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& COMPANY, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF EDWARDSVILLE, ILLINOIS

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
APRIL 30, 2018

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CITY OF EDWARDSVILLE, ILLINOIS

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Edwardsville, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the of the City of Edwardsville, Illinois as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Edwardsville, Illinois as of April 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 to 12), budgetary comparison information (pages 67 to 69) and schedules of pension funding progress and related information (pages 70 to 80) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Edwardsville, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

C. J. Schum & Co. LLC

Certified Public Accountants
Alton, Illinois

January 24, 2019

CITY OF EDWARDSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Edwardsville, we offer readers of the City of Edwardsville financial statements this narrative overview and analysis of the financial activities of the City of Edwardsville for the fiscal year ended April 30, 2018. All dollar amounts unless otherwise indicated, are expressed in thousands of dollars.

Profile of the City

The City of Edwardsville, the third oldest city in the State of Illinois incorporated in 1872, is located in the southwestern part of the state of Illinois. The City of Edwardsville currently occupies a land area of approximately 17 square miles and serves an estimated population of 26,631. The City is the county seat of Madison County, Illinois and the home of Southern Illinois University Edwardsville as well as the N.O. Nelson Campus of Lewis and Clark Community College, and the Mannie Jackson Center for Humanities. The City of Edwardsville is empowered to levy a property tax on real properties located within its boundaries. In addition, the City is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Edwardsville has operated under the aldermanic-city form of government since 1872. Policy-making and legislative authority are vested in a governing council consisting of the mayor and seven aldermen. The governing council is responsible, among other things, for passing ordinances, adopting the appropriations ordinance, appointing committees and hiring both the City Administrator and Attorney. The City's Administrator is responsible for carrying out the policies and ordinances of the governing council and for overseeing the day-to-day operations of the government. The Council is elected on a non-partisan basis with council members serving four year staggered terms, with four council members elected at one election and three council members elected two years later each representing one ward of the City. The Mayor, City Clerk and City Treasurer are elected at large to serve four-year terms.

The City of Edwardsville provides a full range of services, including police and fire protection, the construction and maintenance of highways, streets and other infrastructure; water, sewer and sanitation services and recreational activities and cultural events. The City of Edwardsville is also financially accountable for a legally separate Public Library which has its own governing board, who sets the operational budget and which is reported separately within the City of Edwardsville's financial statements.

Financial Highlights

- The assets of the City of Edwardsville exceeded its liabilities at the close of the most recent fiscal year by \$51,443 (net position). Of this amount, a negative balance of \$23,577 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Edwardsville's governmental activities reported combined ending net position of \$26,916.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,813 or 45% of total general fund expenditures.

CITY OF EDWARDSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Edwardsville's basic financial statements. The City of Edwardsville's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Edwardsville's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City of Edwardsville that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Edwardsville include general government, public safety, highways and streets, economic development and culture and recreation. The business-type activities of the City of Edwardsville include water, sewer and garbage operations.

The government-wide financial statements include not only the City of Edwardsville itself (known as the primary government), but also a legally separate Library for which the City of Edwardsville is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 13-14 of this report.

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However,

CITY OF EDWARDSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City of Edwardsville maintains twenty-three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, the TIF #3 fund, and the Public Safety Facilities fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Edwardsville adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the major funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

Proprietary funds. The City of Edwardsville maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Edwardsville uses enterprise funds to account for its water, sewer and garbage operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Edwardsville's various functions. The City of Edwardsville uses an internal service fund to account for its group health care costs, however since this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer and garbage operations which provide water and water distribution, sewage treatment, pumping stations and collection systems and sanitation collection activities.

The basic proprietary fund financial statements can be found on pages 19-22 of this report.

CITY OF EDWARDSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Fiduciary funds. Fiduciary funds are used to account for resources held in benefit of parties outside 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 of Edwardsville's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 23-24 of this report.

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

The notes to the financial statements can be found on pages 25-66 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Edwardsville's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

Required supplementary information can be found on pages 67-80 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 81-86 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City of Edwardsville, assets exceeded liabilities by \$51,443 at the close of the 2018 fiscal year.

Of this net position, a negative \$23,577 is reported as unrestricted. This balance is negative primarily due to the reporting of accrued pension liabilities that will be funded by general revenues in future years. The other major component is reflected in the City's investment in capital assets \$69,866 (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Edwardsville uses these capital assets to provide services to citizens and consequently these assets are not available for future spending. Although the City of Edwardsville's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF EDWARDSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CITY OF EDWARDSVILLE'S NET POSITION

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 16,542	\$ 28,315	\$ (3,069)	\$ (2,299)	\$ 13,473	\$ 26,016
Capital assets	62,902	52,918	36,377	36,467	99,279	89,385
Deferred outflows	1,686	4,356	-	143	1,686	4,499
Total assets	<u>\$ 81,130</u>	<u>\$ 85,589</u>	<u>\$ 33,308</u>	<u>\$ 34,311</u>	<u>\$ 114,438</u>	<u>\$ 119,900</u>
Long-term liabilities	\$ 55,115	\$ 59,215	\$ 8,122	\$ 9,667	\$ 63,237	\$ 68,882
Other liabilities	959	2,413	399	518	1,358	2,931
Deferred inflows	140	122	-	-	140	122
Total liabilities	<u>\$ 56,214</u>	<u>\$ 61,750</u>	<u>\$ 8,521</u>	<u>\$ 10,185</u>	<u>\$ 64,735</u>	<u>\$ 71,935</u>
Net investment in capital assets	\$ 41,168	\$ 28,320	\$ 28,698	\$ 27,674	\$ 69,866	\$ 55,994
Restricted	5,154	4,446	-	490	5,154	4,936
Unrestricted	(19,406)	(8,927)	(4,171)	(4,038)	(23,577)	(12,965)
Total net position	<u>\$ 26,916</u>	<u>\$ 23,839</u>	<u>\$ 24,527</u>	<u>\$ 24,126</u>	<u>\$ 51,443</u>	<u>\$ 47,965</u>

At the end of the current fiscal year, the City of Edwardsville is able to report positive balances in net position, for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental activities. Governmental activities increased the City's net position by \$3,077 as shown in the schedule below, and business-type activities reported an increase of \$401.

CITY OF EDWARDSVILLE'S CHANGES IN NET POSITION

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Program revenues:						
Charges for services	\$ 4,246	\$ 4,069	\$ 10,236	\$ 9,850	\$ 14,482	\$ 13,919
Operating grants and contributions	224	883	-	-	224	883
Capital grants and contributions	1,032	516	-	-	1,032	516
General revenues:						
Property taxes	9,140	8,835	322	441	9,462	9,276
Other taxes	15,329	14,483	-	-	15,329	14,483
Other	213	191	(56)	(44)	157	147
Total revenues	<u>\$ 30,184</u>	<u>\$ 28,977</u>	<u>\$ 10,502</u>	<u>\$ 10,247</u>	<u>\$ 40,686</u>	<u>\$ 39,224</u>

CITY OF EDWARDSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CITY OF EDWARDSVILLE'S CHANGES IN NET POSITION

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Expenses:						
General government	\$ 4,739	\$ 4,421	\$ -	\$ -	\$ 4,739	\$ 4,421
Public safety	11,498	12,420	-	-	11,498	12,420
Highways and streets	5,382	5,458	-	-	5,382	5,458
Public works	1,561	1,723	-	-	1,561	1,723
Culture and recreation	3,287	2,812	-	-	3,287	2,812
Interest on long-term debt	843	736	-	-	843	736
Water	-	-	4,711	4,538	4,711	4,538
Sewer	-	-	3,441	3,468	3,441	3,468
Garbage	-	-	1,746	1,753	1,746	1,753
Total expenses	<u>27,310</u>	<u>27,570</u>	<u>9,898</u>	<u>9,759</u>	<u>37,208</u>	<u>37,329</u>
Increase (decrease) in net position before transfers	2,874	1,407	604	488	3,478	1,895
Transfers	<u>203</u>	<u>328</u>	<u>(203)</u>	<u>(328)</u>	<u>-</u>	<u>-</u>
Change in net position	3,077	1,735	401	160	3,478	1,895
Net position, beg of year	<u>23,839</u>	<u>22,104</u>	<u>24,126</u>	<u>23,966</u>	<u>47,965</u>	<u>46,070</u>
Net position, end of year	<u>\$ 26,916</u>	<u>\$ 23,839</u>	<u>\$ 24,527</u>	<u>\$ 24,126</u>	<u>\$ 51,443</u>	<u>\$ 47,965</u>

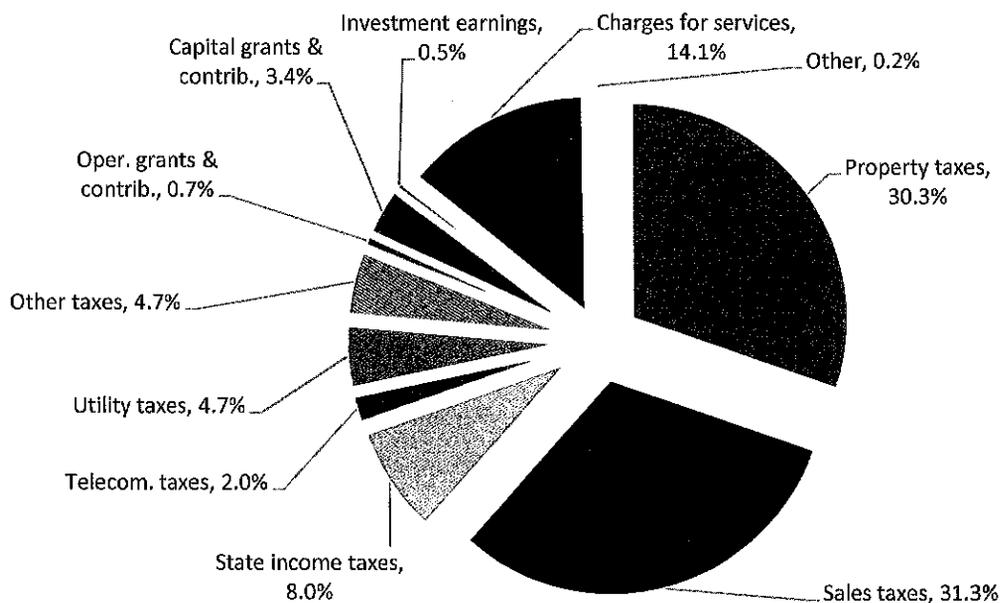
The City of Edwardsville's revenue sources for governmental activities are well diversified between charges for services, property taxes, sales taxes and other taxes in order not to rely upon any one specific revenue source as shown in the chart below. The City has experienced an annual average increase in assessed valuation of 2.96% since 2008 thereby increasing property tax revenue while the City's combined tax rate has increased from \$1.3833 per \$100 of assessed valuation in 2008 to \$1.4114 in 2017.

Property taxes reported an increase of \$186 as the assessed valuation increased from \$704 million in 2016 to \$737 million in 2017. The City reported an \$846 increase in other taxes which includes income taxes and other taxes received from the State of Illinois. Capital contributions include construction projects related to the City's infrastructure.

Total expenses for the City remained relatively flat in 2018 with a slight decrease of \$121. As in the prior year, the largest category of expenditures was for public safety, followed by highways and streets.

CITY OF EDWARDSVILLE, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Revenue by Sources - Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, the City of Edwardsville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of available resources. Such information is useful in assessing the City of Edwardsville's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of fiscal 2018, the City of Edwardsville's governmental funds reported combined ending fund balances of \$16,212. Approximately \$7,673 or 47% constitutes assigned or unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, restricted or committed, to indicate that it is not available for new spending because it is in a nonspendable form, has already been committed to pay for capital or other projects, or is restricted for other purposes.

The general fund is the chief operating fund of the City of Edwardsville. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,813 which represents 96.0% of the City's general fund balance. As a measure of the general fund's liquidity, it may be useful to compare the fund balance to total fund expenditures. Unassigned fund balance represents 45.2% of total general fund expenditures. The City's general fund balance decreased \$1,028 during the current year.

CITY OF EDWARDSVILLE, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Proprietary funds. The City of Edwardsville's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no changes to the budget during 2018.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

The City of Edwardsville's investment in capital assets for its governmental and business type activities as of April 30, 2018 and 2017 amounted to \$99,279 and \$89,385 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, construction in progress, land improvements, machinery and equipment and park facilities.

**CITY OF EDWARDSVILLE'S CAPITAL ASSETS
 (net of depreciation)**

	Governmental activities		Business-type activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2016</u>
Land	\$ 4,138	\$ 3,264	\$ 294	\$ 294	\$ 4,432	\$ 3,558
Land improvements	1,936	2,338	-	-	1,936	2,338
Buildings and systems	20,708	3,698	35,288	35,618	55,996	39,316
Equipment	1,202	694	415	363	1,617	1,057
Vehicles	614	682	380	192	994	874
Infrastructure	32,598	28,810	-	-	32,598	28,810
Construction in Progress	1,706	13,432	-	-	1,706	13,432
Total	<u>\$ 62,902</u>	<u>\$ 52,918</u>	<u>\$ 36,377</u>	<u>\$ 36,467</u>	<u>\$ 99,279</u>	<u>\$ 89,385</u>

Major capital asset events during the current fiscal year included the following:

- Continued additions to the City's infrastructure including Buchanan Street, Sheridan Avenue, Springer Avenue, and Olive Street.
- Final construction work on the new Public Safety Facilities building.
- Continued construction of the Sports Complex.
- Final construction work related to the SIUE fire station.
- Addition related to the Leclaire Lake retaining wall.
- Booster station improvements

Additional information on the City of Edwardsville's capital assets can be found in Note 5 on pages 38-39 of this report.

CITY OF EDWARDSVILLE, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

LONG-TERM DEBT

At the end of the current fiscal year, the City of Edwardsville had total bonded debt outstanding of \$27,269. This amount comprises debt backed by the full faith and credit of the City. The balance of \$2,114 represents low interest loans from other governmental agencies.

CITY OF EDWARDSVILLE'S OUTSTANDING DEBT

	Governmental activities		Business-type activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General obligation bonds	\$ 21,593	\$ 24,308	\$ 5,676	\$ 6,214	\$ 27,269	\$ 30,522
Loans and capital leases	<u>150</u>	<u>300</u>	<u>1,964</u>	<u>2,533</u>	<u>2,114</u>	<u>2,833</u>
Total revenues	<u>\$ 21,743</u>	<u>\$ 24,608</u>	<u>\$ 7,640</u>	<u>\$ 8,747</u>	<u>\$ 29,383</u>	<u>\$ 33,355</u>

The City did not issue any additional debt in the current fiscal year.

The City of Edwardsville received an AA rating from Standard & Poor's and AAA bond insurance from FGIC.

Additional information on the City of Edwardsville's long-term debt can be found in Note 6 on pages 40-42 of this report.

Economic Factors and Net Year's Budgets and Rates

The unemployment rate for the County was 4.2% compared to the State of Illinois unemployment rate of 4.3% and St. Louis metropolitan area, which Edwardsville is considered part of, unemployment rate of 3.4%. The City has seen continued growth in sales tax revenue, increased assessed valuation and population (from 14,500 in 1990 to 20,491 in 2000 and 24,293 in 2010). A special census of 26,631 was certified during March 2015.

Inflationary trends in the region compare favorably to national indices.

The City increases its water rates .10 per 1,000 gallons effective May 1 of each year. The sewer rate includes an annual 5% increase per 1,000 gallons, effective May 1 of each year. Trash service increased \$1.48 per month in August 1, 2017.

