



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

CITY OF EDWARDSVILLE, ILLINOIS

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

APRIL 30, 2016

233 East Center Drive, P.O. Box 416
Alton, Illinois 62002
(618) 465-7717 Fax (618) 465-7710

80 Edwardsville Professional Park
Edwardsville, Illinois 62025
(618) 656-2146 Fax (618) 656-2147

One Westbury Drive, Suite 420
St. Charles, Missouri 63301
(636) 723-7611 Fax (636) 947-4558



www.cjsco.com

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, 2016, 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, 2016, 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.

Change in Accounting Principle

As discussed in Note 13 to the financial statements, in 2016 the City of Edwardsville adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

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 68 to 70) and schedules of pension funding progress and related information (pages 71 to 81) 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 & Company LLC

Certified Public Accountants
Alton, Illinois

September 16, 2016

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, 2016. All dollar amounts unless otherwise indicated, are expressed in thousands of dollars.

Profile of the City

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

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

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

Financial Highlights

- The assets of the City of Edwardsville exceeded its liabilities at the close of the most recent fiscal year by \$46,070 (net position). Of this amount, a negative balance of \$10,735 (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 \$22,104.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,039 or 60% of total general fund expenditures.

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, the TIF #3 fund, and the Public Safety Facilities fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held in benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Edwardsville's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

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

The notes to the financial statements can be found on pages 25-67 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 68-81 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 82-87 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 \$46,070 at the close of the 2016 fiscal year.

Of this net position, a negative \$10,735 is reported as unrestricted. This balance is negative primarily due to the reporting of accrued pension liabilities that will be funded by general revenues in future years. The other major component is reflected in the City's investment in capital assets \$50,969 (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	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 25,997	\$ 17,139	\$ (611)	\$ (60)	\$ 25,386	\$ 17,079
Deferred outflows	8,883	10,349	229	275	9,112	10,624
Capital assets	43,206	41,321	35,976	36,741	79,182	78,062
Total assets	\$ 78,086	\$ 68,809	\$ 35,594	\$ 36,956	\$ 113,680	\$ 105,765
Long-term liabilities	\$ 54,657	\$ 36,666	\$ 10,770	\$ 11,535	\$ 65,427	\$ 48,201
Deferred inflows	146	156	-	-	146	156
Other liabilities	1,179	437	858	734	2,037	1,171
Total liabilities	\$ 55,982	\$ 37,259	\$ 11,628	\$ 12,269	\$ 67,610	\$ 49,528
Net investment in capital assets	\$ 24,712	\$ 29,994	\$ 26,257	\$ 25,960	\$ 50,969	\$ 55,954
Restricted	4,927	4,797	908	892	5,835	5,689
Unrestricted	(7,535)	(3,241)	(3,199)	(2,165)	(10,734)	(5,406)
Total net position	\$ 22,104	\$ 31,550	\$ 23,966	\$ 24,687	\$ 46,070	\$ 56,237

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 decreased the City's net position by \$9,446 as shown in the schedule below, and business-type activities reported a decrease of \$722.

CITY OF EDWARDSVILLE'S CHANGES IN NET POSITION

	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Program revenues:						
Charges for services	\$ 3,286	\$ 3,580	\$ 8,833	\$ 8,544	\$ 12,119	\$ 12,124
Operating grants and contributions	128	414	-	-	128	414
Capital grants and contributions	321	594	-	-	321	594
General revenues:						
Property taxes	8,413	8,228	579	600	8,992	8,828
Other taxes	13,337	12,601	-	-	13,337	12,601
Other	306	326	(28)	118	278	444
Total revenues	\$ 25,791	\$ 25,743	\$ 9,384	\$ 9,262	\$ 35,175	\$ 35,005

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

CITY OF EDWARDSVILLE'S CHANGES IN NET POSITION

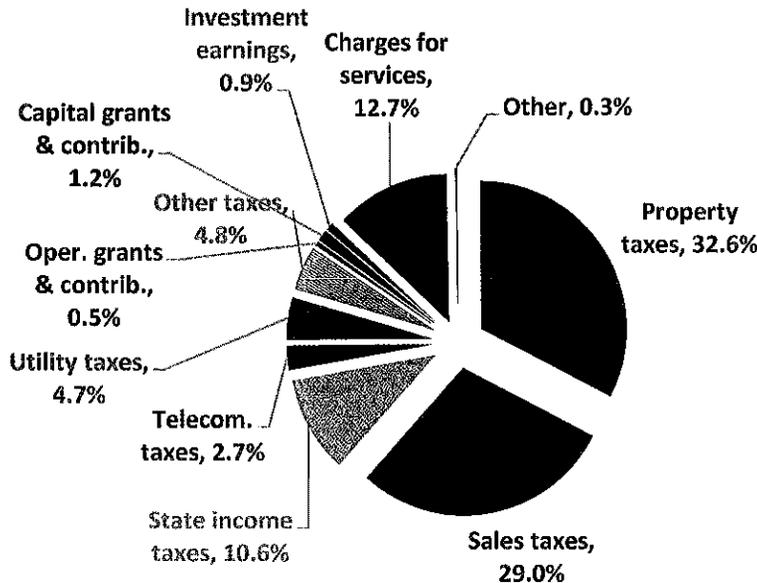
	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Expenses:						
General government	\$ 4,842	\$ 4,791	\$ -	\$ -	\$ 4,842	\$ 4,791
Public safety	20,956	8,813	-	-	20,956	8,813
Highways and streets	5,405	4,609	-	-	5,405	4,609
Public works	1,395	1,297	-	-	1,395	1,297
Culture and recreation	2,187	2,419	-	-	2,187	2,419
Interest on long-term debt	496	489	-	-	496	489
Water	-	-	5,006	4,283	5,006	4,283
Sewer	-	-	3,335	3,015	3,335	3,015
Garbage	-	-	1,720	1,692	1,720	1,692
Total expenses	<u>35,281</u>	<u>22,418</u>	<u>10,061</u>	<u>8,990</u>	<u>45,342</u>	<u>31,408</u>
Increase (decrease) in net position before transfers	(9,490)	3,325	(677)	272	(10,167)	3,597
Transfers	44	54	(44)	(54)	-	-
Change in net position	(9,446)	3,379	(721)	218	(10,167)	3,597
Net position, beg of year	<u>31,550</u>	<u>39,168</u>	<u>24,687</u>	<u>24,550</u>	<u>56,237</u>	<u>63,718</u>
Net position, end of year	<u>\$ 22,104</u>	<u>\$ 42,547</u>	<u>\$ 23,966</u>	<u>\$ 24,768</u>	<u>\$ 46,070</u>	<u>\$ 67,315</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 14.50 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 \$473 over the prior year. In addition, the City has experienced an annual average increase in assessed valuation of 5.80% during the past 10 years thereby increasing property tax revenue while the City's combined tax rate has fallen from \$1.4770 per \$100 of assessed valuation in 2006 to \$1.5013 in 2015.

Property taxes reported an increase of \$167 as the assessed valuation increased from \$611 million in 2014 to \$645 million in 2015. The City reported a \$736 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.

The City's net position was restated in 2016 to report the effects of GASB 68. This pronouncement required the reporting of the net pension liability of pension funds. This change also is the cause of the significant increase in public safety expenses to report the current year changes in the liability.

**REVENUE BY SOURCES -
 GOVERNMENTAL ACTIVITIES**



Financial Analysis of the Government's Funds

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

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

At the end of fiscal 2016, the City of Edwardsville's governmental funds reported combined ending fund balances of \$23,546. Approximately \$8,521 or 36% 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 \$9,039 which represents 97% 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 58.7% of total general fund expenditures. The City's general fund balance increased \$727 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 2016.

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, 2016 and 2015 amounted to \$79,182 and \$78,064 (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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 2,828	\$ 2,891	\$ 294	\$ 294	\$ 3,122	\$ 3,185
Land improvements	553	602	-	-	553	602
Buildings and systems	4,010	4,253	35,142	35,873	39,152	40,126
Equipment	735	742	286	274	1,021	1,016
Vehicles	634	775	254	300	888	1,075
Infrastructure	34,446	32,060	-	-	34,446	32,060
Total	<u>\$ 43,206</u>	<u>\$ 41,323</u>	<u>\$ 35,976</u>	<u>\$ 36,741</u>	<u>\$ 79,182</u>	<u>\$ 78,064</u>

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

- Continued additions to the City's infrastructure including Century Drive, 4th Avenue, and Chancellor Drive drainage.
- Construction work on the new Public Safety Facilities building.
- Planning and construction of the Spray and Play Splash Pad.
- Construction work related to the SIUE fire station.

Additional information on the City of Edwardsville's capital assets can be found in Note 5 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 \$24,777. This amount comprises debt backed by the full faith and credit of the City. The balance of \$3,550 represents low interest loans from other governmental agencies.

CITY OF EDWARDSVILLE'S OUTSTANDING DEBT

	Governmental activities		Business-type activities		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
General obligation bonds	\$ 18,055	\$ 10,741	\$ 6,722	\$ 7,196	\$ 24,777	\$ 17,937
Loans and capital leases	<u>450</u>	<u>600</u>	<u>3,100</u>	<u>3,654</u>	<u>3,550</u>	<u>4,254</u>
Total revenues	<u>\$ 18,505</u>	<u>\$ 11,341</u>	<u>\$ 9,822</u>	<u>\$ 10,850</u>	<u>\$ 28,327</u>	<u>\$ 22,191</u>

The City issued General Obligation Bonds, Series 2015 for \$9,000,000 in the current fiscal year to provide funds for the construction of the Public Safety Facilities building.

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

Additional information on the City of Edwardsville's long-term debt can be found in Note 6 on pages 41-44 of this report.

Economic Factors and Net Year's Budgets and Rates

The unemployment rate for the County was 6.3% compared to the State of Illinois and St. Louis metropolitan area, which Edwardsville is considered part of, unemployment rates of 4.7%. 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 \$1.48 per month in August 1, 2016.

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, 2016

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		
<u>Assets</u>				
Cash and Cash Equivalents	\$ 9,618,045	\$ (4,211,395)	\$ 5,406,650	\$ 356,819
Investments	12,524,137	820,239	13,344,376	262,873
Receivables (Net of allowance for uncollectibles):	3,199,127	1,532,543	4,731,670	-
Inventory	-	198,749	198,749	-
Prepaid Expenses	656,228	66,306	722,534	12,097
Restricted Assets:				
Cash and Cash Equivalents	-	248,813	248,813	-
Investments	-	734,589	734,589	-
Capital Assets:				
Land	2,827,620	294,193	3,121,813	-
Land Improvements	1,138,885	-	1,138,885	-
Buildings and Systems	10,084,191	59,742,837	69,827,028	4,750,067
Equipment	3,106,081	1,488,631	4,594,712	100,986
Vehicles	4,129,110	813,654	4,942,764	-
Infrastructure	87,284,821	-	87,284,821	-
Accumulated Depreciation	(65,364,804)	(26,363,665)	(91,728,469)	(4,696,656)
Total Assets	<u>\$ 69,203,441</u>	<u>\$ 35,365,494</u>	<u>\$ 104,568,935</u>	<u>\$ 786,186</u>
<u>Deferred Outflows of Resources</u>				
Future Pension Expense	<u>\$ 8,883,239</u>	<u>\$ 228,738</u>	<u>\$ 9,111,977</u>	<u>\$ -</u>
<u>Deferred Inflows of Resources</u>				
Deferred Revenue	<u>\$ 145,902</u>	<u>\$ -</u>	<u>\$ 145,902</u>	<u>\$ -</u>
<u>Liabilities</u>				
Accounts Payable	\$ 894,610	\$ 685,324	\$ 1,579,934	\$ 300
Accrued Salaries	200,662	17,486	218,148	11,760
Accrued Interest Payable	84,190	80,471	164,661	-
Customer Deposits	-	75,435	75,435	-
Noncurrent Liabilities:				
Due Within One Year	3,497,225	1,077,174	4,574,399	-
Due in More Than One Year	51,160,131	9,692,553	60,852,684	55,416
Total Liabilities	<u>55,836,818</u>	<u>11,628,443</u>	<u>67,465,261</u>	<u>67,476</u>
<u>Net Position</u>				
Net Investment in Capital Assets	24,711,673	26,257,242	50,968,915	154,397
Restricted	4,927,441	907,967	5,835,408	-
Unrestricted	(7,535,154)	(3,199,420)	(10,734,574)	564,313
Total Net Position	<u>\$ 22,103,960</u>	<u>\$ 23,965,789</u>	<u>\$ 46,069,749</u>	<u>\$ 718,710</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, 2016

