21,000,000 1998 Sales Tax Revenue Bonds (refinanced in 2006) issued to fund an economic development project. The Debt Service General Obligation Bonds Fund is used to record the principal and interest expense for the City's outstanding debt. The City has chosen to report this fund as a major fund. The Redevelopment Projects Fund is used to account for the tax increment revenues used for the redevelopment of the City's downtown tax increment financing district. The Route 83 Commercial Development Projects Fund is used to account for tax increment revenues used for the development of the City's Route 83 tax increment financing district. The City has chosen to report this fund as a major fund. Industrial Development Projects Fund is used to account for the tax increment revenues used for the development of the City's Lake Street tax increment financing district. The City has chosen to report this fund as a major fund.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major proprietary funds:

The Municipal Utility Fund accounts for the provision of water and wastewater treatment to the residents of the City and the Parking System Revenue Fund accounts for the provision of parking in the City. All activities necessary to provide such services are accounted for in these funds, including administration, operations, maintenance, financing, and billing and collection.

The City reports pension trust funds as fiduciary funds to account for the Police and Firefighters' Pension Funds and Agency Funds for noncommitment debt for the Special Assessments Fund and for deposits held for others.

d. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable, available, and earned). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period. The City recognizes property taxes when they become both measurable and available in the year intended to finance. A 60-day (except for sales and telecommunication taxes which are 90 days) availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. Incidental revenues/expenses are reported as non-operating.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Basis of Accounting (Continued)

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue, and charges for services. Sales owed to and taxes and fines collected and held by the state/county at year end on behalf of the City also are recognized as revenue. Permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary funds, pension trust funds, and agency funds. Under this method, revenues/additions are recorded when earned and expenses/deductions are recorded at the time liabilities are incurred.

The City reports unearned/unavailable revenue on its financial statements.

Unearned/unavailable revenues arise when a potential revenue does not meet the measurable, available, or earned criteria for recognition in the current period. Unearned/unavailable revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for unearned/unavailable revenue is removed from the financial statements and revenue is recognized.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of one year or less when purchased and nonnegotiable certificates of deposit are stated at amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. Investments in the pension trust funds are stated at fair value. Fair value is based on quoted market prices at April 30 for debt securities, equity securities, mutual funds, and contract values for insurance contracts.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables."

g. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses using the consumption method.

h. Restricted Assets

Certain resources set aside for the repayment of the sales tax revenue bonds are classified as restricted assets on the balance sheet because their use is limited by applicable escrow agreements. See the note on long-term debt for additional disclosures.

i. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets as follows, with the exception of land and vehicles which are capitalized regardless of cost and an estimated useful life in excess of one year:

Assets	Capitalization Threshold
Buildings	\$ 25,000
Infrastructure	25,000
Mobile equipment	15,000
Furniture and fixtures	25,000
Computer equipment	15,000

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by city activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the estimated fair value of the item at the date of its donation. Property, plant, and equipment is depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	45
Public domain infrastructure	20-80
System infrastructure	40-50
Vehicles	3-20
Mobile equipment	10-30
Furniture and fixtures	10
Computer equipment	5

j. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows for unavailable revenues from property taxes levied but supporting the subsequent years' budget. These deferred inflows are reported on both the government-wide and governmental fund financial statements. These amounts are recognized as an inflow of resources in the period that the amounts become available in the period intended to finance.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Compensated Absences

The City accrues a liability for vacation and sick leave benefits as these benefits are earned. At April 30, 2013, the liabilities for these accumulated unpaid benefits are accounted for in the Enterprise Funds at all levels and in the governmental activities column in the government-wide financial statements. In the governmental fund financial statements, a liability has been accrued for amounts owed to employees who have retired or terminated employment by the end of the fiscal year.

l. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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

m. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the City. Committed fund balance, if any, is constrained by formal actions of the City Council, which is considered the City's highest level of decision making authority. Formal actions include ordinances approved by the City Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Finance Director by the City Council. Any residual fund balance in the General Fund is reported as unassigned.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Balances/Net Position (Continued)

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. Additionally, if different levels of unrestricted funds are available for spending, the City considers committed funds to be expended first followed by assigned and then unassigned funds.

The City has established fund balance reserve policies for its general fund. The General Fund targets three to four months of operating expenditures as unassigned fund balance. The Special Revenue, Capital Projects, and Debt Service Funds do not have established fund balance limits due to the nature of the transactions accounted for in these funds.

In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Net assets have not been restricted by enabling legislation adopted by the City. Net investment in capital assets represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

n. Interfund Transactions

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

o. Use of Estimates

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

p. Comparative Financial Data

The summarized comparative information presented herein as of and for the year ended April 30, 2012 is intended for comparison purposes.

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

2. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other funds. The investments are governed by three separate investment policies: one policy for the City and the Public Library adopted by the City Council and one policy each for the Police and Firefighters' Pension Funds approved by their respective boards.

In accordance with the City's investment policy (Resolution No.R-04-2009), the City's monetary assets may be placed in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, repurchase agreements of government securities, short-term commercial paper rated within the three highest classifications by at least two standard rating services, interest-bearing bonds of any local government within the State of Illinois, the Illinois Funds money market funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value) and the Illinois Metropolitan Investment Fund (IMET).

The Police and Firefighters' Pension Funds can invest in the same securities as the City, plus the following: certain non-U.S. obligations (corporate debt securities), Illinois municipal corporation's tax anticipation warrants, mutual funds, and equity securities.

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity, and yield.

a. City Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by an independent third party depository or the Federal Reserve Bank of Chicago, designated by the City and evidenced by a safekeeping agreement in the City's name.

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. City Investments

The following table presents the investments and maturities of the City's debt securities as of April 30, 2013:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Negotiable certificates of deposit	\$ 13,249,508	\$ 13,249,508	\$ -	\$ -	\$ -
TOTAL	\$ 13,249,508	\$ 13,249,508	\$ -	\$ -	\$ -

In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and investing operating funds primarily in short-term securities. Unless matched to a specific cash flow, the City will not invest operating funds in securities maturing more than two years from the date of purchase. In addition, the policy requires the City to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. agency obligations, U.S. Treasury obligations, insured or collateralized (110%) certificates of deposits, and Illinois Funds money market funds. The City also invests in short-term commercial paper investments rated at the time of purchase at the highest classification established by at least two standard rating services. Illinois Funds and Illinois Metropolitan Investment Fund (IMET) funds are both rated AAA by Standard & Poor's.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold. The fund issues a publicly available financial report. That report may be obtained by writing to the Office of the State Treasurer, Illinois Funds Administrative Office, 300 W Jefferson St., Springfield, Illinois 62702.

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. City Investments (Continued)

The IMET Convenience Fund is a short-term money market instrument developed and implemented in 2003 by public entities as a cooperative endeavor under the jurisdiction of the IMET Board of Trustees elected from the participating members. The board controls the fund and is responsible for policy formation and administrative oversight. The fund is not registered with the SEC as an investment company or rated by a credit rating agency. All pool shares are either FDIC insured or collateralized at 110%. The collateral is held in the name of IMET at the Federal Reserve Bank of New York. The fair value of the positions in the pool is the same as the value of the pool shares. IMET issues a publicly available financial report. That report may be obtained by writing to IMET, 1220 Oak Brook Road, Oak Brook, Illinois 60523.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the City's name. Illinois Funds and IMET are not subject to custodial credit risk.

Concentration of credit risk - The City's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle as follows:

Diversification by Instrument	Percent of Portfolio
U.S. Treasury obligations (bills, notes, and bonds)	100%
U.S. Government agency securities and instrumentalities of government sponsored corporations	100%
Illinois Funds	75%
Illinois Metropolitan Investment Fund	75%
Commercial paper (CP)	33%
Banker's acceptances (BAs)	33%
Repurchase agreements (REPOs) (monies in the public funds or other money market funds are not to be included in this limitation)	25%
State and local government securities	25%
Certificates of deposit (CDs) commercial banks	100%
Certificates of deposit (CDs) savings and loans	5%

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. City Investments (Continued)

Diversification by Instrument

Banker's acceptances (BAs)

No more than 25% of the total portfolio with any one institution.

Repurchase agreements (REPOs)

No more than 10% of the total portfolio with any one institution.

Commercial paper

No more than 10% with any one corporate entity.

The combination of certificates of deposit (CDs), banker's acceptances, and commercial paper

No more than 33% of the total portfolio with any one institution.

Monies deposited at a financial institution

No more than 75% of the capital stock and surplus of that institution.

The City's investment policy specifically prohibits the use of or the investment in derivatives unless specifically authorized by the City Council.

c. Police and Firefighters' Pension Funds Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Police and Firefighters' Pension Funds' deposits may not be returned to them. The Police and Firefighters' Pension Funds' investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Police and Firefighters' Pension Funds' deposits with financial institutions.

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

2. DEPOSITS AND INVESTMENTS (Continued)

d. Police Pension Fund Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2013:

Investment Type	Fair Value	Investment Maturities (in Years)				Greater than 10
		Less than 1	1-5	6-10		
U.S. Treasury obligations	\$ 3,438,676	\$ -	\$ 2,562,309	\$ 876,367	\$ -	
U.S. agency obligations	16,775,871	404,427	6,452,234	8,128,597	1,790,613	
Local government bonds	3,084,251	-	1,363,170	1,721,081	-	
Corporate bonds	1,746,067	-	1,362,387	383,680	-	
TOTAL	\$ 25,044,865	\$ 404,427	\$ 11,740,100	\$ 11,109,725	\$ 1,790,613	

In accordance with its investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to have an average maturity/modified duration of approximately five years. This average is adjusted upward when interest rates are rising and downward when they are falling in order to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. The investment policy does not have a maximum maturity length of investments in the Police Pension Fund.

