



CITY OF EDWARDSVILLE, ILLINOIS

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

APRIL 30, 2012

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CITY OF EDWARDSVILLE, ILLINOIS

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CITY OF EDWARDSVILLE, ILLINOIS

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

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Edwardsville, Illinois

We have audited the accompanying financial statements 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 and for the year ended April 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Edwardsville, Illinois' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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 57 to 58) and schedules of pension funding progress (pages 59 to 61) 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

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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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Edwardsville, Illinois' financial statements as a whole. The combining and individual nonmajor fund financial statements, and other supplementary information 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 supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

C. J. Schlosser & Co., L.L.C.

Certified Public Accountants
Alton, IL

November 6, 2012

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, 2012. 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 25,000. The City is the county seat of Madison County, Illinois and the home of Southern Illinois University Edwardsville as well as the N.O. Nelson Campus of Lewis and Clark Community College. The City of Edwardsville is empowered to levy a property tax on real properties located within its boundaries. In addition, the City is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

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

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

Financial Highlights

- The assets of the City of Edwardsville exceeded its liabilities at the close of the most recent fiscal year by \$59,779 (net assets). Of this amount, \$4,237 (unrestricted net assets) 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 assets of \$36,379.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,428 or 55% 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 comprise 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 assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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, 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-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund and the TIF#3 fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Edwardsville adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund 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.

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 25-56 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 57-61 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 62-67 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City of Edwardsville, assets exceeded liabilities by \$59,779 at the close of the 2012 fiscal year.

Of these net assets, \$3,393 or 5.67% are unrestricted and available to the City to meet future needs of citizens and creditors. The other major component is reflected in the City's investment in capital assets \$46,541 or 77.85% (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'S NET ASSETS

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 18,023	\$ 19,109	\$ (222)	\$ 1,042	\$ 17,801	\$ 20,151
Capital assets	37,146	37,184	35,988	36,475	73,134	73,659
Total assets	<u>\$ 55,169</u>	<u>\$ 56,293</u>	<u>\$ 35,766</u>	<u>\$ 37,517</u>	<u>\$ 90,935</u>	<u>\$ 93,810</u>
Long-term liabilities	\$ 17,918	\$ 19,203	\$ 10,906	\$ 12,012	\$ 28,824	\$ 31,215
Other liabilities	872	777	1,460	1,949	2,332	2,726
Total Liabilities	<u>\$ 18,790</u>	<u>\$ 19,980</u>	<u>\$ 12,366</u>	<u>\$ 13,961</u>	<u>\$ 31,156</u>	<u>\$ 33,941</u>
Invested in capital assets, net of related debt	\$ 22,323	\$ 20,531	\$ 24,218	\$ 24,394	\$ 46,541	\$ 44,925
Restricted	8,977	10,960	868	848	9,845	11,808
Unrestricted	5,079	4,822	(1,686)	(1,686)	3,393	3,136
Total net assets	<u>\$ 36,379</u>	<u>\$ 36,313</u>	<u>\$ 23,400</u>	<u>\$ 23,556</u>	<u>\$ 59,779</u>	<u>\$ 59,869</u>

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

Governmental activities. Governmental activities increased the City's net assets by \$66 as shown in the schedule below, and business-type activities reported a decrease of \$156.

CITY OF EDWARDSVILLE'S CHANGES IN NET ASSETS

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Program revenues:						
Charges for services	\$ 2,437	\$ 2,019	\$ 7,741	\$ 7,833	\$ 10,178	\$ 9,852
Operating grants and contributions	334	356	-	-	334	356
Capital grants and contributions	218	171	-	82	218	253
General revenues:						
Property taxes	8,302	8,164	529	542	8,831	8,706
Other taxes	10,003	10,225	-	-	10,003	10,225
Other	438	521	(19)	10	419	531
Total revenues	<u>\$ 21,732</u>	<u>\$ 21,456</u>	<u>\$ 8,251</u>	<u>\$ 8,467</u>	<u>\$ 29,983</u>	<u>\$ 29,923</u>

