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

**CITY OF EDWARDSVILLE, ILLINOIS**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

APRIL 30, 2015

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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, 2015, 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, 2015, 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 58 to 59) and schedules of pension funding progress and related information (pages 60 to 67) 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. Schloman & Co. LLC*  
Certified Public Accountants  
Alton, Illinois

September 8, 2015

**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, 2015. 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. 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 \$63,315 (net position). Of this amount, \$5,671 (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 \$42,547.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,250 or 57% 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 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 and the TIF #3 fund, both 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 25-57 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 58-67 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 68-73 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 \$67,315 at the close of the 2015 fiscal year.

Of this net position, \$5,671 or 8.42% are unrestricted and available to the City to meet future needs of citizens and creditors. The other major component is reflected in the City's investment in capital assets \$55,954 or 83.12% (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	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 17,139	\$ 16,179	\$ (60)	\$ 176	\$ 17,079	\$ 16,355
Capital assets	41,321	39,770	36,741	37,612	78,062	77,382
Total assets	<u>\$ 58,460</u>	<u>\$ 55,949</u>	<u>\$ 36,681</u>	<u>\$ 37,788</u>	<u>\$ 95,141</u>	<u>\$ 93,737</u>
Long-term liabilities	\$ 15,321	\$ 15,966	\$ 11,179	\$ 12,205	\$ 26,500	\$ 28,171
Other liabilities	592	815	734	1,033	1,326	1,848
Total liabilities	<u>\$ 15,913</u>	<u>\$ 16,781</u>	<u>\$ 11,913</u>	<u>\$ 13,238</u>	<u>\$ 27,826</u>	<u>\$ 30,019</u>
Invested in capital assets, net of related debt	\$ 29,994	\$ 27,356	\$ 25,960	\$ 25,794	\$ 55,954	\$ 53,150
Restricted	4,797	5,192	892	893	5,689	6,085
Unrestricted	7,756	6,620	(2,084)	(2,137)	5,672	4,483
Total net position	<u>\$ 42,547</u>	<u>\$ 39,168</u>	<u>\$ 24,768</u>	<u>\$ 24,550</u>	<u>\$ 67,315</u>	<u>\$ 63,718</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 assets by \$3,379 as shown in the schedule below, and business-type activities reported an increase of \$218.

**CITY OF EDWARDSVILLE'S CHANGES IN NET POSITION**

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Program revenues:						
Charges for services	\$ 3,580	\$ 2,742	\$ 8,544	\$ 8,867	\$ 12,124	\$ 11,609
Operating grants and contributions	414	195	-	-	414	195
Capital grants and contributions	594	1,204	-	-	594	1,204
General revenues:						
Property taxes	8,228	7,918	600	576	8,828	8,494
Other taxes	12,601	11,252	-	-	12,601	11,252
Other	326	56	118	(8)	444	48
Total revenues	<u>\$ 25,743</u>	<u>\$ 23,367</u>	<u>\$ 9,262</u>	<u>\$ 9,435</u>	<u>\$ 35,005</u>	<u>\$ 32,802</u>

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

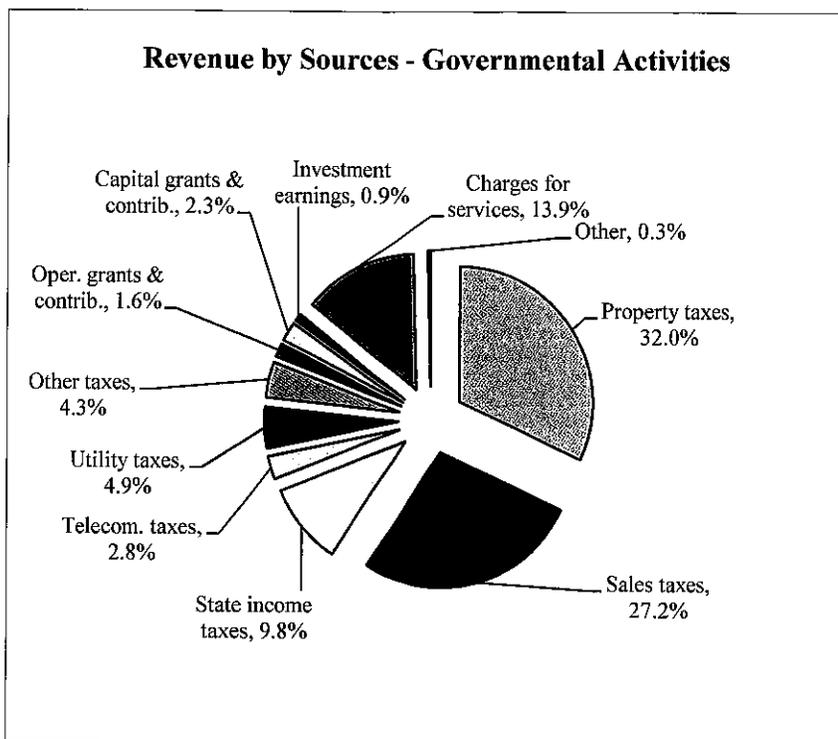
CITY OF EDWARDSVILLE'S CHANGES IN NET POSITION

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Expenses:						
General government	\$ 4,791	\$ 4,731	\$ -	\$ -	\$ 4,791	\$ 4,731
Public safety	8,813	8,523	-	-	8,813	8,523
Highways and streets	4,609	4,772	-	-	4,609	4,772
Public works	1,297	1,054	-	-	1,297	1,054
Culture and recreation	2,419	2,196	-	-	2,419	2,196
Interest on long-term debt	489	543	-	-	489	543
Water	-	-	4,283	4,111	4,283	4,111
Sewer	-	-	3,015	2,979	3,015	2,979
Garbage	-	-	1,692	1,676	1,692	1,676
Total expenses	<u>22,418</u>	<u>21,819</u>	<u>8,990</u>	<u>8,766</u>	<u>31,408</u>	<u>30,585</u>
Increase (decrease) in net position before transfers	3,325	1,548	272	669	3,597	2,217
Transfers	<u>54</u>	<u>57</u>	<u>(54)</u>	<u>(57)</u>	<u>-</u>	<u>-</u>
Change in net position	3,379	1,605	218	612	3,597	2,217
Net position, beg of year	<u>39,168</u>	<u>37,563</u>	<u>24,550</u>	<u>23,938</u>	<u>63,718</u>	<u>61,501</u>
Net position, end of year	<u>\$ 42,547</u>	<u>\$ 39,168</u>	<u>\$ 24,768</u>	<u>\$ 24,550</u>	<u>\$ 67,315</u>	<u>\$ 63,718</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 seen an annual average growth of 14.115 in sales taxes revenue since 1996 primarily due to the population and related retail growth experienced by the City during this time which resulted in an increase of approximately \$1,109 over the prior year. In addition, the City has experienced an annual average increase in assessed valuation of 5.76% during the past 10 years thereby increasing property tax revenue while the City's combined tax rate has fallen from \$1.3373 per \$100 of assessed valuation in 2004 to \$1.3332 in 2014.

Property taxes reported an increase of \$334 as the assessed valuation increased from \$558 million in 2013 to \$610 million in 2014. The City reported a \$1,349 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.

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



**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 2015, the City of Edwardsville's governmental funds reported combined ending fund balances of \$14,928. Approximately \$8,264 or 55% 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 \$8,250 which represents 96% 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 56.3% of total general fund expenditures. The City's general fund balance increased \$478 during the current year which primarily resulted from increased sales and use tax.

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 2015.

**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, 2015 and 2014 amounted to \$78,064 and \$77,382 (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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 2,891	\$ 2,232	\$ 294	\$ 294	\$ 3,185	\$ 2,526
Land improvements	602	588	-	-	602	588
Buildings and systems	4,253	4,881	35,873	36,878	40,126	41,759
Equipment	742	747	274	207	1,016	954
Vehicles	775	501	300	233	1,075	734
Infrastructure	<u>32,060</u>	<u>30,821</u>	-	-	<u>32,060</u>	<u>30,821</u>
Total	<u>\$ 41,323</u>	<u>\$ 39,770</u>	<u>\$ 36,741</u>	<u>\$ 37,612</u>	<u>\$ 78,064</u>	<u>\$ 77,382</u>

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

- Continued additions to the City's infrastructure including Grand Avenue and North Main Street.

Additional information on the City of Edwardsville's capital assets can be found in Note 7 on pages 39-40 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 \$17,937. This amount comprises debt backed by the full faith and credit of the City. The balance of \$4,254 represents low interest loans from other governmental agencies.

**CITY OF EDWARDSVILLE'S OUTSTANDING DEBT**

	Governmental activities		Business-type activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General obligation bonds	\$ 10,741	\$ 12,423	\$ 7,196	\$ 7,637	\$ 17,937	\$ 20,060
Loans and capital leases	<u>600</u>	<u>4</u>	<u>3,654</u>	<u>4,224</u>	<u>4,254</u>	<u>4,228</u>
Total revenues	<u>\$ 11,341</u>	<u>\$ 12,427</u>	<u>\$ 10,850</u>	<u>\$ 11,861</u>	<u>\$ 22,191</u>	<u>\$ 24,288</u>

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 8 on pages 41-43 of this report.

**Economic Factors and Net Year's Budgets and Rates**

The unemployment rate for the County was 5.0% compared to the State of Illinois and St. Louis metropolitan area, which Edwardsville is considered part of, unemployment rates of 5.0%. 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 .15 increase per 1,000 gallons, effective May 1 of each year. Trash service increased \$1.47 per month in August 1, 2015.

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, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b><u>Assets</u></b>				
Cash and Cash Equivalents	\$ 6,814,635	\$ (3,717,164)	\$ 3,097,471	\$ 350,094
Investments	6,317,697	854,244	7,171,941	246,668
Receivables (Net of allowance for uncollectibles):	3,311,713	1,582,668	4,894,381	-
Inventory	-	200,138	200,138	-
Prepaid Expenses	693,302	82,232	775,534	14,987
Restricted Assets:				
Cash and Cash Equivalents	-	262,450	262,450	-
Investments	-	675,169	675,169	-
Capital Assets:				
Land	2,890,905	294,193	3,185,098	-
Land Improvements	1,130,834	-	1,130,834	-
Buildings and Systems	9,928,336	59,288,109	69,216,445	4,750,067
Equipment	2,943,439	1,456,506	4,399,945	92,366
Vehicles	4,060,806	782,589	4,843,395	-
Infrastructure	82,992,731	-	82,992,731	-
Accumulated Depreciation	(62,624,138)	(25,080,297)	(87,704,435)	(4,658,489)
Total Assets	<u>\$ 58,460,260</u>	<u>\$ 36,680,837</u>	<u>\$ 95,141,097</u>	<u>\$ 795,693</u>
<b><u>Deferred Inflows of Resources</u></b>				
Deferred Revenue	\$ 155,196	\$ -	\$ 155,196	\$ -
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 193,285	\$ 542,226	\$ 735,511	\$ -
Accrued Salaries	153,568	13,200	166,768	9,339
Accrued Interest Payable	90,223	89,415	179,638	-
Customer Deposits	-	79,325	79,325	-
Noncurrent Liabilities:				
Due Within One Year	3,210,975	1,029,441	4,240,416	-
Due in More Than One Year	12,109,677	10,159,430	22,269,107	46,053
Total Liabilities	<u>15,757,728</u>	<u>11,913,037</u>	<u>27,670,765</u>	<u>55,392</u>
<b><u>Net Position</u></b>				
Invested in Capital Assets, Net of Related Debt	29,993,558	25,960,271	55,953,829	183,944
Restricted	4,797,280	892,710	5,689,990	-
Unrestricted	7,756,498	(2,085,181)	5,671,317	556,357
Total Net Position	<u>\$ 42,547,336</u>	<u>\$ 24,767,800</u>	<u>\$ 67,315,136</u>	<u>\$ 740,301</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, 2015