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the U.S. Government or securities issued by agencies of the U.S. Government that are explicitly or implicitly guaranteed by the U.S. Government. The local government bonds are rated AA+, AAA or not rated by Standard & Poor's. Corporate bonds are rated BBB+, A-, A, A+, AA, AA+ or AAA by Standard & Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be held in a trust department through book entry and the Depository Trust Company with an approved written agreement. The money market mutual funds and mutual funds are not subject to custodial credit risk.

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

2. DEPOSITS AND INVESTMENTS (Continued)

d. Police Pension Fund Investments (Continued)

Concentration of credit risk - The Police Pension Fund's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle as follows:

Diversification by Instrument	Targeted Percent of Portfolio
Fixed income	50 - 100%
Equities*	0 - 40%
Cash and cash equivalents	0 - 40%

* No single stock >5% of the total cash and investments of the pension fund and no single stock >5% of total stock outstanding for the corporation.

The Police Pension Fund's investment policy does not specifically prohibit the use of or the investment in derivatives.

e. Firefighters' Pension Fund Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of April 30, 2013:

Investment Type	Fair Value	Investment Maturities (in Years)				Greater than 10
		Less than 1	1-5	6-10		
U.S. Treasury obligations	\$ 1,381,172	\$ 506,094	\$ 774,431	\$ 100,647	\$ -	
U.S. agency obligations	7,472,820	386,447	2,218,292	4,039,924	828,157	
Local government bonds	1,462,399	30,017	493,999	692,735	245,648	
Negotiable certificates of deposit	102,596	102,596	-	-	-	
Corporate bonds	4,667,588	407,861	1,696,772	2,562,955	-	
TOTAL	\$ 15,086,575	\$ 1,433,015	\$ 5,183,494	\$ 7,396,261	\$ 1,073,805	

In accordance with its investment policy, the Firefighters' Pension Fund limits its exposure to interest rate risk by structuring the portfolio to have an average maturity/modified duration of approximately five years. This average is adjusted upward when interest rates are rising and downward when they are falling in order to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. The investment policy does not have a maximum maturity length of investments in the Firefighters' Pension Fund.

2. DEPOSITS AND INVESTMENTS (Continued)

e. Firefighters' Pension Fund Investments (Continued)

The Firefighters' Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the U.S. Government or securities issued by agencies of the U.S. Government that are explicitly or implicitly guaranteed by the U.S. Government. The local government bonds are rated AA-, AA, or AA+ by Standard & Poor's. Corporate bonds are rated BBB, BBB+, A-, A, A+, AA, AA+ or AAA by Standard & Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters' Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Firefighters' Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be held in a trust department through book entry and the Depository Trust Company with an approved written agreement. The money market mutual funds and mutual funds are not subject to custodial credit risk.

Concentration of credit risk - The Firefighters' Pension Fund's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle as follows:

Diversification by Instrument	Targeted Percent of Portfolio
Fixed income Equities*	30 - 100%
Taxable municipal securities	0 - 45%
Bank certificates of deposit	0 - 10%
Cash and cash equivalents	0 - 40%

* No single stock >5% of the total cash and investments of the pension fund and no single stock >5% of total stock outstanding for the corporation.

The Firefighters' Pension Fund's investment policy does not specifically prohibit the use of or the investment in derivatives.

3. RECEIVABLES

a. Property Taxes

Property taxes for 2012 attach as an enforceable lien on January 1, 2012 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2013 and are payable in two installments, on or about June 1, 2013 and September 1, 2013. The County collects such taxes and remits them periodically. Those 2012 taxes are intended to finance the 2014 fiscal year, are not considered available for current operations, and are, therefore, shown as deferred/unearned revenue. The 2013 tax levy has not been recorded as a receivable at April 30, 2013. The tax attached as a lien on property as of January 1, 2013; however, the tax will not be levied until December 2013 and, accordingly, is not measurable at April 30, 2013.

	Primary Governmental Fund Types		Discretely Presented
	General	Capital Projects Funds	
\$	3,520	\$ -	\$ 2,117
14,556,956	3,305,748	-	7,106,452
(2,830,164)	-	-	-
11,730,312	3,305,748	-	7,108,569

TAXES RECEIVABLE

Year of levy			
2007 - 2011	\$ 3,520	\$ -	\$ 2,117
2012 tax levy	14,556,956	3,305,748	7,106,452
Less abatement	(2,830,164)	-	-
Taxes receivable	11,730,312	3,305,748	7,108,569

Allowances for losses and costs

2007 - 2011	3,520	-	2,117
2012 tax levy	47,055	13,223	28,426
	50,575	13,223	30,543

TAXES RECEIVABLE, NET

\$	11,679,737	\$ 3,292,525	\$ 7,078,026
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The City is a home rule unit and, as such, has no statutory tax rate or legal debt margin limitations.

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

3. RECEIVABLES (Continued)

b. Loans

The following is a summary of changes in loans receivable during the fiscal year:

Fund	Balances May 1	Issuances	Repayments	Balances April 30
DuPage Mayors and Managers Conference loan bearing interest of 2.0% due through 2021.	\$ 54,534	\$ -	\$ -	\$ 54,534
Virginia Lane Townhome loan bearing interest of 1.0% to 5.2% due through 2013.	39,493	-	19,747	19,746
Special Service Area loans bearing interest of 4.0% to 6.0% due through 2021.	185,106	-	46,488	138,618
TOTAL GENERAL FUND	\$ 279,133	\$ -	\$ 66,235	\$ 212,898

Federal Construction Inc. loan bearing interest of 6.4% to 7.0% due through 2021.

TOTAL SALES TAX REVENUE BONDS 2006 FUND	\$ 12,653,296	\$ -	\$ 1,068,455	\$ 11,584,841
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4. CAPITAL ASSETS

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

Primary Government

	Balances May 1	Additions	Retirements	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated	\$ 66,138,310	\$ 249,408	\$ 100,562	\$ 66,287,156
Land	66,138,310	249,408	100,562	66,287,156
Total capital assets not being depreciated				
Capital assets being depreciated				
Buildings	34,177,906	-	-	34,177,906
Improvements other than buildings	145,727	-	-	145,727
Machinery and equipment	10,001,748	321,046	122,667	10,200,127
Infrastructure	80,742,849	2,517,010	1,684,500	81,575,359
Total capital assets being depreciated	125,068,230	2,838,056	1,807,167	126,099,119

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

4. CAPITAL ASSETS (Continued)

Primary Government (Continued)

	Balances May 1	Additions	Retirements	Balances April 30
GOVERNMENTAL ACTIVITIES				
(Continued)				
Less accumulated depreciation for				
Buildings	\$ 9,288,658	\$ 754,925	\$ -	\$ 10,043,583
Improvements other than buildings	38,101	2,984	-	41,085
Machinery and equipment	6,779,591	592,521	122,667	7,249,445
Infrastructure	46,227,462	2,695,741	1,613,301	47,309,902
Total accumulated depreciation	62,333,812	4,046,171	1,735,968	64,644,015
Total capital assets being depreciated, net	62,734,418	(1,208,115)	71,199	61,455,104
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 128,872,728	\$ (958,707)	\$ 171,761	\$ 127,742,260

Depreciation expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES			
General government	\$	281,432	
Public safety		560,802	
Municipal services		3,170,908	
Culture and recreation		33,029	
TOTAL	\$	4,046,171	

BUSINESS-TYPE ACTIVITIES

	Balances May 1	Additions	Retirements	Balances April 30
Capital assets not being depreciated	\$ 4,617,748	\$ -	\$ -	\$ 4,617,748
Land	1,324,557	4,721,646	-	6,046,203
Construction in progress	5,942,305	4,721,646	-	10,663,951
Total capital assets not being depreciated				
Capital assets being depreciated				
Buildings and land improvements	1,369,156	-	-	1,369,156
Parking decks	14,921,525	11,828	-	14,933,353
Wells and reservoirs	6,244,633	-	438,441	5,806,192
Sewerage treatment plant	32,180,956	-	-	32,180,956
Water mains	17,804,639	799,053	39,843	18,563,849
Pumping stations, sewers, and mains	38,597,170	1,370,111	-	39,967,281
Equipment	2,397,843	141,685	35,990	2,503,538
Total capital assets being depreciated	113,515,922	2,322,677	514,274	115,324,325

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

4. CAPITAL ASSETS (Continued)
Primary Government (Continued)

	Balances May 1	Additions	Retirements	Balances April 30
BUSINESS-TYPE ACTIVITIES (Continued)				
Less accumulated depreciation for				
Buildings and land improvements	\$ 773,714	\$ 88,594	\$ -	\$ 862,308
Parking decks	3,666,686	313,428	-	3,980,114
Wells and reservoirs	4,824,602	172,197	438,441	4,558,358
Sewerage treatment plant	18,008,452	723,188	-	18,731,640
Watermains	4,969,994	383,291	39,843	5,313,442
Pumping stations, sewers, and mains	15,594,985	796,416	-	16,391,401
Equipment	1,808,277	164,172	35,990	1,936,459
Total accumulated depreciation	49,646,710	2,641,286	514,274	51,773,722
Total capital assets being depreciated, net	63,869,212	(318,609)	-	63,550,603
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$ 69,811,517	\$ 4,403,037	\$ -	\$ 74,214,554

Component Unit - Public Library

	Balances May 1	Additions	Retirements	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated	\$ 621,421	\$ -	\$ -	\$ 621,421
Land	35,000	-	-	35,000
Improvements other than buildings	167,076	-	167,076	-
Construction in progress	823,497	-	167,076	656,421
Total capital assets not being depreciated	22,224,505	88,179	-	22,312,684
Buildings	-	313,733	-	313,733
Equipment	-	401,912	-	22,626,417
Total capital assets being depreciated	4,444,901	495,837	-	4,940,738
Buildings	-	62,747	-	62,747
Equipment	4,444,901	558,584	-	5,003,485
Total accumulated depreciation	17,779,604	(156,672)	-	17,622,932
Total capital assets being depreciated, net	\$ 18,603,101	\$ (156,672)	\$ 167,076	\$ 18,279,353
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET				

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

4. CAPITAL ASSETS (Continued)
Component Unit - Public Library (Continued)

Depreciation expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES	
Culture and recreation	\$ 558,584

5. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The City is self-insured for all risks, except health. They are accounted for in the General and Municipal Utility Funds. This program provides coverage up to a maximum of \$250,000 for each general liability claim, \$500,000 for each non-police/firefighter workers' compensation claim, and \$600,000 for each police/fire workers' compensation claim, and \$100,000 for each property damage claim. The City purchases commercial insurance for claims in excess of the coverages provided by the program. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The City purchases health insurance for its employees.