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government		
						Business-type Activities		Total
Primary Government:								
Governmental Activities:								
General Government	\$ 4,842,057	\$ 448,882	\$ 3,221	\$ -	\$ (4,389,954)	\$ (4,389,954)		
Public Safety	20,956,543	1,180,625	62,406	2,930	(19,710,582)	(19,710,582)		
Highways and Streets	5,404,517	-	5,435	-	(5,399,082)	(5,399,082)		
Public Works	1,394,816	445,271	-	-	(949,545)	(949,545)		
Culture and Recreation	2,186,721	1,210,782	56,697	317,995	(601,247)	(601,247)		
Interest on Long-term Debt	496,292	-	-	-	(496,292)	(496,292)		
Total Governmental Activities	35,280,946	3,285,560	127,759	320,925	(31,546,702)	(31,546,702)		
Business-type Activities:								
Water	5,005,763	4,149,907	-	-	\$ (855,856)	(855,856)		
Sewer	3,335,373	3,275,650	-	-	(59,723)	(59,723)		
Garbage	1,720,954	1,407,599	-	-	(313,355)	(313,355)		
Total Business-type Activities	10,062,090	8,833,156	-	-	(1,228,934)	(1,228,934)		
Total Primary Government	\$ 45,343,036	\$ 12,118,716	\$ 127,759	\$ 320,925	(31,546,702)	(32,775,636)		
Component Unit:								
Library	\$ 1,372,358	\$ 46,698	\$ 34,011	\$ -			\$ (1,291,649)	
Total Component Unit	\$ 1,372,358	\$ 46,698	\$ 34,011	\$ -			(1,291,649)	
General Revenues:								
Property Tax, Levied for General Purposes				8,413,101		8,992,513	1,239,869	
Sales and Use Tax				7,474,694		7,474,694	-	
Replacement Tax				195,535		195,535	19,431	
State Income Tax				2,723,999		2,723,999	-	
Motor Fuel Tax				712,218		712,218	-	
Telecommunications Tax				683,932		683,932	-	
Utility Tax				1,203,393		1,203,393	-	
Motel Tax				125,342		125,342	-	
Amusement Tax				217,636		217,636	-	
Unrestricted Investment Earnings				235,639	(27,986)	207,653	9,398	
Miscellaneous				70,892		70,892	1,360	
Transfers				44,296	(44,296)	-	-	
Total General Revenues and Transfers				22,100,677	507,130	22,607,807	1,270,058	
Change in Net Position				(9,446,025)	(721,804)	(10,167,829)	(21,591)	
Net Position - Beginning, As Restated				31,549,985	24,687,593	56,237,578	740,301	
Net Position - Ending				\$ 22,103,960	\$ 23,965,789	\$ 46,069,749	\$ 718,710	

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

CITY OF EDWARDSVILLE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2016

	<u>General Fund</u>	<u>TIF #3 Fund</u>	<u>Public Safety Facilities Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents	\$ 1,829,731	\$ 1,410,011	\$ 6,068,928	\$ 40,877	\$ 9,349,547
Investments	5,439,931	920,185	2,047,129	3,972,125	12,379,370
Receivables (Net, where applicable, of allowances for uncollectibles):					
Property Tax	3,298,200	1,537,000	-	3,802,300	8,637,500
Services	138,917	-	-	111,138	250,055
Intergovernmental	2,364,845	-	240,448	269,717	2,875,010
Interest	12,649	-	4,491	2,820	19,960
Other	54,102	-	-	-	54,102
Due From Other Funds	21,607	-	-	31,362	52,969
Prepaid Expenses	306,625	-	-	159,789	466,414
Total Assets	<u>\$ 13,466,607</u>	<u>\$ 3,867,196</u>	<u>\$ 8,360,996</u>	<u>\$ 8,390,128</u>	<u>\$ 34,084,927</u>
 <u>Liabilities and Fund Balance</u>					
Liabilities:					
Accounts Payable	\$ 56,353	\$ -	\$ 429,973	\$ 399,012	\$ 885,338
Accrued Salaries and Compensated Absences	188,620	-	-	12,042	200,662
Due to Other Funds	19,756	-	-	28,925	48,681
Deferred Revenue	3,856,206	1,537,000	77,423	3,933,318	9,403,947
Total Liabilities	<u>4,120,935</u>	<u>1,537,000</u>	<u>507,396</u>	<u>4,373,297</u>	<u>10,538,628</u>
Fund Balance:					
Nonspendable	306,625	-	-	393,308	699,933
Restricted	-	2,330,196	-	2,597,245	4,927,441
Committed	-	-	7,853,600	1,544,499	9,398,099
Assigned	-	-	-	494,294	494,294
Unassigned	9,039,047	-	-	(1,012,515)	8,026,532
Total Fund Balance	<u>9,345,672</u>	<u>2,330,196</u>	<u>7,853,600</u>	<u>4,016,831</u>	<u>23,546,299</u>
Total Liabilities and Fund Balance	<u>\$ 13,466,607</u>	<u>\$ 3,867,196</u>	<u>\$ 8,360,996</u>	<u>\$ 8,390,128</u>	<u>\$ 34,084,927</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, 2016

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 23,546,299
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	43,205,904
The amount of compensated absences is not recorded as a liability on the balance sheet of the governmental funds.	(2,192,868)
The amount of accrued retirement benefits is not recorded as a liability on the balance sheet of the governmental funds.	(1,100,244)
The amount of the net pension liability related to the police and fire pensions is not recorded as a liability on the balance sheet of the governmental funds.	(29,706,314)
The amount of the net pension liability related to IMRF and SLEP is not recorded as a liability on the balance sheet of the governmental funds.	(3,163,699)
The amount of the future pension expense related to the pension funds of the City is not recorded as an asset on the balance sheet of the governmental funds.	8,883,239
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	(18,505,274)
Accrued interest payable on the long-term debt is not reported as a liability on the balance sheet of the governmental funds.	(84,190)
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.	620,545
Net effect of including internal service fund in governmental activities.	589,519
Debt issuance premiums and discounts are not reported as an asset to be amortized on the balance sheet of the governmental funds.	<u>11,043</u>
Net assets of governmental activities	<u>\$ 22,103,960</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, 2016

	<u>General Fund</u>	<u>TIF #3 Fund</u>	<u>Public Safety Facilities Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property Tax	\$ 3,131,188	\$ 1,541,127	\$ -	\$ 3,740,786	\$ 8,413,101
Intergovernmental:					
Sales and Use Tax	5,953,310	-	987,539	570,030	7,510,879
Replacement Tax	195,535	-	-	-	195,535
State Income Tax	3,201,375	-	-	-	3,201,375
Motor Fuel Tax	-	-	-	712,218	712,218
Telecommunications Tax	341,865	-	-	341,865	683,730
Grants	71,062	-	-	11,350	82,412
Other Local Taxes	112,634	-	-	1,433,737	1,546,371
Licenses, Fees and Permits	261,461	-	-	-	261,461
Charges for Services	1,965,796	-	-	829,825	2,795,621
Fines	228,478	-	-	-	228,478
Investment Earnings	151,326	36,944	2,953	38,169	229,392
Miscellaneous Revenues/Reimbursements	57,677	-	2,930	439,842	500,449
Total Revenues	<u>15,671,707</u>	<u>1,578,071</u>	<u>993,422</u>	<u>8,117,822</u>	<u>26,361,022</u>
Expenditures:					
Current:					
General Government	2,844,603	153,108	-	1,658,353	4,656,064
Public Safety	8,514,361	-	28,159	6,357	8,548,877
Highways and Streets	2,140,534	42,866	-	1,184,140	3,367,540
Public Works	1,301,191	-	-	-	1,301,191
Culture and Recreation	189,427	-	-	1,640,764	1,830,191
Debt Service:					
Principal	-	1,205,000	150,000	480,974	1,835,974
Interest/Fees	-	190,355	71,013	240,107	501,475
Capital Outlay	392,576	-	2,177,836	2,175,184	4,745,596
Total Expenditures	<u>15,382,692</u>	<u>1,591,329</u>	<u>2,427,008</u>	<u>7,385,879</u>	<u>26,786,908</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>289,015</u>	<u>(13,258)</u>	<u>(1,433,586)</u>	<u>731,943</u>	<u>(425,886)</u>
Other Financing Sources (Uses):					
Transfers In (Out)	438,177	(10,000)	-	(383,881)	44,296
Proceeds from Debt	-	-	9,000,000	-	9,000,000
Total Other Financing Sources (Uses)	<u>438,177</u>	<u>(10,000)</u>	<u>9,000,000</u>	<u>(383,881)</u>	<u>9,044,296</u>
Net Change in Fund Balances	727,192	(23,258)	7,566,414	348,062	8,618,410
Fund Balance, Beginning of Year	<u>8,618,480</u>	<u>2,353,454</u>	<u>287,186</u>	<u>3,668,769</u>	<u>14,927,889</u>
Fund Balance, End of Year	<u>\$ 9,345,672</u>	<u>\$ 2,330,196</u>	<u>\$ 7,853,600</u>	<u>\$ 4,016,831</u>	<u>\$ 23,546,299</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, 2016

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

Net change in fund balances - total governmental funds	\$ 8,618,410
<p>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.</p>	1,882,991
<p>The amount of the net pension liability and future pension expense related to the police and fire pension funds are not recorded as an expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the public safety functional expense category. This amount is the difference between the beginning and ending balances that has been included in the statement of activities.</p>	(10,419,046)
<p>The amount of the net pension liability and future pension expense related to IMRF and SLEP are not recorded as an expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the appropriate functional expense category. This amount is the difference between the beginning and ending balances that has been included in the statement of activities.</p>	(1,509,528)
<p>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.</p>	(205,220)
<p>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.</p>	(157,444)
<p>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.</p>	(7,158,843)
Net effect of including internal service fund in governmental activities.	16,014
<p>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.</p>	<u>(513,359)</u>
Change in net position of governmental activities	<u>\$ (9,446,025)</u>

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

CITY OF EDWARDSVILLE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
APRIL 30, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds				
	Water	Sewer	Garbage	Total	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ (3,224,326)	\$ (754,219)	\$ (232,850)	\$ (4,211,395)	\$ 268,498
Investments	(15,871)	797,681	38,429	820,239	144,767
Receivables:					
Property Tax	-	-	437,600	437,600	-
Customer/Unbilled	622,244	622,051	288,248	1,532,543	-
Inventory, at Cost	198,749	-	-	198,749	-
Prepaid Expenses	41,377	24,929	-	66,306	189,814
Total Current Assets	(2,377,827)	690,442	531,427	(1,155,958)	603,079
Noncurrent Assets:					
Restricted Cash and Cash Equivalents	248,813	-	-	248,813	-
Restricted Investments	734,589	-	-	734,589	-
Capital Assets:					
Land	177,530	116,663	-	294,193	-
Equipment	963,233	525,398	-	1,488,631	-
Vehicles	529,685	283,969	-	813,654	-
Plant and System	27,173,477	32,569,360	-	59,742,837	-
Less: Accumulated Depreciation	(9,744,936)	(16,618,729)	-	(26,363,665)	-
Total Noncurrent Assets	20,082,391	16,876,661	-	36,959,052	-
Total Assets	17,704,564	17,567,103	531,427	35,803,094	603,079
DEFERRED OUTFLOWS OF RESOURCES					
Future Pension Expense	\$ 154,550	\$ 74,188	\$ -	\$ 228,738	\$ -
LIABILITIES					
Current Liabilities:					
Accounts Payable	472,586	212,738	-	685,324	9,272
Accrued Salaries	11,344	6,142	-	17,486	-
Due to Other Funds	-	-	-	-	4,288
Compensated Absences	161,611	48,799	-	210,410	-
Deferred Income	-	-	437,600	437,600	-
Loans Payable - Current	32,220	537,014	-	569,234	-
Accrued Interest	-	29,552	-	29,552	-
Total Current Liabilities	677,761	834,245	437,600	1,949,606	13,560
Current Liabilities (Payable from Restricted Assets):					
Accrued Interest	50,919	-	-	50,919	-
General Obligation Debt - Current	507,940	-	-	507,940	-
Customer Deposits	75,435	-	-	75,435	-
Total Current Liabilities (Payable from Restricted Assets)	634,294	-	-	634,294	-
Noncurrent Liabilities:					
Accrued Retirement Health Benefits	99,087	47,524	-	146,611	-
Net Pension Liability	398,131	191,113	-	589,244	-
General Obligation Debt (Net of Current Portion)	6,213,760	-	-	6,213,760	-
Less - Unamortized Premium/Discount on Bond	1,512	-	-	1,512	-
Loans Payable	242,427	2,288,589	-	2,531,016	-
Total Noncurrent Liabilities	6,954,917	2,527,226	-	9,482,143	-
Total Liabilities	8,266,972	3,361,471	437,600	12,066,043	13,560
NET POSITION					
Net Investment in Capital Assets	12,235,736	14,021,506	-	26,257,242	-
Restricted for Debt Service	907,967	-	-	907,967	-
Unrestricted	(3,551,561)	258,314	93,827	(3,199,420)	589,519
Total Net Position	\$ 9,592,142	\$ 14,279,820	\$ 93,827	\$ 23,965,789	\$ 589,519