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit
					Governmental Activities	Business-type Activities	
<b>Functions/Programs</b>							
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 4,790,740	\$ 464,512	\$ -	\$ -	\$ (4,326,228)	\$ (4,326,228)	
Public Safety	8,812,745	1,514,597	70,679	-	(7,227,469)	(7,227,469)	
Highways and Streets	4,609,194	-	267,338	593,749	(3,748,107)	(3,748,107)	
Public Works	1,296,847	416,988	-	-	(879,859)	(879,859)	
Culture and Recreation	2,418,502	1,183,473	76,140	-	(1,158,889)	(1,158,889)	
Interest on Long-term Debt	489,285	-	-	-	(489,285)	(489,285)	
<b>Total Governmental Activities</b>	<u>22,417,313</u>	<u>3,579,570</u>	<u>414,157</u>	<u>593,749</u>	<u>(17,829,837)</u>	<u>(17,829,837)</u>	
<b>Business-type Activities:</b>							
Water	4,282,540	3,611,905	-	-	(670,635)	(670,635)	
Sewer	3,015,366	3,690,975	-	-	675,609	675,609	
Garbage	1,692,537	1,241,404	-	-	(451,133)	(451,133)	
<b>Total Business-type Activities</b>	<u>8,990,443</u>	<u>8,544,284</u>	<u>-</u>	<u>-</u>	<u>(446,159)</u>	<u>(446,159)</u>	
<b>Total Primary Government</b>	<u>\$ 31,407,756</u>	<u>\$ 12,123,854</u>	<u>\$ 414,157</u>	<u>\$ 593,749</u>	<u>(17,829,837)</u>	<u>(18,275,996)</u>	
<b>Component Unit:</b>							
Library	\$ 1,355,593	\$ 47,914	\$ 35,387	\$ -			\$ (1,272,292)
<b>Total Component Unit</b>	<u>\$ 1,355,593</u>	<u>\$ 47,914</u>	<u>\$ 35,387</u>	<u>\$ -</u>			<u>(1,272,292)</u>
<b>General Revenues:</b>							
Property Tax, Levied for General Purposes					8,227,638	8,227,584	1,208,176
Sales and Use Tax					7,002,222	7,002,222	-
Replacement Tax					213,950	213,950	19,179
State Income Tax					2,514,659	2,514,659	-
Motor Fuel Tax					602,944	602,944	-
Telecommunications Tax					717,541	717,541	-
Utility Tax					1,270,524	1,270,524	-
Motel Tax					63,291	63,291	-
Amusement Tax					215,306	215,306	-
Unrestricted Investment Earnings					237,515	355,952	9,319
Miscellaneous					89,659	89,659	2,222
Transfers					54,735	(54,735)	-
<b>Total General Revenues and Transfers</b>					<u>21,209,984</u>	<u>21,873,632</u>	<u>1,238,896</u>
Change in Net Position					<u>3,380,147</u>	<u>3,597,636</u>	<u>(33,390)</u>
Net Position - Beginning					<u>39,167,189</u>	<u>63,717,500</u>	<u>773,697</u>
Net Position - Ending					<u>\$ 42,547,336</u>	<u>\$ 24,767,800</u>	<u>\$ 740,301</u>

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

**CITY OF EDWARDSVILLE, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
APRIL 30, 2015

	General Fund	TIF #3 Fund	Other Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 5,613,751	\$ 1,486,554	\$ (547,773)	\$ 6,552,532
Investments	1,272,669	864,545	4,044,524	6,181,738
Receivables (Net, where applicable, of allowances for uncollectibles):				
Property Tax	2,999,600	1,525,700	3,715,400	8,240,700
Services	90,507	-	114,635	205,142
Intergovernmental	2,415,885	-	577,762	2,993,647
Interest	6,240	2,355	12,056	20,651
Other	92,273	-	-	92,273
Due From Other Funds	21,607	-	31,362	52,969
Prepaid Expenses	368,089	-	142,327	510,416
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 12,880,621</u>	<u>\$ 3,879,154</u>	<u>\$ 8,090,293</u>	<u>\$ 24,850,068</u>
 <u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts Payable	\$ 38,139	\$ -	\$ 151,991	\$ 190,130
Accrued Salaries and Compensated Absences	144,323	-	9,245	153,568
Due to Other Funds	19,756	-	28,925	48,681
Deferred Revenue	4,059,923	1,525,700	3,944,177	9,529,800
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>4,262,141</u>	<u>1,525,700</u>	<u>4,134,338</u>	<u>9,922,179</u>
 Fund Balance:				
Nonspendable	368,089	-	375,846	743,935
Restricted	-	2,353,454	2,443,826	4,797,280
Committed	-	-	1,122,508	1,122,508
Assigned	-	-	1,297,610	1,297,610
Unassigned	8,250,391	-	(1,283,835)	6,966,556
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balance	<u>8,618,480</u>	<u>2,353,454</u>	<u>3,955,955</u>	<u>14,927,889</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities and Fund Balance	<u>\$ 12,880,621</u>	<u>\$ 3,879,154</u>	<u>\$ 8,090,293</u>	<u>\$ 24,850,068</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, 2015

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 14,927,889
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	41,322,913
The amount of compensated absences is not recorded as a liability on the balance sheet of the governmental funds.	(1,987,648)
The amount of accrued retirement benefits is not recorded as a liability on the balance sheet of the governmental funds.	(942,800)
The amount of net pension obligation related to the police and fire pensions is not recorded as a liability on the balance sheet of the governmental funds.	(1,060,849)
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	(11,341,248)
Accrued interest payable on the long-term debt is not reported as a liability on the balance sheet of the governmental funds.	(90,223)
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.	1,133,904
Net effect of including internal service fund in governmental activities.	573,505
Debt issuance premiums and discounts are not reported as an asset to be amortized on the balance sheet of the governmental funds.	<u>11,893</u>
Net assets of governmental activities	<u>\$ 42,547,336</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, 2015

	<u>General Fund</u>	<u>TIF #3 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Property Tax	\$ 3,089,486	\$ 1,588,678	\$ 3,549,474	\$ 8,227,638
Intergovernmental:				
Sales and Use Tax	5,670,319	-	1,235,768	6,906,087
Replacement Tax	213,950	-	-	213,950
State Income Tax	2,404,458	-	-	2,404,458
Motor Fuel Tax	-	-	602,944	602,944
Telecommunications Tax	392,056	-	332,421	724,477
Grants	97,591	-	316,566	414,157
Other Local Taxes	111,683	-	1,437,438	1,549,121
Licenses, Fees and Permits	249,927	-	-	249,927
Charges for Services	1,905,760	-	1,048,287	2,954,047
Fines	273,879	-	-	273,879
Investment Earnings	134,618	48,686	47,808	231,112
Miscellaneous Revenues/Reimbursements	57,602	-	447,514	505,116
Total Revenues	<u>14,601,329</u>	<u>1,637,364</u>	<u>9,018,220</u>	<u>25,256,913</u>
<b>Expenditures:</b>				
Current:				
General Government	2,834,386	131,809	1,660,780	4,626,975
Public Safety	8,171,611	-	34,872	8,206,483
Highways and Streets	1,649,980	1,800	1,005,997	2,657,777
Public Works	1,256,960	-	-	1,256,960
Culture and Recreation	165,388	-	1,852,700	2,018,088
Debt Service:				
Principal	-	1,220,000	615,261	1,835,261
Interest/Fees	-	237,770	255,581	493,351
Capital Outlay	556,939	-	3,465,432	4,022,371
Total Expenditures	<u>14,635,264</u>	<u>1,591,379</u>	<u>8,890,623</u>	<u>25,117,266</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(33,935)</u>	<u>45,985</u>	<u>127,597</u>	<u>139,647</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In (Out)	511,980	(60,000)	(397,245)	54,735
Proceeds from Debt	-	-	750,000	750,000
Total Other Financing Sources (Uses)	<u>511,980</u>	<u>(60,000)</u>	<u>352,755</u>	<u>804,735</u>
Net Change in Fund Balances	478,045	(14,015)	480,352	944,382
Fund Balance, Beginning of Year	<u>8,140,435</u>	<u>2,367,469</u>	<u>3,475,603</u>	<u>13,983,507</u>
Fund Balance, End of Year	<u>\$ 8,618,480</u>	<u>\$ 2,353,454</u>	<u>\$ 3,955,955</u>	<u>\$ 14,927,889</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, 2015**

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

Net change in fund balances - total governmental funds \$ 944,382

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 and contributed capital exceeded depreciation expense and disposal losses in the current year.

1,553,242

The amount of net pension obligations are not recorded as 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 beginning and ending net pension obligation balances that has been included in the statement of activities.

(263,280)

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.

(50,426)

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.

(123,945)

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.

1,089,327

Net effect of including internal service fund in governmental activities.

31,447

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.

199,400

Change in net position of governmental activities

\$ 3,380,147

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, 2015

ASSETS	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds				
	Water	Sewer	Garbage	Total	
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ (2,241,724)	\$ (1,121,107)	\$ (354,333)	\$ (3,717,164)	\$ 262,103
Investments	37,581	776,821	39,842	854,244	135,959
Receivables:					
Property Tax	-	-	575,700	575,700	-
Customer/Unbilled	496,364	830,808	250,465	1,577,637	-
Interest	2,368	2,663	-	5,031	-
Inventory, at Cost	200,138	-	-	200,138	-
Prepaid Expenses	50,998	31,234	-	82,232	182,886
<b>Total Current Assets</b>	<u>(1,454,275)</u>	<u>520,419</u>	<u>511,674</u>	<u>(422,182)</u>	<u>580,948</u>
<b>Noncurrent Assets:</b>					
Restricted Cash and Cash Equivalents	262,450	-	-	262,450	-
Restricted Investments	675,169	-	-	675,169	-
Capital Assets:					
Land	177,530	116,663	-	294,193	-
Equipment	938,051	518,455	-	1,456,506	-
Vehicles	498,620	283,969	-	782,589	-
Plant and System	26,718,749	32,569,360	-	59,288,109	-
Less: Accumulated Depreciation	(9,118,525)	(15,961,772)	-	(25,080,297)	-
<b>Total Noncurrent Assets</b>	<u>20,152,044</u>	<u>17,526,675</u>	<u>-</u>	<u>37,678,719</u>	<u>-</u>
<b>Total Assets</b>	<u>18,697,769</u>	<u>18,047,094</u>	<u>511,674</u>	<u>37,256,537</u>	<u>580,948</u>
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts Payable	260,454	281,772	-	542,226	3,155
Accrued Salaries	8,939	4,261	-	13,200	-
Due to Other Funds	-	-	-	-	4,288
Compensated Absences	145,317	37,677	-	182,994	-
Deferred Income	-	-	575,700	575,700	-
Loans Payable - Current	31,107	523,654	-	554,761	-
Accrued Interest	-	35,377	-	35,377	-
<b>Total Current Liabilities</b>	<u>445,817</u>	<u>882,741</u>	<u>575,700</u>	<u>1,904,258</u>	<u>7,443</u>
<b>Current Liabilities (Payable from Restricted Assets):</b>					
Accrued Interest	54,038	-	-	54,038	-
General Obligation Debt - Current	474,680	-	-	474,680	-
Customer Deposits	79,325	-	-	79,325	-
<b>Total Current Liabilities (Payable from Restricted Assets)</b>	<u>608,043</u>	<u>-</u>	<u>-</u>	<u>608,043</u>	<u>-</u>
<b>Noncurrent Liabilities:</b>					
Accrued Retirement Health Benefits	86,933	42,005	-	128,938	-
General Obligation Debt (Net of Current Portion)	6,721,700	-	-	6,721,700	-
Less - Unamortized Premium/Discount on Bond	26,950	-	-	26,950	-
Loans Payable	273,244	2,825,604	-	3,098,848	-
<b>Total Noncurrent Liabilities</b>	<u>7,108,827</u>	<u>2,867,609</u>	<u>-</u>	<u>9,976,436</u>	<u>-</u>
<b>Total Liabilities</b>	<u>8,162,687</u>	<u>3,750,350</u>	<u>575,700</u>	<u>12,488,737</u>	<u>7,443</u>
<b>NET POSITION</b>					
Invested in Capital Assets, Net of Related Debt	11,818,231	14,142,040	-	25,960,271	-
Restricted for Debt Service	892,710	-	-	892,710	-
Unrestricted	(2,175,859)	154,704	(64,026)	(2,085,181)	573,505
<b>Total Net Position</b>	<u>\$ 10,535,082</u>	<u>\$ 14,296,744</u>	<u>\$ (64,026)</u>	<u>\$ 24,767,800</u>	<u>\$ 573,505</u>