CITY OF EDWARDSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Requests for Information

This financial report is designed to provide a general overview of the City of Edwardsville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of City Clerk/Collector, City of Edwardsville, 118 Hillsboro Avenue, Edwardsville, IL 62025

CITY OF EDWARDSVILLE, ILLINOIS

STATEMENT OF NET POSITION
APRIL 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<u>Assets</u>				
Cash and Cash Equivalents	\$ 4,969,264	\$ (339,404)	\$ 4,629,860	\$ 371,775
Investments	3,668,179	939,826	4,608,005	375,803
Receivables (Net of allowance for uncollectibles):	3,748,980	1,603,760	5,352,740	-
Internal Balances	5,603,505	(5,603,505)	-	-
Inventory	-	196,454	196,454	-
Prepaid Expenses	551,509	63,923	615,432	13,505
Restricted Assets:				
Cash and Cash Equivalents	-	70,035	70,035	-
Capital Assets:				
Land	4,137,980	294,193	4,432,173	-
Land Improvements	3,396,618	-	3,396,618	-
Buildings and Systems	27,624,665	62,264,272	89,888,937	4,750,067
Equipment	3,927,367	1,681,100	5,608,467	108,802
Vehicles	4,318,488	1,077,575	5,396,063	-
Infrastructure	90,010,489	-	90,010,489	-
Construction in Progress	1,706,363	-	1,706,363	-
Accumulated Depreciation	(72,219,789)	(28,940,531)	(101,160,320)	(4,724,933)
Total Assets	<u>\$ 81,443,618</u>	<u>\$ 33,307,698</u>	<u>\$ 114,751,316</u>	<u>\$ 895,019</u>
<u>Deferred Outflows of Resources</u>				
Future Pension Expense	\$ 1,686,682	\$ -	\$ 1,686,682	\$ -
<u>Liabilities</u>				
Accounts Payable	\$ 477,270	\$ 253,860	\$ 731,130	\$ 615
Accrued Salaries	373,656	20,053	393,709	15,661
Accrued Interest Payable	108,825	54,996	163,821	-
Customer Deposits	-	70,035	70,035	-
Noncurrent Liabilities:				
Due Within One Year	1,966,371	1,101,383	3,067,754	-
Due in More Than One Year	<u>53,148,441</u>	<u>7,020,645</u>	<u>60,169,086</u>	<u>71,728</u>
Total Liabilities	<u>56,074,563</u>	<u>8,520,972</u>	<u>64,595,535</u>	<u>88,004</u>
<u>Deferred Inflows of Resources</u>				
Future Pension Expense	-	260,088	260,088	-
Unearned Revenue	<u>139,857</u>	-	<u>139,857</u>	-
	<u>\$ 139,857</u>	<u>\$ 260,088</u>	<u>\$ 399,945</u>	<u>\$ -</u>
<u>Net Position</u>				
Net Investment in Capital Assets	41,168,303	28,698,144	69,866,447	133,936
Restricted	5,153,901	-	5,153,901	-
Unrestricted	<u>(19,406,324)</u>	<u>(4,171,506)</u>	<u>(23,577,830)</u>	<u>673,079</u>
Total Net Position	<u>\$ 26,915,880</u>	<u>\$ 24,526,638</u>	<u>\$ 51,442,518</u>	<u>\$ 807,015</u>

The notes to the financial statements are an integral part of this statement

CITY OF EDWARDSVILLE, ILLINOIS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED APRIL 30, 2018

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	
Primary Government:							
Governmental Activities:							
General Government	\$ 4,739,488	\$ 469,940	\$ 6,568	\$ -	\$ (4,262,980)	\$ (4,262,980)	
Public Safety	11,498,165	1,761,305	66,728	-	(9,670,132)	(9,670,132)	
Highways and Streets	5,381,525	-	20,487	532,324	(4,828,714)	(4,828,714)	
Public Works	1,560,623	463,429	-	-	(1,097,194)	(1,097,194)	
Culture and Recreation	3,287,341	1,551,360	130,458	500,000	(1,105,523)	(1,105,523)	
Interest on Long-term Debt	843,205	-	-	-	(843,205)	(843,205)	
Total Governmental Activities	27,310,347	4,246,034	224,241	1,032,324	(21,807,748)	(21,807,748)	
Business-type Activities:							
Water	4,711,011	4,303,195	-	-	\$ (407,816)	(407,816)	
Sewer	3,440,715	4,306,704	-	-	865,989	865,989	
Garbage	1,747,273	1,626,546	-	-	(120,727)	(120,727)	
Total Business-type Activities	9,898,999	10,236,445	-	-	337,446	337,446	
Total Primary Government	\$ 37,209,346	\$ 14,482,479	\$ 224,241	\$ 1,032,324	(21,807,748)	(21,470,302)	
Component Unit:							
Library	\$ 1,401,646	\$ 47,393	\$ 80,820	\$ -			\$ (1,273,433)
Total Component Unit	\$ 1,401,646	\$ 47,393	\$ 80,820	\$ -			(1,273,433)
General Revenues:							
Property Tax, Levied for General Purposes					9,140,293	9,140,293	
Sales and Use Tax					9,461,999	9,461,999	1,294,874
Replacement Tax					185,111	185,111	16,637
State Income Tax					2,423,261	2,423,261	
Motor Fuel Tax					710,523	710,523	
Telecommunications Tax					606,612	606,612	
Utility Tax					1,406,553	1,406,553	
Motel Tax					343,904	343,904	
Amusement Tax					191,002	191,002	
Unrestricted Investment Earnings					(55,635)	(55,635)	13,306
Miscellaneous					70,120	70,120	658
Transfers					202,955	(202,955)	
Total General Revenues and Transfers					24,884,975	24,948,190	1,325,475
Change in Net Position					3,077,227	3,477,888	52,042
Net Position - Beginning					23,838,653	47,964,630	754,973
Net Position - Ending					\$ 26,915,880	\$ 51,442,518	\$ 807,015

The notes to the financial statements are an integral part of this statement

CITY OF EDWARDSVILLE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2018

	<u>General Fund</u>	<u>TIF #3 Fund</u>	<u>Public Safety Facilities Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents	\$ 60,247	\$ 1,180,043	\$ -	\$ 3,471,083	\$ 4,711,373
Investments	-	1,195,353	16,446	2,270,028	3,481,827
Receivables (Net, where applicable, of allowances for uncollectibles):					
Property Tax	3,369,800	1,558,800	-	4,702,300	9,630,900
Services	126,888	-	-	465,282	592,170
Intergovernmental	2,211,132	-	297,418	488,424	2,996,974
Interest	5,851	-	-	-	5,851
Other	153,985	-	-	-	153,985
Due From Other Funds	6,461,171	-	-	327,621	6,788,792
Prepaid Expenses	328,781	-	-	200,611	529,392
Total Assets	<u>\$ 12,717,855</u>	<u>\$ 3,934,196</u>	<u>\$ 313,864</u>	<u>\$ 11,925,349</u>	<u>\$ 28,891,264</u>
 <u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>					
Liabilities:					
Accounts Payable	\$ 117,550	\$ -	\$ -	\$ 346,229	\$ 463,779
Accrued Salaries and Compensated Absences	355,128	-	-	18,528	373,656
Due to Other Funds	19,756	-	768,561	392,682	1,180,999
Total Liabilities	<u>492,434</u>	<u>-</u>	<u>768,561</u>	<u>757,439</u>	<u>2,018,434</u>
Deferred Inflows of Resources:					
Unearned Revenue	<u>4,083,268</u>	<u>1,558,800</u>	<u>99,333</u>	<u>4,919,139</u>	<u>10,660,540</u>
Fund Balance:					
Nonspendable	328,781	-	-	434,130	762,911
Restricted	-	2,375,396	-	2,778,505	5,153,901
Committed	-	-	-	2,622,486	2,622,486
Assigned	-	-	-	895,333	895,333
Unassigned	7,813,372	-	(554,030)	(481,683)	6,777,659
Total Fund Balance	<u>8,142,153</u>	<u>2,375,396</u>	<u>(554,030)</u>	<u>6,248,771</u>	<u>16,212,290</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 12,717,855</u>	<u>\$ 3,934,196</u>	<u>\$ 313,864</u>	<u>\$ 11,925,349</u>	<u>\$ 28,891,264</u>

The notes to the financial statements are an integral part of this statement

CITY OF EDWARDSVILLE, ILLINOIS

RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED APRIL 30, 2018

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 16,212,290
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	62,902,181
The amount of compensated absences is not recorded as a liability on the balance sheet of the governmental funds.	(2,332,395)
The amount of accrued retirement benefits is not recorded as a liability on the balance sheet of the governmental funds.	(1,427,855)
The amount of the net pension liability related to the police and fire pensions is not recorded as a liability on the balance sheet of the governmental funds.	(28,975,484)
The amount of the net pension liability related to IMRF and SLEP is not recorded as a liability on the balance sheet of the governmental funds.	(645,200)
The amount of the future pension expense related to the pension funds of the City is not recorded as an asset on the balance sheet of the governmental funds.	1,686,682
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	(21,744,921)
Accrued interest payable on the long-term debt is not reported as a liability on the balance sheet of the governmental funds.	(108,825)
Some receivables are not available to pay current-period expenditures and, therefore, are deferred in the governmental funds balance sheet, but recognized as revenue as economic financial resources.	889,783
Net effect of including internal service fund in governmental activities.	448,581
Debt issuance premiums and discounts are not reported as an asset to be amortized on the balance sheet of the governmental funds.	<u>11,043</u>
Net position of governmental activities	<u>\$ 26,915,880</u>

The notes to the financial statements are an integral part of this statement

CITY OF EDWARDSVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2018

	<u>General Fund</u>	<u>TIF #3 Fund</u>	<u>Public Safety Facilities Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property Tax	\$ 3,459,047	\$ 1,467,756	\$ -	\$ 4,213,490	\$ 9,140,293
Intergovernmental:					
Sales and Use Tax	6,988,957	-	1,225,414	1,122,171	9,336,542
Replacement Tax	185,111	-	-	-	185,111
State Income Tax	2,780,195	-	-	-	2,780,195
Motor Fuel Tax	-	-	-	710,523	710,523
Telecommunications Tax	305,911	-	-	305,911	611,822
Grants	57,080	-	-	500,000	557,080
Other Local Taxes	116,577	-	-	1,824,882	1,941,459
Licenses, Fees and Permits	289,737	-	-	-	289,737
Charges for Services	2,132,863	-	-	1,631,659	3,764,522
Fines	191,775	-	-	-	191,775
Investment Earnings	(18,960)	58,610	24,381	72,244	136,275
Miscellaneous Revenues/Reimbursements	79,743	-	700	156,838	237,281
Total Revenues	<u>16,568,036</u>	<u>1,526,366</u>	<u>1,250,495</u>	<u>10,537,718</u>	<u>29,882,615</u>
Expenditures:					
Current:					
General Government	3,165,081	146,775	-	1,192,514	4,504,370
Public Safety	9,604,346	-	138,097	3,448	9,745,891
Highways and Streets	2,393,258	3,236	-	451,655	2,848,149
Public Works	1,523,613	-	-	-	1,523,613
Culture and Recreation	190,557	-	-	2,304,911	2,495,468
Debt Service:					
Principal	-	1,235,000	1,024,326	605,504	2,864,830
Interest/Fees	-	96,600	457,488	252,586	806,674
Capital Outlay	387,543	-	7,952,130	4,925,852	13,265,525
Total Expenditures	<u>17,264,398</u>	<u>1,481,611</u>	<u>9,572,041</u>	<u>9,736,470</u>	<u>38,054,520</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(696,362)</u>	<u>44,755</u>	<u>(8,321,546)</u>	<u>801,248</u>	<u>(8,171,905)</u>
Other Financing Sources (Uses):					
Transfers In (Out)	<u>(331,398)</u>	<u>(10,000)</u>	<u>639,690</u>	<u>(95,337)</u>	<u>202,955</u>
Total Other Financing Sources (Uses)	<u>(331,398)</u>	<u>(10,000)</u>	<u>639,690</u>	<u>(95,337)</u>	<u>202,955</u>
Net Change in Fund Balances	<u>(1,027,760)</u>	<u>34,755</u>	<u>(7,681,856)</u>	<u>705,911</u>	<u>(7,968,950)</u>
Fund Balance, Beginning of Year	<u>9,169,913</u>	<u>2,340,641</u>	<u>7,127,826</u>	<u>5,542,860</u>	<u>24,181,240</u>
Fund Balance, End of Year	<u>\$ 8,142,153</u>	<u>\$ 2,375,396</u>	<u>\$ (554,030)</u>	<u>\$ 6,248,771</u>	<u>\$ 16,212,290</u>

The notes to the financial statements are an integral part of this statement

CITY OF EDWARDSVILLE, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2018

Amounts reported for governmental activities in the statement of activities
are different because:

Net change in fund balances - total governmental funds	\$ (7,968,950)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$13,265,525) and contributed capital (\$532,324) exceeded depreciation expense (\$3,808,501) and disposal losses (\$4,722) in the current year.	9,984,626
The amount of the net pension liability and future pension expense related to the police and fire pension funds are not recorded as an expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the public safety functional expense category. This amount is the difference between the beginning and ending balances that has been included in the statement of activities.	(1,824,709)
The amount of the net pension liability and future pension expense related to IMRF and SLEP are not recorded as an expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the appropriate functional expense category. This amount is the difference between the beginning and ending balances that has been included in the statement of activities.	(21,583)
The amount of compensated absences is not recorded as expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the various functional expense categories. This amount is the difference between beginning and ending compensated absences balances that has been included in the statement of activities.	583,896
The amount of accrued retirement benefits is not recorded as expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the various functional expense categories. This amount is the current year addition to accrued retirement benefits that has been included in the statement of activities.	(170,527)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.	2,828,299
Net effect of including internal service fund in governmental activities.	(97,138)
Some intergovernmental revenues will not be collected for several months after the City's fiscal year end. They are not considered "available" revenues in the governmental funds. This is the change in deferred revenues between fiscal years.	<u>(236,687)</u>
Change in net position of governmental activities	<u>\$ 3,077,227</u>

The notes to the financial statements are an integral part of this statement

CITY OF EDWARDSVILLE, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 APRIL 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds			Total	
	Water	Sewer	Garbage		
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ -	\$ (339,998)	\$ 594	\$ (339,404)	\$ 257,891
Investments	-	911,146	28,680	939,826	186,352
Receivables:					
Property Tax	-	-	294,700	294,700	-
Customer/Unbilled	564,952	713,356	325,452	1,603,760	-
Inventory, at Cost	196,454	-	-	196,454	-
Prepaid Expenses	40,779	23,144	-	63,923	22,117
Total Current Assets	802,185	1,307,648	649,426	2,759,259	466,360
Noncurrent Assets:					
Restricted Cash and Cash Equivalents	70,035	-	-	70,035	-
Capital Assets:					
Land	177,530	116,663	-	294,193	-
Equipment	1,010,053	671,047	-	1,681,100	-
Vehicles	591,507	486,068	-	1,077,575	-
Plant and System	29,233,338	33,030,934	-	62,264,272	-
Less: Accumulated Depreciation	(11,011,627)	(17,928,904)	-	(28,940,531)	-
Total Noncurrent Assets	20,070,836	16,375,808	-	36,446,644	-
Total Assets	20,873,021	17,683,456	649,426	39,205,903	466,360
LIABILITIES					
Current Liabilities:					
Accounts Payable	121,452	132,408	-	253,860	13,491
Accrued Salaries	13,043	7,010	-	20,053	-
Due to Other Funds	5,603,505	-	-	5,603,505	4,288
Deferred Income	-	-	294,700	294,700	-
Loans Payable - Current	7,401	564,762	-	572,163	-
Accrued Interest	-	18,356	-	18,356	-
Total Current Liabilities	5,745,401	722,536	294,700	6,762,637	17,779
Current Liabilities (Payable from Restricted Assets):					
Accrued Interest	36,640	-	-	36,640	-
General Obligation Debt - Current	529,220	-	-	529,220	-
Customer Deposits	70,035	-	-	70,035	-
Total Current Liabilities (Payable from Restricted Assets)	635,895	-	-	635,895	-
Noncurrent Liabilities:					
Accrued Retirement Health Benefits	121,103	58,813	-	179,916	-
Compensated Absences	152,053	55,163	-	207,216	-
Net Pension Liability	73,916	37,511	-	111,427	-
General Obligation Debt (Net of Current Portion)	5,146,480	-	-	5,146,480	-
Less - Unamortized Premium/Discount on Bond	(15,774)	-	-	(15,774)	-
Loans Payable	218,266	1,173,114	-	1,391,380	-
Total Noncurrent Liabilities	5,696,044	1,324,601	-	7,020,645	-
Total Liabilities	12,077,340	2,047,137	294,700	14,419,177	17,779
DEFERRED INFLOWS OF RESOURCES					
Future Pension Expense	\$ 172,531	\$ 87,557	\$ -	\$ 260,088	\$ -
NET POSITION					
Net Investment in Capital Assets	14,078,568	14,619,576	-	28,698,144	-
Unrestricted	(5,455,418)	929,186	354,726	(4,171,506)	448,581
Total Net Position	\$ 8,623,150	\$ 15,548,762	\$ 354,726	\$ 24,526,638	\$ 448,581

The notes to the financial statements are an integral part of this statement

CITY OF EDWARDSVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds			Total	
	Water	Sewer	Garbage		
Operating Revenue:					
Customer User Charges	\$ 4,054,618	\$ 3,896,079	\$ 1,626,546	\$ 9,577,243	\$ -
Other Service Contributions	-	-	-	-	2,642,259
Tap On Fees	220,051	391,303	-	611,354	-
Miscellaneous	28,526	19,322	-	47,848	-
Total Operating Revenue	<u>4,303,195</u>	<u>4,306,704</u>	<u>1,626,546</u>	<u>10,236,445</u>	<u>2,642,259</u>
Operating Expenses:					
Personal Services	1,003,406	510,138	-	1,513,544	-
Contractual Services	2,241,014	1,791,000	1,747,273	5,779,287	2,745,764
Supplies	102,394	66,800	-	169,194	-
Heat, Light, and Power	526,539	350,196	-	876,735	-
Depreciation	646,206	673,851	-	1,320,057	-
Total Operating Expenses	<u>4,519,559</u>	<u>3,391,985</u>	<u>1,747,273</u>	<u>9,658,817</u>	<u>2,745,764</u>
Operating Income (Loss)	<u>(216,364)</u>	<u>914,719</u>	<u>(120,727)</u>	<u>577,628</u>	<u>(103,505)</u>
Nonoperating Revenue (Expense):					
Tax Revenue	-	-	321,805	321,805	-
Interest Income	(60,299)	5,313	(649)	(55,635)	6,367
Bond Amortization	(1,435)	-	-	(1,435)	-
Interest Expense	<u>(190,017)</u>	<u>(48,730)</u>	<u>-</u>	<u>(238,747)</u>	<u>-</u>
Total Nonoperating Revenue (Expense)	<u>(251,751)</u>	<u>(43,417)</u>	<u>321,156</u>	<u>25,988</u>	<u>6,367</u>
Income before Transfers	(468,115)	871,302	200,429	603,616	(97,138)
Transfers In (Out)	<u>(118,058)</u>	<u>20,103</u>	<u>(105,000)</u>	<u>(202,955)</u>	<u>-</u>
Change in Net Position	(586,173)	891,405	95,429	400,661	(97,138)
Net Position, Beginning of Year	<u>9,209,323</u>	<u>14,657,357</u>	<u>259,297</u>	<u>24,125,977</u>	<u>545,719</u>
Net Position, End of Year	<u>\$ 8,623,150</u>	<u>\$ 15,548,762</u>	<u>\$ 354,726</u>	<u>\$ 24,526,638</u>	<u>\$ 448,581</u>