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, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds			Total	
	Water	Sewer	Garbage		
Operating Revenue:					
Customer User Charges	\$ 3,877,895	\$ 2,880,223	\$ 1,407,599	\$ 8,165,717	\$ -
Other Service Contributions	-	-	-	-	2,414,601
Tap On Fees	251,603	378,452	-	630,055	-
Miscellaneous	20,409	16,975	-	37,384	-
Total Operating Revenue	<u>4,149,907</u>	<u>3,275,650</u>	<u>1,407,599</u>	<u>8,833,156</u>	<u>2,414,601</u>
Operating Expenses:					
Personal Services	1,221,797	588,696	-	1,810,493	-
Contractual Services	2,455,203	1,659,266	1,720,954	5,835,423	2,404,834
Supplies	88,765	33,741	-	122,506	-
Heat, Light, and Power	424,121	320,932	-	745,053	-
Depreciation	626,411	656,957	-	1,283,368	-
Total Operating Expenses	<u>4,816,297</u>	<u>3,259,592</u>	<u>1,720,954</u>	<u>9,796,843</u>	<u>2,404,834</u>
Operating Income (Loss)	<u>(666,390)</u>	<u>16,058</u>	<u>(313,355)</u>	<u>(963,687)</u>	<u>9,767</u>
Nonoperating Revenue (Expense):					
Tax Revenue	-	-	579,412	579,412	-
Interest Income	(20,513)	(4,269)	(3,204)	(27,986)	6,247
Bond Amortization	25,438	-	-	25,438	-
Interest Expense	(214,904)	(75,781)	-	(290,685)	-
Total Nonoperating Revenue (Expense)	<u>(209,979)</u>	<u>(80,050)</u>	<u>576,208</u>	<u>286,179</u>	<u>6,247</u>
Income before Transfers	(876,369)	(63,992)	262,853	(677,508)	16,014
Transfers In (Out)	<u>(12,378)</u>	<u>73,082</u>	<u>(105,000)</u>	<u>(44,296)</u>	<u>-</u>
Change in Net Position	(888,747)	9,090	157,853	(721,804)	16,014
Net Position, Beginning of Year, As Restated	<u>10,480,889</u>	<u>14,270,730</u>	<u>(64,026)</u>	<u>24,687,593</u>	<u>573,505</u>
Net Position, End of Year	<u>\$ 9,592,142</u>	<u>\$ 14,279,820</u>	<u>\$ 93,827</u>	<u>\$ 23,965,789</u>	<u>\$ 589,519</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, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds			Total	
	Water	Sewer	Garbage		
Cash flows from operating activities:					
Receipts for services	\$ 4,003,618	\$ 3,467,432	\$ 1,369,816	\$ 8,840,866	\$ 2,414,601
Payments to suppliers	(3,077,412)	(2,234,432)	(1,720,954)	(7,032,798)	(2,405,645)
Payments to employees	(669,091)	(321,499)	-	(990,590)	-
Other fees	20,409	16,975	-	37,384	-
Net cash provided (used) by operating activities	<u>277,524</u>	<u>928,476</u>	<u>(351,138)</u>	<u>854,862</u>	<u>8,956</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(510,975)	(6,943)	-	(517,918)	-
Principal paid on bonds	(474,680)	-	-	(474,680)	-
Interest/issuance costs paid	(218,023)	(81,606)	-	(299,629)	-
Principal paid on loans	(29,704)	(523,655)	-	(553,359)	-
Net cash provided (used) by capital and related financing activities	<u>(1,233,382)</u>	<u>(612,204)</u>	<u>-</u>	<u>(1,845,586)</u>	<u>-</u>
Cash flows from non-capital financing activities:					
Payments from (to) other funds	(12,378)	73,082	(105,000)	(44,296)	-
Customer deposits	(3,890)	-	-	(3,890)	-
Tax revenue	-	-	579,412	579,412	-
Net cash provided (used) by non-capital financing activities	<u>(16,268)</u>	<u>73,082</u>	<u>474,412</u>	<u>531,226</u>	<u>-</u>
Cash flows from investing activities:					
Net (purchase) sale of investment securities	(5,968)	(20,860)	1,413	(25,415)	(8,808)
Interest on investments	(18,145)	(1,606)	(3,204)	(22,955)	6,247
Net cash provided (used) by investing activities	<u>(24,113)</u>	<u>(22,466)</u>	<u>(1,791)</u>	<u>(48,370)</u>	<u>(2,561)</u>
Net change in cash and cash equivalents	(996,239)	366,888	121,483	(507,868)	6,395
Cash and cash equivalents, beginning of year	<u>(1,979,274)</u>	<u>(1,121,107)</u>	<u>(354,333)</u>	<u>(3,454,714)</u>	<u>262,103</u>
Cash and cash equivalents, end of year	<u>\$ (2,975,513)</u>	<u>\$ (754,219)</u>	<u>\$ (232,850)</u>	<u>\$ (3,962,582)</u>	<u>\$ 268,498</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, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds			Total	
	Water	Sewer	Garbage		
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (666,390)	\$ 16,058	\$ (313,355)	\$ (963,687)	\$ 9,767
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	626,411	656,957	-	1,283,368	-
(Increase) decrease in:					
Customer receivable/unbilled	(125,880)	208,757	(37,783)	45,094	-
Inventory	1,389	-	-	1,389	-
Prepaid expenses	9,621	6,305	-	15,926	(6,928)
Future pension expense	31,489	15,115	-	46,604	-
Increase (decrease) in:					
Accounts payable	212,132	(69,034)	-	143,098	6,117
Accrued retirement health benefits	12,154	5,519	-	17,673	-
Net pension liability	157,899	75,796	-	233,695	-
Accrued salaries/vacation/sick	18,699	13,003	-	31,702	-
Net cash provided (used) by operating activities	<u>\$ 277,524</u>	<u>\$ 928,476</u>	<u>\$ (351,138)</u>	<u>\$ 854,862</u>	<u>\$ 8,956</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, 2016

	<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	\$ 808,197	\$ 254,945	\$ 1,063,142	\$ (312)
Investments:				
US Treasury Securities	7,695,898	5,296,342	12,992,240	-
Mutual Funds	9,789,046	6,281,793	16,070,839	-
Receivables:				
Property Tax	915,278	711,244	1,626,522	-
Other	-	4,488	4,488	-
Interest	30,985	19,316	50,301	-
Total Assets	<u>19,239,404</u>	<u>12,568,128</u>	<u>31,807,532</u>	<u>(312)</u>
<u>Liabilities</u>				
Accounts Payable	<u>8,257</u>	<u>3,023</u>	<u>11,280</u>	<u>-</u>
Total Liabilities	<u>8,257</u>	<u>3,023</u>	<u>11,280</u>	<u>-</u>
<u>Net Position</u>				
Held in Trust for Pension				
Benefits and Other Purposes	<u>\$ 19,231,147</u>	<u>\$ 12,565,105</u>	<u>\$ 31,796,252</u>	<u>\$ (312)</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, 2016

	Pension Trust Funds		
	Police Pension	Fire Pension	Total
<u>Additions</u>			
Contributions:			
Property Tax	\$ 920,192	\$ 714,809	\$ 1,635,001
Employee Contributions	328,541	193,989	522,530
Investment Income:			
Investment Income	(283,072)	(197,555)	(480,627)
Less: Investment Expense	(34,966)	(26,463)	(61,429)
Net Investment Income	(318,038)	(224,018)	(542,056)
 Total Additions	 930,695	 684,780	 1,615,475
<u>Deductions</u>			
Benefits	856,903	1,018,002	1,874,905
Refund of Contributions	75,721	-	75,721
Administrative Expenses	21,401	17,884	39,285
Total Deductions	954,025	1,035,886	1,989,911
 Change in Net Position	 (23,330)	 (351,106)	 (374,436)
 Net Position, Beginning of Year	 19,254,477	 12,916,211	 32,170,688
 Net Position, End of Year	 <u>\$ 19,231,147</u>	 <u>\$ 12,565,105</u>	 <u>\$ 31,796,252</u>

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

CITY OF EDWARDSVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2016

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

The government reports the following major proprietary funds:

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

Additionally, the government reports the following fund types:

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

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

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

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

The agency 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,

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

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

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 uncollectible amounts.

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

General Fund	Ambulance Receivables	\$354,292
Proprietary Fund	Water Customer Receivables	11,100
Proprietary Fund	Sewer Customer Receivables	11,176
Proprietary Fund	Garbage Customer Receivables	6,804

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 15, 2015 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 2015 become an enforceable lien in January 2016. Because this tax levy will be used to pay for expenses budgeted in fiscal year 2017, no part of this tax levy is shown as tax revenue as of April 30, 2016 in the statement of activities.

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

Inventories and prepaid items

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

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

Restricted assets

Certain balances of the enterprise funds are set aside for the repayment of debt related to outstanding bond issues.

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

Water Meter Deposit	\$ 75,435
Water Works Debt Service	<u>907,967</u>
Total Restricted Assets	<u>\$ 983,402</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.

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

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

Compensated absences

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

At April 30, 2016, the City estimated that the accumulated liability for unused vacation and sick leave for governmental fund employees totaled \$2,192,868. Amounts reflected in the financial statements at April 30, 2016 for Enterprise Fund employees related to unused vacation and sick leave benefits totaled \$210,410.

Fund equity

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

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

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

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

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

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

Unassigned - the residual classification of the General Fund balance.

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

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

Governmental Funds

Nonspendable:

Prepaid Insurance	\$	329,696
Other Prepaid Expenses		136,718
Permanent Endowment		233,519
	\$	<u>699,933</u>

Restricted:

TIF Fund Balances	\$	3,852,193
Motor Fuel Tax Fund		755,769
ESDA Fund		14,195
Municipal Band Fund		99,329
Incremental Sales Tax Fund		89,405
Permanent Funds		116,550
	\$	<u>4,927,441</u>

Committed:

Capital Improvement Fund	\$	167,280
Tourism Fund		128,124
SIUE Public Safety Fund		317,028
Public Safety Facilities Fund		7,853,600
Capital Equipment Fund		379,000
Community Development		553,067
	\$	<u>9,398,099</u>

Assigned:

Parks Improvement Fund	\$	<u>494,294</u>
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Long-term obligations

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

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

over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Estimates

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

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 16, 2015, 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.

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

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

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

NOTE 3: RECEIVABLES

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

	<u>General</u>	<u>Other Major Funds</u>	<u>Water, Sewer & Garbage</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:					
Interest	\$ 12,649	\$ 4,491	\$ -	\$ 2,820	\$ 19,960
Other	54,102	-	-	-	54,102
Accounts	493,209	-	1,561,623	111,138	2,165,970
Intergovernmental	<u>2,364,845</u>	<u>240,448</u>	<u>-</u>	<u>269,717</u>	<u>2,875,010</u>
Gross Receivables	2,924,805	244,939	1,561,623	383,675	5,115,042
Less: Allowance for uncollectible	<u>354,292</u>	<u>-</u>	<u>29,080</u>	<u>-</u>	<u>383,372</u>
Net Total Receivables	<u>\$ 2,570,513</u>	<u>\$ 244,939</u>	<u>\$ 1,532,543</u>	<u>\$ 383,675</u>	<u>\$ 4,731,670</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	\$ 8,637,500	\$ -
Intergovernmental	620,545	-
Fees for services	-	145,902

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

NOTE 4: CASH AND CASH EQUIVALENTS AND INVESTMENTS

General Government, Business-Like Activities & Component Unit

At April 30, 2016, the carrying amount of the City's deposits was \$19,586,493 and the bank balance was \$20,808,201. The deposits were comprised of checking, interest checking, money market and certificates of deposit.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the City's name. As of April 30, 2016, \$49,627 of the City's total bank balances was not insured or collateralized. The amount exceeding FDIC coverage and collateralized is \$9,565,237.

As of April 30, 2016, 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)	--	\$ 112,991
Federal Home Loan Bank	3.91	239,978
Federal Home Loan Mortgage	0.16	<u>414,346</u>
		767,315
Deposits as reported above		<u>19,586,493</u>
Total deposits and investments		<u>\$ 20,353,808</u>
As Reported in the Statement of Net Position:		
Governmental and Business-type Activities:		
Cash and Cash Equivalents		\$ 5,406,650
Investments		13,344,376
Cash and Cash Equivalents - Restricted		248,813
Investments - Restricted		734,589
Component Unit:		
Cash and Cash Equivalents		356,819
Investments		262,873
Cash and Investments Reported in Agency Funds		<u>(312)</u>
		<u>\$ 20,353,808</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.

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

Credit Risk. As of April 30, 2016, the credit rating of the City's investment was as follows:

<u>Investment</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
The Illinois Funds (external investment pool)	AAAm	--
Federal Home Loan Bank	AA+	Aaa
Federal Home Loan Mortgage	AA-	Aa2

Concentration of Credit Risk. As of April 30, 2016, the City did not have a concentration of credit risk related to the City's investments.

Foreign Currency Risk. As of April 30, 2016, the City has no foreign currency risk.

Fire Pension Fund

At April 30, 2016, the carrying amount and the bank balance of the Fire Pension Fund's deposits was \$254,945. 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, 2016, 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.

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

As of April 30, 2016, 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	3.26	\$ 4,260,797
Federal National Mortgage Association	8.55	720,293
Federal Home Loan Mortgage Corporation	5.71	303,175
Government National Mortgage Association	15.39	12,077
Mutual Funds	--	<u>6,281,793</u>
		11,578,135
Deposits as reported above		<u>254,945</u>
Total deposits and investments		<u>\$ 11,833,080</u>
 <u>As Reported in the Statement of Fiduciary Net Position:</u>		
Cash and Cash Equivalents		\$ 254,945
Investments		<u>11,578,135</u>
		<u>\$ 11,833,080</u>

Credit Risk. As of April 30, 2016, the Fire Pension Fund's investments credit ratings were as follows:

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

Concentration of Credit Risk. As of April 30, 2016, the Fire Pension Fund did not have a concentration of investments.

Police Pension Fund

At April 30, 2016, the carrying amount and bank balance of the Police Pension Fund's deposits was \$808,197. 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.

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

As of April 30, 2016, 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	3.51	\$ 6,078,773
Federal National Mortgage Association	8.17	1,099,399
Federal Home Loan Mortgage Corporation	5.71	261,358
Federal Farm Credit Bank	0.62	256,368
Mutual Funds	--	<u>9,789,046</u>
		17,484,944
Deposits as reported above		<u>808,197</u>
Total deposits and investments		<u>\$ 18,293,141</u>

As Reported in the Statement of Fiduciary Net Position:

Cash and Cash Equivalents	\$ 808,197
Investments	<u>17,484,944</u>
	<u>\$ 18,293,141</u>

Credit Risk. As of April 30, 2016, the Police Pension Fund's investments credit ratings were as follows:

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

Concentration of Credit Risk. As of April 30, 2016, the Police Pension Fund's did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2016, the Police Pension Fund has no foreign currency risk.