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, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds			Total	
	Water	Sewer	Garbage		
<b>Operating Revenue:</b>					
Customer User Charges	\$ 3,409,960	\$ 2,657,209	\$ 1,241,404	\$ 7,308,573	\$ -
Other Service Contributions	-	-	-	-	2,207,972
Tap On Fees	181,714	1,015,151	-	1,196,865	-
Miscellaneous	20,231	18,615	-	38,846	-
Total Operating Revenue	<u>3,611,905</u>	<u>3,690,975</u>	<u>1,241,404</u>	<u>8,544,284</u>	<u>2,207,972</u>
<b>Operating Expenses:</b>					
Personal Services	879,344	461,493	-	1,340,837	-
Contractual Services	1,977,862	1,481,775	1,692,537	5,152,174	2,182,928
Supplies	110,418	23,499	-	133,917	-
Heat, Light, and Power	395,326	258,455	-	653,781	-
Depreciation	618,697	649,256	-	1,267,953	-
Total Operating Expenses	<u>3,981,647</u>	<u>2,874,478</u>	<u>1,692,537</u>	<u>8,548,662</u>	<u>2,182,928</u>
Operating Income (Loss)	<u>(369,742)</u>	<u>816,497</u>	<u>(451,133)</u>	<u>(4,378)</u>	<u>25,044</u>
<b>Nonoperating Revenue (Expense):</b>					
Tax Revenue	-	-	599,946	599,946	-
Interest Income	79,626	43,216	(4,405)	118,437	6,403
Bond Amortization	25,438	-	-	25,438	-
Interest Expense	(326,331)	(140,888)	-	(467,219)	-
Total Nonoperating Revenue (Expense)	<u>(221,267)</u>	<u>(97,672)</u>	<u>595,541</u>	<u>276,602</u>	<u>6,403</u>
Income before Transfers	(591,009)	718,825	144,408	272,224	31,447
Transfers In (Out)	<u>(34,054)</u>	<u>84,319</u>	<u>(105,000)</u>	<u>(54,735)</u>	<u>-</u>
Change in Net Position	(625,063)	803,144	39,408	217,489	31,447
Net Position, Beginning of Year	<u>11,160,145</u>	<u>13,493,600</u>	<u>(103,434)</u>	<u>24,550,311</u>	<u>542,058</u>
Net Position, End of Year	<u>\$ 10,535,082</u>	<u>\$ 14,296,744</u>	<u>\$ (64,026)</u>	<u>\$ 24,767,800</u>	<u>\$ 573,505</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, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds			Total	
	Water	Sewer	Garbage		
<b>Cash flows from operating activities:</b>					
Receipts for services	\$ 3,627,024	\$ 3,302,795	\$ 1,215,072	\$ 8,144,891	\$ 2,207,972
Payments to suppliers	(2,849,262)	(2,037,843)	(1,551,890)	(6,438,995)	(2,212,671)
Payments to employees	(660,764)	(343,867)	-	(1,004,631)	-
Other fees	20,231	18,615	-	38,846	-
Net cash provided (used) by operating activities	137,229	939,700	(336,818)	740,111	(4,699)
<b>Cash flows from capital and related financing activities:</b>					
Acquisition and construction of capital assets	(316,376)	(81,025)	-	(397,401)	-
Principal paid on bonds	(441,420)	-	-	(441,420)	-
Interest/issuance costs paid	(320,069)	(146,569)	-	(466,638)	-
Principal paid on loans	(30,715)	(539,280)	-	(569,995)	-
Net cash provided (used) by capital and related financing activities	(1,108,580)	(766,874)	-	(1,875,454)	-
<b>Cash flows from non-capital financing activities:</b>					
Payments from (to) other funds	(34,054)	84,319	(105,000)	(54,735)	-
Customer deposits	(3,945)	-	-	(3,945)	-
Tax revenue	-	-	599,946	599,946	-
Net cash provided (used) by non-capital financing activities	(37,999)	84,319	494,946	541,266	-
<b>Cash flows from investing activities:</b>					
Net (purchase) sale of investment securities	(15,991)	(19,448)	1,661	(33,778)	(8,706)
Interest on investments	79,163	42,759	(4,405)	117,517	6,403
Net cash provided (used) by investing activities	63,172	23,311	(2,744)	83,739	(2,303)
<b>Net change in cash and cash equivalents</b>	<b>(946,178)</b>	<b>280,456</b>	<b>155,384</b>	<b>(510,338)</b>	<b>(7,002)</b>
Cash and cash equivalents, beginning of year	(1,033,096)	(1,401,563)	(509,717)	(2,944,376)	269,105
Cash and cash equivalents, end of year	\$ (1,979,274)	\$ (1,121,107)	\$ (354,333)	\$ (3,454,714)	\$ 262,103

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, 2015

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Fund</u>
	<u>Major Funds</u>			<u>Total</u>	
	<u>Water</u>	<u>Sewer</u>	<u>Garbage</u>		
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (369,742)	\$ 816,497	\$ (451,133)	\$ (4,378)	\$ 25,044
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	618,697	649,256	-	1,267,953	-
(Increase) decrease in:					
Customer receivable/unbilled	35,350	(369,565)	(26,332)	(360,547)	-
Inventory	(11,362)	-	-	(11,362)	-
Prepaid expenses	(9,363)	1,969	140,647	133,253	(19,087)
Increase (decrease) in:					
Accounts payable	(118,828)	(155,954)	-	(274,782)	(10,656)
Accrued retirement health benefits	9,568	4,345	-	13,913	-
Accrued salaries/vacation/sick	(17,091)	(6,848)	-	(23,939)	-
Net cash provided (used) by operating activities	<u>\$ 137,229</u>	<u>\$ 939,700</u>	<u>\$ (336,818)</u>	<u>\$ 740,111</u>	<u>\$ (4,699)</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, 2015

	<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	\$ 654,460	\$ 409,864	\$ 1,064,324	\$ 444
Investments:				
US Treasury Securities	7,331,701	5,078,594	12,410,295	-
Municipal Bonds	127,913	-	127,913	-
Mutual Funds	10,251,531	6,748,227	16,999,758	-
Receivables:				
Property Tax	871,500	669,500	1,541,000	-
Interest	25,419	14,212	39,631	-
Total Assets	<u>19,262,524</u>	<u>12,920,397</u>	<u>32,182,921</u>	<u>444</u>
<u>Liabilities</u>				
Accounts Payable	<u>8,047</u>	<u>4,186</u>	<u>12,233</u>	-
Total Liabilities	<u>8,047</u>	<u>4,186</u>	<u>12,233</u>	-
<u>Net Position</u>				
Held in Trust for Pension				
Benefits and Other Purposes	<u>\$ 19,254,477</u>	<u>\$ 12,916,211</u>	<u>\$ 32,170,688</u>	<u>\$ 444</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, 2015

	Pension Trust Funds		
	Police Pension	Fire Pension	Total
<u>Additions</u>			
Contributions:			
Property Tax	\$ 875,430	\$ 672,267	\$ 1,547,697
Employee Contributions	340,666	182,864	523,530
Investment Income:			
Investment Income	739,550	502,664	1,242,214
Less: Investment Expense	<u>(33,963)</u>	<u>(27,018)</u>	<u>(60,981)</u>
Net Investment Income	<u>705,587</u>	<u>475,646</u>	<u>1,181,233</u>
Total Additions	<u>1,921,683</u>	<u>1,330,777</u>	<u>3,252,460</u>
<u>Deductions</u>			
Benefits	860,680	997,924	1,858,604
Refund of Contributions	72,973	46,606	119,579
Administrative Expenses	<u>19,177</u>	<u>16,879</u>	<u>36,056</u>
Total Deductions	<u>952,830</u>	<u>1,061,409</u>	<u>2,014,239</u>
Change in Net Position	968,853	269,368	1,238,221
Net Position, Beginning of Year	<u>18,285,624</u>	<u>12,646,843</u>	<u>30,932,467</u>
Net Position, End of Year	<u>\$ 19,254,477</u>	<u>\$ 12,916,211</u>	<u>\$ 32,170,688</u>

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

# CITY OF EDWARDSVILLE, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS APRIL 30, 2015

### **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

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

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.

(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.

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

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.

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 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.

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

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 funds account 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 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

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

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.

Fixed-income securities 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 uncollectibles.

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

General Fund	Ambulance Receivables	\$ 223,198
Proprietary Fund	Water Customer Receivables	10,552
Proprietary Fund	Sewer Customer Receivables	10,181
Proprietary Fund	Garbage Customer Receivables	7,220

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 16, 2014 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 2014 become an enforceable lien in January 2015. Because this tax levy will be used to pay for expenses budgeted in fiscal year 2016, no part of this tax levy is shown as tax revenue as of April 30, 2015 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.

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

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 debt related to outstanding bond issues.

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

Water Meter Deposit	\$ 79,325
Water Works Debt Service	<u>858,294</u>
Total Restricted Assets	<u>\$ 937,619</u>

**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 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
Public domain infrastructure	5 - 30
System infrastructure	7 - 50
Vehicles	3 - 10
Office and other equipment	5 - 10

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

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.

**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 17, 2014, 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.

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

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.

**NOTE 3: RECEIVABLES**

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

	<u>General</u>	<u>Other Major Funds</u>	<u>Water, Sewer &amp; Garbage</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:					
Interest	\$ 6,240	\$ 2,355	\$ 5,031	\$ 12,056	\$ 25,682
Other	92,273	-	-	-	92,273
Accounts	313,705	-	1,605,590	114,635	2,033,930
Intergovernmental	<u>2,415,885</u>	<u>-</u>	<u>-</u>	<u>577,762</u>	<u>2,993,647</u>
Gross Receivables	2,828,103	2,355	1,610,621	704,453	5,145,532
Less: Allowance for uncollectible	<u>223,198</u>	<u>-</u>	<u>27,953</u>	<u>-</u>	<u>251,151</u>
Net Total Receivables	<u>\$ 2,604,905</u>	<u>\$ 2,355</u>	<u>\$ 1,582,668</u>	<u>\$ 704,453</u>	<u>\$ 4,894,381</u>

Governmental funds report deferred 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 deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable	\$ 8,240,700	\$ -
Intergovernmental	1,133,904	-
Fees for services	-	155,196

**NOTE 4: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**General Government, Business-Like Activities & Component Unit**

At April 30, 2015, the carrying amount of the City's deposits was \$10,621,200 and the bank balance was \$11,994,186. The deposits were comprised of checking, interest checking, money market and certificates of deposit.

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

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, 2015, \$468,480 of the City's total bank balances was not insured or collateralized. The amount exceeding FDIC coverage and collateralized is \$4,713,823.

As of April 30, 2015, 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)	--	\$ 304,224
Federal Home Loan Bank	4.91	240,156
Federal Home Loan Mortgage	1.16	435,985
US Treasury Note	0.76	<u>202,672</u>
		1,183,037
Deposits as reported above		<u>10,621,200</u>
Total deposits and investments		<u>\$ 11,804,237</u>
As Reported in the Statement of Net Position:		
Governmental and Business-type Activities:		
Cash and Cash Equivalents		\$ 3,097,471
Investments		7,171,941
Cash and Cash Equivalents - Restricted		675,169
Investments - Restricted		262,450
Component Unit:		
Cash and Cash Equivalents		350,094
Investments		246,668
Cash and Investments Reported in Agency Funds		<u>444</u>
		<u>\$ 11,804,237</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, 2015, the credit rating of the City's investment was as follows:

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

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

Concentration of Credit Risk. As of April 30, 2015, the City did not have a concentration of credit risk related to the City's investments.

Foreign Currency Risk. As of April 30, 2015, the City has no foreign currency risk.

Fire Pension Fund

At April 30, 2015, the carrying amount of the Fire Pension Fund's deposits was \$409,864, and the bank balance was \$412,645. The deposits were comprised of interest checking and money market accounts.

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.

Foreign Currency Risk. As of April 30, 2015, the Fire Pension Fund has no foreign currency risk.

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, 2015, 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	2.86	\$ 4,321,984
Federal National Mortgage Association	6.45	446,112
Federal Home Loan Mortgage Corporation	6.71	296,328
Government National Mortgage Association	16.39	14,170
Mutual Funds	--	<u>6,748,227</u>
Deposits as reported above		<u>11,826,821</u> 409,864
Total deposits and investments		<u>\$ 12,236,685</u>
<u>As Reported in the Statement of Fiduciary Net Position:</u>		
Cash and Cash Equivalents		\$ 409,864
Investments		<u>11,826,821</u>
		<u>\$ 12,236,685</u>

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

Credit Risk. As of April 30, 2015, the Fire Pension Fund's investments credit ratings were as follows:

<u>Investment</u>	<u>Standard &amp; 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, 2015, the Fire Pension Fund did not have a concentration of investments.