The notes to the financial statements are an integral part of this statement

CITY OF EDWARDSVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED APRIL 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds			Total	
	Water	Sewer	Garbage		
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (216,364)	\$ 914,719	\$ (120,727)	\$ 577,628	\$ (103,505)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	646,206	673,851	-	1,320,057	-
(Increase) decrease in:					
Customer receivable/unbilled	132,215	152,958	16,688	301,861	-
Inventory	18,036	-	-	18,036	-
Prepaid expenses	3,508	1,466	-	4,974	171,865
Future pension expense	267,426	135,715	-	403,141	-
Increase (decrease) in:					
Accounts payable	(95,038)	(14,505)	-	(109,543)	2,866
Accrued retirement health benefits	10,805	5,684	-	16,489	-
Net pension liability	(264,137)	(134,046)	-	(398,183)	-
Accrued salaries/vacation/sick	(35,556)	(20,061)	-	(55,617)	-
Net cash provided (used) by operating activities	<u>\$ 467,101</u>	<u>\$ 1,715,781</u>	<u>\$ (104,039)</u>	<u>\$ 2,078,843</u>	<u>\$ 71,226</u>

The notes to the financial statements are an integral part of this statement

CITY OF EDWARDSVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED APRIL 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds			Total	
	Water	Sewer	Garbage		
Cash flows from operating activities:					
Receipts for services	\$ 4,406,884	\$ 4,440,340	\$ 1,643,234	\$ 10,490,458	\$ 2,642,259
Payments to suppliers	(3,298,016)	(2,396,079)	(1,747,273)	(7,441,368)	(2,571,033)
Payments to employees	(670,293)	(347,802)	-	(1,018,095)	-
Other fees	28,526	19,322	-	47,848	-
Net cash provided (used) by operating activities	<u>467,101</u>	<u>1,715,781</u>	<u>(104,039)</u>	<u>2,078,843</u>	<u>71,226</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(493,057)	(736,844)	-	(1,229,901)	-
Principal paid on bonds	(538,060)	-	-	(538,060)	-
Interest/issuance costs paid	(192,811)	(54,547)	-	(247,358)	-
Principal paid on loans	(18,750)	(550,714)	-	(569,464)	-
Net cash provided (used) by capital and related financing activities	<u>(1,242,678)</u>	<u>(1,342,105)</u>	<u>-</u>	<u>(2,584,783)</u>	<u>-</u>
Cash flows from non-capital financing activities:					
Payments from (to) other funds	5,485,447	20,103	(105,000)	5,400,550	-
Customer deposits	(2,640)	-	-	(2,640)	-
Tax revenue	-	-	321,805	321,805	-
Net cash provided (used) by non-capital financing activities	<u>5,482,807</u>	<u>20,103</u>	<u>216,805</u>	<u>5,719,715</u>	<u>-</u>
Cash flows from investing activities:					
Net (purchase) sale of investment securities	694,613	(107,017)	8,682	596,278	(35,893)
Interest on investments	(60,299)	5,313	(649)	(55,635)	6,367
Net cash provided (used) by investing activities	<u>634,314</u>	<u>(101,704)</u>	<u>8,033</u>	<u>540,643</u>	<u>(29,526)</u>
Net change in cash and cash equivalents	5,341,544	292,075	120,799	5,754,418	41,700
Cash and cash equivalents, beginning of year	(5,271,509)	(632,073)	(120,205)	(6,023,787)	216,191
Cash and cash equivalents, end of year	<u>\$ 70,035</u>	<u>\$ (339,998)</u>	<u>\$ 594</u>	<u>\$ (269,369)</u>	<u>\$ 257,891</u>

The notes to the financial statements are an integral part of this statement

CITY OF EDWARDSVILLE, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
APRIL 30, 2018

	<u>Pension Trust Funds</u>			<u>Agency Fund</u>
	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>	<u>St. Louis Street SSA</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 341,267	\$ 282,634	\$ 623,901	\$ 181
Investments:				
US Treasury Securities	7,783,694	4,861,539	12,645,233	-
Mutual Funds	13,410,513	8,266,560	21,677,073	-
Receivables:				
Property Tax	995,178	780,305	1,775,483	-
Other	-	9,273	9,273	-
Interest	<u>34,406</u>	<u>21,992</u>	<u>56,398</u>	-
Total Assets	<u>22,565,058</u>	<u>14,222,303</u>	<u>36,787,361</u>	<u>181</u>
<u>Liabilities</u>				
Accounts Payable	<u>6,008</u>	<u>2,735</u>	<u>8,743</u>	-
Total Liabilities	<u>6,008</u>	<u>2,735</u>	<u>8,743</u>	-
<u>Net Position</u>				
Held in Trust for Pension				
Benefits and Other Purposes	<u>\$ 22,559,050</u>	<u>\$ 14,219,568</u>	<u>\$ 36,778,618</u>	<u>\$ 181</u>

The notes to the financial statements are an integral part of this statement

CITY OF EDWARDSVILLE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2018

	<u>Pension Trust Funds</u>		
	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>
<u>Additions</u>			
Contributions:			
Property Tax	\$ 1,006,359	\$ 790,982	\$ 1,797,341
Employee Contributions	335,489	244,835	580,324
Investment Income:			
Investment Income	1,216,084	795,503	2,011,587
Less: Investment Expense	<u>(36,962)</u>	<u>(26,483)</u>	<u>(63,445)</u>
Net Investment Income	<u>1,179,122</u>	<u>769,020</u>	<u>1,948,142</u>
Total Additions	<u>2,520,970</u>	<u>1,804,837</u>	<u>4,325,807</u>
<u>Deductions</u>			
Benefits	1,032,723	1,073,483	2,106,206
Refund of Contributions	116	9,302	9,418
Administrative Expenses	<u>19,605</u>	<u>20,761</u>	<u>40,366</u>
Total Deductions	<u>1,052,444</u>	<u>1,103,546</u>	<u>2,155,990</u>
Change in Net Position	1,468,526	701,291	2,169,817
Net Position, Beginning of Year	<u>21,090,524</u>	<u>13,518,277</u>	<u>34,608,801</u>
Net Position, End of Year	<u>\$ 22,559,050</u>	<u>\$ 14,219,568</u>	<u>\$ 36,778,618</u>

The notes to the financial statements are an integral part of this statement

CITY OF EDWARDSVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Edwardsville, Illinois is a municipal corporation which operates under an aldermanic-city form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, culture and recreation, water and sewerage and general administrative services. The City Administrator and aldermen exercise oversight responsibility for these governmental services.

The financial statements of the City of Edwardsville, Illinois ("City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. 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) The financial reporting entity

The City is a political subdivision of the State of Illinois. An elected board of seven aldermen and a mayor governs the City. One alderman is elected from each of the City's seven wards. These financial statements present all the fund types of the City (the primary government) and its component units. Component units are legally separate entities for which the City is financially accountable. Component units, although legally separate entities, are part of the City's operations.

Edwardsville Public Library

The Edwardsville Public Library (the Library) is governed by a board appointed by the Mayor with the advice and consent of the City Council. The Library provides services to residents within the geographic boundaries of the City. Budgetary and tax levy functions are also combined with the City.

As required by GAAP, these financial statements present the City and its component unit. The component unit (the Library) is included in the City's reporting entity because of the significance of its operational or financial relationship with the City. The Library is presented as a discretely presented component unit in a separate column in the financial statements of the City. The Library is reported in this manner to indicate that it is legally separate from the City. The City maintains the financial reporting statements for the Library.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(b) Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The primary government is also reported separately from component units for which the primary government is financially accountable.

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

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

(c) Measurement focus, basis of accounting and financial statement presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Property taxes, intergovernmental taxes, utility taxes, franchise taxes, service revenue and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized, when applicable, as revenues of the current fiscal period. Other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General fund is the City's primary operating fund. This fund accounts for all financial resources of the City, except those required to be accounted for in another fund.

The TIF #3 fund accounts for the taxes received and amounts paid related to TIF development expenses.

The Public Safety Facilities fund accounts for the bond issue proceeds and related construction costs of the new public safety facilities.

The government reports the following major proprietary funds:

The water, sewer and garbage funds account for all activities related to the billing, administration, distribution and collection processes of the water and sewer utilities and for garbage collections. The City operates the water distribution system as well as the sewage treatment plant, sewage pumping stations and collection systems.

Additionally, the government reports the following fund types:

The internal service fund accounts for the activities of the group health insurance fund, which consists of the collections of employee's share of premiums and payment of premiums to health, life and disability insurance providers for the City's eligible and covered employees and retirees.

The pension trust funds account for the activities of the police and fire pension funds, which accumulate resources for pension benefit payments to qualified public safety employees.

Permanent funds include the police department endowment fund and the mobile intensive care unit fund. The police department endowment fund accumulates resources for equipment and other police department expenditures and the mobile intensive care unit fund accumulates resources for equipment and vehicle purchases related to the City's ambulance services.

The agency fund accounts for the activities of the St. Louis Street SSA fund, which collect taxes on a fiduciary basis in order to pay for debt service and improvements in the specific area.

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

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

reimbursements between funds for direct costs applicable to the other fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(d) Assets, liabilities and net assets or equity

Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposits and short-term investments with original maturities of three months or less. All short-term cash surpluses are maintained in cash and investment pools and the interest is allocated to each fund based on month-end balances and investment policies.

The City is authorized by state statute to invest in obligations of the United States of America, insured interest bearing accounts of banks, savings and loan associations or credit unions, certain short-term obligations of corporations organized in the United States of America, money market mutual funds that invest in obligations of the United States of America or its agencies or are guaranteed by the full faith and credit of the United States of America, and the Illinois Funds. The pension trust funds are also allowed to invest limited percentages of their monies in bonds, mutual funds and equity securities.

All deposits and investments are recorded in all funds at fair value. Investment income is recognized as earned. Gains or losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The allowance for uncollectible amounts, which has been deducted from the related receivable on the statement of net position, consists of the following amounts.

General Fund	Ambulance Receivables	\$ 486,250
Proprietary Fund	Water Customer Receivables	1,058
Proprietary Fund	Sewer Customer Receivables	844
Proprietary Fund	Garbage Customer Receivables	1,151

Unbilled water, sewer and garbage customer receivables related to the business-type activities are recorded at year-end. They are determined by taking cycle billings subsequent to April 30 and prorating the applicable number of days to the current fiscal year.

The City levied its property taxes on December 19, 2017 based upon the assessed valuation as of the previous January 1. Property taxes are due in four installments. Collections of property taxes normally begin in June and July and are considered delinquent after the due dates. Property taxes for 2017 become an enforceable lien in January 2018. Because this tax levy will be used to pay for expenses budgeted in fiscal year 2019, no part of this tax levy is shown as tax revenue as of April 30, 2018 in the statement of activities.

Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventory in the business-type fund consists of waterworks supplies.

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

Restricted assets

Certain balances of the enterprise funds are set aside for the repayment of customer balances.

These amounts are classified as restricted accounts on the balance sheet and are as follows:

Water Meter Deposit	\$ 70,035
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Capital assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at either historical cost, or estimated historical

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects when constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The City did not record any capitalized interest in the current year, due to any calculated amounts being immaterial.

Property, plant and equipment of the primary government, as well as the component unit, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	7 - 40
Infrastructure	5 - 30
System infrastructure	7 - 50
Vehicles	3 - 10
Office and other equipment	5 - 10

Compensated absences

Accumulated unpaid vacation and sick pay amounts are accrued when incurred. The City's policy permits employees to earn vacation time based on length of service. In addition, sick leave accumulates according to the various contracts with the City employees. Upon voluntary separation, all full-time employees of the City who have been employed for at least five full years shall receive 50 percent of unused sick leave. Upon retirement, as defined by the Illinois Compiled Statutes, an employee will be paid 100 percent of accumulated sick leave up to a maximum of 720 hours. Upon termination for just cause, an employee will not be compensated for any unused or accumulated sick leave.

At April 30, 2018, the City estimated that the accumulated liability for unused vacation and sick leave for governmental fund employees totaled \$2,332,395. Amounts reflected in the financial statements at April 30, 2018 for Enterprise Fund employees related to unused vacation and sick leave benefits totaled \$207,216.

Long-term obligations

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

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

In the fund financial statements, governmental fund types 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.

Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenditures. Actual results could vary from estimates that were used.

Fund balances

In the fund financial statements, the City classifies the fund balances based upon the following criteria:

Nonspendable - includes amounts that cannot be spent because they are either 1) not in spendable form, or 2) legally or contractually required to remain intact.

Restricted - balances with constraints that are either externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation.

Committed - balances that are to be only used for specific purposes pursuant to constraints imposed by formal action of the City Council, the government's highest level of decision-making authority.

Assigned - balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned - the residual classification of the General Fund balance.

When expenditures are incurred for which the City has both restricted and unrestricted funds available, the City spends any restricted funds before using unrestricted sources. Likewise, the City uses committed, assigned and then unassigned balances, in that order, when spending amounts for which all three categories are available. The following details the description and amount of all constraints recorded by the City in the fund financial statements:

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The following details the description and amount of all constraints recorded by the City in the fund financial statements:

Nonspendable:	
Prepaid Insurance	\$ 354,183
Other Prepaid Expenses	175,209
Permanent Endowment	<u>233,519</u>
	<u>\$ 762,911</u>
Restricted:	
TIF Fund Balances	\$ 3,445,877
Motor Fuel Tax Fund	1,153,232
ESDA Fund	22,703
Street & Bridge Fund	99,264
Liability Insurance Fund	39,379
Municipal Band Fund	107,946
Retirement Fund	18,385
Incremental Sales Tax Fund	139,511
Permanent Funds	<u>127,604</u>
	<u>\$ 5,153,901</u>
Committed:	
Capital Improvement Fund	\$ 880,076
Tourism Fund	187,641
SIUE Public Safety Fund	311,000
Capital Equipment Fund	997,807
Willey Theatre Fund	128,046
Community Development	<u>117,916</u>
	<u>\$ 2,622,486</u>
Assigned:	
Parks Improvement Fund	<u>\$ 895,333</u>

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2: BUDGETARY AND LEGAL COMPLIANCE

Annual appropriated budgets are adopted for all governmental funds. All annual appropriations lapse at fiscal year-end. Project length financial plans are adopted for all capital projects funds.

On June 20, 2017, the City Council approved an ordinance adopting the annual appropriations. The City also develops an annual budget which is the budgetary data reflected in these financial statements. Formal budgetary integration is employed as a management control device during the year for the governmental funds.

The City prepares its annual budget on the cash basis (budget basis) which differs from accounting principles generally accepted in the United States of America (GAAP basis). The budget and all transactions are presented in accordance with the City's method (budget basis) in the required supplementary information for the major governmental funds to provide a meaningful comparison of actual results with the budget. The difference between budget and GAAP basis is that the budget is prepared on the cash basis of accounting.

Budgeted amounts are as originally adopted, unless amended by the City Council. If amended, the amounts presented in the required supplementary information represent original and final authorized amounts. Comparisons of actual to budgeted amounts are performed using the operating budget amounts for all funds.

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

1. The budgetary package for the coming fiscal year is made available by the City Clerk for distribution to persons responsible for budget preparations.
2. The completed budgetary package is returned to the City Clerk and City Administrator.
3. The proposed budget prepared by management is forwarded to the Finance Committee for review and then submitted to the Mayor and City Council.
4. The budget and necessary ordinances are adopted by the City Council.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3: RECEIVABLES

Receivables as of year-end for the City as reported in the statement of net position, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Other Major Funds</u>	<u>Water, Sewer & Garbage</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:					
Interest	\$ 5,851	\$ -	\$ -	\$ -	\$ 5,851
Other	153,985	-	-	-	153,985
Accounts	613,138	-	1,606,813	465,282	2,685,233
Intergovernmental	<u>2,211,132</u>	<u>297,418</u>	<u>-</u>	<u>488,424</u>	<u>2,996,974</u>
Gross Receivables	2,984,106	297,418	1,606,813	953,706	5,842,043
Less: Allowance for uncollectible	<u>486,250</u>	<u>-</u>	<u>3,053</u>	<u>-</u>	<u>489,303</u>
Net Total Receivables	<u>\$ 2,497,856</u>	<u>\$ 297,418</u>	<u>\$ 1,603,760</u>	<u>\$ 953,706</u>	<u>\$ 5,352,740</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable	\$ 9,630,900	\$ -
Intergovernmental	889,783	-
Fees for services	-	139,857

NOTE 4: CASH AND CASH EQUIVALENTS AND INVESTMENTS

General Government, Business-Like Activities & Component Unit

At April 30, 2018, the carrying amount of the City's deposits was \$9,797,525 and the bank balance was \$11,326,470. The deposits were comprised of checking, interest checking, money market and certificates of deposit.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the City's name. As of April 30, 2018, \$594,823 of the City's total bank balances was not insured or collateralized. The amount exceeding FDIC coverage and collateralized is \$3,028,560.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

As of April 30, 2018, the City had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
The Illinois Funds (external investment pool)	--	\$ 31,309
Federal Home Loan Bank	2.91	<u>226,825</u>
		258,134
Deposits as reported above		<u>9,797,525</u>
Total deposits and investments		<u>\$ 10,055,659</u>
As Reported in the Statement of Net Position:		
Governmental and Business-type Activities:		
Cash and Cash Equivalents		\$ 4,629,860
Investments		4,608,005
Cash and Cash Equivalents - Restricted		70,035
Component Unit:		
Cash and Cash Equivalents		371,775
Investments		375,803
Cash and Investments Reported in Agency Funds		<u>181</u>
		<u>\$ 10,055,659</u>

Interest Rate Risk. The City's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. As of April 30, 2018, the credit rating of the City's investment was as follows:

<u>Investment</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
The Illinois Funds (external investment pool)	AAAm	--
Federal Home Loan Bank	AA+	Aaa

Concentration of Credit Risk. As of April 30, 2018, the City did not have a concentration of credit risk related to the City's investments.