The General and Municipal Utility Funds of the City participate in the program based upon actuarial estimates of the amounts needed to pay prior and current year claims. Liabilities of the program are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for probable claims, that will be asserted, that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and societal factors. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	Total		
	Fiscal Year Ended April 30,		2012
	General	Utility	
UNPAID CLAIMS,			
BEGINNING OF YEAR	\$ 2,217,921	\$ 91,122	\$ 2,309,043
Inurred claims (including IBNR)	1,304,526	439,146	1,743,672
Claim payments	(1,226,887)	(224,167)	(1,451,054)
UNPAID CLAIMS, END OF YEAR	\$ 2,295,560	\$ 306,101	\$ 2,601,661
			\$ 2,309,043

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

6. LONG-TERM DEBT

a. General Obligation Bonds

The City issues general obligation bonds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds, therefore, are reported in the proprietary funds if they are expected to be repaid from proprietary revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$10,000,000 General Obligation Refunding Bond Series of 2003, dated October 15, 2003, due in annual installments of \$90,000 to \$1,140,000 plus interest at 2.000% to 4.125% through March 1, 2019	Debt Service Library Funds	\$ 2,561,000	\$ -	\$ 405,000	\$ 2,156,000	\$ 420,000
\$9,990,000 General Obligation Refunding Bond Series of 2004, dated December 22, 2004, due in annual installments of \$20,000 to \$1,195,000 plus interest at 2.50% to 4.25% through March 1, 2021	Debt Service Library Funds Municipal Utility	5,304,000 363,400 5,395,000	- - -	40,000 363,400 45,000	5,264,000 - 5,350,000	25,000 - 35,000
\$9,065,000 General Obligation Refunding Bond Series of 2005, dated December 1, 2005, due in annual installments of \$105,000 to \$2,120,000 plus interest at 2.625% to 4.000% through March 1, 2022	Debt Service Library Funds Municipal Utility	31,600 1,835,400 4,045,000	- - -	31,600 4,600 895,000	- 1,830,800 3,150,000	- 464,600 990,000
\$9,500,000 General Obligation Bond Series of 2006, dated March 1, 2006, due in annual installments of \$280,000 to \$1,590,000 plus interest at 3.55% to 4.65% through March 1, 2024	Debt Service	159,600	-	400	159,200	40,000
		7,625,000	-	6,850,000	775,000	380,000

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

6. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$8,170,000 General Obligation Refunding Bond Series of 2008, dated October 1, 2008, due in annual installments of \$50,000 to \$1,000,000 plus interest at 3.25% to 4.45% through March 1, 2028	Debt Service Municipal Utility Parking System Revenue	\$ 6,525,655	\$ -	\$ 197,227	\$ 6,328,428	\$ 425,586
\$10,000,000 General Obligation Bond Series of 2009, dated March 15, 2009, due in annual installments of \$350,000 to \$705,000 plus interest at 3.25% to 4.50% through March 1, 2029	Debt Service Parking System Revenue	734,128 15,217 4,467,500	- - -	5,281 7,492 187,500	728,847 7,725 4,280,000	31,689 7,725 195,000
\$3,700,000 General Obligation Refunding Bond Series of 2009, dated September 1, 2009, due in annual installments of \$200,000 to \$680,000 plus interest at 2.00% to 4.00% through March 1, 2021	Debt Service Municipal Utility	1,566,860 928,140	- -	427,040 252,960	1,139,820 675,180	125,600 74,400
\$10,000,000 General Obligation Refunding Bond Series of 2012, dated September 1, 2012, due in annual installments of \$70,000 to \$1,730,000 plus interest at 2.00% to 3.00% through March 1, 2033	Debt Service Municipal Utility	- -	7,040,000 2,960,000	170,000 -	6,870,000 2,960,000	60,000 -
		\$ 46,025,000	\$ 10,000,000	\$ 10,070,000	\$ 45,955,000	\$ 3,469,600

b. Sales Tax Revenue Bonds

Sales tax revenue bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$17,860,000 Taxable Sales Tax Revenue Refunding Bonds Series 2006, dated May 15, 2006, due in annual installments commencing May 2007 of \$765,000 to \$1,770,000 plus interest at 5.625% to 6.400% through May 15, 2021	Sales Tax Revenue Refunding Bonds 2006 Fund	\$ 13,585,000	\$ -	\$ 1,010,000	\$ 12,575,000	\$ 1,075,000

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

6. LONG-TERM DEBT (Continued)

c. Installment Loans Payable

The City enters into installment loans payable to provide funds for the acquisition of capital assets. Installment loans payable have been issued for proprietary activities and, therefore, proprietary liabilities are reported in proprietary funds.

Installment loans payable currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$1,679,611 Illinois Environmental Protection Agency Loan, dated October 1, 1998, due in semi-annual installments of \$29,939 to \$106,951 plus interest at 2.625% through March 14, 2020	Municipal Utility	\$ 846,702	\$ -	\$ 96,433	\$ 750,271	\$ 98,982
\$590,821 Illinois Environmental Protection Agency Loan, dated November 1, 1999, due in semi-annual installments of \$11,806 to \$19,053 plus interest at 2.535% through August 1, 2020	Municipal Utility	293,415	-	31,349	262,066	32,148
\$2,753,965 Illinois Environmental Protection Agency Loan, dated January 1, 2013, due in semi-annual installments of \$68,849 plus interest at 1.250% through December 21, 2033	Municipal Utility	-	2,753,965	-	2,753,965	137,698
		\$ 1,140,117	\$ 2,753,965	\$ 127,780	\$ 3,766,302	\$ 268,828

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

6. LONG-TERM DEBT (Continued)

d. Debt Service Requirements to Maturity

Year Ending April 30,	Total Outstanding General Governmental Obligations Bonds			Total Proprietary Funds Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
	2014	\$ 2,070,786	\$ 793,029	\$ 2,863,815	\$ 349,214	\$ 303,619
2015	1,926,036	721,840	2,647,876	468,965	292,617	761,582
2016	1,986,936	653,738	2,640,674	476,064	279,152	755,216
2017	1,958,538	587,950	2,546,488	479,462	264,731	744,193
2018	1,326,625	521,283	1,847,908	503,375	250,072	753,447
2019	1,355,405	481,756	1,837,161	519,595	234,399	753,994
2020	1,158,092	439,204	1,597,296	506,907	217,089	723,996
2021	1,139,654	403,484	1,543,134	520,346	199,612	719,958
2022	1,001,374	368,258	1,369,632	433,626	181,420	615,046
2023	2,297,185	338,410	2,635,595	482,815	166,398	649,213
2024	2,302,185	276,105	2,578,290	497,815	149,253	647,068
2025	1,196,870	213,106	1,409,976	563,130	131,412	694,542
2026	1,209,370	161,489	1,370,859	580,630	110,030	690,660
2027	1,042,996	108,724	1,151,720	577,004	87,775	664,779
2028	1,055,496	62,832	1,118,328	594,504	65,728	660,232
2029	352,500	15,863	368,363	522,500	42,375	564,875
2030	-	-	-	175,000	22,050	197,050
2031	-	-	-	180,000	16,800	196,800
2032	-	-	-	185,000	11,400	196,400
2033	-	-	-	195,000	5,850	200,850
	\$ 23,380,048	\$ 6,147,067	\$ 29,527,115	\$ 8,810,952	\$ 3,031,782	\$ 11,842,734

Year Ending April 30,	General Obligations Bonds			Revenue Bonds Summary		
	Governmental Activities - Component Unit			Governmental Activities		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 1,050,000	\$ 559,560	\$ 1,609,560	\$ 1,075,000	\$ 770,400	\$ 1,845,400
2015	1,170,000	521,465	1,691,465	1,145,000	699,360	1,844,360
2016	1,272,000	478,150	1,750,150	1,220,000	623,680	1,843,680
2017	1,382,000	427,262	1,809,262	1,295,000	543,200	1,838,200
2018	1,475,000	368,582	1,843,582	1,380,000	457,600	1,837,600
2019	1,575,000	305,938	1,880,938	1,470,000	366,400	1,836,400
2020	1,785,000	241,083	2,026,083	1,560,000	269,440	1,829,440
2021	1,935,000	167,013	2,102,013	1,660,000	166,400	1,826,400
2022	2,120,000	84,800	2,204,800	1,770,000	56,640	1,826,640
	\$ 13,764,000	\$ 3,153,853	\$ 16,917,853	\$ 12,575,000	\$ 3,953,120	\$ 16,528,120