Police Pension Fund

At April 30, 2015, the carrying amount and bank balance of the Police Pension Fund's deposits was \$654,460. 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, 2015, 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	2.99	\$ 6,107,190
Federal National Mortgage Association	6.01	703,083
Federal Home Loan Mortgage Corporation	6.71	255,455
Federal Farm Credit Bank	1.62	265,973
Municipal Bonds	0.72	127,913
Mutual Funds	--	<u>10,251,531</u>
		17,711,145
Deposits as reported above		<u>654,460</u>
Total deposits and investments		<u>\$ 18,365,605</u>
<u>As Reported in the Statement of Fiduciary Net Position:</u>		
Cash and Cash Equivalents		\$ 654,460
Investments		<u>17,711,145</u>
		<u>\$ 18,365,605</u>

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

Credit Risk. As of April 30, 2015, the Police Pension Fund's investments credit ratings were as follows:

<u>Investment</u>	<u>Standard &amp; Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
Federal Home Loan Bank	AA+	Aaa
Federal Home Loan Mortgage Corporation	AA+	Aaa
Federal Farm Credit Bank	AA+	Aaa
Federal National Mortgage Association	AA+	Aaa
Municipal Bonds	NR	A3

Concentration of Credit Risk. As of April 30, 2015, the Police Pension Fund's did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2015, 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.

**NOTE 5: 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 Bond, 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, 2015 is \$512,000. The debt service funding is accomplished by a separate tax levy and the activity is being recorded as an agency fund.

**NOTE 6: 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.

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

**NOTE 7: CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2015 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 2,231,805	\$ 750,000	\$ 90,900	\$ 2,890,905
Total capital assets, not being depreciated	<u>2,231,805</u>	<u>750,000</u>	<u>90,900</u>	<u>2,890,905</u>
Capital assets, being depreciated:				
Land improvements	1,060,466	70,368	-	1,130,834
Buildings and improvements	10,176,515	37,236	285,415	9,928,336
Equipment	2,791,232	152,207	-	2,943,439
Vehicles	3,652,390	503,631	95,215	4,060,806
Infrastructure	<u>79,890,053</u>	<u>3,102,678</u>	<u>-</u>	<u>82,992,731</u>
Total capital assets being depreciated	<u>97,570,656</u>	<u>3,866,120</u>	<u>380,630</u>	<u>101,056,146</u>
Less accumulated depreciation for:				
Land improvements	472,850	56,344	-	529,194
Buildings and improvements	5,295,167	458,054	78,285	5,674,936
Equipment	2,043,832	158,394	-	2,202,226
Vehicles	3,151,719	213,377	79,505	3,285,591
Infrastructure	<u>49,069,222</u>	<u>1,862,969</u>	<u>-</u>	<u>50,932,191</u>
Total accumulated depreciation	<u>60,032,790</u>	<u>2,749,138</u>	<u>157,790</u>	<u>62,624,138</u>
Total capital assets being depreciated, net	<u>37,537,866</u>	<u>1,116,982</u>	<u>222,840</u>	<u>38,432,008</u>
Governmental activities capital assets, net	<u>\$ 39,769,671</u>	<u>\$ 1,866,982</u>	<u>\$ 313,740</u>	<u>\$ 41,322,913</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	1,367,884	88,622	-	1,456,506
Vehicles	684,423	129,381	31,215	782,589
Buildings and systems	<u>59,108,711</u>	<u>179,398</u>	<u>-</u>	<u>59,288,109</u>
Total capital assets being depreciated	<u>61,161,018</u>	<u>397,401</u>	<u>31,215</u>	<u>61,527,204</u>
Less accumulated depreciation for:				
Equipment	1,161,362	21,644	-	1,183,006
Vehicles	451,065	62,865	31,215	482,715
Buildings and systems	<u>22,231,132</u>	<u>1,183,444</u>	<u>-</u>	<u>23,414,576</u>
Total accumulated depreciation	<u>23,843,559</u>	<u>1,267,953</u>	<u>31,215</u>	<u>25,080,297</u>
Total capital assets being depreciated, net	<u>37,317,459</u>	<u>(870,552)</u>	<u>-</u>	<u>36,446,907</u>
Business-type activities capital assets, net	<u>\$ 37,611,652</u>	<u>\$ (870,552)</u>	<u>\$ -</u>	<u>\$ 36,741,100</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	\$ 203,680
Public safety	227,289
Highways and streets	1,928,393
Public works	15,353
Culture and recreation	<u>374,423</u>
Total depreciation expense - governmental activities	<u>\$ 2,749,138</u>
Business-type activities:	
Water and sewer	<u>\$ 1,267,953</u>

**Discretely Presented Component Unit**

The capital asset activity for the City Library for the year ended April 30, 2015, was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Capital assets, being depreciated:				
Buildings	\$ 4,750,067	\$ -	\$ -	\$ 4,750,067
Equipment	<u>92,366</u>	<u>-</u>	<u>-</u>	<u>92,366</u>
	4,842,433	-	-	4,842,433
Less accumulated depreciation for:				
Buildings	4,495,265	74,615	-	4,569,880
Equipment	<u>87,243</u>	<u>1,366</u>	<u>-</u>	<u>88,609</u>
	4,582,508	75,981	-	4,658,489
Total capital assets, net of depreciation	<u>\$ 259,925</u>	<u>\$ (75,981)</u>	<u>\$ -</u>	<u>\$ 183,944</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 8: 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%. The amount of certificates outstanding as of April 30, 2015 is \$1,650,000.

\$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%. The amount of certificates outstanding as of April 30, 2015 is \$692,628.

\$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%. The amount of certificates outstanding as of April 30, 2015 is \$4,835,000.

\$7,565,000 General Obligation Debt Certificates, Series 2010 dated April 13, 2010, due in annual installments of \$450,000 to \$1,510,000 through April 1, 2018; interest at 3.834% to 3.936%. The outstanding balance as of April 30, 2015 is \$4,020,000.

\$2,975,000 Recovery Zone Economic Development Bonds, Series 2010C dated November 16, 2010, due in annual installments of \$135,000 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 \$52,600. The outstanding balance as of April 30, 2015 is \$2,580,000.

\$4,680,000 General Obligation Refunding and Improvement Bonds, Series 2013 dated March 7, 2013, due in annual installments of \$280,000 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, 2015 is \$4,160,000.

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

The annual requirements to retire general obligation debt as of April 30, 2015 are as follows:

Fiscal Year Ended April 30	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 3,060,975	\$ 437,665	\$ 474,680	\$ 216,149
2017	1,941,405	362,593	507,940	204,709
2018	525,062	256,613	538,060	192,321
2019	517,850	236,727	529,220	178,459
2020	512,062	216,057	509,100	164,666
2021-2025	2,435,994	754,525	2,725,280	610,039
2026-2030	1,547,900	252,395	1,912,100	153,387
2031	200,000	5,850	-	-
	<u>\$ 10,741,248</u>	<u>\$ 2,522,425</u>	<u>\$ 7,196,380</u>	<u>\$ 1,719,730</u>

Loan Agreements

The City has entered into the following loan agreements as of April 30, 2015 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, 2015 is \$242,981.

\$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, 2015 is \$3,349,258.

\$340,000 agreement dated November 1997 with the Village of Glen Carbon for the expansion of the water treatment plant. Credits are applied against water service fees for a 20 year period ending October 2017. The outstanding balance as of April 30, 2015 is \$61,370.

\$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 in annual installments of \$150,000 through June 1, 2019. The outstanding balance as of April 30, 2015 is \$600,000.

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

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
2016	\$ 150,000	\$ -	\$ 554,761	\$ 83,933
2017	150,000	-	569,234	69,460
2018	150,000	-	570,959	54,717
2019	150,000	-	572,163	40,498
2020	-	-	586,570	26,091
2021-2024	-	-	799,922	11,313
	<u>\$ 600,000</u>	<u>\$ -</u>	<u>\$ 3,653,609</u>	<u>\$ 286,012</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, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b><u>Government Activities:</u></b>					
Bond and notes payable:					
General obligation debt	\$ 12,422,096	\$ -	\$ 1,680,848	\$ 10,741,248	\$ 3,060,975
Loans	4,413	750,000	154,413	600,000	150,000
	<u>12,426,509</u>	<u>750,000</u>	<u>1,835,261</u>	<u>11,341,248</u>	<u>3,210,975</u>
Less: deferred refunding	12,743	-	850	11,893	-
Total debt payable	<u>12,413,766</u>	<u>750,000</u>	<u>1,834,411</u>	<u>11,329,355</u>	<u>3,210,975</u>
Other liabilities:					
Retirement health benefits	818,855	123,945	-	942,800	-
Net pension obligation	797,569	263,280	-	1,060,849	-
Compensated absences	1,937,222	50,426	-	1,987,648	-
Governmental activities long-term liabilities	<u>\$ 15,967,412</u>	<u>\$ 1,187,651</u>	<u>\$ 1,834,411</u>	<u>\$ 15,320,652</u>	<u>\$ 3,210,975</u>
<b><u>Business-type Activities:</u></b>					
Bond and notes payable:					
General obligation debt	\$ 7,637,800	\$ -	\$ 441,420	\$ 7,196,380	\$ 474,680
Loans	4,223,604	-	569,995	3,653,609	554,761
	<u>11,861,404</u>	<u>-</u>	<u>1,011,415</u>	<u>10,849,989</u>	<u>1,029,441</u>
Add net premium	52,388	-	25,438	26,950	-
Total debt payable	<u>11,913,792</u>	<u>-</u>	<u>1,036,853</u>	<u>10,876,939</u>	<u>1,029,441</u>
Other liabilities:					
Retirement health benefits	115,025	13,913	-	128,938	-
Compensated absences	176,597	6,397	-	182,994	-
Business-type activities long-term liabilities	<u>\$ 12,205,414</u>	<u>\$ 20,310</u>	<u>\$ 1,036,853</u>	<u>\$ 11,188,871</u>	<u>\$ 1,029,441</u>

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

**NOTE 9: 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](http://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 2014 was 11.35 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.

*Annual Pension Cost.* The required contribution for calendar year 2014 was \$619,507.

**Three-Year Trend Information for IMRF**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2014	\$ 619,507	100%	\$ -
12/31/2013	597,140	100%	-
12/31/2012	578,629	100%	-

The required contribution for 2014 was determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City's unfunded

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

actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

*Funded Status and Funding Progress.* As of December 31, 2014, the most recent actuarial valuation date, the plan was 75.16 percent funded. The actuarial accrued liability for benefits was \$13,622,188 and the actuarial value of assets was \$10,238,118, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,384,070. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$5,458,208 and the ratio of the UAAL to the covered payroll was 62 percent.

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

**2. 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, 2015:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	21
Active Plan Members	<u>25</u>
Total	<u>46</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.

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

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.

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.

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

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.

**Investments**

**Investment Policy:**

The following was the Board's adopted asset allocation policy as of April 30, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	49%
Equities	50%
Cash and Equivalents	<u>1%</u>
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, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.03%. 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, 2015 were as follows:

Total Pension Liability	\$ 22,774,637
Plan Fiduciary Net Position	(12,916,211)
Net Pension Liability	<u>\$ 9,858,426</u>
Plan Fiduciary Net Position	
as a % of Total Pension Liability	57%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of April 30, 2015 using the following actuarial assumptions.

Inflation	2.50%
Salary Increases	4.00%
Discount Rate for the Total Pension Liability	6.41%
Retirement Mortality Rate: L&A 2012 Illinois Firefighters' Capped at age 65	
Disabled Mortality Rate: L&A 2012 Illinois Firefighters' 100%	

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, 2015 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	1.5%
Intermediate Govt	2.0%
Large	4.5%
Large Value	5.0%
Emerging Markets	8.0%

Discount Rate:

The discount rate used to measure the total pension liability was 6.41 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 2062. To the extent

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

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.

	1% Decrease	Current Discount Rate	1% Increase
	<u>5.41%</u>	<u>6.41%</u>	<u>7.41%</u>
Net Pension Liability	\$ 13,044,702	\$ 9,858,426	\$ 7,240,064

**3. 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, 2015:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	15
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	2
Active Plan Members	<u>41</u>
Total	<u>58</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,

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

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.

**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.

b) **Investments**

**Investment Policy:**

The following was the Board's adopted asset allocation policy as of April 30, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	49%
Equities	50%
Cash and Equivalent	1%
Total	<u>100%</u>

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

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, 2015, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 3.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

c) Net Pension Liability of the Sponsor

The components of the net pension liability of the sponsor on April 30, 2015 were as follows:

Total Pension Liability	\$ 29,898,532
Plan Fiduciary Net Position	<u>(19,254,477)</u>
Net Pension Liability	<u>\$ 10,644,055</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	64%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of April 30, 2015 using the following actuarial assumptions.

Inflation	3.00%
Salary Increases	3.50%
Discount Rate used for the Net Pension Liability	6.75%
Retirement Mortality Rate: L&A 2012 Illinois Police 100% Capped at age 65	
Disabled Mortality Rate: L&A 2012 Illinois Police 100%	

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.