Foreign Currency Risk. As of April 30, 2018, the City has no foreign currency risk.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Fire Pension Fund

At April 30, 2018, the carrying amount and the bank balance of the Fire Pension Fund's deposits was \$282,522. The deposits were comprised of interest checking and money market accounts.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Fire Pension's deposits may not be returned to it. The Fire Pension Fund requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Fire Pension Fund's name.

As of April 30, 2018, the Fire Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
U.S. Treasury Notes	4.73	\$ 3,650,970
Federal National Mortgage Association	11.18	882,385
Federal Home Loan Mortgage Corporation	4.71	320,035
Government National Mortgage Association	14.39	8,149
Mutual Funds	--	<u>8,266,560</u>
		13,128,099
Deposits as reported above		<u>282,634</u>
Total deposits and investments		<u>\$ 13,410,733</u>
 <u>As Reported in the Statement of Fiduciary Net Position:</u>		
Cash and Cash Equivalents		\$ 282,634
Investments		<u>13,128,099</u>
		<u>\$ 13,410,733</u>

Credit Risk. As of April 30, 2018, the Fire Pension Fund's investments credit ratings were as follows:

<u>Investment</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
Federal National Mortgage Association	AA+	Aaa
Federal Home Loan Mortgage Corporation	AA+	Aaa

Concentration of Credit Risk. As of April 30, 2018, the Fire Pension Fund did not have a concentration of investments.

Foreign Currency Risk. As of April 30, 2018, the Fire Pension Fund has no foreign currency risk.

Interest Rate Risk. The Fire Pension Fund's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Police Pension Fund

At April 30, 2018, the carrying amount and bank balance of the Police Pension Fund's deposits was \$341,267. The deposits were comprised of checking and money market accounts.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension Fund requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the Police Pension Fund's name.

As of April 30, 2018, the Police Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
U.S. Treasury Notes	4.74	\$ 6,217,274
Federal National Mortgage Association	10.61	1,512,317
Federal Home Loan Mortgage Corporation	10.24	54,024
Mutual Funds	--	<u>13,410,592</u>
		21,194,207
Deposits as reported above		<u>341,267</u>
Total deposits and investments		<u>\$ 21,535,474</u>
 <u>As Reported in the Statement of Fiduciary Net Position:</u>		
Cash and Cash Equivalents		\$ 341,267
Investments		<u>21,194,207</u>
		<u>\$ 21,535,474</u>

Credit Risk. As of April 30, 2018, the Police Pension Fund's investments credit ratings were as follows:

<u>Investment</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
Federal Home Loan Mortgage Corporation	AA+	Aaa
Federal National Mortgage Association	AA+	Aaa

Concentration of Credit Risk. As of April 30, 2018, the Police Pension Fund's did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2018, the Police Pension Fund has no foreign currency risk.

Interest Rate Risk. The Police Pension Fund's investment policy limits investment maturities in order to maintain sufficient liquidity to reflect the cash flow needs of the fund type being invested. The policy also requires diversification of the investment portfolio via length of maturity as a means of managing its exposure to fair value losses arising from increasing interest rates.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2018 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 3,264,270	\$ 873,710	\$ -	\$ 4,137,980
Total capital assets, not being depreciated	<u>3,264,270</u>	<u>873,710</u>	<u>-</u>	<u>4,137,980</u>
Capital assets, being depreciated:				
Land improvements	3,307,026	89,592	-	3,396,618
Buildings and improvements	10,171,101	17,453,564	-	27,624,665
Equipment	3,219,571	707,796	-	3,927,367
Vehicles	4,416,410	168,821	266,743	4,318,488
Infrastructure	83,785,111	6,225,378	-	90,010,489
Construction in Progress	<u>13,432,097</u>	<u>11,822,099</u>	<u>23,547,833</u>	<u>1,706,363</u>
Total capital assets being depreciated	<u>118,331,316</u>	<u>36,467,250</u>	<u>23,814,576</u>	<u>130,983,990</u>
Less accumulated depreciation for:				
Land improvements	969,096	491,917	-	1,461,013
Buildings and improvements	6,472,839	444,493	-	6,917,332
Equipment	2,525,571	199,600	-	2,725,171
Vehicles	3,734,711	235,913	266,743	3,703,881
Infrastructure	<u>54,975,814</u>	<u>2,436,578</u>	<u>-</u>	<u>57,412,392</u>
Total accumulated depreciation	<u>68,678,031</u>	<u>3,808,501</u>	<u>266,743</u>	<u>72,219,789</u>
Total capital assets being depreciated, net	<u>49,653,285</u>	<u>32,658,749</u>	<u>23,547,833</u>	<u>58,764,201</u>
Governmental activities capital assets, net	<u>\$ 52,917,555</u>	<u>\$ 33,532,459</u>	<u>\$ 23,547,833</u>	<u>\$ 62,902,181</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 294,193	\$ -	\$ -	\$ 294,193
Total capital assets, not being depreciated	<u>294,193</u>	<u>-</u>	<u>-</u>	<u>294,193</u>
Capital assets, being depreciated:				
Equipment	1,595,612	85,488	-	1,681,100
Vehicles	839,020	282,604	44,049	1,077,575
Buildings and systems	<u>61,402,463</u>	<u>861,809</u>	<u>-</u>	<u>62,264,272</u>
Total capital assets being depreciated	<u>63,837,095</u>	<u>1,229,901</u>	<u>44,049</u>	<u>65,022,947</u>
Less accumulated depreciation for:				
Equipment	1,232,647	33,454	-	1,266,101
Vehicles	647,183	94,845	44,049	697,979
Buildings and systems	<u>25,784,693</u>	<u>1,191,758</u>	<u>-</u>	<u>26,976,451</u>
Total accumulated depreciation	<u>27,664,523</u>	<u>1,320,057</u>	<u>44,049</u>	<u>28,940,531</u>
Total capital assets being depreciated, net	<u>36,172,572</u>	<u>(90,156)</u>	<u>-</u>	<u>36,082,416</u>
Business-type activities capital assets, net	<u>\$ 36,466,765</u>	<u>\$ (90,156)</u>	<u>\$ -</u>	<u>\$ 36,376,609</u>

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 181,627
Public safety	272,122
Highways and streets	2,533,629
Public works	35,193
Culture and recreation	<u>785,930</u>
Total depreciation expense - governmental activities	<u>\$ 3,808,501</u>
Business-type activities:	
Water and sewer	<u>\$ 1,320,057</u>

Discretely Presented Component Unit

The capital asset activity for the City Library for the year ended April 30, 2018, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Capital assets, being depreciated:				
Buildings	\$ 4,750,067	\$ -	\$ -	\$ 4,750,067
Equipment	<u>108,802</u>	<u>-</u>	<u>-</u>	<u>108,802</u>
	4,858,869	-	-	<u>4,858,869</u>
Less accumulated depreciation for:				
Buildings	4,615,591	9,917	-	4,625,508
Equipment	<u>95,113</u>	<u>4,312</u>	<u>-</u>	<u>99,425</u>
	4,710,704	14,229	-	<u>4,724,933</u>
Total capital assets, net of depreciation	<u>\$ 148,165</u>	<u>\$ (14,229)</u>	<u>\$ -</u>	<u>\$ 133,936</u>

Depreciation expense related to the City Library assets is included in the expenses of the component unit.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6: LONG-TERM DEBT

General Obligation Debt

The City issues general obligation debt to provide funds for the acquisition and construction of major capital facilities. General obligation debt has been issued for both governmental and business-type activities. The City has the following outstanding general obligation debt issues:

\$3,000,000 General Obligation Debt Certificates, Series 2006A dated May 1, 2006, due in annual installments of \$150,000 through November 1, 2025; interest at 4.29%. This debt is being retired by the Capital Improvements Fund. The amount of certificates outstanding as of April 30, 2018 is \$1,200,000.

\$1,200,000 General Obligation Debt Certificates, Series 2007A dated August 22, 2007, due in monthly installments of \$9,125 through September 1, 2022; interest at 4.33%. This debt is being retired by the Municipal Facilities Fund. The amount of debt certificates outstanding as of April 30, 2018 is \$439,508.

\$5,100,000 General Obligation Debt Certificates, Series 2009A dated August 13, 2009, due in annual installments of \$255,000 to \$430,000 from February 2, 2015 through February 1, 2029; interest at 3.00% to 4.50%. This debt is being retired by the Capital Improvements Fund and the Water Fund. The amount of certificates outstanding as of April 30, 2018 is \$3,775,000.

\$7,565,000 General Obligation Debt Certificates, Series 2010 dated April 13, 2010, due in total on April 1, 2018; interest at 3.890%. This debt is being retired by the TIF #3 Fund. The outstanding balance as of April 30, 2018 is \$315,000.

\$2,975,000 Recovery Zone Economic Development Bonds, Series 2010C dated November 16, 2010, due in annual installments of \$140,000 to \$200,000 through October 1, 2030; interest at 2.25% to 5.85%. The bonds are Recovery Zone Economic Development Bonds and the City qualifies for a 45% rebate on interest payments from the federal government. The rebate earned and received in the current year is \$48,275. This debt is being retired by the TIF #4 Fund. The outstanding balance as of April 30, 2018 is \$2,170,000.

\$4,680,000 General Obligation Refunding and Improvement Bonds, Series 2013 dated March 7, 2013, due in annual installments of \$300,000 to \$370,000 through February 1, 2028; interest at 2.00% to 3.00%. These bonds were issued to refinance General Obligation Waterworks Refunding Bonds (Alternate Revenue Source), Series 2003. The outstanding balance as of April 30, 2018 is \$3,305,000.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

\$9,000,000 General Obligation Bonds, Series 2015 dated December 10, 2015, due in annual installments of \$513,852 to \$731,778 through December 15, 2030; interest at 2.99%. These bonds were issued to finance the construction of the new public facilities building. The outstanding balance as of April 30, 2018 is \$8,020,245.

\$8,500,000 General Obligation Bonds, Series 2016 dated November 30, 2016, due in annual installments of \$469,668 to \$692,809 through June 15, 2032; interest at 2.99%. These bonds were issued to finance the construction of the new public safety building and sports complex. The outstanding balance as of April 30, 2018 is \$8,044,168.

The annual requirements to retire general obligation debt as of April 30, 2018 are as follows:

Fiscal Year Ended April 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 1,816,371	\$ 742,250	\$ 529,220	\$ 178,459
2020	1,525,203	659,403	509,100	164,666
2021	1,550,175	607,651	488,980	151,167
2022	1,600,989	554,074	519,100	138,255
2023	1,584,714	498,508	538,520	123,791
2024-2028	8,057,527	1,663,694	2,930,640	343,007
2029-2033	5,458,242	350,179	160,140	7,206
	<u>\$ 21,593,221</u>	<u>\$ 5,075,759</u>	<u>\$ 5,675,700</u>	<u>\$ 1,106,551</u>

Loan Agreements

The City has entered into the following loan agreements as of April 30, 2018 for both the governmental and business-type activities:

\$450,000 agreement dated December 30, 1968 with the Treasurer of the State of Illinois in accordance with House Bill 1719 for the construction of the Poag water main. Payments are due at the rate of \$.10 per 1000 gallons of water sold by the City to users receiving water from the Poag water main. The outstanding balance as of April 30, 2018 is \$225,667.

\$9,609,304 Water Pollution Control Revolving Fund loan dated November 8, 1999 with the Illinois Environmental Protection Agency for the Sewer Treatment Plant Improvements Project. The loan is to be repaid in semi-annual installments of \$302,630 through December 1, 2020, including interest at 2.535%. The outstanding balance as of April 30, 2018 is \$1,737,876.

\$750,000 purchase agreement dated June 26, 2014 with Madison County, Illinois for the acquisition of property at 333 South Main Street. The purchase is to be paid

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

in annual installments of \$150,000 through June 1, 2019. The outstanding balance as of April 30, 2018 is \$150,000.

The annual requirements to retire the loan agreements are as follows:

Fiscal Year Ended April 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 150,000	\$ -	\$ 572,163	\$ 40,498
2020	-	-	586,570	26,091
2021	-	-	601,347	11,313
2022	-	-	7,401	-
2023	-	-	7,401	-
2024-2025	-	-	188,661	-
	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 1,963,543</u>	<u>\$ 77,902</u>

In addition to the debt reported above, the City also agreed to Subordinate Tax Increment Revenue Bonds (North Gateway Project) Series 2010B in the amount of \$450,000. These bonds are only to be repaid contingent to available excess TIF funds related to this project. If the monies are not available at the end of the term, the debt will not be paid. The amount to be paid, including interest at 7.00%, is due April 1, 2026.

The following is a summary of changes in long-term liabilities for the year ended April 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Government Activities:</u>					
Bond and notes payable:					
General obligation debt	\$ 24,308,051	\$ -	\$ 2,714,830	\$ 21,593,221	\$ 1,816,371
Loans	300,000	-	150,000	150,000	150,000
	24,608,051	-	2,864,830	21,743,221	1,966,371
Less: deferred refunding	10,193	-	850	9,343	-
Total debt payable	24,597,858	-	2,863,980	21,733,878	1,966,371
Other liabilities:					
Retirement health benefits	1,257,328	170,527	-	1,427,855	-
Net pension liability	30,444,375	-	823,691	29,620,684	-
Compensated absences	2,916,291	-	583,896	2,332,395	-
Governmental activities long-term liabilities	<u>\$ 59,215,852</u>	<u>\$ 170,527</u>	<u>\$ 4,271,567</u>	<u>\$ 55,114,812</u>	<u>\$ 1,966,371</u>
<u>Business-type Activities:</u>					
Bond and notes payable:					
General obligation debt	\$ 6,213,760	\$ -	\$ 538,060	\$ 5,675,700	\$ 529,220
Loans	2,533,007	-	569,464	1,963,543	572,163
	8,746,767	-	1,107,524	7,639,243	1,101,383
Add net premium	(17,209)	-	(1,435)	(15,774)	-
Total debt payable	8,729,558	-	1,106,089	7,623,469	1,101,383
Other liabilities:					
Retirement health benefits	163,427	16,489	-	179,916	-
Net pension liability	509,610	-	398,183	111,427	-
Compensated absences	264,564	-	57,348	207,216	-
Business-type activities long-term liabilities	<u>\$ 9,667,159</u>	<u>\$ 16,489</u>	<u>\$ 1,163,437</u>	<u>\$ 8,122,028</u>	<u>\$ 1,101,383</u>

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7: TAX INCREMENT FINANCING DISTRICTS

Tax Incremental Financing (TIF) Funds have been established to account for the portion of taxes attributable to the increase in the current equalized assessed valuation of property within the TIF areas. Tax receipts are deposited into the TIF Funds to be used for paying the debt service on obligations incurred on project costs and for current expenditures for area improvements. TIF District #2 was approved by the City Council on April 15, 1997. The City established the North Gateway Commerce Center Redevelopment Project Area, on February 4, 2003 and the North Main Street TIF was established on March 4, 2008.

NOTE 8: RETIREMENT AND PENSION FUND COMMITMENTS

1. Illinois Municipal Retirement Fund

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

Funding Policy. As set by statute, members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2017 was 10.80 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Covered Employees. The following types of employees comprise the membership of the plan.

Retirees and Beneficiaries	78
Inactive, non-Retired Members	75
Active Members	<u>116</u>
Total	<u>269</u>

Discount Rate. GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and the resulting single discount rate is 7.50%.

Actuarial Valuation Date	12/31/17
Measurement Date of the Net Pension Liability	12/31/17
Fiscal Year End	04/30/18
Development of the Single Discount Rate as of December 31, 2017	
Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate	3.31%
Last year ending December 31 in the 2018 to 2117 projection period for which projected benefit payments are fully funded	2116
Resulting Single Discount Rate based on the above development	7.50%
Single Discount Rate calculated using December 31, 2016 Measurement Date	7.50%

The Long-Term Municipal Bond Rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" as of December 29, 2017.

Actuarial Assumptions. The following are the actuarial assumptions used in the calculation of the net pension liability.

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10 year rolling period Taxing bodies: 26 year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price Inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	An IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014. The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied fro non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projections scale MP-2014. The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Net Pension Liability. The following is a summary of the Net Pension Liability as shown as a liability in the financial statements.

Total pension liability	
Service Cost	\$ 649,304
Interest on the Total Pension Liability	1,984,319
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	109,642
Changes of assumptions	(858,696)
Benefit payments, including refunds of employee contributions	<u>(1,066,670)</u>
Net change in total pension liability	\$ 817,899
Total pension liability - beginning	<u>26,666,273</u>
Total pension liability - ending	<u>\$ 27,484,172</u>
Plan fiduciary net position	
Contributions - employer	\$ 677,732
Contributions - employee	284,141
Net investment income	4,025,628
Benefit payments, including refunds of employee contributions	(1,066,670)
Other (Net Transfer)	<u>(412,575)</u>
Net change in plan fiduciary net position	\$ 3,508,256
Plan fiduciary net position - beginning	<u>23,226,380</u>
Plan fiduciary net position - ending	<u>\$ 26,734,636</u>
Net pension liability/(asset)	<u>\$ 749,536</u>
Plan fiduciary net position as a percentage of the total pension liability	97.27%
Covered valuation payroll	\$ 6,199,324
Net pension liability as a percentage of covered valuation payroll	12.09%

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
Total Pension Liability	\$ 31,011,658	\$ 27,484,172	\$ 24,583,878
Plan Fiduciary Net Position	<u>26,734,636</u>	<u>26,734,636</u>	<u>26,734,636</u>
Net Pension Liability/(Asset)	<u>\$ 4,277,022</u>	<u>\$ 749,536</u>	<u>\$ (2,150,758)</u>

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses. The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 88,278	\$ 172,947
Changes in assumptions	12,825	732,116
Payment subsequent to measurement date	219,952	-
Net difference between projected and actual earnings on pension plan investments	<u>676,909</u>	<u>1,842,441</u>
Total	<u>\$ 997,964</u>	<u>\$ 2,747,504</u>

Year Ending <u>December 31,</u>	Net Deferred Inflows of <u>Resources</u>
2018	\$ (124,201)
2019	(344,264)
2020	(650,754)
2021	(611,057)
2022	<u>(19,264)</u>
	<u>\$ (1,749,540)</u>

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Sheriff's Law Enforcement Personnel (SLEP)

Plan Description. The City's defined benefit pension plan for certain City SLEP eligible employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. Membership in SLEP is based on several factors including the member's role at the employer and type of appointment. SLEP members include many Illinois county sheriffs and deputy sheriffs, correctional officers, forest preserve district rangers, airport police and police chiefs. The Plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, members are required to contribute 7.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The annual employer annual required contribution for calendar year 2017 was \$11,617. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Covered Employees. The following types of employees comprise the membership of the plan.