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

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

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2016 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 2,890,905	\$ -	\$ 63,285	\$ 2,827,620
Total capital assets, not being depreciated	<u>2,890,905</u>	<u>-</u>	<u>63,285</u>	<u>2,827,620</u>
Capital assets, being depreciated:				
Land improvements	1,130,834	8,051	-	1,138,885
Buildings and improvements	9,928,336	155,855	-	10,084,191
Equipment	2,943,439	162,642	-	3,106,081
Vehicles	4,060,806	126,958	58,654	4,129,110
Infrastructure	<u>82,992,731</u>	<u>4,292,090</u>	<u>-</u>	<u>87,284,821</u>
Total capital assets being depreciated	<u>101,056,146</u>	<u>4,745,596</u>	<u>58,654</u>	<u>105,743,088</u>
Less accumulated depreciation for:				
Land improvements	529,194	56,612	-	585,806
Buildings and improvements	5,674,936	398,907	-	6,073,843
Equipment	2,202,226	168,952	-	2,371,178
Vehicles	3,285,591	268,076	58,654	3,495,013
Infrastructure	<u>50,932,191</u>	<u>1,906,773</u>	<u>-</u>	<u>52,838,964</u>
Total accumulated depreciation	<u>62,624,138</u>	<u>2,799,320</u>	<u>58,654</u>	<u>65,364,804</u>
Total capital assets being depreciated, net	<u>38,432,008</u>	<u>1,946,276</u>	<u>-</u>	<u>40,378,284</u>
Governmental activities capital assets, net	<u>\$ 41,322,913</u>	<u>\$ 1,946,276</u>	<u>\$ 63,285</u>	<u>\$ 43,205,904</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	1,456,506	32,125	-	1,488,631
Vehicles	782,589	31,065	-	813,654
Buildings and systems	<u>59,288,109</u>	<u>454,728</u>	<u>-</u>	<u>59,742,837</u>
Total capital assets being depreciated	<u>61,527,204</u>	<u>517,918</u>	<u>-</u>	<u>62,045,122</u>
Less accumulated depreciation for:				
Equipment	1,183,006	19,631	-	1,202,637
Vehicles	482,715	77,695	-	560,410
Buildings and systems	<u>23,414,576</u>	<u>1,186,042</u>	<u>-</u>	<u>24,600,618</u>
Total accumulated depreciation	<u>25,080,297</u>	<u>1,283,368</u>	<u>-</u>	<u>26,363,665</u>
Total capital assets being depreciated, net	<u>36,446,907</u>	<u>(765,450)</u>	<u>-</u>	<u>35,681,457</u>
Business-type activities capital assets, net	<u>\$ 36,741,100</u>	<u>\$ (765,450)</u>	<u>\$ -</u>	<u>\$ 35,975,650</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	\$ 164,974
Public safety	237,308
Highways and streets	2,014,362
Public works	20,630
Culture and recreation	<u>362,046</u>
Total depreciation expense - governmental activities	<u>\$ 2,799,320</u>
Business-type activities:	
Water and sewer	<u>\$ 1,283,368</u>

Discretely Presented Component Unit

The capital asset activity for the City Library for the year ended April 30, 2016, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Capital assets, being depreciated:				
Buildings	\$ 4,750,067	\$ -	\$ -	\$ 4,750,067
Equipment	<u>92,366</u>	<u>8,620</u>	<u>-</u>	<u>100,986</u>
	<u>4,842,433</u>	<u>8,620</u>	<u>-</u>	<u>4,851,053</u>
Less accumulated depreciation for:				
Buildings	4,569,880	35,795	-	4,605,675
Equipment	<u>88,609</u>	<u>2,372</u>	<u>-</u>	<u>90,981</u>
	<u>4,658,489</u>	<u>38,167</u>	<u>-</u>	<u>4,696,656</u>
Total capital assets, net of depreciation	<u>\$ 183,944</u>	<u>\$ (29,547)</u>	<u>\$ -</u>	<u>\$ 154,397</u>

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

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

NOTE 6: LONG-TERM DEBT

General Obligation Debt

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

\$3,000,000 General Obligation Debt Certificates, Series 2006A dated May 1, 2006, due in annual installments of \$150,000 through November 1, 2025; interest at 4.29%. This debt is being retired by the Capital Improvements Fund. The amount of certificates outstanding as of April 30, 2016 is \$1,500,000.

\$1,200,000 General Obligation Debt Certificates, Series 2007A dated August 22, 2007, due in monthly installments of \$9,125 through September 1, 2022; interest at 4.33%. This debt is being retired by the Municipal Facilities Fund. The amount of debt certificates outstanding as of April 30, 2016 is \$611,974.

\$5,100,000 General Obligation Debt Certificates, Series 2009A dated August 13, 2009, due in annual installments of \$255,000 to \$430,000 from February 2, 2015 through February 1, 2029; interest at 3.00% to 4.50%. This debt is being retired by the Capital Improvements Fund and the Water Fund. The amount of certificates outstanding as of April 30, 2016 is \$4,525,000.

\$7,565,000 General Obligation Debt Certificates, Series 2010 dated April 13, 2010, due in annual installments of \$450,000 to \$1,440,000 through April 1, 2018; interest at 3.834% to 3.890%. This debt is being retired by the TIF #3 Fund. The outstanding balance as of April 30, 2016 is \$2,815,000.

\$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 \$51,341. This debt is being retired by the TIF #4 Fund. The outstanding balance as of April 30, 2016 is \$2,445,000.

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

\$4,680,000 General Obligation Refunding and Improvement Bonds, Series 2013 dated March 7, 2013, due in annual installments of \$285,000 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, 2016 is \$3,880,000.

\$9,000,000 General Obligation Bonds, Series 2015 dated December 10, 2015, due in annual installments of \$480,820 to \$731,778 through December 15, 2030; interest at 2.99%. These bonds were issued to finance the construction of the new public facilities building. The outstanding balance as of April 30, 2016 is \$9,000,000.

The annual requirements to retire general obligation debt as of April 30, 2016 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>
2017	\$ 3,797,225	\$ 628,099	\$ 507,940	\$ 204,709
2018	1,023,996	539,107	538,060	192,321
2019	1,031,702	472,690	529,220	178,459
2020	1,041,279	436,541	509,100	164,666
2021	1,051,561	399,370	488,980	151,167
2022-2026	5,349,992	1,413,259	2,790,400	527,715
2027-2031	4,759,519	461,043	1,358,000	84,544
	<u>\$ 18,055,274</u>	<u>\$ 4,350,109</u>	<u>\$ 6,721,700</u>	<u>\$ 1,503,581</u>

Loan Agreements

The City has entered into the following loan agreements as of April 30, 2016 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, 2016 is \$236,983.

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

\$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, 2016 is \$37,664.

\$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, 2016 is \$2,825,603.

\$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, 2016 is \$450,000.

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

<u>Fiscal Year</u> <u>Ended April 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	-	-	601,346	11,313
2022-2024	-	-	199,978	-
	<u>\$ 450,000</u>	<u>\$ -</u>	<u>\$ 3,100,250</u>	<u>\$ 202,079</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.

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

The following is a summary of changes in long-term liabilities for the year ended April 30, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Government Activities:</u>					
Bond and notes payable:					
General obligation debt	\$ 10,741,248	\$ 9,000,000	\$ 1,685,974	\$ 18,055,274	\$ 3,797,225
Loans	600,000	-	150,000	450,000	150,000
	<u>11,341,248</u>	<u>9,000,000</u>	<u>1,835,974</u>	<u>18,505,274</u>	<u>3,947,225</u>
Less: deferred refunding	11,893	-	850	11,043	-
Total debt payable	<u>11,329,355</u>	<u>9,000,000</u>	<u>1,835,124</u>	<u>18,494,231</u>	<u>3,947,225</u>
Other liabilities:					
Retirement health benefits	942,800	157,444	-	1,100,244	-
Net pension liability	22,406,876	10,463,137	-	32,870,013	-
Compensated absences	1,987,648	205,220	-	2,192,868	-
Governmental activities long-term liabilities	<u>\$ 36,666,679</u>	<u>\$ 19,825,801</u>	<u>\$ 1,835,124</u>	<u>\$ 54,657,356</u>	<u>\$ 3,947,225</u>
<u>Business-type Activities:</u>					
Bond and notes payable:					
General obligation debt	\$ 7,196,380	\$ -	\$ 474,680	\$ 6,721,700	\$ 507,940
Loans	3,653,609	-	553,359	3,100,250	569,234
	<u>10,849,989</u>	<u>-</u>	<u>1,028,039</u>	<u>9,821,950</u>	<u>1,077,174</u>
Add net premium	26,950	-	25,438	1,512	-
Total debt payable	<u>10,876,939</u>	<u>-</u>	<u>1,053,477</u>	<u>9,823,462</u>	<u>1,077,174</u>
Other liabilities:					
Retirement health benefits	128,938	17,673	-	146,611	-
Net pension liability	355,549	233,695	-	589,244	-
Compensated absences	182,994	27,416	-	210,410	-
Business-type activities long-term liabilities	<u>\$ 11,544,420</u>	<u>\$ 278,784</u>	<u>\$ 1,053,477</u>	<u>\$ 10,769,727</u>	<u>\$ 1,077,174</u>

NOTE 7: SPECIAL SERVICE AREA

On November 1, 2011, the City adopted an ordinance to establish the St. Louis Street Special Service Area. On December 16, 2011 the City issued Special Ad Valorem Tax Bonds, Series 2011 in the amount of \$550,000; principal and interest payable through December 15, 2036, for projects in the special service area. The total balance outstanding on the bonds at April 30, 2016 is \$497,000. The debt service funding is accomplished by a separate tax levy and the activity is being recorded as an agency fund.

NOTE 8: 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 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.

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 2015 was 11.18 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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

Retirees and Beneficiaries	74
Inactive, non-Retired Members	70
Active Members	<u>121</u>
Total	<u>265</u>

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57%; and the resulting single discount rate is 7.48%.

Actuarial Valuation Date	12/31/15
Measurement Date of the Net Pension Liability	12/31/15
Fiscal Year End	04/30/16

Development of the Single Discount Rate as of December 31, 2015	
Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate	3.57%
Last year ending December 31 in the 2016 to 2115 projection period for which projected benefit payments are fully funded	2089
Resulting Single Discount Rate based on the above development	7.48%
Single Discount Rate calculated using December 31, 2014 Measurement Date	7.49%

The Long-Term Municipal Bond Rate is based on the Bond Buyer 20-Bond Index of general obligation municipal bonds as of December 31, 2015.

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

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10 year rolling period Taxing bodies: 28 year closed period until remaining period reaches 15 years (then 15 year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	4.00%
Price Inflation	3.0% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010.
Mortality	RP-2000 Combined Health Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

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

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

Total pension liability	
Service Cost	\$ 596,752
Interest on the Total Pension Liability	1,787,492
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	(18,881)
Changes of assumptions	32,460
Benefit payments, including refunds of employee contributions	<u>(921,170)</u>
Net change in total pension liability	\$ 1,476,653
Total pension liability - beginning	<u>24,027,252</u>
Total pension liability - ending	<u>\$ 25,503,905</u>
Plan fiduciary net position	
Contributions - employer	\$ 633,657
Contributions - employee	261,242
Net investment income	108,768
Benefit payments, including refunds of employee contributions	(921,170)
Other (Net Transfer)	<u>(91,640)</u>
Net change in plan fiduciary net position	\$ (9,143)
Plan fiduciary net position - beginning	<u>21,766,735</u>
Plan fiduciary net position - ending	<u>\$ 21,757,592</u>
Net pension liability/(asset)	<u>\$ 3,746,313</u>
Plan fiduciary net position as a percentage of the total pension liability	85.31%
Covered valuation payroll	\$ 5,706,058
Net pension liability as a percentage of covered valuation payroll	65.66%

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of

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

the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

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

	Current Single Discount		
	1% Decrease 6.48%	Rate Assumption 7.48%	1% Increase 8.48%
Total Pension Liability	\$ 29,035,124	\$ 25,503,905	\$ 22,615,464
Plan Fiduciary Net Position	<u>21,757,592</u>	<u>21,757,592</u>	<u>21,757,592</u>
Net Pension Liability/(Asset)	<u>\$ 7,277,532</u>	<u>\$ 3,746,313</u>	<u>\$ 857,872</u>

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

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ -	\$ 15,074
Changes in assumptions	25,915	-
Payment subsequent to measurement date		-
Net difference between projected and actual earnings	227,978	
on pension plan investments	<u>1,215,452</u>	<u>-</u>
Total	<u>\$ 1,469,345</u>	<u>\$ 15,074</u>

Year Ending <u>December 31,</u>	Net Deferred Outflows of <u>Resources</u>
2016	\$ 534,579
2017	306,601
2018	306,601
2019	306,490
2020	<u>-</u>
	<u>\$ 1,454,271</u>

As a result of implementing GASB 68, beginning net position decreased by \$509,943 to record the net effect of recording the net pension liability and related deferred outflows of resources. GASB 68 became effective for years beginning after June 15, 2014.

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

2. Sheriff's Law Enforcement Personnel (SLEP)

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

Funding Policy. As set by statute, members are required to contribute 7.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The annual employer annual required contribution for calendar year 2015 was \$7,598. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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

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

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.57%; and the resulting single discount rate is 7.47%.