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

Best estimates of arithmetic real rates of return for each major asset class as of April 30, 2015 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	1.5%
Intermediate Govt	2.0%
Large	4.5%
Large Value	5.0%
Emerging Markets	8.0%

**Discount Rate:**

The discount rate used to measure the total pension liability was 7.00 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 in full. 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.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Net Pension Liability	\$ 14,865,527	\$ 10,644,055	\$ 6,756,474

**Police Pension Fund and Firefighters' Pension Fund – GASB 25/27**

**Annual Pension Cost and Net Pension Obligation**

The City's annual pension cost and net pension obligation for the current year were as follows:

	<u>Police Pension</u>	<u>Fire Pension</u>
Annual required contribution	\$ 1,125,044	\$ 675,973
Interest on net pension obligation	31,028	23,917
Adjustment to annual required contribution	<u>(20,513)</u>	<u>(16,397)</u>
Annual pension cost	1,135,559	683,493
Contributions made	<u>879,799</u>	<u>675,973</u>
Increase in net pension obligation	255,760	7,520
Net pension obligation beginning of year	<u>443,255</u>	<u>354,314</u>
Net pension obligation end of year	<u>\$ 699,015</u>	<u>\$ 361,834</u>

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

The annual required contribution for the current year was determined as part of the May 1, 2014, actuarial valuation using the projected unit credit and entry age normal cost methods. The actuarial assumptions included (a) 6.75% (7.00% police) investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.5% per year. Both (a) and (b) included an inflation component of 1.25% (3.00% police). The actuarial value of assets was determined using adjusted market values. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis.

**Three-Year Trend Information**

	Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
Police Pension	4/30/2014	\$ 1,135,559	77.48%	\$ 699,015
	4/30/2013	1,039,040	79.30%	443,255
	4/30/2012	809,023	89.06%	228,214
Fire Pension	4/30/2014	\$ 683,493	98.90%	\$ 361,834
	4/30/2013	646,705	98.79%	354,314
	4/30/2012	657,903	70.30%	346,470

**4. 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.

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

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 \$143,512 for the year ended April 30, 2015. The City has fully contributed all required payments during this period.

**5. Retiree Medical Plan**

*Plan Description.* The City's provides health insurance for retirees of the City. The retired employee reimburses the City for 100% of the health insurance premium. In accordance with GASB #45, the City must recognize any future costs related to these future premiums in the year to which the liability has incurred. The amount calculated to be a liability consists of the actuarially determined costs of having retirees on the City's health insurance plan. As a result of having retirees on the plan, the imputed cost related to the increased premium costs are required to be included as a current liability of the City.

*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.

*Annual Pension Cost.* For 2015, the City's contribution was \$27,904. The annual required contribution cost was determined to be \$184,795. The net OPEB obligation related to retirement health insurance costs in \$1,117,791. Of this amount, \$942,800 is reported as a liability in the governmental activities, \$128,938 is reported as a liability in the business-type activities, and \$46,053 is recorded as a liability of the component unit.

**Trend Information for Retirement Health**

Fiscal Year <u>Ending</u>	Annual Required <u>Contribution</u>	Percentage of APC <u>Contributed</u>	Net OPEB <u>Obligation</u>
4/30/2015	\$ 184,795	15.1%	\$ 1,117,791
4/30/2014	184,795	15.1%	972,562
4/30/2013	220,866	10.6%	825,576

The required contribution for 2015 was determined as part of the May 1, 2015 actuarial valuation using the projected credit unit funding method. The actuarial assumptions at May 1, 2015 included (a) 5.0% investment rate of return, (b) projected retirement age of 58 years with ten years of service, and (c) mortality rate from the 1994 Group Annuity Reserving Table. The amortization period at the May 1, 2015 valuation was 30 years.

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

*Funded Status and Funding Progress.* As of May 1, 2015, the most recent actuarial valuation date, the plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$1,692,672 with no offsetting assets leaving the entire balance unfunded. The schedule of funding progress is presented as RSI following the notes to the financial statements.

**NOTE 10: INTERFUND RECEIVABLES/PAYABLES**

Individual fund interfund receivable and payable balances as of April 30, 2015 are as follows:

	Interfund Receivable/ <u>(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	7,619
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	(7,619)
Mobile Intensive Care Fund due (to):	
General Fund	(9,700)
Group Health Insurance Fund due (to):	
General Fund	<u>(4,288)</u>
	<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 11: INTERFUND TRANSFERS**

The following is a summary of interfund transfers for the year ended April 30, 2015:

General Fund Transfer From (To):	
Water Fund	\$ 100,000
Motor Fuel Tax Fund	106,607
Liability Insurance Fund	525,133
Garbage Fund	55,000
TIF #3 Fund	60,000
Community Redevelopment Fund	154,240
Capital Improvement Fund	(94,000)
Social Security Fund	(54,000)
Retirement Fund	(91,000)
Capital Equipment Fund	(250,000)
TIF #3 Fund Transfer To General Fund	(60,000)
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	(106,607)
Grant Fund Transfer From:	
Park Improvement Fund	5,002
Liability Insurance Fund Transfer From (To):	
General Fund	(525,133)
Parks & Playground Fund	(25,607)
Municipal Band Fund	(250)
Parks & Playground Fund Transfer From (To):	
Community Redevelopment Fund	35,000
Liability Insurance Fund	25,607
Municipal Band Fund Transfer From Liability Insurance Fund	250
Retirement Fund Transfer From (To):	
General Fund	91,000
Water Fund	(36,398)
Sewer Fund	(18,942)
Social Security Fund Transfer From (To):	
General Fund	54,000
Water Fund	(29,548)
Sewer Fund	(15,377)
Capital Improvement Fund Transfer From General Fund	94,000
Community Redevelopment Fund Transfer From (To):	
General Fund	(154,240)
Parks & Playground Fund	(35,000)
Parks Improvement Fund Transfer From (To):	
Grants Fund	(5,002)
Capital Equipment Fund Transfer From General Fund	250,000

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

**NOTE 11: INTERFUND TRANSFERS (continued)**

Water Fund Transfer From (To):	
Retirement Fund	36,398
Social Security Fund	29,548
General Fund	(100,000)
Sewer Fund Transfer From:	
Retirement Fund	18,942
Social Security Fund	15,377
Garbage Fund	50,000
Garbage Fund Transfer From (To):	
Sewer Fund	(50,000)
General Fund	(55,000)
	-

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. Other transfers are the result of transferring funds to make debt service payments or to assist in paying for capital projects.

**NOTE 12: 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 13: SUBSEQUENT EVENTS**

The City has evaluated events occurring after the financial statement date through September 8, 2015 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, 2015

	Budgeted Amounts		Actual (Budget Basis)
	Original	Final	
<b>Receipts:</b>			
Property Tax	\$ 3,039,534	\$ 3,039,534	\$ 3,089,486
Intergovernmental:			
Sales and Use Tax	5,548,556	5,548,556	5,764,810
Replacement Tax	206,574	206,574	203,885
State Income Tax	2,167,510	2,167,510	2,358,982
Telecommunications Tax	378,239	378,239	338,665
Other	102,000	102,000	95,934
Other Local Taxes	-	-	113,000
Licenses, Fees and Permits	262,496	262,496	238,174
Charges for Services	1,680,911	1,680,911	1,985,233
Fines	262,643	262,643	275,199
Investment Earnings	122,000	122,000	98,275
Miscellaneous Revenues/Reimbursements	7,912	7,912	57,655
<b>Total Receipts</b>	<u>13,778,375</u>	<u>13,778,375</u>	<u>14,619,298</u>
<b>Disbursements</b>			
Current:			
General Government	2,216,314	2,216,314	2,169,671
Public Safety	8,426,123	8,426,123	8,392,326
Highways and Streets	1,450,107	1,450,107	1,714,553
Public Works	1,299,502	1,299,502	1,283,131
Welfare	1,750	1,750	-
Culture and Recreation	193,969	193,969	183,236
Capital Outlay	493,287	493,287	668,741
<b>Total Disbursements</b>	<u>14,081,052</u>	<u>14,081,052</u>	<u>14,411,658</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(302,677)</u>	<u>(302,677)</u>	<u>207,640</u>
Other Financing Sources:			
Operating Transfers In (Out)	332,239	332,239	(40,153)
<b>Total Other Financing Sources</b>	<u>332,239</u>	<u>332,239</u>	<u>(40,153)</u>
Excess of Receipts and Other Financing Sources Over Disbursements	<u>\$ 29,562</u>	<u>\$ 29,562</u>	167,487
Change in other receivable on modified accrual basis			30,397
Change in intergovernmental revenue on modified accrual basis			14,441
Change in accrued interest receivable on modified accrual basis			(1,257)
Change in accrued salaries on modified accrual basis			319,582
Change in accounts payable on modified accrual basis			48,103
Change in charges for services receivable on modified accrual basis			(78,692)
Change in prepaid expenses on modified accrual basis			(39,210)
Change in market value of investments			37,600
Change in deferred income on modified accrual basis			<u>(20,406)</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 478,045</u>

**CITY OF EDWARDSVILLE, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE (CASH BASIS)  
 TIF #3 FUND  
 FOR THE YEAR ENDED APRIL 30, 2015

	Budgeted Amounts		Actual
	Original	Final	(Budget Basis)
Receipts:			
Property Taxes	\$ 1,585,000	\$ 1,585,000	\$ 1,588,678
Investment Earnings	30,000	30,000	48,310
Total Receipts	1,615,000	1,615,000	1,636,988
Disbursements:			
Current:			
General Government	158,500	158,500	131,809
Highways and Streets	743,110	743,110	1,800
Debt Service Fees	-	-	1,457,770
Total Disbursements	901,610	901,610	1,591,379
Excess of Receipts Over Disbursements	713,390	713,390	45,609
Other Financing Sources:			
Transfers to Other Funds	(60,000)	(60,000)	(60,000)
Total Other Financing Sources	(60,000)	(60,000)	(60,000)
Excess (Deficiency) of Receipts Over Disbursements	\$ 653,390	\$ 653,390	(14,391)
Change in accrued interest receivable on modified accrual basis			376
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			\$ (14,015)

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION FUND  
APRIL 30, 2015

Total Pension Liability:

Service Cost	\$ 757,946
Interest	1,936,934
Benefit payments, including refunds	<u>(933,653)</u>
Net change in total pension liability	1,761,227
Total pension liability - beginning	<u>28,137,305</u>
Total pension liability - ending	<u>\$ 29,898,532</u>

Plan Fiduciary Net Position

Contributions - employer	875,430
Contributions - employee	340,666
Net investment income	705,587
Benefit payments, including refunds	(933,653)
Administrative	<u>(19,177)</u>
Net change in plan fiduciary net position	968,853
Plan fiduciary net position - beginning	<u>18,285,624</u>
Plan fiduciary net position - ending	<u>\$ 19,254,477</u>

Net Pension Liability \$ 10,644,055

Plan fiduciary net position as a percentage of  
the total pension liability 64.40%

Covered-employee Payroll \$ 3,115,565

Net position liability as a percentage of  
covered-employee payroll 341.64%

**CITY OF EDWARDSVILLE, ILLINOIS**

**SCHEDULE OF CONTRIBUTIONS  
POLICE PENSION FUND  
APRIL 30, 2015**

Actuarial Determined Contribution	\$ 1,033,303
Contributions in relation to actuarial determined contribution	<u>875,430</u>
Contribution deficiency (excess)	<u>\$ 157,873</u>
Covered-employee Payroll	<u>3,115,565</u>
Contributions as a percentage of covered-employee payroll	<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, 2014.

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	4.50%
Cost of Living	3.00%

**CITY OF EDWARDSVILLE, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND  
APRIL 30, 2015**

Annual money-weighted rate of return,  
net of investment expense 3.71%

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
FIRE PENSION FUND  
APRIL 30, 2015

Total Pension Liability:

Service Cost	\$ 559,365
Interest	1,369,680
Benefit payments, including refunds	<u>(1,044,530)</u>
Net change in total pension liability	884,515
Total pension liability - beginning	<u>21,890,122</u>
Total pension liability - ending	<u>\$ 22,774,637</u>

Plan Fiduciary Net Position

Contributions - employer	672,267
Contributions - employee	182,864
Net investment income	475,646
Benefit payments, including refunds	(1,044,530)
Administrative	<u>(16,879)</u>
Net change in plan fiduciary net position	269,368
Plan fiduciary net position - beginning	<u>12,646,843</u>
Plan fiduciary net position - ending	<u>\$ 12,916,211</u>

Net Pension Liability \$ 9,858,426

Plan fiduciary net position as a percentage of  
the total pension liability 56.71%

Covered-employee Payroll \$ 1,795,005

Net position liability as a percentage of  
covered-employee payroll 549.21%

**CITY OF EDWARDSVILLE, ILLINOIS**

**SCHEDULE OF CONTRIBUTIONS  
FIRE PENSION FUND  
APRIL 30, 2015**

Actuarial Determined Contribution	\$ 638,861
Contributions in relation to actuarial determined contribution	<u>672,267</u>
Contribution deficiency (excess)	<u>\$ (33,406)</u>
Covered-employee Payroll	<u>1,795,005</u>
Contributions as a percentage of covered-employee payroll	<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, 2014.