Retirees and Beneficiaries	0
Inactive, non-Retired Members	0
Active Members	<u>1</u>
Total	<u>1</u>

Discount Rate. GASB Statement No. 68 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a "risk-free" rate is required.

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and the resulting single discount rate is 7.50%.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Measurement Date of the Net Pension Liability	12/31/17
Fiscal Year End	04/30/18
Development of the Single Discount Rate as of December 31, 2017	
Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate	3.31%
Last year ending December 31 in the 2018 to 2117 projection period for which projected benefit payments are fully funded	2017
Resulting Single Discount Rate based on the above development	7.50%
Single Discount Rate calculated using December 31, 2016 Measurement Date	7.50%

The Long-Term Municipal Bond Rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" as of December 29, 2017.

Actuarial Assumptions. The following are the actuarial assumptions used in the calculation of the net pension liability.

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10 year rolling period Taxing bodies: 26 year closed period. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price Inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	An IMRF specific mortality table was used with fully generational projection scale MP-2014. The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014. The IMRF specific rates were developed from the RP- 2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projections scale MP-2014.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Net Pension Liability. The following is a summary of the Net Pension Liability as shown as a liability in the financial statements.

Total pension liability	
Service Cost	\$ 18,999
Interest on the Total Pension Liability	6,947
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	1,543
Changes of assumptions	(1,922)
Benefit payments, including refunds of employee contributions	-
Net change in total pension liability	\$ 25,567
Total pension liability - beginning	83,122
Total pension liability - ending	<u>\$ 108,689</u>
Plan fiduciary net position	
Contributions - employer	\$ 11,494
Contributions - employee	8,132
Net investment income	10,640
Benefit payments, including refunds of employee contributions	-
Other (Net Transfer)	(1,740)
Net change in plan fiduciary net position	\$ 28,526
Plan fiduciary net position - beginning	73,072
Plan fiduciary net position - ending	<u>\$ 101,598</u>
Net pension liability/(asset)	<u>\$ 7,091</u>
Plan fiduciary net position as a percentage of the total pension liability	93.48%
Covered valuation payroll	\$ 108,432
Net pension liability as a percentage of covered valuation payroll	6.54%

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
Total Pension Liability	\$ 126,447	\$ 108,689	\$ 93,985
Plan Fiduciary Net Position	<u>101,598</u>	<u>101,598</u>	<u>101,598</u>
Net Pension Liability/(Asset)	<u>\$ 24,849</u>	<u>\$ 7,091</u>	<u>\$ (7,613)</u>

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses. The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 2,864	\$ -
Changes in assumptions	134	2,040
Payments subsequent to measurement date	4,092	-
Net difference between projected and actual earnings on pension plan investments	<u>1,748</u>	<u>3,591</u>
Total	<u>\$ 8,838</u>	<u>\$ 5,631</u>

Year Ending <u>December 31,</u>	Net Deferred Outflows of <u>Resources</u>
2018	\$ 4,113
2019	22
2020	(599)
2021	(767)
2022	130
Thereafter	<u>308</u>
	<u>\$ 3,207</u>

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Firefighters' Pension Fund

a) Plan Description

Plan Administration. The Board consists of two members appointed by the City, two active members of the fire department elected by the membership, and one retired member of the fire department elected by the membership.

Plan Membership as of April 30, 2017:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	21
Active Plan Members	<u>32</u>
Total	<u>53</u>

Benefits Provided.

The Plan provides retirement, termination, disability, and death benefits.

Normal Retirement:

Tier 1: Age 50 and 20 years of Credited Service. Tier 2: Age 55 with 10 years of Credited Service. Benefit: Tier 1: 50% of annual salary attached to rank on last day of service plus 2.5% of annual salary for each year over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is \$1,159.27 per month. Tier 2: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75% of average salary.

Cost of Living Adjustment:

Tier 1 Retirees: An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Disabled Retirees: An annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00 of the original benefit amount for each year since benefit commencement upon reaching age 60. Tier 2: An annual increase each January 1 equal to 3.00 per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the twelve months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Disability Benefit:

Eligibility: Total and permanent as determined by the Board of Trustees. Seven years of service required for non-service connected disability. Benefit: A maximum of: a.) 65% of salary attached to the rank held by the member on last day of service, and; b.) The monthly retirement pension that the member is entitled to receive if he or she retired immediately. For non-service connected disabilities, a benefit of 50% of salary attached to rank held by member on last day of service.

Pre-Retirement Death Benefit:

Service Incurred: 100% of salary attached to rank held by member on last day of service. Non-Service Incurred: A maximum of: a.) 54% of salary attached to the rank held by member on last day of service, and; b.) The monthly retirement pension earned by the deceased member at time of death, regardless of whether death occurs before or after age 50.

Vesting (Termination):

Less than 10 years: Refund of Member Contributions.

10 or more years: Either the termination benefit, payable upon reaching age 60, provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is based on the monthly salary attached to the Member's rank at separation from service.

The following schedule applies:

<u>Service</u>	<u>% of Salary</u>
10	15.0%
11	17.6%
12	20.4%
13	23.4%
14	26.6%
15	30.0%
16	33.6%
17	37.4%
18	41.4%
19	45.6%

Contributions.

Employee: 9.455% of Salary. City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability by December 31, 2040.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of April 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	50%
Equities	47%
REITs	3%
Total	<u>100%</u>

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

Rate of Return:

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.69%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

b) Net Pension Liability of the Sponsor

The components of the net pension liability of the sponsor on April 30, 2018 were as follows:

Total Pension Liability	\$ 26,210,330
Plan Fiduciary Net Position	<u>(14,219,568)</u>
Net Pension Liability	<u>\$ 11,990,762</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	54.26%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of April 30, 2018 using the following actuarial assumptions.

Inflation Rate	2.50%
Salary Increases	4.00%
Discount Rate for the Total Pension Liability	6.45%
Retirement Mortality Rate: L&A 2016 Illinois Firefighters' Capped at age 65	
Disabled Mortality Rate: L&A 2016 Illinois Firefighters'	

The long-term expected rate of return on pension plan investments was determined using best estimate of future real rates of return (expected returns, net of pension plan investment expenses and inflation) and are developed for each major asset class. These ranges are combined to produce the long-term expected

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class as of April 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
T Bill	0.5%
Short Govt/Credit	2.0%
Intermediate Govt	2.5%
Large	4.5%
Large Value	5.0%
Emerging Markets	8.0%

Discount Rate:

The discount rate used to measure the total pension liability was 6.45 percent. The projection of cash flows were used to determine the extent which the plan's future net position will be able to cover future benefit payments. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future projected benefit payments through 2066. To the extent future benefit payments are not covered by the plan's net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

Changes in Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances as of May 01, 2017	\$ 24,945,372	\$ 13,518,277	\$ 11,427,095
Changes for a year			
Service Cost	757,149	-	757,149
Interest	1,574,056	-	1,574,056
Differences between expected and actual experience	16,538	-	16,538
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - employer	-	790,982	(790,982)
Contributions - employee	-	244,835	(244,835)
Net investment income	-	769,020	(769,020)
Benefit payments, including refunds	(1,082,785)	(1,082,785)	-
Administrative	-	(20,761)	20,761
Net Changes	<u>1,264,958</u>	<u>701,291</u>	<u>563,667</u>
Balances as of April 30, 2018	<u>\$ 26,210,330</u>	<u>\$ 14,219,568</u>	<u>\$ 11,990,762</u>

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	1% Decrease	Current Discount Rate	1% Increase
	<u>5.45%</u>	<u>6.45%</u>	<u>7.45%</u>
Net Pension Liability	\$ 16,071,260	\$ 11,990,762	\$ 8,697,599

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses. For the year ended April 30, 2018, the City recognized a pension expense of \$1,387,596. The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,921	\$ 237,428
Changes in assumptions	1,058,162	1,085,462
Net difference between projected and actual earnings on pension plan investments	<u>589,392</u>	<u>108,516</u>
Total	<u>\$ 1,662,475</u>	<u>\$ 1,431,406</u>

Year Ending December 31,	Net Deferred Outflows of Resources
2019	\$ 224,373
2020	224,372
2021	(365)
2022	35,804
2023	827
Thereafter	<u>(253,942)</u>
	<u>\$ 231,069</u>

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Police Pension Fund

a) Plan Description

Plan Administration. The Board consists of two members appointed by the City, two active members of the police department elected by the membership, and one retired member of the police department elected by the membership.

Plan Membership as of April 30, 2017:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	16
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>41</u>
Total	<u>57</u>

Benefits Provided.

The Plan provides retirement, termination, disability, and death benefits.

Normal Retirement:

Tier 1: Age 50 and 20 years of Credited Service. Tier 2: Age 55 with 10 years of Credited Service. Benefit: Tier 1: 50% of annual salary attached to rank on last day of service plus 2.5% of annual salary for each year over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is \$1,000 per month. Tier 2: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75% of average salary.

Cost of Living Adjustment:

Tier 1 Retirees: An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Tier 2: An annual increase each January 1 equal to 3.00 per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the twelve months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Disability Benefit:

Eligibility: Total and permanent as determined by the Board of Trustees. Benefit: A maximum of: a.) 65% of salary attached to the rank held by the member on last day of service, and; b.) The monthly retirement pension that the member is entitled to receive if he or she retired immediately. For non-service connected disabilities, a benefit of 50% of salary attached to rank held by member on last day of service.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Pre-Retirement Death Benefit:

Service Incurred: 100% of salary attached to rank held by member on last day of service. Non-Service Incurred: A maximum of: a.) 50% of salary attached to the rank held by member on last day of service, and; b.) The monthly retirement pension earned by the deceased member at time of death, regardless of whether death occurs before or after age 50. For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

Vesting (Termination):

Less than 10 years: Refund of Member Contributions.

10 or more years: Either the termination benefit, payable upon reaching age 60, provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination times creditable service.

Contributions.

Employee: 9.91% of Salary. City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over a period ending in 2040.

Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of April 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	50%
Equities	47%
REITs	3%
Total	<u>100%</u>

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

Rate of Return:

For the year ended April 30, 2018, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 5.59%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

b) Net Pension Liability of the Sponsor

The components of the net pension liability of the sponsor on April 30, 2018 were as follows:

Total Pension Liability	\$ 39,543,772
Plan Fiduciary Net Position	<u>(22,559,050)</u>
Net Pension Liability	<u>\$ 16,984,722</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	57.05%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of April 30, 2018 using the following actuarial assumptions.

Inflation	2.50%
Salary Increases	3.25%
Discount Rate used for the Net Pension Liability	6.08%
Retirement Mortality Rate: L&A 2016 Illinois Police Capped at age 67	
Disabled Mortality Rate: L&A 2016 Illinois Police	

The long-term expected rate of return on pension plan investments was determined using best estimate of future real rates of return (expected returns, net of pension plan investment expenses and inflation) and are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class as of April 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
T Bill	0.5%
Short Govt/Credit	2.0%
Intermediate Govt	2.0%
Large	4.5%
Large Value	5.0%
Emerging Markets	8.0%

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of May 01, 2017	\$ 37,167,471	\$ 21,090,524	\$ 16,076,947
Changes for a year			
Service Cost	1,094,362	-	1,094,362
Interest	2,232,049	-	2,232,049
Differences between expected and actual experience	21,455	-	21,455
Changes of assumptions	61,274	-	61,274
Changes of benefit terms	-	-	-
Contributions - employer	-	1,006,359	(1,006,359)
Contributions - employee	-	335,489	(335,489)
Net investment income	-	1,179,122	(1,179,122)
Benefit payments, including refunds	(1,032,839)	(1,032,839)	-
Administrative	-	(19,605)	19,605
Net Changes	<u>2,376,301</u>	<u>1,468,526</u>	<u>907,775</u>
Balances as of April 30, 2018	<u>\$ 39,543,772</u>	<u>\$ 22,559,050</u>	<u>\$ 16,984,722</u>

Discount Rate:

The discount rate used to measure the total pension liability was 6.08 percent. The projection of cash flows were used to determine the extent which the plan's future net position will be able to cover future benefit payments. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future projected benefit payments through 2057. To the extent future benefit payments are not covered by the plan's net position, the municipal bond rate would be used to determine the portion of the net pension liability associated with those payments.

To report the sensitivity of the net pension liability to the selected discount rate, the following table displays the variation given a 1% increase or decrease.

	Current Discount		
	1% Decrease	Rate	1% Increase
	<u>5.08%</u>	<u>6.08%</u>	<u>7.08%</u>
Net Pension Liability	\$ 23,890,006	\$ 16,984,722	\$ 11,487,440

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses. For the year ended April 30, 2018, the City recognized a pension expense of \$2,211,361. The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 19,016	\$ 707,449
Changes in assumptions	3,411,773	528,369
Net difference between projected and actual earnings on pension plan investments	<u>915,045</u>	<u>168,158</u>
Total	<u>\$ 4,345,834</u>	<u>\$ 1,403,976</u>

Year Ending <u>December 31,</u>	Net Deferred Outflows of <u>Resources</u>
2019	\$ 708,777
2020	708,773
2021	373,547
2022	429,594
2023	368,451
Thereafter	<u>352,716</u>
	<u>\$ 2,941,858</u>

5. Laborer's International Union of North America National (Industrial) Pension Fund

The Plan was established pursuant to a Trust Agreement and Declaration of Trust dated February 1, 1967 to provide retirement, disability, and death benefits for eligible participants. The Plan is funded primarily by employer contributions as specified in the collective bargaining and/or participation agreements between the union and various employers and employer associations. During 1996, the Trustees approved an amendment to the Plan to allow participants, for whom no employer contributions will be made, to contribute to the Plan on their own behalf. The Plan is a multiple employer defined benefit pension plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The City makes contributions to the pension fund for employees of various departments. The payments are made based on number of hours worked by the covered employees.

The plan provides for various types of pension upon retirement. To receive a regular pension, the participants must be (a) be at least age 62, (b) have earned at least 5 years of pension credit and (c) have earned at least one year of pension credit during the period the City is contributing to the Pension Fund.

Retirement payments vary depending at what level of hourly contribution is being made by the City and the total years of employee pension credit. Total payments made by the City were \$185,487 for the year ended April 30, 2018. The City has fully contributed all required payments during this period.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. Retiree Medical Plan

The City provides healthcare coverage for all active qualified employees of the City and also makes coverage available for the City retirees. This plan is a single employer plan where the City contributions and benefit payments are related to the increase in active member premiums due to the presence of retirees in the determination of blended retiree/active member premiums. As part of the plan, all retirees are required to pay the full cost of coverage. This coverage becomes secondary to Medicare after the retiree attains the age of 65.

Plan Membership as of April 30, 2018:

Active Employees	168
Inactive Employees Currently Receiving Benefit Payments	14
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	<u>0</u>
Total	<u>182</u>

Investments

Investment Policy:

Currently, there is no expectation for future returns on OPEB plan assets since the OPEB obligation is an unfunded obligation. The employer does not have a trust dedicated exclusively to the payment of OPEB benefits.

Receivables:

The Plan does not have any receivables as of April 30, 2018.

Funding Policy

The City currently pays the insurance premium on a monthly basis. The GASB statement requires employers to contribute the amount necessary, in addition to normal contributions, to finance the retirement coverage of its own employees.

Net OPEB Liability of the Sponsor

The components of the net pension obligation of the sponsor on April 30, 2018 were as follows:

Total OPEB Liability	\$ 1,679,499
Plan Fiduciary Net Position	<u>-</u>
Net OPEB Liability	<u>\$ 1,679,499</u>
Plan Fiduciary Net Position as a % of Total OPEB Liability	0%

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Covered Employee Payroll	\$10,334,042
Employer's Net OPEB Liability as a % of Employee Payroll	16.25%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of April 30, 2018 using the following actuarial assumptions.

Assumed Retirement Age	58
Discount Rate	4.00%
Investment Rate of Return	4.00%

Mortality Rates:

Pre-retirement - RP 2014 Healthy Employee Table for Males, with a four year setback for Females

Post-retirement - RP 2014 Healthy Annuitant Table for Males, with a four year setback for Females

Health Care Trend Rates – Initial rate of 6%, graded down .25% each year until an ultimate rate of 4.0% is reached.