Actuarial Valuation Date	12/31/15
Measurement Date of the Net Pension Liability	12/31/15
Fiscal Year End	04/30/16

Development of the Single Discount Rate as of December 31, 2015	
Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate	3.57%
Last year ending December 31 in the 2016 to 2115 projection period for which projected benefit payments are fully funded	2069
Resulting Single Discount Rate based on the above development	7.47%
Single Discount Rate calculated using December 31, 2014 Measurement Date	7.49%

The Long-Term Municipal Bond Rate is based on the Bond Buyer 20-Bond Index of general obligation municipal bonds as of December 31, 2015.

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

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10 year rolling period Taxing bodies: 28 year closed period until remaining period reaches 15 years (then 15 year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	4.00%
Price Inflation	3.0% - approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010.
Mortality	RP-2000 Combined Health Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

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

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

Total pension liability	
Service Cost	\$ 17,771
Interest on the Total Pension Liability	3,422
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	416
Changes of assumptions	191
Benefit payments, including refunds of employee contributions	-
Net change in total pension liability	\$ 21,800
Total pension liability - beginning	<u>36,807</u>
Total pension liability - ending	<u>\$ 58,607</u>
Plan fiduciary net position	
Contributions - employer	\$ 10,182
Contributions - employee	7,561
Net investment income	231
Benefit payments, including refunds of employee contributions	-
Other (Net Transfer)	<u>(3,377)</u>
Net change in plan fiduciary net position	\$ 14,597
Plan fiduciary net position - beginning	<u>37,380</u>
Plan fiduciary net position - ending	<u>\$ 51,977</u>
Net pension liability/(asset)	<u>\$ 6,630</u>
Plan fiduciary net position as a percentage of the total pension liability	88.69%
Covered valuation payroll	\$ 100,807
Net pension liability as a percentage of covered valuation payroll	6.58%

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of

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

the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

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

	Current Single Discount		
	1% Decrease 6.47%	Rate Assumption 7.47%	1% Increase 8.47%
Total Pension Liability	\$ 69,045	\$ 58,607	\$ 50,088
Plan Fiduciary Net Position	51,977	51,977	51,977
Net Pension Liability/(Asset)	<u>\$ 17,068</u>	<u>\$ 6,630</u>	<u>\$ (1,889)</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 375	\$ -
Changes in assumptions	172	-
Payments subsequent to measurement date	3,648	-
Net difference between projected and actual earnings on pension plan investments	2,489	-
Total	<u>\$ 6,684</u>	<u>\$ -</u>

Year Ending December 31,	Net Deferred Outflows of Resources
2016	\$ 4,330
2017	682
2018	682
2019	683
2020	60
Thereafter	247
	<u>\$ 6,684</u>

As a result of implementing GASB 68, beginning net position increased by \$7,783 to record the net effect of recording the net pension liability and related deferred outflows of resources. GASB 68 became effective for years beginning after June 15, 2014.

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

3. Firefighters' Pension Fund

a) Plan Description

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

Plan Membership as of April 30, 2016:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	21
Active Plan Members	<u>28</u>
Total	<u>49</u>

Benefits Provided.

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

Normal Retirement:

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

Cost of Living Adjustment:

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

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

Disability Benefit:

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

Pre-Retirement Death Benefit:

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

Vesting (Termination):

Less than 10 years: Refund of Member Contributions.

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

The following schedule applies:

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

Contributions.

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

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

Investments

Investment Policy:

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

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

Concentrations:

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

Rate of Return:

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -1.68%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

b) Net Pension Liability of the Sponsor

The components of the net pension liability of the sponsor on April 30, 2016 were as follows:

Total Pension Liability	\$ 25,278,355
Plan Fiduciary Net Position	<u>(12,565,105)</u>
Net Pension Liability	<u>\$ 12,713,250</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	49.7%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of April 30, 2016 using the following actuarial assumptions.

Inflation	2.50%
Salary Increases	4.00%
Discount Rate for the Total Pension Liability	6.14%
Retirement Mortality Rate: L&A 2016 Illinois Firefighters' Capped at age 65	
Disabled Mortality Rate: L&A 2016 Illinois Firefighters'	

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

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, 2016 are summarized in the following table:

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

Discount Rate:

The discount rate used to measure the total pension liability was 6.14 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 2063. To the extent future benefit payments are not covered by the plan's net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of May 01, 2015	\$ 22,774,636	\$ 12,916,211	\$ 9,858,425
Changes for a year			
Service Cost	665,968	-	665,968
Interest	1,367,110	-	1,367,110
Differences between expected and actual experience	(52,701)	-	(52,701)
Changes of assumptions	1,541,345	-	1,541,345
Changes of benefit terms	-	-	-
Contributions - employer	-	714,809	(714,809)
Contributions - employee	-	193,989	(193,989)
Net investment income	-	(224,018)	224,018
Benefit payments, including refunds Administrative	(1,018,002)	(1,018,002)	-
	-	(17,883)	17,883
Net Changes	<u>2,503,720</u>	<u>(351,105)</u>	<u>2,854,825</u>
Balances as of April 30, 2016	<u>\$ 25,278,356</u>	<u>\$ 12,565,106</u>	<u>\$ 12,713,250</u>

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	<u>5.14%</u>	<u>6.14%</u>	<u>7.14%</u>
Net Pension Liability	\$ 16,698,114	\$ 12,713,250	\$ 9,489,940

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses. For the year ended April 30, 2016, the City recognized a pension expense of \$380,295. The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ -	\$ 47,194
Changes in assumptions	1,380,284	-
Net difference between projected and actual earnings on pension plan investments	898,963	-
Total	<u>\$ 2,279,247</u>	<u>\$ 47,194</u>

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

<u>Year Ending</u> <u>December 31,</u>	<u>Net Deferred</u> <u>Outflows of</u> <u>Resources</u>
2017	\$ 380,295
2018	380,295
2019	380,295
2020	380,294
2021	155,554
Thereafter	<u>555,320</u>
	<u>\$ 2,232,053</u>

As a result of implementing GASB 68, beginning net position decreased by \$7,246,078 to record the net effect of recording the net pension liability and related deferred outflows of resources. GASB 68 became effective for years beginning after June 15, 2014.

4. Police Pension Fund

a) Plan Description

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

Plan Membership as of April 30, 2016:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	15
Inactive Plan Members Entitled to But Not Yet	
Receiving Benefits	1
Active Plan Members	<u>42</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.

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. Tier 2: An annual increase each January 1 equal to 3.00 per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the twelve months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Disability Benefit:

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

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.

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

b) Investments

Investment Policy:

The following was the Board's adopted asset allocation policy as of April 30, 2016:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	50%
Equities	49%
REITs	<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, 2016, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was -1.64%. 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, 2016 were as follows:

Total Pension Liability	\$ 36,224,213
Plan Fiduciary Net Position	<u>(19,231,149)</u>
Net Pension Liability	<u>\$ 16,993,064</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	53.1%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of April 30, 2016 using the following actuarial assumptions.

Inflation	2.50%
Salary Increases	3.25%
Discount Rate used for the Net Pension Liability	6.12%
Retirement Mortality Rate: L&A 2016 Illinois Police Capped at age 67	
Disabled Mortality Rate: L&A 2016 Illinois Police	

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

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, 2016 are summarized in the following table:

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

Changes in Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances as of May 01, 2015	\$ 29,898,532	\$ 19,254,477	\$ 10,644,055
Changes for a year			
Service Cost	878,595	-	878,595
Interest	1,801,252	-	1,801,252
Differences between expected and actual experience	(414,136)	-	(414,136)
Changes of assumptions	4,992,592	-	4,992,592
Changes of benefit terms	-	-	-
Contributions - employer	-	920,192	(920,192)
Contributions - employee	-	328,541	(328,541)
Net investment income	-	(318,038)	318,038
Benefit payments, including refunds	(932,624)	(932,624)	-
Administrative	-	(21,401)	21,401
Net Changes	<u>6,325,679</u>	<u>(23,330)</u>	<u>6,349,009</u>
Balances as of April 30, 2016	<u>\$ 36,224,211</u>	<u>\$ 19,231,147</u>	<u>\$ 16,993,064</u>

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 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 would be used to determine the portion of the net pension liability associated with those payments.

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

	1% Decrease	Current Discount Rate	1% Increase
	<u>5.12%</u>	<u>6.12%</u>	<u>7.12%</u>
Net Pension Liability	\$ 23,590,862	\$ 16,993,064	\$ 11,745,631

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses. For the year ended April 30, 2016, the City recognized a pension expense of \$834,918. The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 368,924
Changes in assumptions	4,447,550	-
Net difference between projected and actual earnings on pension plan investments	<u>1,340,342</u>	<u>-</u>
Total	<u>\$ 5,787,892</u>	<u>\$ 368,924</u>

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows of Resources</u>
2017	\$ 834,918
2018	834,918
2019	834,918
2020	834,916
2021	499,832
Thereafter	<u>1,579,466</u>
	<u>\$ 5,418,968</u>

As a result of implementing GASB 68, beginning net position decreased by \$4,390,169 to record the net effect of recording the net pension liability and related deferred outflows of resources. GASB 68 became effective for years beginning after June 15, 2014.

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

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

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

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

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

Retirement payments vary depending at what level of hourly contribution is being made by the City and the total years of employee pension credit. Total payments made by the City were \$164,107 for the year ended April 30, 2016. The City has fully contributed all required payments during this period.

6. 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.

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

Annual Pension Cost. For 2016, the City's contribution was \$37,110. The annual required contribution cost was determined to be \$234,873. The net OPEB obligation related to retirement health insurance costs in \$1,302,271. Of this amount, \$1,100,244 is reported as a liability in the governmental activities, \$146,611 is reported as a liability in the business-type activities, and \$55,416 is recorded as a liability of the component unit.

Trend Information for Retirement Health

<u>Fiscal Year Ending</u>	<u>Annual Required Contribution</u>	<u>Percentage of APC Contributed</u>	<u>Net OPEB Obligation</u>
4/30/2016	\$ 234,873	15.8%	\$ 1,302,271
4/30/2015	184,795	15.1%	1,117,791
4/30/2014	184,795	15.1%	972,562

The required contribution for 2016 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.

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: 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.

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, 2016:

General Fund Transfer From (To):	
Water Fund	\$ 100,000
Motor Fuel Tax Fund	100,000
Liability Insurance Fund	459,937
Garbage Fund	55,000
TIF #3 Fund	10,000
Community Redevelopment Fund	154,240
Social Security Fund	(16,000)
Retirement Fund	(114,000)
Capital Equipment Fund	(250,000)
Parks & Playground Fund	(5,500)
Street and Bridge Fund	(19,000)
Municipal Facilities Fund	(36,500)
TIF #3 Fund Transfer To General Fund	(10,000)
TIF #2 Fund Transfer To TIF #4 Fund	(520,000)
TIF #4 Fund Transfer From TIF #2 Fund	520,000
Motor Fuel Tax Fund Transfer To General Fund	(100,000)
Street and Bridge Fund Transfer To General Fund	19,000
Liability Insurance Fund Transfer From (To):	
General Fund	(459,937)
Parks & Playground Fund	(20,188)
Municipal Band Fund	(210)
Parks & Playground Fund Transfer From (To):	
Community Redevelopment Fund	35,000
General Fund	5,500
Liability Insurance Fund	20,188
Municipal Band Fund Transfer From Liability Insurance Fund	210
Retirement Fund Transfer From (To):	
General Fund	114,000
Water Fund	(68,834)
Sewer Fund	(33,042)
Social Security Fund Transfer From (To):	
General Fund	16,000
Water Fund	(55,288)
Sewer Fund	(26,540)
Community Redevelopment Fund Transfer From (To):	
General Fund	(154,240)
Parks & Playground Fund	(35,000)
Capital Equipment Fund Transfer From General Fund	250,000
Municipal Facilities Fund Transfer From (To):	
General Fund	36,500
Water Fund	36,500
Sewer Fund	36,500

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

NOTE 11: INTERFUND TRANSFERS (continued)

Water Fund Transfer From (To):	
Retirement Fund	68,834
Social Security Fund	55,288
General Fund	(100,000)
Municipal Facilities Fund	(36,500)
Sewer Fund Transfer From:	
Retirement Fund	33,042
Social Security Fund	26,540
Garbage Fund	50,000
Municipal Facilities Fund	(36,500)
Garbage Fund Transfer From (To):	
Sewer Fund	(50,000)
General Fund	(55,000)
	<u> -</u>

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

NOTE 12: INTERFUND RECEIVABLES/PAYABLES

Individual fund interfund receivable and payable balances as of April 30, 2016 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	(4,288)
	<u>\$ -</u>

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

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

NOTE 13: RESTATEMENT OF NET POSITION

The City has restated the net position of both the Governmental Activities and Business-type Activities as a result of implementing GASB 68.