The actuarial valuations presented are prepared using the following parameters:

Funding Method:	Projected Unit Credit
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	90% Funded in 2040
Asset Valuation Method:	Gains and losses recognized over a five year period

Actuarial Assumptions:	
Interest Rate (current and prior)	6.75%
Payroll Growth	4.00%
Cost of Living - Tier 2	2.50%

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS  
FIRE PENSION FUND  
APRIL 30, 2015

Annual money-weighted rate of return,  
net of investment expense 4.03%

**CITY OF EDWARDSVILLE, ILLINOIS**

SCHEDULE OF ILLINOIS MUNICIPAL RETIREMENT  
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
APRIL 30, 2015

	Calendar Year Valuation					
	2014	2013	2012	2011	2010	2009
Actuarial Value of Assets	\$ 10,238,118	\$ 10,416,002	\$ 11,378,997	\$ 10,397,387	\$ 9,624,859	\$ 8,826,976
Actuarial Accrued Liability (AAL)	13,622,188	13,055,912	14,043,731	12,996,710	12,474,502	10,902,623
Unfunded AAL (UAAL)	3,384,070	2,639,910	2,664,734	2,599,323	2,849,643	2,075,647
Funded Ratio	75.16%	79.78%	81.03%	80.00%	77.16%	80.96%
Covered Payroll	5,458,208	5,233,479	5,071,248	4,938,569	5,019,642	4,507,236
UAAL as a % of Covered Payroll	62.00%	50.44%	52.55%	52.63%	56.77%	46.05%
Employer Contributions:						
Required	619,507	597,140	578,629	528,921	564,710	398,890
Made	619,507	597,140	578,629	528,921	564,710	398,890
Percentage of Employer Contributions						
Made to Required Contribution	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$12,224,798. On a market basis, the funded ratio would be 89.74%.

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

The actuarial valuations presented are prepared by the Illinois Municipal Retirement Fund using the following parameters:

Actuarial Cost Method:	Entry Age Normal Actuarial Cost
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	Open 29 Year Basis
Asset Valuation Method:	Techniques that spread the effects of short term volatility over a five year period.
Actuarial Assumptions:	
Interest Rate	7.50%
Salary Progression	4.4 - 14.0%
Cost of Living	
Adjustments	3.00%

**CITY OF EDWARDSVILLE, ILLINOIS**

**SCHEDULE OF RETIREMENT MEDICAL PLAN  
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
APRIL 30, 2015**

	Fiscal Year Valuation					
	2015	2014	2013	2012	2011	2010
Actuarial Value of Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actuarial Accrued Liability (AAL)	1,692,672	1,507,442	1,372,644	1,844,845	1,675,781	1,847,293
Unfunded AAL (UAAL)	1,692,672	1,507,442	1,372,644	1,844,845	1,675,781	1,847,293
Funded Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	10,334,042	9,472,909	9,472,909	8,679,158	8,679,158	9,334,000
UAAL as a % of Covered Payroll	16.38%	15.91%	14.49%	21.26%	19.31%	19.79%
Employer Contributions:						
Required	184,795	184,795	220,866	220,866	215,562	245,823
Made	27,904	27,904	23,412	23,412	25,346	25,346
Percentage of Employer Contributions						
Made to Required Contribution	15.10%	15.10%	10.60%	10.60%	11.76%	10.31%

The City had a bi-annual actuarial valuation performed for fiscal years 2014 and 2015 and will update as required in fiscal year 2017.

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 5.00%  
Assumed Retirement Age Age 58 and 10 Years of Service  
Mortality Rates 1994 Group Annuity Reserving Table

**CITY OF EDWARDSVILLE, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
APRIL 30, 2015

Special Revenue Funds

	TIF #2	TIF #4	Grants	MFT	ESDA	Street and Bridge	Liability Insurance	Tourism Promotion	Parks and Playgrounds
<b>Assets</b>									
Cash and Equivalents	\$ 451,752	\$ 196,768	\$ (76,140)	\$ (182,213)	\$ 13,074	\$ 1,499	\$ (23,240)	\$ 17,043	\$ (146,916)
Investments	708,826	95,653	-	780,616	1,232	23,386	23,120	438	128,109
Receivables:									
Accounts Receivable	-	-	-	-	-	-	-	11,699	50
Property Tax	733,100	35,800	-	-	6,000	600,500	590,900	-	562,500
Interest	2,486	-	-	2,738	-	-	-	-	-
Intergovernmental	-	-	76,140	61,938	-	-	-	-	-
Due From Other Funds	-	-	-	19,756	-	-	-	11,606	-
Prepaid Expenses	-	-	-	-	-	-	-	-	17,071
<b>Total Assets</b>	<b>\$ 1,896,164</b>	<b>\$ 328,221</b>	<b>\$ -</b>	<b>\$ 682,835</b>	<b>\$ 20,306</b>	<b>\$ 625,385</b>	<b>\$ 590,780</b>	<b>\$ 40,786</b>	<b>\$ 560,814</b>
<b>Liabilities and Fund Balance</b>									
Liabilities:									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,621	\$ -	\$ -	\$ 2,520
Accrued Wages	-	-	-	-	-	-	-	-	5,957
Due to Other Funds	-	-	-	-	-	-	-	-	7,619
Deferred Revenue	733,100	35,800	-	-	6,000	600,500	590,900	-	642,777
<b>Total Liabilities</b>	<b>733,100</b>	<b>35,800</b>	<b>-</b>	<b>-</b>	<b>6,000</b>	<b>626,121</b>	<b>590,900</b>	<b>-</b>	<b>658,873</b>
Fund Balance:									
Nonspendable	-	-	-	-	-	-	-	-	17,071
Restricted	1,163,064	292,421	-	682,835	14,306	-	-	-	-
Committed	-	-	-	-	-	-	-	40,786	-
Assigned	-	-	-	-	-	(736)	(120)	-	-
Unassigned	-	-	-	-	-	(736)	(120)	-	(115,130)
<b>Total Fund Balance (Deficit)</b>	<b>1,163,064</b>	<b>292,421</b>	<b>-</b>	<b>682,835</b>	<b>14,306</b>	<b>(736)</b>	<b>(120)</b>	<b>40,786</b>	<b>(98,059)</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,896,164</b>	<b>\$ 328,221</b>	<b>\$ -</b>	<b>\$ 682,835</b>	<b>\$ 20,306</b>	<b>\$ 625,385</b>	<b>\$ 590,780</b>	<b>\$ 40,786</b>	<b>\$ 560,814</b>

**CITY OF EDWARDSVILLE, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
APRIL 30, 2015

Special Revenue Funds

	Municipal Band	Retirement	Social Security	Capital Improvement	Community Redevelopment	Incremental Sales Tax	Wildley Theatre	SIUE Public Safety	Capital Equipment
Cash and Equivalents	\$ 80,625	\$ (108,568)	\$ (65,451)	\$ 16,629	\$ (760,948)	\$ -	\$ (32,091)	\$ 311,606	\$ 129,000
Investments	13,270	17,126	65,661	26,521	972,897	-	(14,781)	1,526	-
Receivables:									
Accounts Receivable	-	-	-	88,244	14,642	-	-	-	-
Property Tax	92,500	603,600	490,500	-	-	-	-	-	-
Interest	-	-	-	-	3,412	-	-	-	-
Intergovernmental	-	-	-	-	85,434	128,140	-	-	-
Due From Other Funds	-	-	-	-	-	-	-	-	-
Prepaid Expenses	140	-	-	-	117,263	-	7,853	-	-
Total Assets	\$ 186,535	\$ 512,158	\$ 490,710	\$ 131,394	\$ 432,700	\$ 128,140	\$ (39,019)	\$ 313,132	\$ 129,000

Assets

Cash and Equivalents  
Investments  
Receivables:  
    Accounts Receivable  
    Property Tax  
    Interest  
    Intergovernmental  
    Due From Other Funds  
    Prepaid Expenses

Liabilities and Fund Balance

Liabilities:	\$ -	\$ -	\$ -	\$ 55,045	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-	-	-	-	-	-
Accrued Wages	-	-	-	-	-	-	3,288	-	-
Due to Other Funds	-	-	-	-	11,606	-	-	-	-
Deferred Revenue	92,500	603,600	490,500	-	27,776	43,077	-	-	-
Total Liabilities	92,500	603,600	490,500	55,045	39,382	43,077	3,288	-	-
Fund Balance:									
Nonspendable	140	-	-	-	117,263	-	7,853	-	-
Restricted	93,895	-	210	-	-	85,063	-	-	-
Committed	-	-	-	76,349	276,055	-	-	313,132	129,000
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	(91,442)	-	-	-	-	(50,160)	-	-
Total Fund Balance (Deficit)	94,035	(91,442)	210	76,349	393,318	85,063	(42,307)	313,132	129,000
Total Liabilities and Fund Balance	\$ 186,535	\$ 512,158	\$ 490,710	\$ 131,394	\$ 432,700	\$ 128,140	\$ (39,019)	\$ 313,132	\$ 129,000

Total Liabilities and Fund Balance

**CITY OF EDWARDSVILLE, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
APRIL 30, 2015

	Special Revenue Funds				Debt Service Fund				Capital Project Fund				Permanent Funds				Total Nonmajor Governmental Funds
	Parks Improvement	Total	Municipal Facilities	Public Safety Facilities	Police Department Endowment	Mobile Intensive Care	Total	Total	Total	Total	Total	Total	Total	Total			
Cash and Equivalents	\$ 765,864	\$ 588,293	\$ (977,879)	\$ (239,127)	\$ 21,591	\$ 59,349	\$ 80,940	\$ (547,773)									
Investments	536,572	3,380,172	(48,368)	438,409	53,790	220,521	274,311	4,044,524									
Receivables:																	
Accounts Receivable	-	114,635	-	-	-	-	-	114,635									
Property Tax	-	3,715,400	-	-	-	-	-	3,715,400									
Interest	1,882	10,518	-	1,538	-	-	-	12,056									
Intergovernmental	-	351,652	-	226,110	-	-	-	577,762									
Due From Other Funds	-	31,362	-	-	-	-	-	31,362									
Prepaid Expenses	-	142,327	-	-	-	-	-	142,327									
<b>Total Assets</b>	<b>\$ 1,304,318</b>	<b>\$ 8,334,359</b>	<b>\$ (1,026,247)</b>	<b>\$ 426,930</b>	<b>\$ 75,381</b>	<b>\$ 279,870</b>	<b>\$ 355,251</b>	<b>\$ 8,090,293</b>									

Assets

Liabilities and Fund Balance

Liabilities:															
Accounts Payable	\$ 6,708	\$ 89,894	\$ -	\$ 62,097	\$ -	\$ -	\$ -	\$ 151,991							
Accrued Wages	-	9,245	-	-	-	-	-	9,245							
Due to Other Funds	-	19,225	-	-	-	9,700	9,700	28,925							
Deferred Revenue	-	3,866,530	-	77,647	-	-	-	3,944,177							
Total Liabilities	<b>6,708</b>	<b>3,984,894</b>	<b>-</b>	<b>139,744</b>	<b>-</b>	<b>9,700</b>	<b>9,700</b>	<b>4,134,338</b>							
Fund Balance:															
Nonspendable	-	142,327	-	-	-	233,519	233,519	375,846							
Restricted	-	2,331,794	-	-	75,381	36,651	112,032	2,443,826							
Committed	-	835,322	-	287,186	-	-	-	1,122,508							
Assigned	1,297,610	1,297,610	-	-	-	-	-	1,297,610							
Unassigned	-	(257,588)	(1,026,247)	-	-	-	-	(1,283,835)							
Total Fund Balance (Deficit)	<b>1,297,610</b>	<b>4,349,465</b>	<b>(1,026,247)</b>	<b>287,186</b>	<b>75,381</b>	<b>270,170</b>	<b>345,551</b>	<b>3,955,955</b>							
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,304,318</b>	<b>\$ 8,334,359</b>	<b>\$ (1,026,247)</b>	<b>\$ 426,930</b>	<b>\$ 75,381</b>	<b>\$ 279,870</b>	<b>\$ 355,251</b>	<b>\$ 8,090,293</b>							