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	OPEB Plan Net Position	Net OPEB Liability
Balances Beginning at 5/1/17	\$ 1,902,553	\$ -	\$ 1,902,553
Changes for a year			
Service Cost	94,233	-	94,233
Interest	-	-	-
Actuarial Experience	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	37,121	(37,121)
Contributions - employee	-	-	-
Contributions - other	-	-	-
Net investment income	-	-	-
Benefit payments from Trust	(37,121)	(37,121)	-
Administrative	-	-	-
Net Changes	<u>57,112</u>	<u>-</u>	<u>57,112</u>
Balances Beginning at 4/30/18	<u>\$ 1,959,665</u>	<u>\$ -</u>	<u>\$ 1,959,665</u>

Discount Rate:

The discount rate used to measure the total OPEB liability was 4.00 percent. If the OPEB plan is funded, the projection of cash flows will be used to determine the extent to which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are not covered by the plan's net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The municipal bond rate is based on The Bond Buyer 20-Bond GO Index.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Annual Pension Cost. For 2018, the City's contribution was \$37,121. The annual required contribution cost was determined to be \$255,259. The net OPEB obligation related to retirement health insurance costs in \$1,679,499. Of this amount, \$1,427,855 is reported as a liability in the governmental activities, \$179,916 is reported as a liability in the business-type activities, and \$71,728 is recorded as a liability of the component unit.

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net OPEB Obligation</u>
4/30/2018	\$ 255,259	14.5%	\$ 1,679,499
4/30/2017	234,873	15.8%	1,484,545
4/30/2016	234,873	15.8%	1,302,271

NOTE 9: INTERFUND RECEIVABLES/PAYABLES

Individual fund interfund receivable and payable balances as of April 30, 2018 are as follows:

	<u>Interfund Receivable/ (Payable)</u>
General Fund due from (to):	
Motor Fuel Tax Fund	\$ (19,756)
Mobile Intensive Care Fund	9,700
Group Health Insurance Fund	4,288
Parks and Playgrounds Fund	37,856
Social Security Fund	37,261
Public Safety Facilities Fund	768,561
Water Fund	5,603,505
Water Fund due to General Fund	(5,603,505)
Public Safety Facilities Fund due to General Fund	(768,561)
TIF #4 Fund due from TIF #2 Fund	296,259
TIF #2 Fund due to TIF #4 Fund	(296,259)
Social Security Fund due to General Fund	(37,261)
Motor Fuel Tax Fund due from General Fund	19,756
Tourism Promotion Fund due from:	
Community Redevelopment Fund	11,606
Community Redevelopment Fund due (to):	
Tourism Promotion Fund	(11,606)
Parks and Playgrounds Fund due to General Fund	(37,856)
Mobile Intensive Care Fund due to General Fund	(9,700)
Group Health Insurance Fund due to General Fund	(4,288)
	<u>\$ -</u>

The interfund receivables/payables are short term in nature and are expected to be repaid in the subsequent year.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 10: INTERFUND TRANSFERS

The following is a summary of interfund transfers for the year ended April 30, 2018:

General Fund Transfer From (To):	
Water Fund	\$ 130,000
Sewer Fund	130,000
Motor Fuel Tax Fund	100,000
Liability Insurance Fund	493,172
Garbage Fund	55,000
TIF #3 Fund	10,000
Community Redevelopment Fund	154,240
Capital Equipment Fund	(300,000)
Municipal Facilities Fund	(1,103,810)
TIF #3 Fund Transfer To General Fund	(10,000)
TIF #2 Fund Transfer To TIF #4 Fund	(520,000)
TIF #4 Fund Transfer From TIF #2 Fund	520,000
Motor Fuel Tax Fund Transfer To General Fund	(100,000)
Liability Insurance Fund Transfer From (To):	
General Fund	(493,172)
Parks & Playground Fund	(24,392)
Municipal Band Fund	(158)
Parks & Playground Fund Transfer From (To):	
Community Redevelopment Fund	35,000
Liability Insurance Fund	24,392
Tourism Fund	110,000
Municipal Band Fund Transfer From Liability Insurance Fund	158
Retirement Fund Transfer From (To):	
Water Fund	(66,527)
Sewer Fund	(33,157)
Social Security Fund Transfer From (To):	
Water Fund	(56,968)
Sewer Fund	(28,393)
Community Redevelopment Fund Transfer From (To):	
General Fund	(154,240)
Parks & Playground Fund	(35,000)
Parks Improvement Fund	(420,000)
Capital Equipment Fund Transfer From General Fund	300,000
Municipal Facilities Fund Transfer From (To):	
General Fund	1,103,810
Water Fund	36,500
Sewer Fund	36,500
Parks Improvement Fund Transfer From Comm Redev. Fund	420,000
Public Safety Facilities Fund From SIUE Public Safety Fund	639,690
SIUE Public Safety Fund To Public Safety Facilities Fund	(639,690)
Tourism Fund To Parks & Playground Fund	(110,000)

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 10: INTERFUND TRANSFERS (continued)

Water Fund Transfer From (To):	
Retirement Fund	66,527
Social Security Fund	56,968
General Fund	(130,000)
Municipal Facilities Fund	(36,500)
Sewer Fund	(75,053)
Sewer Fund Transfer From:	
Retirement Fund	33,157
Social Security Fund	28,393
Garbage Fund	50,000
General Fund	(130,000)
Municipal Facilities Fund	(36,500)
Water Fund	75,053
Garbage Fund Transfer From (To):	
Sewer Fund	(50,000)
General Fund	(55,000)
	-
	<u> </u>

The City makes various transfers between funds during the fiscal year. The majority of transfers are made to reimburse expenses paid by one fund that relate to expenses of another fund.

NOTE 11: ILLINOIS MUNICIPAL LEAGUE RISK MANAGEMENT ASSOCIATION (IMLRMA)

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. The City has entered into an agreement with IMLRMA, an intergovernmental association formed pursuant to Article VII, Section 10 of the Illinois Constitution of 1970, to provide the City insurance coverage. There has been no significant reduction in coverage from the prior year.

NOTE 12: COMMITMENT

The City, with Tristar Business Communities, LLC acting as its agent, entered into a redevelopment agreement with The Hershey Company dated July 1, 2003. As part of the agreement, the City was to reimburse the developer for qualified project costs through the proceeds of related TIF funds. The City reimbursed costs of \$6,314,725 pursuant to the agreement. The developer contends that they are owed an additional \$1,422,303. On January 17, 2017, the City passed a resolution authorizing a settlement agreement to pay the additional amount. The amounts are to be paid only after all other notes of the development agreement are paid in full. The amounts will only be paid from available revenues related to the development agreement and the City shall have no additional obligation to pay from any other source.

CITY OF EDWARDSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 13: TAX ABATEMENTS

For the property tax year 2017, property tax value abatements within the City, related to Enterprise Zones, are \$49,954,928. The related tax that was abated on the Enterprise Zone properties, related to the City, is \$615,145.

NOTE 14: SPECIAL SERVICE AREA

On November 1, 2011, the City adopted an ordinance to establish the St. Louis Street Special Service Area. On December 16, 2011 the City issued Special Ad Valorem Tax Bonds, Series 2011 in the amount of \$550,000; principal and interest payable through December 15, 2036, for projects in the special service area. The total balance outstanding on the bonds at April 30, 2018 is \$465,500. The debt service funding is accomplished by a separate tax levy and the activity is being recorded as an agency fund.

NOTE 15: SUBSEQUENT EVENTS

The City has evaluated events occurring after the financial statement date through January 24, 2019 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

CITY OF EDWARDSVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Receipts:			
Property Tax	\$ 3,447,812	\$ 3,447,812	\$ 3,459,046
Intergovernmental:			
Sales and Use Tax	6,992,562	6,992,562	6,974,470
Replacement Tax	191,417	191,417	179,102
State Income Tax	2,689,731	2,689,731	2,820,899
Telecommunications Tax	326,000	326,000	309,010
Other	108,684	108,684	52,315
Other Local Taxes	-	-	-
Licenses, Fees and Permits	405,450	405,450	484,676
Charges for Services	1,921,722	1,921,722	1,909,429
Fines	197,200	197,200	197,982
Investment Earnings	164,658	164,658	123,833
Miscellaneous Revenues/Reimbursements	52,000	52,000	125,588
Total Receipts	<u>16,497,236</u>	<u>16,497,236</u>	<u>16,636,350</u>
Disbursements			
Current:			
General Government	2,931,878	2,931,878	2,602,993
Public Safety	9,672,654	9,672,654	9,481,237
Highways and Streets	1,862,470	1,862,470	2,369,510
Public Works	1,643,112	1,643,112	1,590,676
Culture and Recreation	209,695	209,695	182,007
Capital Outlay	606,742	606,742	495,347
Total Disbursements	<u>16,926,551</u>	<u>16,926,551</u>	<u>16,721,770</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(429,315)</u>	<u>(429,315)</u>	<u>(85,420)</u>
Other Financing Sources:			
Operating Transfers In (Out)	<u>355,740</u>	<u>355,740</u>	<u>355,740</u>
Total Other Financing Sources	<u>355,740</u>	<u>355,740</u>	<u>355,740</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	<u>\$ (73,575)</u>	<u>\$ (73,575)</u>	270,320
Change in other receivable on modified accrual basis			62,412
Change in intergovernmental revenue on modified accrual basis			(23,306)
Change in accrued interest receivable on modified accrual basis			(55,303)
Change in accrued salaries on modified accrual basis			(73,303)
Change in accounts payable on modified accrual basis			(80,010)
Change in charges for services receivable on modified accrual basis			(50,760)
Change in prepaid expenses on modified accrual basis			12,315
Change in market value of investments			(143,610)
Change in deferred income on modified accrual basis			(6,013)
Transfers between funds			<u>(940,502)</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (1,027,760)</u>

CITY OF EDWARDSVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CASH BASIS)
TIF #3 FUND
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Receipts:			
Property Taxes	\$ 1,552,497	\$ 1,552,497	\$ 1,467,756
Investment Earnings	36,000	36,000	58,609
Total Receipts	<u>1,588,497</u>	<u>1,588,497</u>	<u>1,526,365</u>
Disbursements:			
Current:			
General Government	155,250	155,250	150,010
Debt Service Fees	<u>1,457,770</u>	<u>1,457,770</u>	<u>1,331,600</u>
Total Disbursements	<u>1,613,020</u>	<u>1,613,020</u>	<u>1,481,610</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(24,523)</u>	<u>(24,523)</u>	<u>44,755</u>
Other Financing Sources:			
Transfers to Other Funds	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>
Total Other Financing Sources	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (34,523)</u>	<u>\$ (34,523)</u>	34,755
Change in accounts payable on modified accrual basis			<u>-</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 34,755</u>

CITY OF EDWARDSVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CASH BASIS)
PUBLIC SAFETY FACILITIES FUND
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
Receipts:			
Sales Taxes	\$ 1,019,633	\$ 1,019,633	\$ 1,212,787
Interest	-	-	28,521
Miscellaneous	-	-	700
Total Receipts	<u>1,019,633</u>	<u>1,019,633</u>	<u>1,242,008</u>
Disbursements:			
Current:			
Public Safety	153,000	153,000	189,409
Debt Service	1,331,813	1,331,813	1,331,813
Capital Outlay	<u>9,615,000</u>	<u>9,615,000</u>	<u>9,577,660</u>
Total Disbursements	<u>11,099,813</u>	<u>11,099,813</u>	<u>11,098,882</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ (10,080,180)</u>	<u>\$ (10,080,180)</u>	(9,856,874)
Change in accounts payable on modified accrual basis			1,526,841
Change in taxes receivable on modified accrual basis			12,628
Transfer from other funds			639,690
Change in accrued interest receivable on modified accrual basis			<u>(4,141)</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (7,681,856)</u>

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND
APRIL 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:				
Service Cost	\$ 1,094,362	\$ 1,031,541	\$ 878,595	\$ 757,946
Interest	2,232,049	2,174,866	1,801,252	1,936,934
Differences between expected and actual	21,455	(555,111)	(414,136)	-
Changes in assumptions	61,274	(683,773)	4,992,594	-
Benefit payments, including refunds	<u>(1,032,839)</u>	<u>(1,024,265)</u>	<u>(932,624)</u>	<u>(933,653)</u>
Net change in total pension liability	2,376,301	943,258	6,325,681	1,761,227
Total pension liability - beginning	<u>37,167,471</u>	<u>36,224,213</u>	<u>29,898,532</u>	<u>28,137,305</u>
Total pension liability - ending	<u>\$ 39,543,772</u>	<u>\$ 37,167,471</u>	<u>\$ 36,224,213</u>	<u>\$ 29,898,532</u>
Plan Fiduciary Net Position				
Contributions - employer	1,006,359	937,674	920,192	875,430
Contributions - employee	335,489	332,966	328,541	340,666
Net investment income	1,179,122	1,633,572	(317,325)	705,587
Benefit payments, including refunds	(1,032,839)	(1,024,264)	(932,624)	(933,653)
Administrative	<u>(19,605)</u>	<u>(20,573)</u>	<u>(22,112)</u>	<u>(19,177)</u>
Net change in plan fiduciary net position	1,468,526	1,859,375	(23,328)	968,853
Plan fiduciary net position - beginning	<u>21,090,524</u>	<u>19,231,149</u>	<u>19,254,477</u>	<u>18,285,624</u>
Plan fiduciary net position - ending	<u>\$ 22,559,050</u>	<u>\$ 21,090,524</u>	<u>\$ 19,231,149</u>	<u>\$ 19,254,477</u>
Net Pension Liability	<u>\$ 16,984,722</u>	<u>\$ 16,076,947</u>	<u>\$ 16,993,064</u>	<u>\$ 10,644,055</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>57.05%</u>	<u>56.74%</u>	<u>53.09%</u>	<u>64.40%</u>
Covered-employee Payroll	<u>\$ 3,939,204</u>	<u>\$ 3,815,210</u>	<u>\$ 3,292,520</u>	<u>\$ 3,115,565</u>
Net position liability as a percentage of covered-employee payroll	<u>431.17%</u>	<u>421.39%</u>	<u>516.11%</u>	<u>341.64%</u>

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIRE PENSION FUND
APRIL 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:				
Service Cost	\$ 757,149	\$ 711,272	\$ 665,968	\$ 559,365
Interest	1,574,056	1,596,859	1,367,110	1,369,680
Difference between expected and actual	16,538	(250,154)	(52,701)	
Changes in assumptions	-	(1,349,244)	1,541,345	
Benefit payments, including refunds	<u>(1,082,785)</u>	<u>(1,041,716)</u>	<u>(1,018,003)</u>	<u>(1,044,531)</u>
Net change in total pension liability	1,264,958	(332,983)	2,503,719	884,514
Total pension liability - beginning	<u>24,945,372</u>	<u>25,278,355</u>	<u>22,774,636</u>	<u>21,890,122</u>
Total pension liability - ending	<u>\$ 26,210,330</u>	<u>\$ 24,945,372</u>	<u>\$ 25,278,355</u>	<u>\$ 22,774,636</u>
Plan Fiduciary Net Position				
Contributions - employer	790,982	735,163	714,809	672,267
Contributions - employee	244,835	221,699	193,989	182,864
Net investment income	769,020	1,056,794	(224,018)	475,646
Benefit payments, including refunds	(1,082,785)	(1,041,717)	(1,018,003)	(1,044,531)
Administrative	<u>(20,761)</u>	<u>(18,767)</u>	<u>(17,882)</u>	<u>(16,879)</u>
Net change in plan fiduciary net position	701,291	953,172	(351,105)	269,367
Plan fiduciary net position - beginning	<u>13,518,277</u>	<u>12,565,105</u>	<u>12,916,210</u>	<u>12,646,843</u>
Plan fiduciary net position - ending	<u>\$ 14,219,568</u>	<u>\$ 13,518,277</u>	<u>\$ 12,565,105</u>	<u>\$ 12,916,210</u>
Net Pension Liability	<u>\$ 11,990,762</u>	<u>\$ 11,427,095</u>	<u>\$ 12,713,250</u>	<u>\$ 9,858,426</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>54.25%</u>	<u>54.19%</u>	<u>49.71%</u>	<u>56.71%</u>
Covered-employee Payroll	<u>\$ 3,026,557</u>	<u>\$ 2,910,151</u>	<u>\$ 2,033,273</u>	<u>\$ 1,795,005</u>
Net position liability as a percentage of covered-employee payroll	<u>396.18%</u>	<u>392.66%</u>	<u>625.26%</u>	<u>549.21%</u>

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:			
Service Cost	\$ 649,304	\$ 624,731	\$ 596,752
Interest	1,984,319	1,893,106	1,787,492
Difference between expected and actual	109,642	(273,411)	(18,881)
Assumption changes	(858,696)	(67,312)	32,460
Benefit payments, including refunds	<u>(1,066,670)</u>	<u>(1,014,746)</u>	<u>(921,170)</u>
Net change in total pension liability	817,899	1,162,368	1,476,653
Total pension liability - beginning	<u>26,666,273</u>	<u>25,503,905</u>	<u>24,027,252</u>
Total pension liability - ending	<u>\$ 27,484,172</u>	<u>\$ 26,666,273</u>	<u>\$ 25,503,905</u>
Plan Fiduciary Net Position			
Contributions - employer	677,732	673,675	633,657
Contributions - employee	284,141	268,358	261,242
Net investment income	4,025,628	1,514,789	108,768
Benefit payments, including refunds	(1,066,670)	(1,014,746)	(921,170)
Administrative	<u>(412,575)</u>	<u>26,712</u>	<u>(91,640)</u>
Net change in plan fiduciary net position	3,508,256	1,468,788	(9,143)
Plan fiduciary net position - beginning	<u>23,226,380</u>	<u>21,757,592</u>	<u>21,766,735</u>
Plan fiduciary net position - ending	<u>\$ 26,734,636</u>	<u>\$ 23,226,380</u>	<u>\$ 21,757,592</u>
Net Pension Liability	<u>\$ 749,536</u>	<u>\$ 3,439,893</u>	<u>\$ 3,746,313</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>97.27%</u>	<u>87.10%</u>	<u>85.31%</u>
Covered-employee payroll	<u>\$ 6,199,324</u>	<u>\$ 5,899,077</u>	<u>\$ 5,706,058</u>
Net position liability as a percentage of covered-employee payroll	<u>12.09%</u>	<u>58.31%</u>	<u>65.66%</u>