	Governmental <u>Activities</u>	Business-type <u>Activities</u>
Net Position as of April 30, 2015	\$ 42,547,336	\$ 24,767,800
Eliminate Net Pension Obligation per GASB 27	1,060,849	-
Record Deferred Outflows for Pensions per GASB 68	10,348,676	275,342
Record Net Pension Liability per GASB 68	<u>(22,406,876)</u>	<u>(355,549)</u>
Restated Net Position as of April 30, 2015	<u>\$ 31,549,985</u>	<u>\$ 24,687,593</u>

NOTE 14: SUBSEQUENT EVENTS

The City has evaluated events occurring after the financial statement date through September 16, 2016 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, 2016

	<u>Budgeted Amounts</u>		Actual (Budget Basis)
	<u>Original</u>	<u>Final</u>	
Receipts:			
Property Tax	\$ 3,081,396	\$ 3,081,396	\$ 3,131,188
Intergovernmental:			
Sales and Use Tax	6,085,003	6,085,003	5,846,397
Replacement Tax	200,000	200,000	206,776
State Income Tax	1,968,469	1,968,469	2,831,212
Telecommunications Tax	333,000	333,000	348,138
Other	111,708	111,708	71,810
Other Local Taxes	-	-	113,000
Licenses, Fees and Permits	213,788	213,788	265,091
Charges for Services	2,009,475	2,009,475	2,107,972
Fines	262,884	262,884	230,254
Investment Earnings	84,642	84,642	93,509
Miscellaneous Revenues/Reimbursements	17,400	17,400	57,675
Total Receipts	<u>14,367,765</u>	<u>14,367,765</u>	<u>15,303,022</u>
Disbursements			
Current:			
General Government	2,521,080	2,521,080	2,478,151
Public Safety	8,624,662	8,624,662	8,424,578
Highways and Streets	1,556,711	1,556,711	2,133,500
Public Works	1,309,543	1,309,543	1,297,969
Culture and Recreation	199,162	199,162	184,186
Capital Outlay	373,630	373,630	282,518
Total Disbursements	<u>14,584,788</u>	<u>14,584,788</u>	<u>14,800,902</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(217,023)</u>	<u>(217,023)</u>	<u>502,120</u>
Other Financing Sources:			
Operating Transfers In (Out)	245,740	245,740	(21,760)
Total Other Financing Sources	<u>245,740</u>	<u>245,740</u>	<u>(21,760)</u>
Excess of Receipts and Other Financing Sources Over Disbursements	<u>\$ 28,717</u>	<u>\$ 28,717</u>	480,360
Change in other receivable on modified accrual basis			(11,115)
Change in intergovernmental revenue on modified accrual basis			493,482
Change in accrued interest receivable on modified accrual basis			(19,902)
Change in accrued salaries on modified accrual basis			(44,297)
Change in accounts payable on modified accrual basis			(16,090)
Change in charges for services receivable on modified accrual basis			(102,985)
Change in prepaid expenses on modified accrual basis			(61,464)
Change in market value of investments			51,408
Change in deferred income on modified accrual basis			<u>(42,205)</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 727,192</u>

CITY OF EDWARDSVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE (CASH BASIS)
 TIF #3 FUND
 FOR THE YEAR ENDED APRIL 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Property Taxes	\$ 1,590,000	\$ 1,590,000	\$ 1,541,127
Investment Earnings	<u>45,000</u>	<u>45,000</u>	<u>39,300</u>
Total Receipts	<u>1,635,000</u>	<u>1,635,000</u>	<u>1,580,427</u>
Disbursements:			
Current:			
General Government	128,500	128,500	153,108
Highways and Streets	667,445	667,445	42,867
Debt Service Fees	<u>-</u>	<u>-</u>	<u>1,395,355</u>
Total Disbursements	<u>795,945</u>	<u>795,945</u>	<u>1,591,330</u>
Excess of Receipts Over Disbursements	<u>839,055</u>	<u>839,055</u>	<u>(10,903)</u>
Other Financing Sources:			
Transfers to Other Funds	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>
Total Other Financing Sources	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ 829,055</u>	<u>\$ 829,055</u>	(20,903)
Change in accrued interest receivable on modified accrual basis			<u>(2,355)</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (23,258)</u>

CITY OF EDWARDSVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE (CASH BASIS)
 PUBLIC SAFETY FACILITIES FUND
 FOR THE YEAR ENDED APRIL 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Receipts:			
Sales Taxes	\$ 951,014	\$ 951,014	\$ 972,976
Miscellaneous	-	-	2,930
Total Receipts	<u>951,014</u>	<u>951,014</u>	<u>975,906</u>
Disbursements:			
Current:			
Public Safety	-	-	1,820
Debt Service	-	-	221,013
Capital Outlay	<u>528,711</u>	<u>2,007,175</u>	<u>1,810,778</u>
Total Disbursements	<u>528,711</u>	<u>2,007,175</u>	<u>2,033,611</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>422,303</u>	<u>(1,056,161)</u>	<u>(1,057,705)</u>
Other Financing Sources:			
Proceeds from Debt	-	-	8,974,480
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>8,974,480</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>\$ 422,303</u>	<u>\$ (1,056,161)</u>	7,916,775
Change in accounts payable on modified accrual basis			(367,876)
Change in taxes receivable on modified accrual basis			14,562
Change in accrued interest receivable on modified accrual basis			<u>2,953</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 7,566,414</u>

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND
APRIL 30, 2016

	<u>2016</u>	<u>2015</u>
Total Pension Liability:		
Service Cost	\$ 878,595	\$ 757,946
Interest	1,801,252	1,936,934
Differences between expected and actual	(414,136)	-
Changes in assumptions	4,992,594	-
Benefit payments, including refunds	<u>(932,624)</u>	<u>(933,653)</u>
Net change in total pension liability	6,325,681	1,761,227
 Total pension liability - beginning	<u>29,898,532</u>	<u>28,137,305</u>
Total pension liability - ending	<u>\$ 36,224,213</u>	<u>\$ 29,898,532</u>
 Plan Fiduciary Net Position		
Contributions - employer	920,192	875,430
Contributions - employee	328,541	340,666
Net investment income	(317,325)	705,587
Benefit payments, including refunds	(932,624)	(933,653)
Administrative	<u>(22,112)</u>	<u>(19,177)</u>
Net change in plan fiduciary net position	(23,328)	968,853
 Plan fiduciary net position - beginning	<u>19,254,477</u>	<u>18,285,624</u>
Plan fiduciary net position - ending	<u>\$ 19,231,149</u>	<u>\$ 19,254,477</u>
 Net Pension Liability	<u>\$ 16,993,064</u>	<u>\$ 10,644,055</u>
 Plan fiduciary net position as a percentage of the total pension liability	<u>53.09%</u>	<u>64.40%</u>
 Covered-employee Payroll	<u>\$ 3,292,520</u>	<u>\$ 3,115,565</u>
 Net position liability as a percentage of covered-employee payroll	<u>516.11%</u>	<u>341.64%</u>

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIRE PENSION FUND
APRIL 30, 2016

	<u>2016</u>	<u>2015</u>
Total Pension Liability:		
Service Cost	\$ 665,968	\$ 559,365
Interest	1,367,110	1,369,680
Difference between expected and actual	(52,701)	
Changes in assumptions	1,541,345	
Benefit payments, including refunds	<u>(1,018,003)</u>	<u>(1,044,531)</u>
Net change in total pension liability	2,503,719	884,514
Total pension liability - beginning	<u>22,774,636</u>	<u>21,890,122</u>
Total pension liability - ending	<u>\$ 25,278,355</u>	<u>\$ 22,774,636</u>
Plan Fiduciary Net Position		
Contributions - employer	714,809	672,267
Contributions - employee	193,989	182,864
Net investment income	(224,018)	475,646
Benefit payments, including refunds	(1,018,003)	(1,044,531)
Administrative	<u>(17,882)</u>	<u>(16,879)</u>
Net change in plan fiduciary net position	(351,105)	269,367
Plan fiduciary net position - beginning	<u>12,916,210</u>	<u>12,646,843</u>
Plan fiduciary net position - ending	<u>\$ 12,565,105</u>	<u>\$ 12,916,210</u>
Net Pension Liability	<u>\$ 12,713,250</u>	<u>\$ 9,858,426</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>49.71%</u>	<u>56.71%</u>
Covered-employee Payroll	<u>\$ 2,033,273</u>	<u>\$ 1,795,005</u>
Net position liability as a percentage of covered-employee payroll	<u>625.26%</u>	<u>549.21%</u>

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2016

2015

Total Pension Liability:

Service Cost	\$ 596,752
Interest	1,787,492
Difference between expected and actual	(18,881)
Assumption changes	32,460
Benefit payments, including refunds	<u>(921,170)</u>
Net change in total pension liability	1,476,653
Total pension liability - beginning	<u>24,027,252</u>
Total pension liability - ending	<u><u>\$ 25,503,905</u></u>

Plan Fiduciary Net Position

Contributions - employer	633,657
Contributions - employee	261,242
Net investment income	108,768
Benefit payments, including refunds	(921,170)
Administrative	<u>(91,640)</u>
Net change in plan fiduciary net position	(9,143)
Plan fiduciary net position - beginning	<u>21,766,735</u>
Plan fiduciary net position - ending	<u><u>\$ 21,757,592</u></u>

Net Pension Liability \$ 3,746,313

Plan fiduciary net position as a percentage of
the total pension liability 85.31%

Covered-employee payroll \$ 5,706,058

Net position liability as a percentage of
covered-employee payroll 65.66%

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

SLEP

APRIL 30, 2016

	<u>2015</u>
Total Pension Liability:	
Service Cost	\$ 17,771
Interest	3,422
Difference between expected and actual	416
Assumption changes	191
Benefit payments, including refunds	-
Net change in total pension liability	<u>21,800</u>
Total pension liability - beginning	<u>36,807</u>
Total pension liability - ending	<u><u>\$ 58,607</u></u>
Plan Fiduciary Net Position	
Contributions - employer	10,182
Contributions - employee	7,561
Net investment income	231
Benefit payments, including refunds	-
Administrative	<u>(3,377)</u>
Net change in plan fiduciary net position	14,597
Plan fiduciary net position - beginning	<u>37,380</u>
Plan fiduciary net position - ending	<u><u>\$ 51,977</u></u>
Net Pension Liability	<u><u>\$ 6,630</u></u>
Plan fiduciary net position as a percentage of the total pension liability	<u>88.69%</u>
Covered-employee Payroll	<u><u>\$ 100,807</u></u>
Net position liability as a percentage of covered-employee payroll	<u>6.58%</u>

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CONTRIBUTIONS
POLICE PENSION FUND
APRIL 30, 2016

	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 1,125,044	\$ 1,033,303
Contributions in relation to actuarial determined contribution	<u>920,192</u>	<u>875,430</u>
Contribution deficiency (excess)	<u>\$ 204,852</u>	<u>\$ 157,873</u>
Covered-employee Payroll	<u>3,292,520</u>	<u>3,115,565</u>
Contributions as a percentage of covered-employee payroll	<u>27.95%</u>	<u>28.10%</u>

Actuarial valuations are performed as of April 30 of each year with the related contributions to be made in the following year. Actuarial valuation date for above is April 30, 2016.

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 CONTRIBUTIONS
FIRE PENSION FUND
APRIL 30, 2016

	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 675,973	\$ 638,861
Contributions in relation to actuarial determined contribution	<u>714,809</u>	<u>672,267</u>
Contribution deficiency (excess)	<u>\$ (38,836)</u>	<u>\$ (33,406)</u>
Covered-employee Payroll	<u>2,033,273</u>	<u>1,795,005</u>
Contributions as a percentage of covered-employee payroll	<u>35.16%</u>	<u>37.45%</u>

Actuarial valuations are performed as of April 30 of each year with the related contributions to be made in the following year. Actuarial valuation date for above is April 30, 2015.

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 CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2016

	<u>2015</u>
Actuarial Determined Contribution	\$ 637,937
Contributions in relation to actuarial determined contribution	<u>633,657</u>
Contribution deficiency (excess)	<u>\$ 4,280</u>
Covered-employee Payroll	<u>5,706,058</u>
Contributions as a percentage of covered-employee payroll	<u>11.10%</u>

Actuarial valuation date for above is December 31, 2015.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	28 years
Asset Valuation Method:	Gains and losses recognized over a five year period

Actuarial Assumptions:	
Interest Rate (current and prior)	7.50%
Payroll Growth	4.00%

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF CONTRIBUTIONS

SLEP

APRIL 30, 2016

	<u>2015</u>
Actuarial Determined Contribution	\$ 10,182
Contributions in relation to actuarial determined contribution	<u>10,182</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee Payroll	<u>100,807</u>
Contributions as a percentage of covered-employee payroll	<u>10.10%</u>

Actuarial valuation date for above is December 31, 2015.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Aggregate Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	28 years
Asset Valuation Method:	Gains and losses recognized over a five year period
Actuarial Assumptions:	
Interest Rate (current and prior)	7.50%
Payroll Growth	4.00%

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND
APRIL 30, 2016

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

CITY OF EDWARDSVILLE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
FIRE PENSION FUND
APRIL 30, 2016**

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

CITY OF EDWARDSVILLE, ILLINOIS

SCHEDULE OF RETIREMENT MEDICAL PLAN
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
APRIL 30, 2016

	Fiscal Year Valuation					
	2016	2015	2014	2013	2012	2011
Actuarial Value of Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Actuarial Accrued Liability (AAL)	1,692,672	1,692,672	1,507,442	1,372,644	1,844,845	1,675,781
Unfunded AAL (UAAL)	1,692,672	1,692,672	1,507,442	1,372,644	1,844,845	1,675,781
Funded Ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	10,334,042	10,334,042	9,472,909	9,472,909	8,679,158	8,679,158
UAAL as a % of Covered Payroll	16.38%	16.38%	15.91%	14.49%	21.26%	19.31%
Employer Contributions:						
Required	234,873	184,795	184,795	220,866	220,866	215,562
Made	37,110	27,904	27,904	23,412	23,412	25,346
Percentage of Employer Contributions						
Made to Required Contribution	15.80%	15.10%	15.10%	10.60%	10.60%	11.76%

The City had a bi-annual actuarial valuation performed for fiscal years 2015 and 2016 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, 2016