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

6. LONG-TERM DEBT (Continued)

d. Debt Service Requirements to Maturity (Continued)

Year Ending April 30,	Total Outstanding Loans		
	Principal	Business-Type Interest	Total
2014	\$ 268,827	\$ 59,915	\$ 328,742
2015	272,263	54,758	327,021
2016	275,788	49,512	325,300
2017	279,406	44,172	323,578
2018	283,119	38,738	321,857
2019	286,929	33,207	320,136
2020	290,839	27,576	318,415
2021	156,751	22,618	179,369
2022	137,698	20,655	158,353
2023	137,698	18,934	156,632
2024	137,699	17,212	154,911
2025	137,698	15,491	153,189
2026	137,698	13,770	151,468
2027	137,698	12,049	149,747
2028	137,699	10,327	148,026
2029	137,698	8,606	146,304
2030	137,698	6,885	144,583
2031	137,698	5,164	142,862
2032	137,699	3,442	141,141
2033	137,699	1,721	139,420
	\$ 3,766,302	\$ 464,752	\$ 4,231,054

e. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in liabilities reported on the schedule of long-term liabilities payable:

	Primary Government			Balances May 1	Additions	Reductions	Balances April 30	Due Within One Year
	Principal	Business-Type Interest	Total					
GOVERNMENTAL ACTIVITIES								
General obligation bonds payable	\$ 24,944,815	\$ 7,040,000	\$ 8,604,767	\$ 23,380,048	\$ 2,070,786	\$ 2,070,786	\$ 2,070,786	\$ 2,070,786
Sales tax revenue bonds payable	13,585,000	-	1,010,000	12,575,000	1,075,000	1,075,000	1,075,000	1,075,000
Compensated absences payable*	3,413,762	2,292,134	2,278,116	3,427,780	1,700,114	1,700,114	1,700,114	1,700,114
Subtotal	41,943,577	9,332,134	11,892,883	39,382,828	4,845,900	4,845,900	4,845,900	4,845,900
Discounts	(79,763)	-	(4,893)	(74,870)	-	-	(74,870)	-
Premium	28,895	90,421	10,746	108,570	-	-	108,570	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 41,892,709	\$ 9,422,555	\$ 11,898,736	\$ 39,416,528	\$ 4,845,900	\$ 4,845,900	\$ 4,845,900	\$ 4,845,900

* Paid primarily from the General Fund.

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

6. LONG-TERM DEBT (Continued)

e. Changes in Long-Term Liabilities (Continued)

	Primary Government (Continued)			Balances May 1	Additions	Reductions	Balances April 30	Due Within One Year
	Business-Type Activities	General obligation bonds payable	Installment note payable					
BUSINESS-TYPE ACTIVITIES								
General obligation bonds payable	\$ 6,336,185	\$ 2,960,000	\$ 485,233	\$ 8,810,952	\$ 348,814	\$ 348,814	\$ 8,810,952	\$ 348,814
Installment note payable	1,140,117	2,753,965	127,780	3,766,302	268,828	268,828	3,766,302	268,828
Compensated absences payable	778,275	252,264	215,761	814,778	372,168	372,168	814,778	372,168
Subtotal	8,254,577	5,966,229	828,774	13,392,032	989,810	989,810	13,392,032	989,810
Discounts	(25,500)	-	(1,500)	(24,000)	-	-	(24,000)	-
Premium	17,117	21,357	2,971	35,503	-	-	35,503	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 8,246,194	\$ 5,987,586	\$ 830,245	\$ 13,403,535	\$ 989,810	\$ 989,810	\$ 13,403,535	\$ 989,810
Component Unit - Public Library								
General obligation bonds payable	\$ 14,744,000	\$ -	\$ 980,000	\$ 13,764,000	\$ 1,050,000	\$ 1,050,000	\$ 13,764,000	\$ 1,050,000

f. Advance Refunding - General Obligation Bond Series 2012

On July 16, 2012, the City passed an ordinance providing for the issuance of \$10,000,000 General Obligation Refunding Bond Series 2012 and the levy and collection of a direct annual tax for the payment of principal and interest on the bonds. On July 16, 2012, the City passed an ordinance directing the execution of an escrow agreement in order to partially refund General Obligation Bond Series 2006 issued by the City and outstanding in the principal amount of \$6,485,000. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$631,477 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$558,135. The reacquisition price exceeded the net carrying amount of the old debt by \$645,421. This amount is being amortized over the remaining life of the refunding debt.

Proceeds in the amount of \$6,969,899 from the refunding bonds were used to execute the escrow agreement. As a result, the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The refunded \$6,485,000 General Obligation Bond Series 2006 bonds will be called in their entirety on March 1, 2014.

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

6. LONG-TERM DEBT (Continued)

g. Legal Debt Margin

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

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

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

h. Tax Increment Financing

The City has designated a portion of the City’s downtown area and areas along Lake Street and along Route 83 and St. Charles Road as redevelopment project areas in accordance with the Tax Increment Allocation Redevelopment Act of the State of Illinois. All sales and property tax receipts within the downtown project area and all property tax receipts within the Lake Street project area and the Route 83 and St. Charles Road area, in excess of base year amounts, are allocated to special funds to pay for the City’s costs of redeveloping portions of the project areas.

All incremental property taxes, other revenues, and expenditures are allocated to the Redevelopment Projects, Industrial Development Projects, and Route 83 Commercial Development Project (Capital Projects) Funds. Incremental sales taxes are allocated to the Redevelopment Projects Fund. These funds can only be used to pay costs of redevelopment in the project areas.

i. Sales Tax Revenue Bonds Fund - 1998 and Sales Tax Revenue Refunding Bonds - 2006

The proceeds of the taxable \$21,000,000 1998 Sales Tax Revenue Bonds were issued to fund an economic development project. The proceeds were used to pay the cost of issuance of the bonds and to provide funds for the refinancing of a construction loan of Federal Construction, Inc. (the Developer). The proceeds of the Developer’s construction loan were used to pay the cost of reconstructing retail property owned by the Developer that is located in the Tax Incremental Financing Redevelopment Area located at the corner of St. Charles Road and Route 83. Loan payments from the Developer will be used to fund the debt service on the bonds.

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

6. LONG-TERM DEBT (Continued)

i. Sales Tax Revenue Bonds Fund - 1998 and Sales Tax Revenue Refunding Bonds - 2006 (Continued)

The bonds are secured by general fund sales tax revenues. In April 2004, the City entered into an agreement with Bank One NA and the Developer to refund the Sales Tax Revenue Bonds Series 1998. The closing took place May 15, 2006 at which time the outstanding Sales Tax Revenue Bonds Series 1998 (\$17,860,000) were called in their entirety and Sales Tax Revenue Refunding Bonds Series 2006 was issued for \$17,860,000 at the same debt service maturities and interest rates as the Sales Tax Revenue Bonds Series 1998. The Sales Tax Revenue Refunding Bonds Series 2006 are secured by general fund sales tax revenues. The City received \$590,000 in 2004 as inducement for this refunding, which was recognized as revenue at the bond closing on May 15, 2006. Of this amount, \$263,333 was paid upon receipt to the Developer and \$326,667 was retained by the City. The remaining pledge of sales tax is equal to the remaining debt service to maturity of \$16,528,120, with the pledge expiring December 31, 2021, when the bonds are paid off. During the current fiscal year, the pledge of sales tax of \$3,694,240 was approximately 25.24% of the total General Fund sales tax.

7. INTERFUND ASSETS/LIABILITIES

Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
Primary Government		
General	North York Redevelopment	\$ 41,757
Redevelopment	North York Redevelopment	50,000
Stormwater	General	1,119
TOTAL		\$ 92,876

The purpose of the significant due from/to other funds is as follows:

- \$41,757 is due to the General Fund and \$50,000 is due to the Redevelopment Fund from the North York Redevelopment Fund and will be repaid during fiscal 2013-2014.

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

7. INTERFUND ASSETS/LIABILITIES (Continued)

Interfund Transfers	Debt Service		
	General	Nonmajor Governmental Funds	Enterprise Funds
TRANSFERS (OUT)			
General Fund	\$ -	\$ 2,324,956	\$ 221,500
Redevelopment Fund	-	524,568	-
Route 83 Commercial	-	72,512	-
Development Projects Fund	-	6,969,899	-
Nonmajor Governmental Funds	39	-	-
TOTAL	\$ 39	\$ 9,891,935	\$ 221,500

The purposes of the significant interfund transfers are as follows:

- \$2,324,956 was transferred from the General Fund and \$524,568 from the Redevelopment Fund to the Debt Service General Obligation Bond Fund for the purpose of paying its portion of the debt service payments.
- \$6,969,899 was transferred from the Corporate Purpose Series 2012 Fund to the Debt Service General Obligation Bond Fund for the purpose of funding the refunding escrow payment.
- \$78,110 was transferred from the General Fund to the Stormwater Fund for the purpose of funding capital projects.
- \$221,500 was transferred from the General Fund to the Parking Revenue Fund for the purpose of funding capital projects.

8. COMMITMENTS

DuPage Water Commission (DWC)

The City is a customer of DuPage Water Commission (DWC) and has executed a water supply contract with DWC for a term ending in 2024. The contract provides that the City pay its proportionate share of "fixed costs" (debt service and capital costs) to DWC, such obligation being unconditional and irrevocable whether or not water is ever delivered.

For the year ended April 30, 2014, the City's future payment will be \$377,017. For the fiscal years 2015 through 2024, the estimated annual payment is \$377,017.