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SLEP
APRIL 30, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:			
Service Cost	\$ 18,999	\$ 18,361	\$ 17,771
Interest	6,947	5,064	3,422
Difference between expected and actual	1,543	1,489	416
Assumption changes	(1,922)	(399)	191
Benefit payments, including refunds	-	-	-
Net change in total pension liability	<u>25,567</u>	<u>24,515</u>	<u>21,800</u>
Total pension liability - beginning	<u>83,122</u>	<u>58,607</u>	<u>36,807</u>
Total pension liability - ending	<u>\$ 108,689</u>	<u>\$ 83,122</u>	<u>\$ 58,607</u>
Plan Fiduciary Net Position			
Contributions - employer	11,494	10,874	10,182
Contributions - employee	8,132	7,842	7,561
Net investment income	10,640	3,713	231
Benefit payments, including refunds	-	-	-
Administrative	(1,740)	(1,334)	(3,377)
Net change in plan fiduciary net position	<u>28,526</u>	<u>21,095</u>	<u>14,597</u>
Plan fiduciary net position - beginning	<u>73,072</u>	<u>51,977</u>	<u>37,380</u>
Plan fiduciary net position - ending	<u>\$ 101,598</u>	<u>\$ 73,072</u>	<u>\$ 51,977</u>
Net Pension Liability	<u>\$ 7,091</u>	<u>\$ 10,050</u>	<u>\$ 6,630</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.48%</u>	<u>87.91%</u>	<u>88.69%</u>
Covered-employee Payroll	<u>\$ 108,432</u>	<u>\$ 104,558</u>	<u>\$ 100,807</u>
Net position liability as a percentage of covered-employee payroll	<u>6.54%</u>	<u>9.61%</u>	<u>6.58%</u>

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CONTRIBUTIONS
POLICE PENSION FUND
APRIL 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 1,099,599	\$ 1,074,978	\$ 1,125,044	\$ 1,033,303
Contributions in relation to actuarial determined contribution	<u>1,006,359</u>	<u>914,581</u>	<u>920,192</u>	<u>875,430</u>
Contribution deficiency (excess)	<u>\$ 93,240</u>	<u>\$ 160,397</u>	<u>\$ 204,852</u>	<u>\$ 157,873</u>
Covered-employee Payroll	<u>3,939,204</u>	<u>3,815,210</u>	<u>3,292,520</u>	<u>3,115,565</u>
Contributions as a percentage of covered-employee payroll	<u>25.55%</u>	<u>23.97%</u>	<u>27.95%</u>	<u>28.10%</u>

Actuarial valuations are performed as of April 30 of each year with the related contributions to be made in the following year. Actuarial valuation date for above is April 30, 2018.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	100% Funded in 2040
Asset Valuation Method:	Gains and losses recognized over a five year period
Actuarial Assumptions:	
Interest Rate (current and prior)	7.00%
Payroll Growth	3.25%
Inflation Rate	2.50%

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CONTRIBUTIONS
FIRE PENSION FUND
APRIL 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 911,171	\$ 819,509	\$ 675,973	\$ 638,861
Contributions in relation to actuarial determined contribution	<u>790,982</u>	<u>735,163</u>	<u>714,809</u>	<u>672,267</u>
Contribution deficiency (excess)	<u>\$ 120,189</u>	<u>\$ 84,346</u>	<u>\$ (38,836)</u>	<u>\$ (33,406)</u>
 Covered-employee Payroll	 <u>3,026,557</u>	 <u>2,910,151</u>	 <u>2,033,273</u>	 <u>1,795,005</u>
 Contributions as a percentage of covered-employee payroll	 <u>26.13%</u>	 <u>25.26%</u>	 <u>35.16%</u>	 <u>37.45%</u>

Actuarial valuations are performed as of April 30 of each year with the related contributions to be made in the following year. Actuarial valuation date for above is April 30, 2018.

The actuarial valuations presented are prepared using the following parameters:

Funding Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	100% Funded in 2040
Asset Valuation Method:	Gains and losses recognized over a five year period
Actuarial Assumptions:	
Interest Rate (current and prior)	7.00%
Payroll Growth	4.00%
Inflation Rate	2.50%

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 669,527	\$ 673,675	\$ 637,937
Contributions in relation to actuarial determined contribution	<u>677,732</u>	<u>673,675</u>	<u>633,657</u>
Contribution deficiency (excess)	<u>\$ (8,205)</u>	<u>\$ -</u>	<u>\$ 4,280</u>
Covered-employee Payroll	<u>6,199,324</u>	<u>5,899,077</u>	<u>5,706,058</u>
Contributions as a percentage of covered-employee payroll	<u>10.93%</u>	<u>11.42%</u>	<u>11.10%</u>

Actuarial valuation date for above is December 31, 2017.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	26 years
Asset Valuation Method:	Gains and losses recognized over a five year period
Actuarial Assumptions:	
Interest Rate (current and prior)	7.50%
Wage Growth	3.50%
Price Inflation	2.75%

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CONTRIBUTIONS

SLEP

APRIL 30, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 11,494	\$ 10,874	\$ 10,182
Contributions in relation to actuarial determined contribution	<u>11,494</u>	<u>10,874</u>	<u>10,182</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee Payroll	<u>108,432</u>	<u>104,558</u>	<u>100,807</u>
Contributions as a percentage of covered-employee payroll	<u>10.60%</u>	<u>10.40%</u>	<u>10.10%</u>

Actuarial valuation date for above is December 31, 2017.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	26 years
Asset Valuation Method:	Gains and losses recognized over a five year period
Actuarial Assumptions:	
Interest Rate (current and prior)	7.50%
Wage Growth	3.50%
Price Inflation	2.75%

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

APRIL 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	5.59%	8.49%	-1.64%	3.71%

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
FIRE PENSION FUND

APRIL 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	5.69%	8.41%	-1.68%	4.03%

CITY OF EDWARDSVILLE, ILLINOIS

**SCHEDULE OF RETIREMENT MEDICAL PLAN
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
APRIL 30, 2018**

	Fiscal Year Valuation					
	2018	2017	2016	2015	2014	2013
Actuarial Value of Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actuarial Accrued Liability (AAL)	1,959,665	1,902,553	1,845,441	1,692,672	1,507,442	1,372,644
Unfunded AAL (UAAL)	1,959,665	1,902,553	1,845,441	1,692,672	1,507,442	1,372,644
Funded Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	10,334,042	10,334,042	10,334,042	10,334,042	9,472,909	9,472,909
UAAL as a % of Covered Payroll	18.96%	18.41%	17.86%	16.38%	15.91%	14.49%
Employer Contributions:						
Required	255,259	234,873	234,873	184,795	184,795	220,866
Made	37,121	37,110	37,110	27,904	27,904	23,412
Percentage of Employer Contributions						
Made to Required Contribution	14.54%	15.80%	15.80%	15.10%	15.10%	10.60%

The City had a bi-annual actuarial valuation performed for fiscal years 2017 and 2018.

The actuarial valuations presented are prepared using the following parameters:

Funding Method: Projected Unit Credit Funding Method

Remaining Amortization Period: 30 Years

Actuarial Assumptions:

Interest Rate 4.00%

Assumed Retirement Age Age 58 and 10 Years of Service

Mortality Rates RP 2014 Healthy Employee Table for Males, with a 4 Year Setback for Females

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2018

Special Revenue Funds

	TIF #2	TIF #4	MFT	ESDA	Street and Bridge	Liability Insurance	Tourism Promotion	Parks and Playgrounds	Municipal Band	Retirement
<u>Assets</u>										
Cash and Equivalents	\$ -	\$ 628,441	\$ 89,760	\$ 20,501	\$ 65,283	\$ 4,961	\$ 159,169	\$ -	\$ 87,081	\$ 373
Investments	-	145,781	989,824	2,202	33,981	34,418	4,982	19,456	20,865	18,012
Receivables:										
Accounts Receivable	-	-	-	-	-	-	11,884	-	-	-
Property Tax	1,078,200	92,300	-	6,600	849,700	488,700	-	779,000	93,400	733,800
Interest	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	60,965	-	-	-	-	-	-	-
Due From Other Funds	-	296,259	19,756	-	-	-	11,606	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	16,261	127	-
Total Assets	\$ 1,078,200	\$ 1,162,781	\$ 1,160,305	\$ 29,303	\$ 948,964	\$ 528,079	\$ 187,641	\$ 814,717	\$ 201,473	\$ 752,185
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>										
<u>Liabilities:</u>										
Accounts Payable	\$ 5,057	\$ -	\$ 7,073	\$ -	\$ -	\$ -	\$ -	\$ 52,223	\$ -	\$ -
Accrued Wages	-	-	-	-	-	-	-	13,298	-	-
Due to Other Funds	296,259	-	-	-	-	-	-	37,856	-	-
Total Liabilities	301,316	-	7,073	-	-	-	-	103,377	-	-
Deferred Inflows of Resources:										
Deferred Revenue	1,078,200	92,300	-	6,600	849,700	488,700	-	838,185	93,400	733,800
Fund Balance:										
Nonspendable	-	-	-	-	-	-	-	16,261	127	-
Restricted	-	1,070,481	1,153,232	22,703	99,264	39,379	-	-	107,946	18,385
Committed	-	-	-	-	-	-	187,641	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(301,316)	-	-	-	-	-	-	(143,106)	-	-
Total Fund Balance (Deficit)	(301,316)	1,070,481	1,153,232	22,703	99,264	39,379	187,641	(126,845)	108,073	18,385
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,078,200	\$ 1,162,781	\$ 1,160,305	\$ 29,303	\$ 948,964	\$ 528,079	\$ 187,641	\$ 814,717	\$ 201,473	\$ 752,185

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2018

Special Revenue Funds										
	Social Security	Capital Improvement	Community Redevelopment	Incremental Sales Tax	Wildley Theatre	SIUE Public Safety	Capital Equipment	Parks Improvement	Total	
Assets										
Cash and Equivalents	\$ -	\$ 643,641	\$ 1,295	\$ 31,733	\$ 135,899	\$ -	\$ 980,078	\$ 606,996	\$ 3,455,211	
Investments	-	43,485	62,498	404	-	-	17,729	521,440	1,915,077	
Receivables:										
Accounts Receivable	-	109,717	16,270	-	-	311,000	-	16,411	465,282	
Property Tax	580,600	-	-	-	-	-	-	-	4,702,300	
Intergovernmental	-	196,972	73,152	157,335	-	-	-	-	488,424	
Due From Other Funds	-	-	-	-	-	-	-	-	327,621	
Prepaid Expenses	-	-	175,209	-	9,014	-	-	-	200,611	
Total Assets	\$ 580,600	\$ 993,815	\$ 328,424	\$ 189,472	\$ 144,913	\$ 311,000	\$ 997,807	\$ 1,144,847	\$ 11,554,526	
Liabilities, Deferred Inflows of Resources, and Fund Balance										
Liabilities:										
Accounts Payable	\$ -	\$ 29,739	\$ -	\$ -	\$ 2,623	\$ -	\$ -	\$ 249,514	\$ 346,229	
Accrued Wages	-	-	-	-	5,230	-	-	-	18,528	
Due to Other Funds	37,261	-	11,606	-	-	-	-	-	382,982	
Total Liabilities	37,261	29,739	11,606	-	7,853	-	-	249,514	747,739	
Deferred Inflows of Resources:										
Deferred Revenue	580,600	84,000	23,693	49,961	-	-	-	-	4,919,139	
Fund Balance:										
Nonspendable	-	-	175,209	-	9,014	-	-	-	200,611	
Restricted	-	-	-	139,511	-	-	-	-	2,650,901	
Committed	-	880,076	117,916	-	128,046	311,000	997,807	-	2,622,486	
Assigned	-	-	-	-	-	-	-	895,333	895,333	
Unassigned	(37,261)	-	-	-	-	-	-	-	(481,683)	
Total Fund Balance (Deficit)	(37,261)	880,076	293,125	139,511	137,060	311,000	997,807	895,333	5,887,648	
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 580,600	\$ 993,815	\$ 328,424	\$ 189,472	\$ 144,913	\$ 311,000	\$ 997,807	\$ 1,144,847	\$ 11,554,526	

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2018

	Permanent Funds					Total Nonmajor Governmental Funds
	Debt Service Fund	Capital Project Fund	Municipal Facilities	Police Department Endowment	Mobile Intensive Care	
Assets						
Cash and Equivalents	\$ -	\$ -	\$ 8,577	\$ 7,295	\$ 15,872	\$ 3,471,083
Investments	-	-	69,811	285,140	354,951	2,270,028
Receivables:						
Accounts Receivable	-	-	-	-	-	465,282
Property Tax	-	-	-	-	-	4,702,300
Intergovernmental	-	-	-	-	-	488,424
Due From Other Funds	-	-	-	-	-	327,621
Prepaid Expenses	-	-	-	-	-	200,611
Total Assets	\$ -	\$ -	\$ 78,388	\$ 292,435	\$ 370,823	\$ 11,925,349
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346,229
Accrued Wages	-	-	-	-	-	18,528
Due to Other Funds	-	-	-	9,700	9,700	392,682
Total Liabilities	-	-	-	9,700	9,700	757,439
Deferred Inflows of Resources:						
Deferred Revenue	-	-	-	-	-	4,919,139
Fund Balance:						
Nonspendable	-	-	-	233,519	233,519	434,130
Restricted	-	-	78,388	49,216	127,604	2,778,505
Committed	-	-	-	-	-	2,622,486
Assigned	-	-	-	-	-	895,333
Unassigned	-	-	-	-	-	(481,683)
Total Fund Balance (Deficit)	-	-	78,388	282,735	361,123	6,248,771
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ -	\$ -	\$ 78,388	\$ 292,435	\$ 370,823	\$ 11,925,349

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2018

Special Revenue Funds

	TIF #2	TIF #4	Grants	MFT	ESDA	Street and Bridge	Liability Insurance	Tourism Promotion	Parks and Playgrounds	Municipal Band	Retirement
Revenues:											
Property Tax	\$ 815,722	\$ 72,235	\$ -	\$ -	\$ 6,306	\$ 768,680	\$ 467,248	\$ -	\$ 704,740	\$ 93,446	\$ 719,493
Telecommunication Tax	-	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-	-	-
State Allotments	-	-	-	710,523	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-	-
Other Local Taxes	-	-	-	-	-	-	-	137,748	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	220,272	-	-
Investment Earnings	(1,503)	14,016	-	14,750	332	1,928	2,132	2,358	1,466	1,849	1,169
Miscellaneous	-	-	-	-	-	-	-	-	27,875	200	-
Total Revenues	814,219	86,251	-	725,273	6,638	770,608	469,380	140,106	954,353	95,495	720,662
Expenditures:											
General Government	-	-	-	-	-	-	-	51,761	-	-	582,526
Highways and Streets	292,986	12,430	-	131,648	-	9,496	-	-	-	-	-
Public Safety	-	-	-	-	3,448	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-	1,105,629	86,182	-
Capital Outlay	388,237	17,505	-	329,866	-	713,320	-	-	128,111	-	-
Debt Service:											
Principal	-	140,000	-	-	-	-	-	-	-	-	-
Interest and Charges	-	66,773	-	-	-	-	-	-	-	-	-
Total Expenditures	681,223	236,708	-	461,514	3,448	722,816	-	51,761	1,233,740	86,182	582,526
Excess (Deficiency) of Revenues Over Expenditures	132,996	(150,457)	-	263,759	3,190	47,792	469,380	88,345	(279,387)	9,313	138,136
Other Financing Sources (Uses):											
Transfers In (Out)	(520,000)	520,000	-	(100,000)	-	-	(517,722)	(110,000)	169,392	158	(99,684)
Total Other Financing Sources (Uses)	(520,000)	520,000	-	(100,000)	-	-	(517,722)	(110,000)	169,392	158	(99,684)
Net Change in Fund Balances	(387,004)	369,543	-	163,759	3,190	47,792	(48,342)	(21,655)	(109,995)	9,471	38,452
Fund Balance, (Deficit) Beginning of Year	85,688	700,938	-	989,473	19,513	51,472	87,721	209,296	(16,850)	98,602	(20,067)
Fund Balance (Deficit), End of Year	\$ (301,316)	\$ 1,070,481	\$ -	\$ 1,153,232	\$ 22,703	\$ 99,264	\$ 39,379	\$ 187,641	\$ (126,845)	\$ 108,073	\$ 18,385

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2018

Special Revenue Funds									
	Social Security	Capital Improvement	Community Redevelopment	Incremental Sales Tax	Wildley Theatre	SIUE Public Safety	Capital Equipment	Parks Improvement	Total
Revenues:									
Property Tax	\$ 565,620	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,213,490
Telecommunication Tax	-	-	305,911	-	-	-	-	-	305,911
Sales Tax	-	1,072,506	-	49,665	-	-	-	-	1,122,171
State Allotments	-	-	-	-	-	-	-	-	710,523
Grants	-	-	-	-	-	-	-	500,000	500,000
Other Local Taxes	-	1,289,976	191,002	-	-	-	-	206,156	1,824,882
Charges for Services	-	-	-	-	934,762	466,500	-	10,125	1,631,659
Investment Earnings	519	7,060	2,849	417	1,548	7,103	12,913	11,732	82,638
Miscellaneous	-	-	-	-	5,866	-	-	122,897	156,838
Total Revenues	566,139	2,369,542	499,762	50,082	942,176	473,603	12,913	850,910	10,548,112
Expenditures:									
General Government	500,143	-	58,084	-	-	-	-	-	1,192,514
Highways and Streets	-	5,095	-	-	-	-	-	-	451,655
Public Safety	-	-	-	-	-	-	-	-	3,448
Culture and Recreation	-	-	-	-	855,068	-	-	258,032	2,304,911
Capital Outlay	-	1,665,317	116,836	-	-	-	-	1,566,660	4,925,852
Debt Service:									
Principal	-	296,940	-	-	-	-	-	80,441	517,381
Interest and Charges	-	120,182	-	-	-	-	-	44,249	231,204
Total Expenditures	500,143	2,087,534	174,920	-	855,068	-	-	1,949,382	9,626,965
Excess (Deficiency) of Revenues Over Expenditures	65,996	282,008	324,842	50,082	87,108	473,603	12,913	(1,098,472)	921,147
Other Financing Sources (Uses):									
Transfers In (Out)	(85,361)	-	(609,240)	-	-	(639,690)	300,000	420,000	(1,272,147)
Total Other Financing Sources (Uses)	(85,361)	-	(609,240)	-	-	(639,690)	300,000	420,000	(1,272,147)
Net Change in Fund Balances	(19,365)	282,008	(284,398)	50,082	87,108	(166,087)	312,913	(678,472)	(351,000)
Fund Balance, (Deficit) Beginning of Year	(17,896)	598,068	577,523	89,429	49,952	477,087	684,894	1,573,805	6,238,648
Fund Balance (Deficit), End of Year	\$ (37,261)	\$ 880,076	\$ 293,125	\$ 139,511	\$ 137,060	\$ 311,000	\$ 997,807	\$ 895,333	\$ 5,887,648