Special Revenue Funds

	TIF #2	TIF #4	Grants	MFT	ESDA	Street and Bridge	Liability Insurance	Tourism Promotion	Parks and Playgrounds	Municipal Band
Assets										
Cash and Equivalents	\$ 183,812	\$ 495,193	\$ -	\$ (70,815)	\$ 12,784	\$ 1,243	\$ 90,263	\$ 102,701	\$ (68,419)	\$ 84,574
Investments	740,194	102,798	-	754,714	1,411	24,952	25,172	1,032	131,979	14,755
Receivables:										
Accounts Receivable	-	-	-	-	-	-	-	12,785	-	-
Property Tax	767,100	50,700	-	-	6,400	601,100	462,500	-	623,500	92,600
Interest	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	60,607	-	-	-	-	-	-
Due From Other Funds	-	-	-	19,756	-	-	-	11,606	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-	13,459	110
Total Assets	\$ 1,691,106	\$ 648,691	\$ -	\$ 764,262	\$ 20,595	\$ 627,295	\$ 577,935	\$ 128,124	\$ 700,519	\$ 192,039

Liabilities and Fund Balance

Liabilities:										
Accounts Payable	\$ -	\$ -	\$ -	\$ 8,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Wages	-	-	-	-	-	-	-	-	7,945	-
Due to Other Funds	-	-	-	-	-	-	-	-	7,619	-
Deferred Revenue	767,100	50,700	-	-	6,400	601,100	462,500	-	686,198	92,600
Total Liabilities	767,100	50,700	-	8,493	6,400	601,100	462,500	-	701,762	92,600
Fund Balance:										
Nonspendable	-	-	-	-	-	-	-	-	13,459	110
Restricted	924,006	597,991	-	755,769	14,195	-	-	-	-	99,329
Committed	-	-	-	-	-	-	-	128,124	-	-
Assigned	-	-	-	-	-	26,195	-	-	-	-
Unassigned	-	-	-	-	-	26,195	115,435	-	(14,702)	-
Total Fund Balance (Deficit)	924,006	597,991	-	755,769	14,195	26,195	115,435	128,124	(1,243)	99,439
Total Liabilities and Fund Balance	\$ 1,691,106	\$ 648,691	\$ -	\$ 764,262	\$ 20,595	\$ 627,295	\$ 577,935	\$ 128,124	\$ 700,519	\$ 192,039

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2016

Special Revenue Funds

	Retirement	Social Security	Capital Improvement	Community Redevelopment	Incremental Sales Tax	Wildley Theatre	SIUE Public Safety	Capital Equipment	Parks Improvement	Total
Cash and Equivalents	\$ (42,393)	\$ (88,068)	\$ 55,710	\$ (788,591)	\$ -	\$ (34,903)	\$ 312,380	\$ 379,000	\$ 321,515	\$ 945,986
Investments	16,998	67,759	26,616	1,285,660	-	(15,544)	4,648	-	563,298	3,746,442
Receivables:										
Accounts Receivable	-	-	84,954	13,399	-	-	-	-	-	111,138
Property Tax	663,100	535,300	-	-	-	-	-	-	-	3,802,300
Interest	-	-	-	2,820	-	-	-	-	-	2,820
Intergovernmental	-	-	-	79,262	129,848	-	-	-	-	269,717
Due From Other Funds	-	-	-	-	-	-	-	-	-	31,362
Prepaid Expenses	-	-	-	136,718	-	9,502	-	-	-	159,789
Total Assets	\$ 637,705	\$ 514,991	\$ 167,280	\$ 729,268	\$ 129,848	\$ (40,945)	\$ 317,028	\$ 379,000	\$ 884,813	\$ 9,069,554

00

Liabilities and Fund Balance

Liabilities:										
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 390,519	\$ 399,012
Accrued Wages	-	-	-	-	-	4,097	-	-	-	12,042
Due to Other Funds	-	-	-	11,606	-	-	-	-	-	19,225
Deferred Revenue	663,100	535,300	-	27,877	40,443	-	-	-	-	3,933,318
Total Liabilities	663,100	535,300	-	39,483	40,443	4,097	-	-	390,519	4,363,597
Fund Balance:										
Nonspendable	-	-	-	136,718	-	9,502	-	-	-	159,789
Restricted	-	-	-	-	89,405	-	-	-	-	2,480,695
Committed	-	-	167,280	553,067	-	-	317,028	379,000	-	1,544,499
Assigned	-	-	-	-	-	(54,544)	-	-	494,294	494,294
Unassigned	(25,395)	(20,309)	-	-	-	(45,042)	-	-	-	26,680
Total Fund Balance (Deficit)	(25,395)	(20,309)	167,280	689,785	89,405	(45,042)	317,028	379,000	494,294	4,705,957
Total Liabilities and Fund Balance	\$ 637,705	\$ 514,991	\$ 167,280	\$ 729,268	\$ 129,848	\$ (40,945)	\$ 317,028	\$ 379,000	\$ 884,813	\$ 9,069,554

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2016

	Debt Service Fund				Permanent Funds			Total Nonmajor Governmental Funds
	Municipal Facilities	Police Department Endowment	Mobile Intensive Care	Total	Municipal Facilities	Police Department Endowment	Mobile Intensive Care	
Assets								
Cash and Equivalents	\$ (979,223)	\$ 20,258	\$ 53,856	\$ 74,114				\$ 40,877
Investments	(59,972)	56,072	229,583	285,655				3,972,125
Receivables:								
Accounts Receivable	-	-	-	-				111,138
Property Tax	-	-	-	-				3,802,300
Interest	-	-	-	-				2,820
Intergovernmental	-	-	-	-				269,717
Due From Other Funds	-	-	-	-				31,362
Prepaid Expenses	-	-	-	-				159,789
Total Assets	\$ (1,039,195)	\$ 76,330	\$ 283,439	\$ 359,769				\$ 8,390,128
Liabilities and Fund Balance								
Liabilities:								
Accounts Payable	\$ -	\$ -	\$ -	\$ -				\$ 399,012
Accrued Wages	-	-	-	-				12,042
Due to Other Funds	-	-	9,700	9,700				28,925
Deferred Revenue	-	-	-	-				3,933,318
Total Liabilities	-	-	9,700	9,700				4,373,297
Fund Balance:								
Nonspendable	-	-	233,519	233,519				393,308
Restricted	-	76,330	40,220	116,550				2,597,245
Committed	-	-	-	-				1,544,499
Assigned	-	-	-	-				494,294
Unassigned	(1,039,195)	-	-	-				(1,012,515)
Total Fund Balance (Deficit)	(1,039,195)	76,330	273,739	350,069				4,016,831
Total Liabilities and Fund Balance	\$ (1,039,195)	\$ 76,330	\$ 283,439	\$ 359,769				\$ 8,390,128

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2016

Special Revenue Funds

	TIF #2	TIF #4	Grants	MFT	ESDA	Street and Bridge	Liability Insurance	Tourism Promotion	Parks and Playgrounds	Municipal Band
Revenues:										
Property Tax	\$ 740,536	\$ 36,129	\$ -	\$ -	\$ 6,065	\$ 604,363	\$ 594,139	\$ -	\$ 565,821	\$ 93,200
Telecommunication Tax	-	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-	-
State Allotments	-	-	-	712,218	-	-	-	-	-	-
Grants	-	-	11,350	-	-	-	-	-	-	-
Other Local Taxes	-	-	-	-	-	-	-	125,342	-	-
Charges for Services	-	-	-	-	-	-	-	-	167,557	-
Investment Earnings	11,668	5,600	-	5,438	181	1,127	1,751	739	289	1,400
Miscellaneous	-	-	-	-	-	-	-	-	19,438	100
Total Revenues	752,204	41,729	11,350	717,656	6,246	605,490	595,890	126,081	753,105	94,700
Expenditures:										
General Government	-	-	-	-	-	-	-	38,743	-	-
Highways and Streets	299,922	43,332	-	460,219	-	180,683	-	-	-	-
Public Safety	-	-	-	-	6,357	-	-	-	-	-
Culture and Recreation	-	-	11,350	-	-	-	-	-	692,797	89,506
Capital Outlay	171,340	6,418	-	84,503	-	416,876	-	-	24,180	-
Debt Service:										
Principal	-	135,000	-	-	-	-	-	-	-	-
Interest and Charges	-	71,409	-	-	-	-	-	-	-	-
Total Expenditures	471,262	256,159	11,350	544,722	6,357	597,559	-	38,743	716,977	89,506
Excess (Deficiency) of Revenues Over Expenditures	280,942	(214,430)	-	172,934	(111)	7,931	595,890	87,338	36,128	5,194
Other Financing Sources (Uses):										
Transfers In (Out)	(520,000)	520,000	-	(100,000)	-	19,000	(480,335)	-	60,688	210
Proceeds from Debt	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(520,000)	520,000	-	(100,000)	-	19,000	(480,335)	-	60,688	210
Net Change in Fund Balances	(239,058)	305,570	-	72,934	(111)	26,931	115,555	87,338	96,816	5,404
Fund Balance, (Deficit) Beginning of Year	1,163,064	292,421	-	682,835	14,306	(736)	(120)	40,786	(98,059)	94,035
Fund Balance (Deficit), End of Year	\$ 924,006	\$ 597,991	\$ -	\$ 755,769	\$ 14,195	\$ 26,195	\$ 115,435	\$ 128,124	\$ (1,243)	\$ 99,439

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2016

Special Revenue Funds

	Retirement	Social Security	Capital Improvement	Community Redevelopment	Incremental Sales Tax	Wildley Theatre	SUUE Public Safety	Capital Equipment	Parks Improvement	Total
Revenues:										
Property Tax	\$ 607,133	\$ 493,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,740,786
Telecommunication Tax	-	-	-	341,865	-	-	-	-	-	341,865
Sales Tax	-	-	24,416	-	545,614	-	-	-	-	570,030
State Allotments	-	-	-	-	-	-	-	-	-	712,218
Grants	-	-	-	-	-	-	-	-	-	11,350
Other Local Taxes	-	-	1,090,759	217,636	-	-	-	-	-	1,433,737
Charges for Services	-	-	-	-	-	662,268	-	-	-	829,825
Investment Earnings	(763)	300	(858)	3,706	-	(433)	3,896	-	12,603	46,644
Miscellaneous	-	-	-	-	-	33,972	-	-	386,282	439,792
Total Revenues	606,370	493,700	1,114,317	563,207	545,614	695,807	3,896	-	398,885	8,126,247
Expenditures:										
General Government	552,447	448,391	-	77,500	541,272	-	-	-	-	1,658,353
Highways and Streets	-	-	199,984	-	-	-	-	-	-	1,184,140
Public Safety	-	-	-	-	-	-	-	-	-	6,357
Culture and Recreation	-	-	-	-	-	692,243	-	-	154,868	1,640,764
Capital Outlay	-	-	418,235	-	-	6,299	-	-	1,047,333	2,175,184
Debt Service:										
Principal	-	-	265,320	-	-	-	-	-	-	400,320
Interest and Charges	-	-	139,847	-	-	-	-	-	-	211,256
Total Expenditures	552,447	448,391	1,023,386	77,500	541,272	698,542	-	-	1,202,201	7,276,374
Excess (Deficiency) of Revenues Over Expenditures	53,923	45,309	90,931	485,707	4,342	(2,735)	3,896	-	(803,316)	849,873
Other Financing Sources (Uses):										
Transfers In (Out)	12,124	(65,828)	-	(189,240)	-	-	-	250,000	-	(493,381)
Proceeds from Debt	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	12,124	(65,828)	-	(189,240)	-	-	-	250,000	-	(493,381)
Net Change in Fund Balances	66,047	(20,519)	90,931	296,467	4,342	(2,735)	3,896	250,000	(803,316)	356,492
Fund Balance, (Deficit) Beginning of Year	(91,442)	210	76,349	393,318	85,063	(42,307)	313,132	129,000	1,297,610	4,349,465
Fund Balance (Deficit), End of Year	\$ (25,395)	\$ (20,309)	\$ 167,280	\$ 689,785	\$ 89,405	\$ (45,042)	\$ 317,028	\$ 379,000	\$ 494,294	\$ 4,705,957

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2016

	Debt Service Fund				Permanent Funds			Total Nonmajor Governmental Funds
	Municipal Facilities	Police Department Endowment	Mobile Intensive Care	Total	Municipal Facilities	Police Department Endowment	Mobile Intensive Care	
Revenues:								
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,740,786
Telecommunication Tax	-	-	-	-	-	-	-	341,865
Sales Tax	-	-	-	-	-	-	-	570,030
State Allotments	-	-	-	-	-	-	-	712,218
Grants	-	-	-	-	-	-	-	11,350
Other Local Taxes	-	-	-	-	-	-	-	1,433,737
Charges for Services	-	-	-	-	-	-	-	829,825
Investment Earnings	(12,943)	949	3,519	4,468	-	-	-	38,169
Miscellaneous	-	-	50	50	-	-	-	439,842
Total Revenues	(12,943)	949	3,569	4,518				8,117,822
Expenditures:								
General Government	-	-	-	-	-	-	-	1,658,353
Highways and Streets	-	-	-	-	-	-	-	1,184,140
Public Safety	-	-	-	-	-	-	-	6,357
Culture and Recreation	-	-	-	-	-	-	-	1,640,764
Capital Outlay	-	-	-	-	-	-	-	2,175,184
Debt Service:								
Principal	80,654	-	-	-	-	-	-	480,974
Interest and Charges	28,851	-	-	-	-	-	-	240,107
Total Expenditures	109,505	-	-	-	-	-	-	7,385,879
Excess (Deficiency) of Revenues Over Expenditures	(122,448)	949	3,569	4,518				731,943
Other Financing Sources (Uses):								
Transfers In (Out)	109,500	-	-	-	-	-	-	(383,881)
Proceeds from Debt	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	109,500	-	-	-	-	-	-	(383,881)
Net Change in Fund Balances	(12,948)	949	3,569	4,518				348,062
Fund Balance, (Deficit) Beginning of Year	(1,026,247)	75,381	270,170	345,551				3,668,769
Fund Balance (Deficit), End of Year	\$ (1,039,195)	\$ 76,330	\$ 273,739	\$ 350,069				\$ 4,016,831