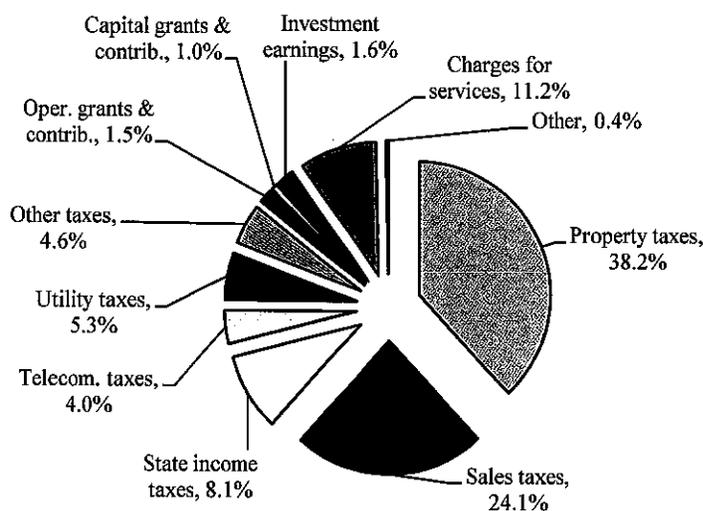
CITY OF EDWARDSVILLE'S CHANGES IN NET ASSETS

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Expenses:						
General government	\$ 4,452	\$ 4,338	\$ -	\$ -	\$ 4,452	\$ 4,338
Public safety	8,084	7,962	-	-	8,084	7,962
Highways and streets	5,265	5,071	-	-	5,265	5,071
Public works	1,143	1,096	-	-	1,143	1,096
Culture and recreation	2,226	1,463	-	-	2,226	1,463
Interest on long-term debt	627	713	-	-	627	713
Water	-	-	3,850	3,743	3,850	3,743
Sewer	-	-	2,859	2,780	2,859	2,780
Garbage	-	-	1,565	1,517	1,565	1,517
Total expenses	<u>21,797</u>	<u>20,643</u>	<u>8,274</u>	<u>8,040</u>	<u>30,071</u>	<u>28,683</u>
Increase (Decrease) in net assets before transfers	(65)	813	(23)	427	(88)	1,240
Transfers	<u>131</u>	<u>151</u>	<u>(133)</u>	<u>(69)</u>	<u>(2)</u>	<u>82</u>
Increase(Decrease) in net ass	66	964	(156)	358	(90)	1,322
Net assets, beginning of year	<u>36,313</u>	<u>35,349</u>	<u>23,556</u>	<u>23,198</u>	<u>59,869</u>	<u>58,547</u>
Net assets, end of year	<u>\$ 36,379</u>	<u>\$ 36,313</u>	<u>\$ 23,400</u>	<u>\$ 23,556</u>	<u>\$ 59,779</u>	<u>\$ 59,869</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 6.50% in sales taxes revenue since 1994 primarily due to the population and related retail growth experienced by the City during this time which resulted in an increase of approximately \$175 over prior year. In addition, the City has experienced an annual average increase in assessed valuation of 7.60% during the past 10 years thereby increasing property tax revenue while the City's combined tax rate has fallen from \$1.2724 per \$100 of assessed valuation in 2001 to \$1.2658 in 2011.

Property taxes reported negligible an increase of \$138. The City reported a \$222 decrease in other taxes which includes income taxes and other taxes received from the State of Illinois. Capital contributions include annexations and construction projects related to the water system.

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 2012, the City of Edwardsville's governmental funds reported combined ending fund balances of \$15,599. Approximately \$5,957 or 38% constitutes assigned or unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is either nonspendable, restricted or committed, to indicate that it is not available for new spending because it is in a nonspendable form, has already been committed to pay for capital or other projects, or is restricted for other purposes.

The general fund is the chief operating fund of the City of Edwardsville. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,427 which represents 95% 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 55.2% of total general fund expenditures. The City's general fund balance decreased \$62 during the current year which primarily resulted from an increase in capital outlay expenditures for street improvement projects of approximately \$263.

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 2012.

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, 2012 and 2011 amounted to \$73,135 and \$73,436 (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	
	2012	2011	2012	2011	2012	2011
Land	\$ 2,232	\$ 2,232	\$ 294	\$ 294	\$ 2,526	\$ 2,526
Land improvements	667	653	-	-	667	653
Buildings and systems	5,724	6,217	35,460	35,897	41,184	42,114
Equipment	805	796	210	248	1,015	1,044
Vehicles	604	410	24	36	628	446
Infrastructure	27,115	26,653	-	-	27,115	26,653
Total	<u>\$ 37,147</u>	<u>\$ 36,961</u>	<u>\$ 35,988</u>	<u>\$ 36,475</u>	<u>\$ 73,135</u>	<u>\$ 73,436</u>

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

- Continued increases in City infrastructure due to construction and annexations.