**CITY OF EDWARDSVILLE, ILLINOIS**

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2015

Special Revenue Funds

	TIF #2	TIF #4	Grants	MFT	ESDA	Street and Bridge	Liability Insurance	Tourism Promotion	Parks and Playgrounds
<b>Revenues:</b>									
Property Tax	\$ 734,597	\$ 35,086	\$ -	\$ -	\$ 6,414	\$ 603,111	\$ 550,095	\$ -	\$ 515,282
Telecommunication Tax	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-
State Allotments	-	-	-	602,944	-	-	-	-	-
Grants	-	-	76,140	240,426	-	-	-	-	-
Other Local Taxes	-	-	-	-	-	-	-	63,291	-
Charges for Services	-	-	-	-	-	-	-	-	-
Investment Earnings	19,312	3,767	-	11,816	193	422	788	(55)	148,096
Miscellaneous	-	-	-	-	-	-	-	-	603
<b>Total Revenues</b>	<b>753,909</b>	<b>38,853</b>	<b>76,140</b>	<b>855,186</b>	<b>6,607</b>	<b>603,533</b>	<b>550,883</b>	<b>63,236</b>	<b>676,406</b>
<b>Expenditures:</b>									
General Government	-	-	-	-	-	-	-	26,134	-
Highways and Streets	397,267	2,920	-	378,214	-	8,735	-	-	-
Public Safety	-	-	-	-	4,885	-	-	-	-
Culture and Recreation	-	-	153,068	-	-	-	-	-	838,815
Capital Outlay	-	622,445	-	287,222	-	633,171	-	-	14,044
Debt Service:									
Principal	-	135,000	-	-	-	-	-	-	-
Interest and Charges	-	73,424	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>397,267</b>	<b>833,789</b>	<b>153,068</b>	<b>665,436</b>	<b>4,885</b>	<b>641,906</b>	<b>-</b>	<b>26,134</b>	<b>852,859</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>356,642</b>	<b>(794,936)</b>	<b>(76,928)</b>	<b>189,750</b>	<b>1,722</b>	<b>(38,373)</b>	<b>550,883</b>	<b>37,102</b>	<b>(176,453)</b>
<b>Other Financing Sources (Uses):</b>									
Transfers In (Out)	(520,000)	520,000	5,002	(106,607)	-	-	(550,990)	-	60,607
Proceeds from Debt	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(520,000)</b>	<b>520,000</b>	<b>5,002</b>	<b>(106,607)</b>	<b>-</b>	<b>-</b>	<b>(550,990)</b>	<b>-</b>	<b>60,607</b>
<b>Net Change in Fund Balances</b>	<b>(163,358)</b>	<b>(274,936)</b>	<b>(71,926)</b>	<b>83,143</b>	<b>1,722</b>	<b>(38,373)</b>	<b>(107)</b>	<b>37,102</b>	<b>(115,846)</b>
<b>Fund Balance, (Deficit) Beginning of Year</b>	<b>1,326,422</b>	<b>567,357</b>	<b>71,926</b>	<b>599,692</b>	<b>12,584</b>	<b>37,637</b>	<b>(13)</b>	<b>3,684</b>	<b>17,787</b>
<b>Fund Balance (Deficit), End of Year</b>	<b>\$ 1,163,064</b>	<b>\$ 292,421</b>	<b>\$ -</b>	<b>\$ 682,835</b>	<b>\$ 14,306</b>	<b>\$ (736)</b>	<b>\$ (120)</b>	<b>\$ 40,786</b>	<b>\$ (98,059)</b>

**CITY OF EDWARDSVILLE, ILLINOIS**

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2015

Special Revenue Funds

	Municipal Band	Retirement	Social Security	Capital Improvement	Community Redevelopment	Incremental Sales Tax	Wildley Theatre	SIUE Public Safety	Capital Equipment
<b>Revenues:</b>									
Property Tax	\$ 92,604	\$ 538,703	\$ 473,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telecommunication Tax	-	-	-	-	332,421	-	-	-	-
Sales Tax	-	-	-	-	-	527,856	-	2,132	-
State Allotments	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-
Other Local Taxes	-	-	-	1,158,841	215,306	-	-	-	-
Charges for Services	-	-	-	-	-	-	577,251	311,000	-
Investment Earnings	1,396	(1,089)	191	210	1,425	-	(27)	-	-
Miscellaneous	100	-	-	-	40,000	-	48,864	-	-
<b>Total Revenues</b>	<b>94,100</b>	<b>537,614</b>	<b>473,773</b>	<b>1,159,051</b>	<b>589,152</b>	<b>527,856</b>	<b>626,088</b>	<b>313,132</b>	<b>-</b>
<b>Expenditures:</b>									
General Government	-	596,464	484,486	-	30,000	523,696	-	-	-
Highways and Streets	-	-	-	218,861	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Culture and Recreation	86,644	-	-	-	-	-	676,828	-	-
Capital Outlay	-	-	-	778,972	-	-	-	-	121,000
Debt Service:									
Principal	4,412	-	-	248,581	-	-	-	-	-
Interest and Charges	35	-	-	149,886	-	-	-	-	-
<b>Total Expenditures</b>	<b>91,091</b>	<b>596,464</b>	<b>484,486</b>	<b>1,396,300</b>	<b>30,000</b>	<b>523,696</b>	<b>676,828</b>	<b>-</b>	<b>121,000</b>
Excess (Deficiency) of Revenues Over Expenditures	3,009	(58,850)	(10,713)	(237,249)	559,152	4,160	(50,740)	313,132	(121,000)
<b>Other Financing Sources (Uses):</b>									
Transfers In (Out)	250	35,660	9,075	94,000	(189,240)	-	-	-	250,000
Proceeds from Debt	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>250</b>	<b>35,660</b>	<b>9,075</b>	<b>94,000</b>	<b>(189,240)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250,000</b>
Net Change in Fund Balances	3,259	(23,190)	(1,638)	(143,249)	369,912	4,160	(50,740)	313,132	129,000
Fund Balance, (Deficit) Beginning of Year	90,776	(68,252)	1,848	219,598	23,406	80,903	8,433	-	-
Fund Balance (Deficit), End of Year	\$ 94,035	\$ (91,442)	\$ 210	\$ 76,349	\$ 393,318	\$ 85,063	\$ (42,307)	\$ 313,132	\$ 129,000

**CITY OF EDWARDSVILLE, ILLINOIS**

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED APRIL 30, 2015

	Special Revenue Funds				Debt Service Fund				Capital Project Fund				Permanent Funds				Total Nonmajor Governmental Funds
	Parks Improvement	Total	Municipal Facilities	Public Safety Facilities	Police Department Endowment	Mobile Intensive Care	Total	Total	Total	Total	Total	Total	Total	Total			
<b>Revenues:</b>																	
Property Tax	-	\$ 3,549,474	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,549,474	
Telecommunication Tax	-	332,421	-	-	-	-	-	-	-	-	-	-	-	-	-	332,421	
Sales Tax	-	529,988	-	705,780	-	-	-	-	-	-	-	-	-	-	-	1,235,768	
State Allotments	-	602,944	-	-	-	-	-	-	-	-	-	-	-	-	-	602,944	
Grants	-	316,566	-	-	-	-	-	-	-	-	-	-	-	-	-	316,566	
Other Local Taxes	-	1,437,438	-	-	-	-	-	-	-	-	-	-	-	-	-	1,437,438	
Charges for Services	11,940	1,048,287	-	-	-	-	-	-	-	-	-	-	-	-	-	1,048,287	
Investment Earnings	15,739	54,691	(13,244)	1,538	1,023	3,800	4,823	-	-	-	-	-	-	-	-	47,808	
Miscellaneous	345,797	447,186	-	-	-	328	328	-	-	-	-	-	-	-	-	447,514	
Total Revenues	373,476	8,318,995	(13,244)	707,318	1,023	4,128	5,151	-	-	-	-	-	-	-	-	9,018,220	
<b>Expenditures:</b>																	
General Government	-	1,660,780	-	-	-	-	-	-	-	-	-	-	-	-	-	1,660,780	
Highways and Streets	-	1,005,997	-	-	-	-	-	-	-	-	-	-	-	-	-	1,005,997	
Public Safety	-	4,885	-	29,987	-	-	-	-	-	-	-	-	-	-	-	34,872	
Culture and Recreation	97,345	1,852,700	-	-	-	-	-	-	-	-	-	-	-	-	-	1,852,700	
Capital Outlay	18,433	2,475,287	-	990,145	-	-	-	-	-	-	-	-	-	-	-	3,465,432	
Debt Service:																	
Principal	-	387,993	77,268	150,000	-	-	-	-	-	-	-	-	-	-	-	615,261	
Interest and Charges	-	223,345	32,236	-	-	-	-	-	-	-	-	-	-	-	-	255,581	
Total Expenditures	115,778	7,610,987	109,504	1,170,132	-	-	-	-	-	-	-	-	-	-	-	8,890,623	
Excess (Deficiency) of Revenues Over Expenditures	257,698	708,008	(122,748)	(462,814)	1,023	4,128	5,151	-	-	-	-	-	-	-	-	127,597	
Other Financing Sources (Uses):																	
Transfers In (Out)	(5,002)	(397,245)	-	-	-	-	-	-	-	-	-	-	-	-	-	(397,245)	
Proceeds from Debt	-	-	-	750,000	-	-	-	-	-	-	-	-	-	-	-	750,000	
Total Other Financing Sources (Uses)	(5,002)	(397,245)	-	750,000	-	-	-	-	-	-	-	-	-	-	-	352,755	
Net Change in Fund Balances	252,696	310,763	(122,748)	287,186	1,023	4,128	5,151	-	-	-	-	-	-	-	-	480,352	
Fund Balance, (Deficit) Beginning of Year	1,044,914	4,038,702	(903,499)	-	74,358	266,042	340,400	-	-	-	-	-	-	-	-	3,475,603	
Fund Balance (Deficit), End of Year	\$ 1,297,610	\$ 4,349,465	\$ (1,026,247)	\$ 287,186	\$ 75,381	\$ 270,170	\$ 345,551	-	-	-	-	-	-	-	-	\$ 3,955,955	

CITY OF EDWARDSVILLE, ILLINOIS

GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET  
FOR THE YEAR ENDED APRIL 30, 2015

	<u>Budget</u>	<u>Actual</u>
General Government:		
Legislative and Executive:		
Personal Services	\$ 235,908	\$ 241,356
Supplies	10,020	8,949
Economic Development	112,186	15,410
Contractual Services	33,400	36,638
Total Legislative and Executive	<u>391,514</u>	<u>302,353</u>
Legal and Judicial:		
Personal Services	182,120	190,533
Supplies	1,580	40
Contractual Services	49,885	44,304
Total Legal and Judicial	<u>233,585</u>	<u>234,877</u>
City Clerk/Collector:		
Personal Services	472,696	471,799
Supplies	56,600	69,125
Contractual Services	96,520	101,716
Total City Clerk	<u>625,816</u>	<u>642,640</u>
City Treasurer:		
Personal Services	16,200	16,201
Contractual Services	20,560	18,505
Total City Treasurer	<u>36,760</u>	<u>34,706</u>
Human Resources:		
Personal Services	229,445	240,344
Supplies	1,150	1,204
Contractual Services	135,614	116,009
Total Human Resources	<u>366,209</u>	<u>357,557</u>
Planning and Zoning		
Personal Services	168,890	173,577
Supplies	1,150	257
Contractual Services	12,725	19,695
Total Planning and Zoning	<u>182,765</u>	<u>193,529</u>

**CITY OF EDWARDSVILLE, ILLINOIS**

**GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)  
FOR THE YEAR ENDED APRIL 30, 2015**

	<u>Budget</u>	<u>Actual</u>
General Government: (Continued)		
Public Grounds and Buildings:		
Personal Services	\$ 40,565	\$ 41,840
Supplies	19,100	18,962
Contractual Services	320,000	343,207
Total Public Grounds and Buildings	<u>379,665</u>	<u>404,009</u>
Contingency:		
Capital Outlay	493,287	668,741
Total Contingency	<u>493,287</u>	<u>668,741</u>
Total General Government	<u>2,709,601</u>	<u>2,838,412</u>
Public Safety:		
Police and Fire Commission:		
Supplies	50	-
Contractual Services	3,925	9,175
Total Police and Fire Commission	<u>3,975</u>	<u>9,175</u>
Police Department:		
Personal Services	5,138,324	5,133,429
Supplies	200,624	182,169
Contractual Services	198,745	183,545
Total Police Department	<u>5,537,693</u>	<u>5,499,143</u>
Fire Department:		
Personal Services	2,665,540	2,671,550
Supplies	91,275	81,410
Contractual Services	127,640	131,048
Total Fire Department	<u>2,884,455</u>	<u>2,884,008</u>
Total Public Safety	<u>8,426,123</u>	<u>8,392,326</u>