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2018

	Permanent Funds					Total
	Debt Service Fund	Capital Project Fund	Public Safety Facilities	Police Department Endowment	Mobile Intensive Care	
Revenues:						
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,213,490
Telecommunication Tax	-	-	-	-	-	305,911
Sales Tax	-	-	-	-	-	1,122,171
State Allotments	-	-	-	-	-	710,523
Grants	-	-	-	-	-	500,000
Other Local Taxes	-	-	-	-	-	1,824,882
Charges for Services	-	-	-	-	-	1,631,659
Investment Earnings	(15,909)	-	1,166	4,349	5,515	72,244
Miscellaneous	-	-	-	-	-	156,838
Total Revenues	(15,909)	-	1,166	4,349	5,515	10,537,718
Expenditures:						
General Government	-	-	-	-	-	1,192,514
Highways and Streets	-	-	-	-	-	451,655
Public Safety	-	-	-	-	-	3,448
Culture and Recreation	-	-	-	-	-	2,304,911
Capital Outlay	-	-	-	-	-	4,925,852
Debt Service:						
Principal	88,123	-	-	-	-	605,504
Interest and Charges	21,382	-	-	-	-	252,586
Total Expenditures	109,505	-	-	-	-	9,736,470
Excess (Deficiency) of Revenues Over Expenditures	(125,414)	-	1,166	4,349	5,515	801,248
Other Financing Sources (Uses):						
Transfers In (Out)	1,176,810	-	-	-	-	(95,337)
Total Other Financing Sources (Uses)	1,176,810	-	-	-	-	(95,337)
Net Change in Fund Balances	1,051,396	-	1,166	4,349	5,515	705,911
Fund Balance, (Deficit) Beginning of Year	(1,051,396)	-	77,222	278,386	355,608	5,542,860
Fund Balance (Deficit), End of Year	\$ -	\$ -	\$ 78,388	\$ 282,735	\$ 361,123	\$ 6,248,771

CITY OF EDWARDSVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FOR THE YEAR ENDED APRIL 30, 2018

	<u>Budget</u>	<u>Actual</u>
General Government:		
Legislative and Executive:		
Personal Services	\$ 256,735	\$ 254,040
Supplies	14,725	12,520
SIUE Destination	8,000	8,205
Contractual Services	<u>30,005</u>	<u>20,607</u>
Total Legislative and Executive	<u>309,465</u>	<u>295,372</u>
Legal and Judicial:		
Personal Services	200,712	200,318
Supplies	425	1,153
Contractual Services	<u>52,190</u>	<u>51,824</u>
Total Legal and Judicial	<u>253,327</u>	<u>253,295</u>
City Clerk/Collector:		
Personal Services	516,597	521,273
Supplies	82,900	77,505
Contractual Services	<u>164,177</u>	<u>157,624</u>
Total City Clerk	<u>763,674</u>	<u>756,402</u>
City Treasurer:		
Personal Services	16,200	16,201
Contractual Services	<u>21,174</u>	<u>24,249</u>
Total City Treasurer	<u>37,374</u>	<u>40,450</u>
Human Resources:		
Personal Services	380,983	368,852
Supplies	1,950	2,137
Contractual Services	<u>187,174</u>	<u>119,116</u>
Total Human Resources	<u>570,107</u>	<u>490,105</u>
Economic Development		
Personal Services	87,873	87,417
Supplies	22,700	6,942
Contractual Services	<u>227,550</u>	<u>20,533</u>
Total Planning and Zoning	<u>338,123</u>	<u>114,892</u>

CITY OF EDWARDSVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2018

	<u>Budget</u>	<u>Actual</u>
General Government: (Continued)		
Public Grounds and Buildings:		
Personal Services	\$ 89,608	\$ 118,295
Supplies	28,700	30,064
Contractual Services	541,500	504,118
Total Public Grounds and Buildings	<u>659,808</u>	<u>652,477</u>
Contingency:		
Capital Outlay	<u>606,742</u>	<u>495,347</u>
Total Contingency	<u>606,742</u>	<u>495,347</u>
Total General Government	<u>3,538,620</u>	<u>3,098,340</u>
Public Safety:		
Police and Fire Commission:		
Supplies	50	-
Contractual Services	<u>6,125</u>	<u>375</u>
Total Police and Fire Commission	<u>6,175</u>	<u>375</u>
Police Department:		
Personal Services	5,512,832	5,383,595
Supplies	202,370	163,144
Contractual Services	<u>242,290</u>	<u>177,720</u>
Total Police Department	<u>5,957,492</u>	<u>5,724,459</u>
Fire Department:		
Personal Services	3,469,068	3,443,737
Supplies	89,200	100,239
Contractual Services	<u>150,719</u>	<u>212,427</u>
Total Fire Department	<u>3,708,987</u>	<u>3,756,403</u>
Total Public Safety	<u>9,672,654</u>	<u>9,481,237</u>

CITY OF EDWARDSVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2018

	<u>Budget</u>	<u>Actual</u>
Highways and Streets:		
Personal Services	\$ 927,148	\$ 946,048
Supplies	60,550	49,061
Contractual Services	<u>874,772</u>	<u>1,374,401</u>
Total Highways and Streets	<u>1,862,470</u>	<u>2,369,510</u>
Public Works:		
Personal Services	1,484,841	1,382,801
Supplies	27,600	21,549
Contractual Services	<u>130,671</u>	<u>186,326</u>
Total Public Works	<u>1,643,112</u>	<u>1,590,676</u>
Culture and Recreation:		
Cable TV Commission:		
Personal Services	126,315	121,772
Supplies	15,410	3,995
Contractual Services	<u>17,430</u>	<u>3,815</u>
Total Cable TV Commission	<u>159,155</u>	<u>129,582</u>
Historic Preservation:		
Contractual Services	<u>1,715</u>	<u>3,201</u>
Total Historic Preservation	<u>1,715</u>	<u>3,201</u>
Culture and Recreation: (Continued)		
Beautification Committee		
Personal Services	\$ 4,150	\$ 4,162
Supplies	18,875	25,004
Contractual Services	<u>25,800</u>	<u>20,058</u>
Total Beautification Committee	<u>48,825</u>	<u>49,224</u>
Total Culture and Recreation	<u>209,695</u>	<u>182,007</u>
Total Expenditures	<u>\$ 16,926,551</u>	<u>\$ 16,721,770</u>

CITY OF EDWARDSVILLE, ILLINOIS

TAX RATES AND EXTENSIONS
APRIL 30, 2018

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Assessed Value	\$ 566,836,688	\$ 576,106,306	\$ 577,603,490	\$ 575,555,655	\$ 581,554,858	\$ 588,365,147	\$ 610,879,864	\$ 645,285,954	\$ 703,566,792	\$ 736,756,700
Tax Increment Financing -										
District #1	\$ 8,687,360	\$ 7,592,930	\$ 7,080,350	\$ 6,816,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District #2	\$ 6,606,340	\$ 7,188,660	\$ 7,266,990	\$ 8,856,750	\$ 9,987,420	\$ 10,207,860	\$ 10,233,470	\$ 10,621,840	\$ 11,683,390	\$ 14,426,890
North Gateway Commerce Center	\$ 25,176,690	\$ 22,624,950	\$ 22,301,080	\$ 20,708,960	\$ 20,100,450	\$ 19,733,280	\$ 19,108,500	\$ 19,141,580	\$ 18,809,670	\$ 18,813,380
North Main Street	\$ 594,740	\$ 679,330	\$ 622,360	\$ 556,580	\$ 502,680	\$ 484,240	\$ 499,260	\$ 701,450	\$ 1,043,540	\$ 1,234,800
Special Service Area -										
Edwardsville	\$ 2,217,700	\$ 2,021,020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Madison Avenue	\$ 12,473,460	\$ 11,449,120	\$ 11,195,780	\$ 10,875,510	\$ 10,897,710	\$ 10,547,170	\$ 10,375,130	\$ 10,583,050	\$ 10,873,690	\$ 11,149,550
St. Louis Street	\$ -	\$ -	\$ -	\$ 6,868,730	\$ 6,603,910	\$ 6,439,840	\$ 6,553,020	\$ 6,583,540	\$ 7,087,200	\$ 7,323,110
Rates:										
General	\$ 0.2500	\$ 0.2510	\$ 0.2503	\$ 0.2458	\$ 0.2584	\$ 0.2555	\$ 0.2473	\$ 0.2342	\$ 0.2148	\$ 0.2052
ESDA	0.0012	0.0011	0.0011	0.0011	0.0011	0.0011	0.0010	0.0010	0.0009	0.0009
Garbage	0.0990	0.0955	0.0918	0.1009	0.0999	0.0988	0.0952	0.0685	0.0458	0.0404
Parks and Playgrounds	0.0862	0.0849	0.0857	0.0861	0.0855	0.0844	0.0895	0.0942	0.0971	0.1023
Library	0.1976	0.1979	0.2028	0.2035	0.2064	0.2064	0.2038	0.1971	0.1843	0.1800
School Crossing Guard	0.0094	0.0095	0.0093	0.0094	0.0094	0.0095	0.0090	0.0086	0.0079	0.0076
Public Comfort Station	0.0163	-	0.0035	0.0036	0.0036	0.0036	0.0035	0.0034	0.0032	0.0045
Band	0.0242	0.0238	0.0203	0.0204	0.0202	0.0158	0.0153	0.0145	0.0133	0.0128
Fire Protection	0.1500	0.1563	0.1605	0.1611	0.1595	0.1577	0.1550	0.1933	0.1773	0.1694
Fire Pension	0.0623	0.0651	0.0715	0.0790	0.0817	0.1086	0.1107	0.1103	0.1062	0.1076
Police Protection	0.0750	0.0809	0.0877	0.0881	0.0872	0.0862	0.0847	0.0802	0.0736	0.0798
Police Pension	0.0936	0.1078	0.1183	0.1251	0.1239	0.1401	0.1441	0.1419	0.1355	0.1372
IMRF	0.0847	0.0912	0.0883	0.0939	0.0930	0.0920	0.0998	0.1038	0.1024	0.1006
Bond and Interest	0.0175	0.0175	0.0176	-	-	-	-	-	-	-
Social Security	0.0776	0.0738	0.0736	0.0739	0.0758	0.0809	0.0811	0.0838	0.0805	0.0796
Street and Bridge	0.0836	0.0964	0.0961	0.1052	0.1042	0.1030	0.0993	0.0941	0.1094	0.1165
Liability Insurance	0.0551	0.0618	0.0632	0.0722	0.0792	0.0940	0.0977	0.0724	0.0665	0.0670
	\$ 1.3833	\$ 1.4143	\$ 1.4416	\$ 1.4693	\$ 1.4829	\$ 1.5374	\$ 1.5370	\$ 1.5013	\$ 1.4187	\$ 1.4114
Tax Increment Financing -										
District #1	\$ 6.6819	\$ 6.7782	\$ 6.9105	\$ 6.9312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District #2	\$ 6.6819	\$ 6.7782	\$ 6.9105	\$ 6.9312	\$ 7.0689	\$ 7.2455	\$ 7.2364	\$ 7.2947	\$ 6.9818	\$ 7.5488
North Gateway Commerce Center	\$ 7.2283	\$ 7.3074	\$ 7.4596	\$ 7.7192	\$ 7.8831	\$ 8.0642	\$ 8.0649	\$ 8.1106	\$ 7.8032	\$ 8.3694
North Main Street	\$ 6.6819	\$ 6.7782	\$ 6.9106	\$ 6.9312	\$ 7.0690	\$ 7.2455	\$ 7.2364	\$ 7.2947	\$ 6.9818	\$ 7.5488
Special Service Area -										
Edwardsville	\$ 0.2481	\$ 0.2722	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Madison Avenue	\$ 0.2670	\$ 0.2872	\$ 0.2982	\$ 0.3016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St. Louis Street	\$ -	\$ -	\$ -	\$ 0.4926	\$ -	\$ 0.5442	\$ 0.5415	\$ 0.5449	\$ 0.4973	\$ 0.4862

CITY OF EDWARDSVILLE, ILLINOIS

TAX RATES AND EXTENSIONS
APRIL 30, 2018

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Extensions:										
General	\$ 1,417,092	\$ 1,446,027	\$ 1,445,742	\$ 1,414,711	\$ 1,502,738	\$ 1,503,273	\$ 1,510,706	\$ 1,511,260	\$ 1,511,262	\$ 1,511,825
ESDA	6,802	6,337	6,354	6,331	6,397	6,472	6,109	6,453	6,332	6,631
Garbage	561,168	550,182	530,240	580,734	580,973	581,305	581,538	442,021	322,234	297,650
Parks and Playgrounds	488,613	489,114	495,006	495,552	496,066	496,580	546,737	607,859	683,163	753,702
Library	1,120,069	1,140,114	1,171,380	1,171,252	1,166,017	1,214,386	1,244,973	1,271,859	1,296,674	1,326,162
School Crossing Guard	53,283	53,578	53,717	54,102	54,666	54,718	54,979	55,495	55,582	55,994
Public Comfort Station	92,394	-	20,216	20,720	20,936	21,181	21,381	21,940	22,514	33,154
Band	137,175	137,113	117,254	117,413	117,474	92,962	93,465	93,566	93,574	94,305
Fire Protection	850,255	900,454	927,054	927,217	927,580	927,852	946,864	1,247,338	1,247,424	1,248,066
Fire Pension	353,139	375,045	412,986	454,687	475,130	638,964	676,244	711,750	747,188	792,750
Police Protection	425,128	466,070	506,558	507,063	507,116	507,171	517,415	517,519	517,825	587,932
Police Pension	530,559	621,043	683,305	720,017	720,547	824,300	880,278	915,661	953,333	1,010,830
IMRF	480,111	525,409	510,024	540,445	540,846	541,296	609,658	669,807	720,452	741,177
Bond and Interest	99,196	100,819	101,658	-	-	-	-	-	-	-
Social Security	439,865	425,166	425,116	425,334	440,819	475,987	495,423	540,750	566,371	586,458
Street and Bridge	473,876	555,366	555,077	605,482	605,980	606,016	606,604	607,214	769,702	858,321
Liability Insurance	312,327	356,034	363,045	415,550	460,591	553,063	596,829	467,187	467,872	493,627
	\$ 7,841,052	\$ 8,147,871	\$ 8,326,732	\$ 8,456,610	\$ 8,623,876	\$ 9,045,526	\$ 9,389,223	\$ 9,687,679	\$ 9,981,502	\$ 10,398,584
Tax Increment Financing -										
District #1	\$ 580,472	\$ 514,664	\$ 489,288	\$ 472,491	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District #2	\$ 441,423	\$ 487,263	\$ 502,186	\$ 613,880	\$ 642,381	\$ 739,611	\$ 740,536	\$ 774,832	\$ 815,723	\$ 1,089,057
North Gateway Commerce Center	\$ 1,819,827	\$ 1,653,297	\$ 1,663,562	\$ 1,597,324	\$ 1,584,339	\$ 1,591,331	\$ 1,541,081	\$ 1,552,497	\$ 1,467,756	\$ 1,574,586
North Main Street	\$ 39,740	\$ 46,047	\$ 43,009	\$ 38,578	\$ 35,534	\$ 35,086	\$ 36,129	\$ 51,169	\$ 72,859	\$ 93,213
Special Service Area -										
Edwardsville	\$ 5,502	\$ 5,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Madison Avenue	\$ 33,304	\$ 32,882	\$ 33,386	\$ 32,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St. Louis Street	\$ -	\$ -	\$ -	\$ 33,835	\$ -	\$ 35,046	\$ 35,485	\$ 35,880	\$ 35,245	\$ 35,605



C. J. SCHLOSSER
& COMPANY, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

David M. Bartosiak
Cindy A. Tefteller
Kevin J. Tepen

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH TAX INCREMENT FINANCING ACT**

To the Mayor and City Council
City of Edwardsville, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the of the City of Edwardsville, Illinois as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Other Matters

The management of the City of Edwardsville, Illinois is responsible for the government's compliance with laws and regulations. In connection with our audit, referred to above, we selected and tested transactions and records to determine the government's compliance with 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

The results of our tests indicate that for the items tested, the City of Edwardsville, Illinois, complied with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act". Nothing came to our attention that caused us to believe that, for the items not tested, the City of Edwardsville, Illinois was not in compliance with Subsection (q) of 65 ILCS 5/11-74.4-3, "Tax Increment Allocation Redevelopment Act".

C. J. Schlem / Cjg LLC

Certified Public Accountants

January 24, 2019