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

8. COMMITMENTS (Continued)

DuPage Water Commission (DWC) (Continued)

These amounts are estimates, which have been calculated using the City's current allocation percentage of 5.43%. In future years, the estimates and the allocation percentage will be subject to change. Estimates for the remaining years of the contract are not currently available. However, the City does not expect the minimum amounts for the remaining years of the contract to materially vary from the amounts presented above.

9. CONTINGENT LIABILITIES

a. Litigation

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

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

c. DuPage Water Commission

The City's water supply agreement with the DWC provides that each customer is liable for its proportionate share of any costs arising from defaults in payment obligations by other customers.

10. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Descriptions and Provisions

Illinois Municipal Retirement Fund

The City contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. The City's total payroll for the year ended December 31, 2012 was \$26,182,351. Of this amount, \$13,039,220 in payroll earnings were reported to and covered by the IMRF system.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Illinois Municipal Retirement Fund (Continued)

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. Tier 1 pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life. The Tier 1 benefit amount is equal to 1 2/3% of their final rate (average of the highest 48 consecutive months' earnings within the last 10 years of service) of earnings for each year of credited service up to 15 years and 2% for each year thereafter to a maximum of 40 years of service credit.

A Tier 2 member is a member who first enrolled in IMRF on or after January 1, 2011. Tier 2 pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life. The Tier 2 benefit amount is equal to 1 2/3% of their final rate (average of the highest 96 consecutive months' earnings within the last 10 years of service) of earnings for each year of credited service up to 15 years and 2% for each year thereafter to a maximum of 40 years of service credit. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes.

Participating Tier 1 and Tier 2 members are required to contribute 4.5% of their annual salary to IMRF. The Tier 2 members' annual salary is capped at \$109,971 for 2013. This amount will be increased annually by the lesser of 3% or one-half of the increase in the Consumer Price Index (urban) for the preceding September. The City is required to contribute the remaining amounts necessary to fund the coverage of its own employees in the system, using the actuarial basis specified by state statute (entry-age normal); for 2012 the rate was 12.91%.

IMRF issues a separate financial report that provides information on the plan as a whole, which may be obtained online at www.imrf.org.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40 - Article 5/3) and may be amended only by the Illinois legislature. The City accounts for the Police Pension Plan as a pension trust fund. The City's payroll for employees covered by the Police Pension Plan for the year ended April 30, 2013, was \$5,702,394 out of a total payroll of \$26,470,209. At April 30, 2013, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	71
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	48
Vested	19
Nonvested	29
TOTAL	138

The following is a summary of the Police Pension Plan as provided for in Illinois Compiled Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Police Pension Plan (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$109,971, plus the lesser of 1/2 of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or 1/2 of the change in the Consumer Price Index for the preceding calendar year.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The City made a contribution of \$1,877,944 for the fiscal year ended April 30, 2013, which was 32.93% of covered payroll.

No separate Police Pension Fund annual financial report is issued.

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (Chapter 40 - Article 5/4) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Plan as a pension trust fund. The City's payroll for employees covered by the Firefighters' Pension Plan for the year ended April 30, 2013 was \$3,853,704 out of a total payroll of \$26,470,209. At April 30, 2013, the Firefighters' Pension Plan membership consisted of:

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Firefighters' Pension Plan (Continued)

Retirees and beneficiaries currently receiving benefits	39
Terminated employees entitled to benefits but not yet receiving them	1
Current employees	36
Vested	8
Nonvested	28
TOTAL	84

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes.

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit 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 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$109,971, plus the lesser of 1/2 of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Firefighters' Pension Plan (Continued)

after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or 1/2 of the change in the Consumer Price Index for the preceding calendar year.

Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City made a contribution of \$1,325,436 for the fiscal year ended April 30, 2013, which was 34.39% of covered payroll.

The City is required to contribute the remaining amounts necessary to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past services costs for the Firefighters' Pension Plan.

No separate Firefighters' Pension Fund annual financial report is issued.

b. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due pursuant to statutory requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized as earned.

Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Significant Investments

There were no investments (other than U.S. Government and U.S. Government - guaranteed obligations) in any one organization that represent 5% or more of net assets available for benefits.

Related Party Transactions

There were no securities of the employer or any other related parties included in plan assets, including any loans.

Administrative Costs

Administrative costs for both the Police and the Firefighters' Pension Plans are financed primarily through investment earnings.

Financial statements for the Police and Firefighters' Pension Plans may be found on pages 123 and 124 of this report.

c. Annual Pension Cost

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2010	April 30, 2012	April 30, 2012
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 Years, Open	20 Years, Closed	20 Years, Closed

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Cost (Continued)

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Significant actuarial assumptions			
a) Rate of return on present and future assets	7.50% Compounded Annually	7.25% Compounded Annually	7.25% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	3.00% Compounded Annually	3.00% Compounded Annually
c) Additional projected - salary increases - seniority/merit	.40% to 10.0%	5.25%	5.25%

	Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2011	\$ 1,653,171	\$ 1,963,987	\$ 1,416,886
	2012	1,662,255	1,832,270	1,343,467
	2013	1,753,647	1,808,073	1,273,496
Actual contribution	2011	\$ 1,653,171	\$ 2,055,081	\$ 1,485,302
	2012	1,662,255	1,908,063	1,402,347
	2013	1,753,647	1,877,944	1,325,436
Percentage of APC contributed	2011	100.00%	104.64%	104.83%
	2012	100.00%	104.14%	104.38%
	2013	100.00%	103.86%	104.08%
Net pension obligation (NPO)	2011	\$ -	\$ (384,228)	\$ (372,539)
	2012	-	(460,021)	(431,419)
	2013	-	(529,892)	(483,359)

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Cost (Continued)

	Police Pension	Firefighters' Pension
The annual pension cost (asset) and NPO for the Police and Firefighters' Pension Funds have been calculated as follows:		
Annual required contribution	\$ 1,814,654	\$ 1,279,667
Interest on net pension obligation	(33,352)	(31,278)
Adjustment to annual required contribution	26,771	25,107
Annual pension cost	1,808,073	1,273,496
Contributions made	1,877,944	1,325,436
Increase (decrease) in net pension obligation	(69,871)	(51,940)
Net pension obligation (asset), beginning of year	(460,021)	(431,419)
NET PENSION OBLIGATION (ASSET), END OF YEAR	\$ (529,892)	\$ (483,359)

d. Funded Status

The funded status of the plans as of April 30, 2013 (December 31, 2012 for IMRF), based on actuarial valuations performed as of the same date, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 11c:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial accrued liability (AAL)	\$ 47,069,026	\$ 73,403,802	\$ 45,600,645
Actuarial value of plan assets	34,534,923	49,985,792	32,348,294
Unfunded actuarial accrued liability (UAAL)	12,534,103	23,418,010	13,252,351
Funded ratio (actuarial value of plan assets/AAL)	73.37%	68.10%	70.94%
Covered payroll (active plan members)	\$ 13,039,220	\$ 5,702,394	\$ 3,853,704
UAAL as a percentage of covered payroll	96.13%	410.67%	343.89%

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Funded Status (Continued)

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

	Police		Firefighters'		Total
	Pension	Pension	Pension	Pension	
ASSETS					
Investments at fair value					
Cash and cash equivalents	\$ 144,852	\$ 578,314	\$ 723,166		
U.S. Treasury obligations	3,438,676	1,381,172	4,819,848		
U.S. agency obligations	16,775,871	7,472,820	24,248,691		
Negotiable certificates of deposit	-	102,596	102,596		
Municipal bonds	3,084,251	1,462,399	4,546,650		
Corporate bonds	1,746,067	4,667,588	6,413,655		
Equity mutual funds	24,532,633	16,519,268	41,051,901		
Receivables					
Accrued interest	263,856	164,137	427,993		
Total assets	49,986,206	32,348,294	82,334,500		
LIABILITIES					
Accounts Payable	414	-	414		
Total liabilities	414	-	414		
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$ 49,985,792	\$ 32,348,294	\$ 82,334,086		

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

e. Financial Information (Continued)

	Police		Firefighters'		Total
	Pension	Pension	Pension	Pension	
ADDITIONS					
Contributions - employer	\$ 1,877,944	\$ 1,325,436	\$ 3,203,380		
Contributions - plan members	564,074	363,219	927,293		
Total contributions	2,442,018	1,688,655	4,130,673		
Investment income					
Net appreciation in fair value of investments	2,473,301	1,885,816	4,359,117		
Interest earned	1,711,649	969,641	2,681,290		
Less investment expenses	(53,208)	(39,814)	(93,022)		
Total investment income	4,131,742	2,815,643	6,947,385		
Total additions	6,573,760	4,504,298	11,078,058		
DEDUCTIONS					
Administration	17,032	6,625	23,657		
Benefit payments	3,541,192	2,051,231	5,592,423		
Total deductions	3,558,224	2,057,856	5,616,080		
CHANGE IN NET POSITION	3,015,536	2,446,442	5,461,978		
NET POSITION HELD IN TRUST FOR PENSION BENEFITS					
May 1	46,970,256	29,901,852	76,872,108		
April 30	\$ 49,985,792	\$ 32,348,294	\$ 82,334,086		

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

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the City provides postemployment health care benefits (OPEB) for retired full-time employees through a single-employer defined benefit plan (the Plan) with the exception of public works union employees. Public works union employees receive health care benefits through their union. The benefits, benefit levels, employee contributions, and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the City's governmental activities.

b. Benefits Provided

The City provides continued health insurance coverage to all eligible employees. To be eligible for benefits, the employee must qualify for retirement under one of the City's three retirement plans and be enrolled in the City's health benefit plan at the time of retirement. The retirees pay a blended premium. Upon a retiree reaching age 65 they are no longer a member of the health care plan.

c. Membership

At April 30, 2012, membership consisted of:

Retirees and beneficiaries currently receiving benefits	39
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	144
Vested	65
Nonvested	
TOTAL	<u>248</u>
Participating employers	<u>1</u>

d. Funding Policy

The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the Plan until retirement. Retiree contributions for the year ended April 30, 2013 were \$311,428.