CITY OF EDWARDSVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FOR THE YEAR ENDED APRIL 30, 2016

	<u>Budget</u>	<u>Actual</u>
General Government:		
Legislative and Executive:		
Personal Services	\$ 239,590	\$ 239,026
Supplies	9,635	8,383
Economic Development	146,958	142,934
Contractual Services	32,130	21,948
Total Legislative and Executive	<u>428,313</u>	<u>412,291</u>
Legal and Judicial:		
Personal Services	184,241	192,039
Supplies	40	341
Contractual Services	42,890	45,839
Total Legal and Judicial	<u>227,171</u>	<u>238,219</u>
City Clerk/Collector:		
Personal Services	516,702	481,769
Supplies	58,000	79,670
Contractual Services	138,990	166,552
Total City Clerk	<u>713,692</u>	<u>727,991</u>
City Treasurer:		
Personal Services	16,200	16,201
Contractual Services	21,380	19,915
Total City Treasurer	<u>37,580</u>	<u>36,116</u>
Human Resources:		
Personal Services	208,148	215,951
Supplies	1,650	1,621
Contractual Services	160,870	104,131
Total Human Resources	<u>370,668</u>	<u>321,703</u>
Planning and Zoning		
Personal Services	208,935	171,499
Supplies	1,000	740
Contractual Services	15,655	7,068
Total Planning and Zoning	<u>225,590</u>	<u>179,307</u>

CITY OF EDWARDSVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2016

	<u>Budget</u>	<u>Actual</u>
General Government: (Continued)		
Public Grounds and Buildings:		
Personal Services	\$ 43,066	\$ 74,653
Supplies	23,000	27,056
Contractual Services	<u>452,000</u>	<u>460,815</u>
Total Public Grounds and Buildings	<u>518,066</u>	<u>562,524</u>
Contingency:		
Capital Outlay	<u>373,630</u>	<u>282,518</u>
Total Contingency	<u>373,630</u>	<u>282,518</u>
Total General Government	<u>2,894,710</u>	<u>2,760,669</u>
Public Safety:		
Police and Fire Commission:		
Supplies	50	-
Contractual Services	<u>6,125</u>	<u>375</u>
Total Police and Fire Commission	<u>6,175</u>	<u>375</u>
Police Department:		
Personal Services	5,230,287	5,175,173
Supplies	214,053	143,648
Contractual Services	<u>203,560</u>	<u>159,748</u>
Total Police Department	<u>5,647,900</u>	<u>5,478,569</u>
Fire Department:		
Personal Services	2,734,957	2,727,876
Supplies	102,310	73,129
Contractual Services	<u>133,320</u>	<u>144,629</u>
Total Fire Department	<u>2,970,587</u>	<u>2,945,634</u>
Total Public Safety	<u>8,624,662</u>	<u>8,424,578</u>

CITY OF EDWARDSVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2016

	<u>Budget</u>	<u>Actual</u>
Highways and Streets:		
Personal Services	\$ 877,771	\$ 828,157
Supplies	80,550	45,642
Contractual Services	<u>598,390</u>	<u>1,259,701</u>
Total Highways and Streets	<u>1,556,711</u>	<u>2,133,500</u>
Public Works:		
Personal Services	1,163,732	1,132,799
Supplies	29,600	23,792
Contractual Services	<u>116,211</u>	<u>141,378</u>
Total Public Works	<u>1,309,543</u>	<u>1,297,969</u>
Culture and Recreation:		
Cable TV Commission:		
Personal Services	119,442	121,733
Supplies	16,850	3,506
Contractual Services	<u>14,650</u>	<u>8,927</u>
Total Cable TV Commission	<u>150,942</u>	<u>134,166</u>
Historic Preservation:		
Supplies	400	8,050
Contractual Services	<u>6,820</u>	<u>1,023</u>
Total Historic Preservation	<u>7,220</u>	<u>9,073</u>

CITY OF EDWARDSVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2016

	<u>Budget</u>	<u>Actual</u>
Culture and Recreation: (Continued)		
Beautification Committee		
Supplies	\$ 22,500	\$ 20,059
Contractual Services	<u>18,500</u>	<u>20,888</u>
Total Beautification Committee	<u>41,000</u>	<u>40,947</u>
Total Culture and Recreation	<u>199,162</u>	<u>184,186</u>
Total Expenditures	<u>\$ 14,584,788</u>	<u>\$ 14,800,902</u>

CITY OF EDWARDSVILLE, ILLINOIS

TAX RATES AND EXTENSIONS
APRIL 30, 2016

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Assessed Value	\$ 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	\$ 645,285,934
Tax Increment Financing -										
District #1	\$ 6,748,620	\$ 7,288,320	\$ 8,687,360	\$ 7,592,930	\$ 7,080,350	\$ 6,816,870	\$ -	\$ -	\$ -	\$ -
District #2	\$ 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	\$ 10,621,840
North Gateway Commerce Center	\$ 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	\$ 19,141,580
North Main Street	\$ -	\$ 314,670	\$ 594,740	\$ 679,330	\$ 622,360	\$ 556,580	\$ 502,680	\$ 484,240	\$ 499,260	\$ 701,450
Special Service Area -										
Edwardsville	\$ 1,550,400	\$ 1,995,950	\$ 2,217,700	\$ 2,021,020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Madison Avenue	\$ 12,072,260	\$ 12,850,910	\$ 12,473,460	\$ 11,449,120	\$ 11,195,780	\$ 10,875,510	\$ 10,897,710	\$ 10,547,170	\$ 10,375,130	\$ 10,583,050
St. Louis Street	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,868,730	\$ 6,603,910	\$ 6,439,840	\$ 6,553,020	\$ 6,583,540
Rates:										
General	\$ 0.2347	\$ 0.2465	\$ 0.2500	\$ 0.2510	\$ 0.2503	\$ 0.2458	\$ 0.2584	\$ 0.2555	\$ 0.2473	\$ 0.2342
ESDA	0.0011	0.0012	0.0012	0.0011	0.0011	0.0011	0.0011	0.0011	0.0010	0.0010
Garbage	0.1093	0.0986	0.0990	0.0955	0.0918	0.1009	0.0999	0.0988	0.0952	0.0685
Parks and Playgrounds	0.0850	0.0868	0.0862	0.0849	0.0857	0.0861	0.0853	0.0844	0.0895	0.0942
Library	0.2018	0.1989	0.1976	0.1979	0.2028	0.2035	0.2005	0.2064	0.2038	0.1971
School Crossing Guard	0.0104	0.0098	0.0094	0.0093	0.0093	0.0094	0.0094	0.0093	0.0090	0.0086
Public Comfort Station	0.0174	0.0164	0.0163	-	0.0035	0.0036	0.0036	0.0036	0.0035	0.0034
Band	0.0259	0.0243	0.0242	0.0238	0.0203	0.0204	0.0202	0.0158	0.0153	0.0145
Fire Protection	0.1396	0.1479	0.1500	0.1563	0.1605	0.1611	0.1595	0.1577	0.1550	0.1933
Fire Pension	0.0537	0.0485	0.0485	0.0651	0.0715	0.0790	0.0817	0.1086	0.1107	0.1103
Police Protection	0.0698	0.0740	0.0750	0.0809	0.0877	0.0881	0.0872	0.0862	0.0847	0.0802
Police Pension	0.0945	0.0893	0.0936	0.1078	0.1183	0.1251	0.1239	0.1401	0.1441	0.1419
IMRF	0.0842	0.0789	0.0847	0.0912	0.0883	0.0939	0.0930	0.0920	0.0998	0.1038
Bond and Interest	0.0194	0.0179	0.0175	0.0175	0.0176	-	-	-	-	-
Social Security	0.0820	0.0769	0.0776	0.0738	0.0736	0.0739	0.0758	0.0809	0.0811	0.0838
Street and Bridge	0.0941	0.0961	0.0836	0.0964	0.0961	0.1052	0.1042	0.1030	0.0993	0.0941
Liability Insurance	0.1063	0.0996	0.0551	0.0618	0.0632	0.0722	0.0792	0.0940	0.0977	0.0724
Library Bond	0.0478	0.0428	-	-	-	-	-	-	-	-
	\$ 1.4770	\$ 1.4544	\$ 1.3833	\$ 1.4143	\$ 1.4416	\$ 1.4693	\$ 1.4829	\$ 1.5374	\$ 1.5370	\$ 1.5013
Tax Increment Financing -										
District #1	\$ 6.6643	\$ 6.7278	\$ 6.6819	\$ 6.7782	\$ 6.9105	\$ 6.9312	\$ -	\$ -	\$ -	\$ -
District #2	\$ 6.6643	\$ 6.7278	\$ 6.6819	\$ 6.7782	\$ 6.9105	\$ 6.9312	\$ 7.0689	\$ 7.2455	\$ 7.2564	\$ 7.2947
North Gateway Commerce Center	\$ 7.2356	\$ 7.3198	\$ 7.2283	\$ 7.3074	\$ 7.4596	\$ 7.7132	\$ 7.8831	\$ 8.0642	\$ 8.0649	\$ 8.1106
North Main Street	\$ -	\$ 6.7280	\$ 6.6819	\$ 6.7782	\$ 6.9106	\$ 6.9312	\$ 7.0690	\$ 7.2455	\$ 7.2364	\$ 7.2947
Special Service Area -										
Edwardsville	\$ 0.3548	\$ 0.2756	\$ 0.2481	\$ 0.2722	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Madison Avenue	\$ 0.2728	\$ 0.2541	\$ 0.2670	\$ 0.2872	\$ 0.2982	\$ 0.3016	\$ -	\$ -	\$ -	\$ -
St. Louis Street	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.4926	\$ -	\$ 0.5442	\$ 0.5415	\$ 0.5449

CITY OF EDWARDSVILLE, ILLINOIS

**TAX RATES AND EXTENSIONS
APRIL 30, 2016**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Extensions:										
General	\$ 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	\$ 1,511,260
ESDA	5,437	6,560	6,802	6,337	6,354	6,331	6,397	6,472	6,109	6,453
Garbage	540,263	539,013	561,168	550,182	530,240	580,734	580,973	581,305	581,558	442,021
Parks and Playgrounds	420,150	474,506	488,613	489,114	495,006	495,552	496,066	496,580	546,737	607,859
Library	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	1,271,859
School Crossing Guard	51,407	53,573	53,283	53,578	53,717	54,102	54,666	54,718	54,979	55,495
Public Comfort Station	86,007	89,653	92,394	-	20,216	20,720	20,936	21,181	21,581	21,940
Band	128,022	132,840	137,175	137,113	117,254	117,413	117,474	92,962	93,465	93,566
Fire Protection	690,034	808,519	850,255	900,454	927,054	927,217	927,580	927,852	946,864	1,247,338
Fire Pension	265,436	265,133	353,139	375,045	412,986	454,687	475,130	638,964	676,244	711,750
Police Protection	345,017	404,533	425,128	466,070	506,558	507,063	507,116	507,171	517,415	517,519
Police Pension	467,107	488,173	530,559	621,043	683,305	720,017	720,547	824,300	880,278	915,661
IMRF	416,195	431,319	480,111	525,409	510,024	540,445	540,846	541,296	609,658	669,807
Bond and Interest	95,893	97,853	99,196	100,819	101,658	-	-	-	-	-
Social Security	405,321	420,386	439,865	425,166	425,116	425,334	440,819	475,987	495,423	540,750
Street and Bridge	465,130	525,346	473,876	555,366	555,077	605,482	605,980	606,016	606,604	607,214
Liability Insurance	525,434	544,479	312,327	356,034	365,045	415,550	460,591	553,063	596,829	467,187
Library Bond	236,272	233,973	-	-	-	-	-	-	-	-
	\$ 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	\$ 9,687,679
Tax Increment Financing -										
District #1	\$ 449,748	\$ 490,344	\$ 580,472	\$ 514,664	\$ 489,288	\$ 472,491	\$ -	\$ -	\$ -	\$ -
District #2	\$ 351,169	\$ 398,367	\$ 441,423	\$ 487,263	\$ 502,186	\$ 613,880	\$ 642,381	\$ 739,611	\$ 740,336	\$ 774,832
North Gateway Commerce Center	\$ 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	\$ 1,552,497
North Main Street	\$ -	\$ 21,171	\$ 39,740	\$ 46,047	\$ 43,009	\$ 38,378	\$ 35,534	\$ 35,086	\$ 36,129	\$ 51,169
Special Service Area -										
Edwardsville	\$ 5,501	\$ 5,501	\$ 5,502	\$ 5,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Madison Avenue	\$ 32,933	\$ 32,654	\$ 33,304	\$ 32,882	\$ 33,386	\$ 32,801	\$ -	\$ -	\$ -	\$ -
St. Louis Street	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,835	\$ -	\$ 35,046	\$ 35,485	\$ 35,880



**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, 2016, 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 16, 2016