**CITY OF EDWARDSVILLE, ILLINOIS**

**GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)  
FOR THE YEAR ENDED APRIL 30, 2015**

	<u>Budget</u>	<u>Actual</u>
Highways and Streets:		
Personal Services	\$ 789,857	\$ 819,743
Supplies	80,550	67,075
Contractual Services	<u>579,700</u>	<u>827,735</u>
Total Highways and Streets	<u>1,450,107</u>	<u>1,714,553</u>
Public Works:		
Personal Services	1,170,026	1,116,241
Supplies	29,600	33,302
Contractual Services	<u>99,876</u>	<u>133,588</u>
Total Public Works	<u>1,299,502</u>	<u>1,283,131</u>
Welfare:		
Human Relations:		
Supplies	<u>1,750</u>	<u>-</u>
Total Human Relations	<u>1,750</u>	<u>-</u>
Total Welfare	<u>1,750</u>	<u>-</u>
Culture and Recreation:		
Cable TV Commission:		
Personal Services	117,864	122,737
Supplies	16,600	2,971
Contractual Services	<u>13,950</u>	<u>10,225</u>
Total Cable TV Commission	<u>148,414</u>	<u>135,933</u>
Historic Preservation:		
Supplies	1,595	994
Contractual Services	<u>2,960</u>	<u>2,828</u>
Total Historic Preservation	<u>4,555</u>	<u>3,822</u>

CITY OF EDWARDSVILLE, ILLINOIS

GENERAL FUND  
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)  
FOR THE YEAR ENDED APRIL 30, 2015

	<u>Budget</u>	<u>Actual</u>
Culture and Recreation: (Continued)		
Beautification Committee		
Supplies	\$ 22,500	\$ 25,438
Contractual Services	18,500	18,043
Total Beautification Committee	<u>41,000</u>	<u>43,481</u>
Total Culture and Recreation	<u>193,969</u>	<u>183,236</u>
Total Expenditures	<u>\$ 14,081,052</u>	<u>\$ 14,411,658</u>

**CITY OF EDWARDSVILLE, ILLINOIS**

**TAX RATES AND EXTENSIONS  
APRIL 30, 2015**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Assessed Value	\$ 437,044,362	\$ 494,293,603	\$ 546,665,921	\$ 566,836,688	\$ 576,106,306	\$ 577,603,490	\$ 575,553,655	\$ 581,554,858	\$ 588,365,147	\$ 610,879,864
Tax Increment Financing -										
District #1	\$ 6,025,450	\$ 6,748,620	\$ 7,288,320	\$ 8,687,360	\$ 7,592,930	\$ 7,080,350	\$ 6,816,870	\$ -	\$ -	\$ -
District #2	\$ 4,358,870	\$ 5,269,410	\$ 5,921,190	\$ 6,606,340	\$ 7,188,660	\$ 7,266,990	\$ 8,856,750	\$ 9,087,420	\$ 10,207,860	\$ 10,233,470
North Gateway Commerce Center	\$ 26,088,740	\$ 22,345,380	\$ 24,445,820	\$ 25,176,690	\$ 22,624,950	\$ 22,301,080	\$ 20,708,960	\$ 20,100,450	\$ 19,733,280	\$ 19,108,500
North Main Street	\$ -	\$ -	\$ 314,670	\$ 594,740	\$ 679,330	\$ 622,360	\$ 556,580	\$ 502,680	\$ 484,240	\$ 499,260
Special Service Area -										
Edwardsville	\$ 1,392,780	\$ 1,550,400	\$ 1,995,950	\$ 2,217,700	\$ 2,021,020	\$ -	\$ -	\$ -	\$ -	\$ -
Madison Avenue	\$ 11,417,150	\$ 12,072,260	\$ 12,830,910	\$ 12,473,460	\$ 11,449,120	\$ 11,195,780	\$ 10,875,510	\$ 10,897,710	\$ 10,547,170	\$ 10,375,130
St. Louis Street	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,868,730	\$ 6,603,910	\$ 6,439,840	\$ 6,553,020
Rates:										
General	\$ 0.2500	\$ 0.2347	\$ 0.2465	\$ 0.2500	\$ 0.2510	\$ 0.2503	\$ 0.2458	\$ 0.2584	\$ 0.2555	\$ 0.2473
ESDA	0.0013	0.0011	0.0012	0.0012	0.0011	0.0011	0.0011	0.0011	0.0011	0.0010
Garbage	0.1225	0.1093	0.0986	0.0990	0.0955	0.0918	0.1009	0.0999	0.0988	0.0952
Parks and Playgrounds	0.0900	0.0850	0.0868	0.0862	0.0849	0.0857	0.0861	0.0853	0.0844	0.0895
Library	0.2128	0.2018	0.1989	0.1976	0.1979	0.2028	0.2035	0.2005	0.2064	0.2038
School Crossing Guard	0.0115	0.0104	0.0098	0.0094	0.0093	0.0093	0.0094	0.0094	0.0093	0.0090
Public Comfort Station	0.0195	0.0174	0.0164	0.0163	-	0.0035	0.0036	0.0036	0.0036	0.0035
Band	0.0277	0.0259	0.0243	0.0242	0.0238	0.0203	0.0204	0.0202	0.0158	0.0153
Fire Protection	0.1500	0.1396	0.1479	0.1500	0.1563	0.1605	0.1611	0.1595	0.1577	0.1550
Fire Pension	0.0488	0.0537	0.0485	0.0623	0.0651	0.0715	0.0790	0.0817	0.1086	0.1107
Police Protection	0.0750	0.0698	0.0740	0.0750	0.0809	0.0877	0.0881	0.0872	0.0862	0.0847
Police Pension	0.0979	0.0945	0.0893	0.0936	0.1078	0.1183	0.1251	0.1239	0.1401	0.1441
IMRF	0.0687	0.0842	0.0789	0.0847	0.0912	0.0883	0.0939	0.0930	0.0920	0.0998
Bond and Interest	0.0227	0.0194	0.0179	0.0175	0.0175	0.0176	-	-	-	-
Social Security	0.1122	0.0820	0.0769	0.0776	0.0738	0.0736	0.0739	0.0758	0.0809	0.0811
Street and Bridge	0.1000	0.0941	0.0961	0.0836	0.0964	0.0961	0.1052	0.1042	0.1030	0.0993
Liability Insurance	0.1145	0.1063	0.0996	0.0551	0.0618	0.0632	0.0722	0.0792	0.0940	0.0977
Library Bond	0.0543	0.0478	0.0428	-	-	-	-	-	-	-
	\$ 1.5794	\$ 1.4770	\$ 1.4544	\$ 1.3833	\$ 1.4143	\$ 1.4416	\$ 1.4693	\$ 1.4829	\$ 1.5374	\$ 1.5370
Tax Increment Financing -										
District #1	\$ 6.8538	\$ 6.6643	\$ 6.7278	\$ 6.6819	\$ 6.7782	\$ 6.9105	\$ 6.9312	\$ -	\$ -	\$ -
District #2	\$ 6.8538	\$ 6.6643	\$ 6.7278	\$ 6.6819	\$ 6.7782	\$ 6.9105	\$ 6.9312	\$ 7.0689	\$ 7.2455	\$ 7.2364
North Gateway Commerces Center	\$ 7.3518	\$ 7.2356	\$ 7.3198	\$ 7.2283	\$ 7.3074	\$ 7.4596	\$ 7.7132	\$ 7.8831	\$ 8.0642	\$ 8.0649
North Main Street	\$ -	\$ -	\$ 6.7280	\$ 6.6819	\$ 6.7782	\$ 6.9106	\$ 6.9312	\$ 7.0690	\$ 7.2455	\$ 7.2364
Special Service Area -										
Edwardsville	\$ 0.3949	\$ 0.3548	\$ 0.2756	\$ 0.2481	\$ 0.2722	\$ -	\$ -	\$ -	\$ -	\$ -
Madison Avenue	\$ 0.2904	\$ 0.2728	\$ 0.2541	\$ 0.2670	\$ 0.2872	\$ 0.2982	\$ 0.3016	\$ -	\$ -	\$ -
St. Louis Street	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.4926	\$ -	\$ 0.5442	\$ 0.5415

**CITY OF EDWARDSVILLE, ILLINOIS**

**TAX RATES AND EXTENSIONS  
APRIL 30, 2015**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Extensions:</b>										
General	\$ 1,092,611	\$ 1,160,107	\$ 1,347,531	\$ 1,417,092	\$ 1,446,027	\$ 1,445,742	\$ 1,414,711	\$ 1,502,738	\$ 1,503,273	\$ 1,510,706
ESDA	5,682	5,437	6,560	6,802	6,337	6,354	6,331	6,397	6,472	6,109
Garbage	535,379	540,263	539,013	561,168	550,182	530,240	580,734	580,973	581,305	581,558
Parks and Playgrounds	393,340	420,150	474,506	488,613	489,114	495,006	495,552	496,066	496,580	546,737
Library	930,030	997,484	1,087,319	1,120,069	1,140,114	1,171,380	1,171,252	1,166,017	1,214,386	1,244,973
School Crossing Guard	50,260	51,407	53,573	53,283	53,578	53,717	54,102	54,666	54,718	54,979
Public Comfort Station	85,224	86,007	89,653	92,394	-	20,216	20,720	20,936	21,181	21,381
Band	121,061	128,022	132,840	137,175	137,113	117,234	117,413	117,474	92,962	93,465
Fire Protection	655,567	690,034	808,519	850,255	900,454	927,054	927,217	927,580	927,852	946,864
Fire Pension	213,278	265,436	265,133	333,139	375,045	412,986	454,687	475,130	638,964	676,244
Police Protection	327,783	345,017	404,533	425,128	466,070	506,558	507,063	507,116	507,171	517,415
Police Pension	427,866	467,107	488,173	530,559	621,043	683,305	720,017	720,547	824,300	880,278
IMRF	300,249	416,195	431,319	480,111	525,409	510,024	540,445	540,846	541,296	609,658
Bond and Interest	99,209	95,893	97,853	99,196	100,819	101,658	-	-	-	-
Social Security	490,364	405,321	420,386	439,865	425,166	425,334	425,334	440,819	475,987	495,423
Street and Bridge	437,044	465,130	525,346	473,876	555,366	555,077	605,482	605,980	606,016	606,604
Liability Insurance	500,416	525,434	544,479	312,327	356,034	365,045	415,550	460,591	553,063	596,829
Library Bond	237,315	236,272	233,973	-	-	-	-	-	-	-
	\$ 6,902,678	\$ 7,300,716	\$ 7,950,709	\$ 7,841,052	\$ 8,147,871	\$ 8,326,732	\$ 8,456,610	\$ 8,623,876	\$ 9,045,526	\$ 9,389,223
<b>Tax Increment Financing -</b>										
District #1	\$ 412,972	\$ 449,748	\$ 490,344	\$ 580,472	\$ 514,664	\$ 489,288	\$ 472,491	\$ -	\$ -	\$ -
District #2	\$ 298,748	\$ 351,169	\$ 398,367	\$ 441,423	\$ 487,263	\$ 502,186	\$ 613,880	\$ 642,381	\$ 739,611	\$ 740,536
North Gateway Commerce Center	\$ 1,917,971	\$ 1,616,812	\$ 1,789,390	\$ 1,819,827	\$ 1,653,297	\$ 1,663,562	\$ 1,597,324	\$ 1,584,539	\$ 1,591,331	\$ 1,541,081
North Main Street	\$ -	\$ -	\$ 21,171	\$ 39,740	\$ 46,047	\$ 43,009	\$ 38,578	\$ 35,534	\$ 35,086	\$ 36,129
<b>Special Service Area -</b>										
Edwardsville	\$ 5,500	\$ 5,501	\$ 5,501	\$ 5,502	\$ 5,501	\$ -	\$ -	\$ -	\$ -	\$ -
Madison Avenue	\$ 33,155	\$ 32,933	\$ 32,654	\$ 33,304	\$ 32,882	\$ 33,386	\$ 32,801	\$ -	\$ -	\$ -
St. Louis Street	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,835	\$ -	\$ 35,046	\$ 35,485



**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, 2015, 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. Schlemmer & Co. LLC*

Certified Public Accountants  
September 8, 2015