Additional information on the City of Edwardsville's capital assets can be found in Note 7 on pages 40-41 of this report.

Long-term debt

At the end of the current fiscal year, the City of Edwardsville had total bonded debt outstanding of \$20,296. This amount comprises debt backed by the full faith and credit of the City. The balance of \$5,619 represents low interest loans from other governmental agencies.

CITY OF EDWARDSVILLE'S OUTSTANDING DEBT

	Governmental activities		Business-type activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General obligation bonds	\$ 14,983	\$ 16,572	\$ 5,313	\$ 5,692	\$ 20,296	\$ 22,264
Loans and capital leases	<u>47</u>	<u>99</u>	<u>5,572</u>	<u>6,365</u>	<u>5,619</u>	<u>6,464</u>
Total revenues	<u>\$ 15,030</u>	<u>\$ 16,671</u>	<u>\$ 10,885</u>	<u>\$ 12,057</u>	<u>\$ 25,915</u>	<u>\$ 28,728</u>

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

Additional information on the City of Edwardsville's long-term debt can be found in Note 8 on pages 42-45 of this report.

Economic Factors and Net Year's Budgets and Rates

The unemployment rate for the County was 8.3% compared to state of Illinois and St. Louis metropolitan area, which Edwardsville is considered part of, unemployment rates of 8.4%. The City has seen continued growth in sales tax revenue, increased assessed valuation and population (from 14,500 in 1990 to 20,491 in 2000 to an estimated 25,073 by special census in 2007). The 2010 census by the Census Bureau was determined to be 24,293 and is currently being appealed by the City to the Census Bureau as being too low.

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 \$1.20 per month on August 1, 2012.

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 ASSETS
APRIL 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<u>Assets</u>				
Cash and Cash Equivalents	\$ 6,089,280	\$ (3,773,943)	\$ 2,315,337	\$ 240,076
Investments	8,539,782	894,286	9,434,068	152,789
Receivables (Net of allowance for uncollectibles):	2,621,867	1,202,580	3,824,447	-
Inventory	-	226,388	226,388	-
Prepaid Expenses	580,723	195,362	776,085	14,916
Restricted Assets:				
Cash and Cash Equivalents	-	432,878	432,878	-
Investments	-	525,657	525,657	-
Capital Assets:				
Land	2,231,805	294,193	2,525,998	-
Land Improvements	1,049,469	-	1,049,469	-
Buildings and Systems	10,046,048	55,530,869	65,576,917	4,734,571
Equipment	2,534,661	1,331,395	3,866,056	92,366
Vehicles	3,483,644	427,916	3,911,560	-
Infrastructure	72,695,527	-	72,695,527	-
Accumulated Depreciation	(54,894,436)	(21,595,988)	(76,490,424)	(4,430,931)
Other Assets	191,144	74,436	265,580	-
Total Assets	<u>55,169,514</u>	<u>35,766,029</u>	<u>90,935,543</u>	<u>803,787</u>
<u>Liabilities</u>				
Accounts Payable	249,126	1,228,964	1,478,090	-
Accrued Salaries	399,964	34,889	434,853	25,202
Accrued Interest Payable	108,700	105,505	214,205	-
Deferred Revenue	114,760	-	114,760	-
Customer Deposits	-	90,495	90,495	-
Noncurrent Liabilities:				
Due Within One Year	1,527,533	1,073,497	2,601,030	-
Due in More Than One Year	16,390,310	9,832,948	26,223,258	27,304
Total Liabilities	<u>18,790,393</u>	<u>12,366,298</u>	<u>31,156,691</u>	<u>52,506</u>
<u>Net Assets</u>				
Invested in Capital Assets, Net of Related Debt	22,323,324	24,217,206	46,540,530	396,006
Restricted	8,977,082	868,040	9,845,122	-
Unrestricted	5,078,715	(1,685,515)	3,393,200	355,275
Total Net Assets	<u>\$ 36,379,121</u>	<u>\$ 23,399,731</u>	<u>\$ 59,778,852</u>	<u>\$ 751,281</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, 2012**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
				Governmental Activities	Business-type Activities	Total
Expenses	\$ 4,452,245	\$ 196,661	\$ 4,775	\$ (4,250,809)	\$ (4,250,809)	
General Government	8,083,536	1,099,895	130,692	(6,852,949)	(6,852,949)	
Public Safety	5,265,282	-	133,678	(5,038,954)	(5,038,954)	
Highways and Streets	1,142,519	258,638	-	(883,881)	(883,881)	
Public Works	2,226,078	881,878	65,185	(1,153,796)	(1,153,796)	
Culture and Recreation	627,070	-	-	(627,070)	(627,070)	
Interest on Long-term Debt	21,796,730	2,437,072	334,330	(18,807,459)	(18,807,459)	
Total Governmental Activities						
Total Governmental Activities	\$ 30,070,772	\$ 10,178,257	\$ 334,330	(18,807,459)	(18,807,459)	
Business-type Activities:						
Water	3,850,493	3,904,388	-	\$ 53,895	53,895	
Sewer	2,858,804	2,788,802	-	(70,002)	(70,002)	
Garbage	1,564,745	1,047,995	-	(516,750)	(516,750)	
Total Business-type Activities	8,274,042	7,741,185	-	(532,857)	(532,857)	
Total Primary Government	\$ 30,070,772	\$ 10,178,257	\$ 334,330	(18,807,459)	(18,807,459)	