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The City had an actuarial valuation performed for the Plan as of April 30, 2013 to determine the funded status of the Plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2013. The last actuarial valuation prior to this was completed one year ago (April 30, 2012). The City's transition liability was set at zero as of April 30, 2008. The City's annual OPEB cost, the percentage of annual OPEB contributed to the Plan, and the net OPEB obligation for 2013 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
04/30/11	\$ 196,881	\$ 159,320	80.9%	\$ 93,781
04/30/12	93,309	159,320	170.7%	27,770
04/30/13	91,931	124,575	135.5%	(39,619)

The net OPEB obligation as of April 30, 2013 was calculated as follows:

Annual required contribution	\$ 91,746
Interest on net OPEB obligation	1,111
Adjustment to annual required contribution	(926)
Annual OPEB cost	91,931
Contributions made	159,320
Increase in net OPEB obligation	(67,389)
Net OPEB obligation, beginning of year	27,770
NET OPEB OBLIGATION, END OF YEAR	<u>\$ (39,619)</u>

Funded Status and Funding Progress

The funded status of the Plan as of April 30, 2013 was as follows:

Actuarial accrued liability (AAL)	\$ 1,504,051
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,504,051
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$ 16,319,325
UAAL as a percentage of covered payroll	9.2%

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information follows the notes to financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AALs for benefits.

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 plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in AALs and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2013 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included an investment rate of return of 4.0% and an initial healthcare cost trend rate of 8.0% with an ultimate healthcare inflation rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at April 30, 2013 was 30 years.

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CITY OF ELMHURST, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1)/(2)	(4) Unfunded (Overfunded) Actuarial Liability (2)-(1)	(5) Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued as a Percentage of Covered Payroll (4)/(5)
December 31, 2007	\$ 35,921,363	\$ 38,756,123	92.69%	\$ 2,834,760	\$ 12,046,489	23.53%
2008	31,693,027	41,948,830	75.55%	10,255,803	12,728,588	80.57%
2009	32,280,010	45,088,124	71.59%	12,808,114	13,473,452	95.06%
2010	33,987,760	45,010,467	75.51%	11,022,707	12,837,904	85.86%
2011	32,828,638	45,929,671	71.48%	13,101,033	13,055,329	100.35%
2012	34,534,923	47,069,026	73.37%	12,534,103	13,039,220	96.13%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 1,213,081	\$ 1,213,081	100.00%
2009	1,252,667	1,252,667	100.00%
2010	1,375,133	1,375,133	100.00%
2011	1,653,171	1,653,171	100.00%
2012	1,662,255	1,662,255	100.00%
2013	1,753,647	1,753,647	100.00%

CITY OF ELMHURST, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 POLICE PENSION FUND

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1)/(2)	(4) Unfunded (Overfunded) Actuarial Liability (2)-(1)	(5) Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued as a Percentage of Covered Payroll (4)/(5)
April 30, 2008	\$ 40,980,218	\$ 58,684,905	69.83%	\$ 17,704,687	\$ 5,302,869	333.87%
2009	35,797,953	61,020,907	58.67%	25,222,954	5,511,514	457.64%
2010	41,577,191	63,407,700	65.57%	21,830,509	5,748,542	379.76%
2011	45,188,046	66,112,504	68.35%	20,924,458	5,652,038	370.21%
2012	46,970,256	69,434,616	67.65%	22,464,360	5,622,222	399.56%
2013	49,985,792	73,403,802	68.10%	23,418,010	5,702,394	410.67%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 1,470,819	\$ 1,381,287	106.48%
2009	1,460,290	1,378,058	105.97%
2010	1,620,448	1,537,031	105.43%
2011	2,055,081	1,969,388	104.35%
2012	1,908,063	1,838,595	103.78%
2013	1,877,944	1,814,654	103.49%

CITY OF ELMHURST, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 FIREFIGHTERS' PENSION FUND

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1)/(2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued as a Percentage of Covered Payroll (4)/(5)
2008	\$ 24,988,691	\$ 35,549,564	70.29%	\$ 10,560,873	\$ 3,418,674	308.92%
2009	22,044,580	36,848,398	59.83%	14,803,818	3,531,252	419.22%
2010	25,739,596	38,738,555	66.44%	12,998,959	3,658,180	355.34%
2011	28,611,855	40,063,747	71.42%	11,451,892	3,690,480	310.31%
2012	29,901,852	41,498,555	72.06%	11,596,703	3,775,198	307.18%
2013	32,348,294	45,600,645	70.94%	13,252,351	3,853,704	343.89%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 1,098,923	\$ 1,030,016	106.69%
2009	1,136,474	1,072,111	106.00%
2010	1,225,570	1,162,254	105.45%
2011	1,485,302	1,422,490	104.42%
2012	1,402,347	1,349,599	103.91%
2013	1,325,436	1,279,667	103.58%

CITY OF ELMHURST, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER POSTEMPLOYMENT BENEFITS

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1)/(2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued as a Percentage of Covered Payroll (4)/(5)
2009	\$ -	\$ 2,164,169	0.00%	\$ 2,164,169	\$ 14,277,884	15.16%
2010	-	2,804,337	0.00%	2,804,337	16,171,748	17.34%
2011	-	1,459,591	0.00%	1,459,591	16,024,281	9.11%
2012	-	1,459,591	0.00%	1,459,591	16,024,281	9.11%
2013	-	1,504,051	0.00%	1,504,051	16,319,325	9.22%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 140,418	\$ 170,858	82.18%
2010	143,497	169,277	84.77%
2011	159,320	195,944	81.31%
2012	159,320	91,746	173.65%
2013	159,320	91,746	173.65%

The City implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009. Information for prior years is not available.

CITY OF ELMHURST, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2013

1. Budgets

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Police and Firefighters' Pension Trust Funds. Budgetary comparisons are reflected in the City's financial report for all governmental funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

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

- a. Prior to the end of the fiscal year, the City Manager, as 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 estimated revenues.
- b. The City Council holds public meetings to discuss the proposed budget.
- c. After approval of the budget by the City Council, it is officially adopted by ordinance. State statutes and local ordinances require that the budget be approved before the beginning of the fiscal year.
- d. Revisions to the budget may be made in accordance with the Illinois Compiled Statutes, requiring two-thirds vote of the City Council. Management cannot amend the total budget for individual funds without seeking the approval of the City Council. Expenditures may not exceed the budget of the individual fund level. No supplemental budgetary appropriations were necessary during the year.
- e. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Pension Trust Funds through an internal reporting system. Such budgetary integration permits the City's department managers to monitor actual revenues and expenditures relative to budgets on an ongoing basis throughout the year.
- f. The Library Board has the authority to approve the budget for the Public Library funds; however, the City Council approves the tax levy for those funds.

CITY OF ELMHURST, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

2. EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following governmental funds had an excess of actual expenditures over budget for the fiscal year.

Fund	Excess
North York Redevelopment Corporate Purpose Project 2012	\$ 62,946 160,522

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Council of the City of Elmhurst, DuPage and Cook Counties, Illinois (the “*City*”), passed preliminary to the issue by the City of its fully registered General Obligation Refunding Bonds, Series 2014A (the “*Bonds*”), to the amount of \$8,770,000, dated the 7th day of January, 2014, of the denomination of \$5,000 or authorized integral multiples thereof, and due serially on March 1 of the years, in the amounts and bearing interest at the rates percent per annum as follows:

YEAR	PRINCIPAL AMOUNT	INTEREST RATE
2015	\$1,670,000	1.500%
2016	500,000	2.000%
2017	495,000	2.000%
2018	15,000	2.000%
2019	405,000	2.000%
2020	1,745,000	2.750%
2021	1,860,000	2.875%
2022	2,080,000	3.000%

Each of the Bonds bears interest from the later of the dated date as stated above or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Bond, respectively, is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on March 1 and September 1 of each year, commencing on March 1, 2014.

From such examination, we are of the opinion that the Proceedings show lawful authority for the issuance of the Bonds under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the City and is payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the City's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such City covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is also our opinion that the Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts within the City's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX D

**CITY OF ELMHURST
DuPage and Cook Counties, Illinois**

**EXCERPTS OF FISCAL YEAR 2013 AUDITED FINANCIAL STATEMENTS
RELATING TO THE CITY'S PENSION PLANS**

CITY OF ELMHURST, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

April 30, 2013

	Pension Trust	Agency
ASSETS		
Investments at fair value		
Cash and cash equivalents	\$ 723,166	\$ 290,191
U.S. Treasury obligations	4,819,848	-
U.S. agency obligations	24,248,691	-
Negotiable certificates of deposit	102,596	200,000
Municipal bonds	4,546,650	-
Corporate bonds	6,413,655	-
Equity mutual funds	41,051,901	-
Receivables		
Accrued interest	427,993	627
Total assets	82,334,500	\$ 490,818
LIABILITIES		
Accounts payable	414	\$ 726
Deposits payable	-	490,092
Total liabilities	414	\$ 490,818
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$ 82,334,086	

CITY OF ELMHURST, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

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

	2013	2012
ADDITIONS		
Contributions - employer	\$ 3,203,380	\$ 3,310,409
Contributions - plan members	927,293	888,117
Total contributions	4,130,673	4,198,526
Investment income		
Net appreciation in fair value of investments	4,359,117	1,698,069
Interest on investments	2,681,290	2,407,183
Less investment expenses	(93,022)	(87,514)
Total investment income	6,947,385	4,017,738
Total additions	11,078,058	8,216,264
DEDUCTIONS		
Administration	23,657	29,093
Benefit payments	5,592,423	5,112,460
Total deductions	5,616,080	5,141,553
CHANGE IN NET POSITION	5,461,978	3,074,711
NET POSITION HELD IN TRUST FOR PENSION BENEFITS		
May 1	76,872,108	73,797,397
April 30	\$ 82,334,086	\$ 76,872,108

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

7. INTERFUND ASSETS/LIABILITIES (Continued)

Interfund Transfers	Debt Service		
	General	Nonmajor Governmental Funds	Enterprise Funds
TRANSFERS (OUT)			
General Fund	\$ -	\$ 2,324,956	\$ 221,500
Redevelopment Fund	-	524,568	-
Route 83 Commercial	-	72,512	-
Development Projects Fund	-	6,969,899	-
Nonmajor Governmental Funds	39	-	-
TOTAL	\$ 39	\$ 9,891,935	\$ 221,500

The purposes of the significant interfund transfers are as follows:

- \$2,324,956 was transferred from the General Fund and \$524,568 from the Redevelopment Fund to the Debt Service General Obligation Bond Fund for the purpose of paying its portion of the debt service payments.
- \$6,969,899 was transferred from the Corporate Purpose Series 2012 Fund to the Debt Service General Obligation Bond Fund for the purpose of funding the refunding escrow payment.
- \$78,110 was transferred from the General Fund to the Stormwater Fund for the purpose of funding capital projects.
- \$221,500 was transferred from the General Fund to the Parking Revenue Fund for the purpose of funding capital projects.

8. COMMITMENTS

DuPage Water Commission (DWC)

The City is a customer of DuPage Water Commission (DWC) and has executed a water supply contract with DWC for a term ending in 2024. The contract provides that the City pay its proportionate share of "fixed costs" (debt service and capital costs) to DWC, such obligation being unconditional and irrevocable whether or not water is ever delivered.

For the year ended April 30, 2014, the City's future payment will be \$377,017. For the fiscal years 2015 through 2024, the estimated annual payment is \$377,017.

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

8. COMMITMENTS (Continued)

DuPage Water Commission (DWC) (Continued)

These amounts are estimates, which have been calculated using the City's current allocation percentage of 5.43%. In future years, the estimates and the allocation percentage will be subject to change. Estimates for the remaining years of the contract are not currently available. However, the City does not expect the minimum amounts for the remaining years of the contract to materially vary from the amounts presented above.

9. CONTINGENT LIABILITIES

a. Litigation

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

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

c. DuPage Water Commission

The City's water supply agreement with the DWC provides that each customer is liable for its proportionate share of any costs arising from defaults in payment obligations by other customers.

10. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Descriptions and Provisions

Illinois Municipal Retirement Fund

The City contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. The City's total payroll for the year ended December 31, 2012 was \$26,182,351. Of this amount, \$13,039,220 in payroll earnings were reported to and covered by the IMRF system.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Illinois Municipal Retirement Fund (Continued)

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. Tier 1 pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life. The Tier 1 benefit amount is equal to 1/3% of their final rate (average of the highest 48 consecutive months' earnings within the last 10 years of service) of earnings for each year of credited service up to 15 years and 2% for each year thereafter to a maximum of 40 years of service credit.

A Tier 2 member is a member who first enrolled in IMRF on or after January 1, 2011. Tier 2 pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life. The Tier 2 benefit amount is equal to 1/2.3% of their final rate (average of the highest 96 consecutive months' earnings within the last 10 years of service) of earnings for each year of credited service up to 15 years and 2% for each year thereafter to a maximum of 40 years of service credit. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes.

Participating Tier 1 and Tier 2 members are required to contribute 4.5% of their annual salary to IMRF. The Tier 2 members' annual salary is capped at \$109,971 for 2013. This amount will be increased annually by the lesser of 3% or one-half of the increase in the Consumer Price Index (urban) for the preceding September. The City is required to contribute the remaining amounts necessary to fund the coverage of its own employees in the system, using the actuarial basis specified by state statute (entry-age normal); for 2012 the rate was 12.91%.

IMRF issues a separate financial report that provides information on the plan as a whole, which may be obtained online at www.imrf.org.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40 - Article 5/3) and may be amended only by the Illinois legislature. The City accounts for the Police Pension Plan as a pension trust fund. The City's payroll for employees covered by the Police Pension Plan for the year ended April 30, 2013, was \$5,702,394 out of a total payroll of \$26,470,209. At April 30, 2013, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	71
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	48
Vested	19
Nonvested	19
TOTAL	138

The following is a summary of the Police Pension Plan as provided for in Illinois Compiled Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Police Pension Plan (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$109,971, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the preceding calendar year.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The City made a contribution of \$1,877,944 for the fiscal year ended April 30, 2013, which was 32.93% of covered payroll.

No separate Police Pension Fund annual financial report is issued.

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (Chapter 40 - Article 5/4) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Plan as a pension trust fund. The City's payroll for employees covered by the Firefighters' Pension Plan for the year ended April 30, 2013 was \$3,853,704 out of a total payroll of \$26,470,209. At April 30, 2013, the Firefighters' Pension Plan membership consisted of:

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Firefighters' Pension Plan (Continued)

Retirees and beneficiaries currently receiving benefits	39
Terminated employees entitled to benefits but not yet receiving them	1
Current employees	36
Vested	8
Nonvested	28
TOTAL	84

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois Compiled Statutes.

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit 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 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$109,971, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Firefighters' Pension Plan (Continued)

after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or 1/2 of the change in the Consumer Price Index for the preceding calendar year.

Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City made a contribution of \$1,325,436 for the fiscal year ended April 30, 2013, which was 34.39% of covered payroll.

The City is required to contribute the remaining amounts necessary to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past services costs for the Firefighters' Pension Plan.

No separate Firefighters' Pension Fund annual financial report is issued.

b. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due pursuant to statutory requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized as earned.

Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date.

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Significant Investments

There were no investments (other than U.S. Government and U.S. Government - guaranteed obligations) in any one organization that represent 5% or more of net assets available for benefits.

Related Party Transactions

There were no securities of the employer or any other related parties included in plan assets, including any loans.

Administrative Costs

Administrative costs for both the Police and the Firefighters' Pension Plans are financed primarily through investment earnings.

Financial statements for the Police and Firefighters' Pension Plans may be found on pages 123 and 124 of this report.

c. Annual Pension Cost

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2010	April 30, 2012	April 30, 2012
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 Years, Open	20 Years, Closed	20 Years, Closed

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Cost (Continued)

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Significant actuarial assumptions			
a) Rate of return on present and future assets	7.50% Compounded Annually	7.25% Compounded Annually	7.25% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	3.00% Compounded Annually	3.00% Compounded Annually
c) Additional projected - salary increases - seniority/merit	.40% to 10.0%	5.25%	5.25%

	Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2011	\$ 1,653,171	\$ 1,963,987	\$ 1,416,886
	2012	1,662,255	1,832,270	1,343,467
	2013	1,753,647	1,808,073	1,273,496
Actual contribution	2011	\$ 1,653,171	\$ 2,055,081	\$ 1,485,302
	2012	1,662,255	1,908,063	1,402,347
	2013	1,753,647	1,877,944	1,325,436
Percentage of APC contributed	2011	100.00%	104.64%	104.83%
	2012	100.00%	104.14%	104.38%
	2013	100.00%	103.86%	104.08%
Net pension obligation (NPO)	2011	\$ -	\$ (384,228)	\$ (372,539)
	2012	-	(460,021)	(431,419)
	2013	-	(529,892)	(483,359)

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Cost (Continued)

The annual pension cost (asset) and NPO for the Police and Firefighters' Pension Funds have been calculated as follows:

	Police Pension	Firefighters' Pension
Annual required contribution	\$ 1,814,654	\$ 1,279,667
Interest on net pension obligation	(33,352)	(31,278)
Adjustment to annual required contribution	26,771	25,107
Annual pension cost	1,808,073	1,273,496
Contributions made	1,877,944	1,325,436
Increase (decrease) in net pension obligation	(69,871)	(51,940)
Net pension obligation (asset), beginning of year	(460,021)	(431,419)
NET PENSION OBLIGATION (ASSET), END OF YEAR	\$ (529,892)	\$ (483,359)

d. Funded Status

The funded status of the plans as of April 30, 2013 (December 31, 2012 for IMRF), based on actuarial valuations performed as of the same date, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 11c:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial accrued liability (AAL)	\$ 47,069,026	\$ 73,403,802	\$ 45,600,645
Actuarial value of plan assets	34,534,923	49,985,792	32,348,294
Unfunded actuarial accrued liability (UAAL)	12,534,103	23,418,010	13,252,351
Funded ratio (actuarial value of plan assets/AAL)	73.37%	68.10%	70.94%
Covered payroll (active plan members)	\$ 13,039,220	\$ 5,702,394	\$ 3,853,704
UAAL as a percentage of covered payroll	96.13%	410.67%	343.89%

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Funded Status (Continued)

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

e. Financial Information

	Police Pension	Firefighters' Pension	Total
ASSETS			
Investments at fair value			
Cash and cash equivalents	\$ 144,852	\$ 578,314	\$ 723,166
U.S. Treasury obligations	3,438,676	1,381,172	4,819,848
U.S. agency obligations	16,775,871	7,472,820	24,248,691
Negotiable certificates of deposit	-	102,596	102,596
Municipal bonds	3,084,251	1,462,399	4,546,650
Corporate bonds	1,746,067	4,667,588	6,413,655
Equity mutual funds	24,532,633	16,519,268	41,051,901
Receivables			
Accrued interest	263,856	164,137	427,993
Total assets	49,986,206	32,348,294	82,334,500
LIABILITIES			
Accounts Payable	414	-	414
Total liabilities	414	-	414
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$ 49,985,792	\$ 32,348,294	\$ 82,334,086

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

e. Financial Information (Continued)

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions - employer	\$ 1,877,944	\$ 1,325,436	\$ 3,203,380
Contributions - plan members	564,074	363,219	927,293
Total contributions	2,442,018	1,688,655	4,130,673
Investment income			
Net appreciation in fair value of investments	2,473,301	1,885,816	4,359,117
Interest earned	1,711,649	969,641	2,681,290
Less investment expenses	(53,208)	(39,814)	(93,022)
Total investment income	4,131,742	2,815,643	6,947,385
Total additions	6,573,760	4,504,298	11,078,058
DEDUCTIONS			
Administration	17,032	6,625	23,657
Benefit payments	3,541,192	2,051,231	5,592,423
Total deductions	3,558,224	2,057,856	5,616,080
CHANGE IN NET POSITION	3,015,536	2,446,442	5,461,978
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	46,970,256	29,901,852	76,872,108
April 30	\$ 49,985,792	\$ 32,348,294	\$ 82,334,086

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

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the City provides postemployment health care benefits (OPEB) for retired full-time employees through a single-employer defined benefit plan (the Plan) with the exception of public works union employees. Public works union employees receive health care benefits through their union. The benefits, benefit levels, employee contributions, and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the City's governmental activities.

b. Benefits Provided

The City provides continued health insurance coverage to all eligible employees. To be eligible for benefits, the employee must qualify for retirement under one of the City's three retirement plans and be enrolled in the City's health benefit plan at the time of retirement. The retirees pay a blended premium. Upon a retiree reaching age 65 they are no longer a member of the health care plan.

c. Membership

At April 30, 2012, membership consisted of:

Retirees and beneficiaries currently receiving benefits	39
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	144
Vested	65
Nonvested	
TOTAL	<u>248</u>
Participating employers	<u>1</u>

d. Funding Policy

The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the Plan until retirement. Retiree contributions for the year ended April 30, 2013 were \$311,428.

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The City had an actuarial valuation performed for the Plan as of April 30, 2013 to determine the funded status of the Plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2013. The last actuarial valuation prior to this was completed one year ago (April 30, 2012). The City's transition liability was set at zero as of April 30, 2008. The City's annual OPEB cost, the percentage of annual OPEB contributed to the Plan, and the net OPEB obligation for 2013 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
04/30/11	\$ 196,881	\$ 159,320	80.9%	\$ 93,781
04/30/12	93,309	159,320	170.7%	27,770
04/30/13	91,931	124,575	135.5%	(39,619)

The net OPEB obligation as of April 30, 2013 was calculated as follows:

Annual required contribution	\$ 91,746
Interest on net OPEB obligation	1,111
Adjustment to annual required contribution	(926)
Annual OPEB cost	91,931
Contributions made	159,320
Increase in net OPEB obligation	(67,389)
Net OPEB obligation, beginning of year	27,770
NET OPEB OBLIGATION, END OF YEAR	<u>\$ (39,619)</u>

Funded Status and Funding Progress

The funded status of the Plan as of April 30, 2013 was as follows:

Actuarial accrued liability (AAL)	\$ 1,504,051
Actuarial value of plan assets	-
Unfunded actuarial liability (UAAL)	1,504,051
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$ 16,319,325
UAAL as a percentage of covered payroll	9.2%

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information follows the notes to financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AALs for benefits.

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 plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in AALs and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2013 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included an investment rate of return of 4.0% and an initial healthcare cost trend rate of 8.0% with an ultimate healthcare inflation rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at April 30, 2013 was 30 years.

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CITY OF ELMHURST, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 POLICE PENSION FUND

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1)/(2)	(4) Unfunded (Overfunded) Actuarial Liability (2)-(1)	(5) Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued as a Percentage of Covered Payroll (4)/(5)
2008	\$ 40,980,218	\$ 58,684,905	69.83%	\$ 17,704,687	\$ 5,302,869	333.87%
2009	35,797,953	61,020,907	58.67%	25,222,954	5,511,514	457.64%
2010	41,577,191	63,407,700	65.57%	21,830,509	5,748,542	379.76%
2011	45,188,046	66,112,504	68.35%	20,924,458	5,652,038	370.21%
2012	46,970,256	69,434,616	67.65%	22,464,360	5,622,222	399.56%
2013	49,985,792	73,403,802	68.10%	23,418,010	5,702,394	410.67%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 1,470,819	\$ 1,381,287	106.48%
2009	1,460,290	1,378,058	105.97%
2010	1,620,448	1,537,031	105.43%
2011	2,055,081	1,969,388	104.35%
2012	1,908,063	1,838,595	103.78%
2013	1,877,944	1,814,654	103.49%

CITY OF ELMHURST, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1)/(2)	(4) Unfunded (Overfunded) Actuarial Liability (2)-(1)	(5) Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued as a Percentage of Covered Payroll (4)/(5)
2007	\$ 35,921,363	\$ 38,756,123	92.69%	\$ 2,834,760	\$ 12,046,489	23.53%
2008	31,693,027	41,948,830	75.55%	10,255,803	12,728,588	80.57%
2009	32,280,010	45,088,124	71.59%	12,808,114	13,473,452	95.06%
2010	33,987,760	45,010,467	75.51%	11,022,707	12,837,904	85.86%
2011	32,828,638	45,929,671	71.48%	13,101,033	13,055,329	100.35%
2012	34,534,923	47,069,026	73.37%	12,534,103	13,039,220	96.13%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 1,213,081	\$ 1,213,081	100.00%
2009	1,252,667	1,252,667	100.00%
2010	1,375,133	1,375,133	100.00%
2011	1,653,171	1,653,171	100.00%
2012	1,662,255	1,662,255	100.00%
2013	1,753,647	1,753,647	100.00%

CITY OF ELMHURST, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 FIREFIGHTERS' PENSION FUND

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1)/(2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued as a Percentage of Covered Payroll (4)/(5)
2008	\$ 24,988,691	\$ 35,549,564	70.29%	\$ 10,560,873	\$ 3,418,674	308.92%
2009	22,044,580	36,848,398	59.83%	14,803,818	3,531,252	419.22%
2010	25,739,596	38,738,555	66.44%	12,998,959	3,658,180	355.34%
2011	28,611,855	40,063,747	71.42%	11,451,892	3,690,480	310.31%
2012	29,901,852	41,498,555	72.06%	11,596,703	3,775,198	307.18%
2013	32,348,294	45,600,645	70.94%	13,252,351	3,853,704	343.89%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 1,098,923	\$ 1,030,016	106.69%
2009	1,136,474	1,072,111	106.00%
2010	1,225,570	1,162,254	105.45%
2011	1,485,302	1,422,490	104.42%
2012	1,402,347	1,349,599	103.91%
2013	1,325,436	1,279,667	103.58%

CITY OF ELMHURST, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER POSTEMPLOYMENT BENEFITS

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1)/(2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued as a Percentage of Covered Payroll (4)/(5)
2009	\$ -	\$ 2,164,169	0.00%	\$ 2,164,169	\$ 14,277,884	15.16%
2010	-	2,804,337	0.00%	2,804,337	16,171,748	17.34%
2011	-	1,459,591	0.00%	1,459,591	16,024,281	9.11%
2012	-	1,459,591	0.00%	1,459,591	16,024,281	9.11%
2013	-	1,504,051	0.00%	1,504,051	16,319,325	9.22%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 140,418	\$ 170,858	82.18%
2010	143,497	169,277	84.77%
2011	159,320	195,944	81.31%
2012	159,320	91,746	173.65%
2013	159,320	91,746	173.65%

The City implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009. Information for prior years is not available.

CITY OF ELMHURST, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2013

1. Budgets

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Police and Firefighters' Pension Trust Funds. Budgetary comparisons are reflected in the City's financial report for all governmental funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

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

- a. Prior to the end of the fiscal year, the City Manager, as 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 estimated revenues.
- b. The City Council holds public meetings to discuss the proposed budget.
- c. After approval of the budget by the City Council, it is officially adopted by ordinance. State statutes and local ordinances require that the budget be approved before the beginning of the fiscal year.
- d. Revisions to the budget may be made in accordance with the Illinois Compiled Statutes, requiring two-thirds vote of the City Council. Management cannot amend the total budget for individual funds without seeking the approval of the City Council. Expenditures may not exceed the budget of the individual fund level. No supplemental budgetary appropriations were necessary during the year.
- e. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Pension Trust Funds through an internal reporting system. Such budgetary integration permits the City's department managers to monitor actual revenues and expenditures relative to budgets on an ongoing basis throughout the year.
- f. The Library Board has the authority to approve the budget for the Public Library funds; however, the City Council approves the tax levy for those funds.

CITY OF ELMHURST, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

2. EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following governmental funds had an excess of actual expenditures over budget for the fiscal year.

Fund	Excess
North York Redevelopment Corporate Purpose Project 2012	\$ 62,946 160,522