Component Unit:						
Library	\$ 1,232,538	\$ 39,211	\$ 35,372	\$ -	\$ -	\$ (1,157,955)
Total Component Unit	\$ 1,232,538	\$ 39,211	\$ 35,372	\$ -	\$ -	(1,157,955)

General Revenues:						
Property Tax, Levied for General Purposes	8,302,475	528,371	8,830,846	1,173,696		
Sales and Use Tax	5,229,696	-	5,229,696	-		
Replacement Tax	182,319	-	182,319	17,325		
State Income Tax	1,753,003	-	1,753,003	-		
Motor Fuel Tax	620,367	-	620,367	-		
Telecommunications Tax	871,463	-	871,463	-		
Utility Tax	1,158,483	-	1,158,483	-		
Motel Tax	33,970	-	33,970	-		
Amusement Tax	154,047	-	154,047	-		
Unrestricted Investment Earnings	348,371	(19,455)	328,916	9,024		
Miscellaneous	89,258	-	89,258	3,569		
Transfers	130,916	(132,669)	(1,753)	1,753		
Total General Revenues and Transfers	18,874,368	376,247	19,250,615	1,205,367		
Change in Net Assets	66,909	(156,610)	(89,701)	47,412		
Net Assets - Beginning	36,312,212	23,556,341	59,868,553	703,869		
Net Assets - Ending	\$ 36,379,121	\$ 23,399,731	\$ 59,778,852	\$ 751,281		

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

CITY OF EDWARDSVILLE, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS
APRIL 30, 2012**

	<u>General Fund</u>	<u>TIF #3 Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 2,127,513	\$ 1,349,085	\$ 2,423,077	\$ 5,899,675
Investments	4,527,999	1,561,140	2,339,239	8,428,378
Receivables (Net, where applicable, of allowances for uncollectibles):				
Property Tax	2,874,100	1,581,400	3,664,300	8,119,800
Services	80,986	-	78,418	159,404
Intergovernmental	2,064,969	-	286,215	2,351,184
Interest	25,441	3,236	9,264	37,941
Other	73,338	-	-	73,338
Due From Other Funds	21,607	-	31,362	52,969
Prepaid Expenses	358,201	-	88,355	446,556
Total Assets	<u>\$ 12,154,154</u>	<u>\$ 4,494,861</u>	<u>\$ 8,920,230</u>	<u>\$ 25,569,245</u>
<u>Liabilities and Fund Equity</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 68,610	\$ -	\$ 173,252	\$ 241,862
Accrued Salaries and Compensated Absences	376,753	-	23,211	399,964
Due to Other Funds	19,756	-	28,925	48,681
Deferred Revenue	3,902,999	1,581,400	3,795,296	9,279,695
Total Liabilities	<u>4,368,118</u>	<u>1,581,400</u>	<u>4,020,684</u>	<u>9,970,202</u>
<u>Fund Equity:</u>				
<u>Fund Balance:</u>				
Nonspendable	358,201	-	88,355	446,556
Restricted	-	2,913,461	6,063,621	8,977,082
Committed	-	-	217,768	217,768
Assigned	-	-	1,745,275	1,745,275
Unassigned	7,427,835	-	(3,215,473)	4,212,362
Total Fund Equity	<u>7,786,036</u>	<u>2,913,461</u>	<u>4,899,546</u>	<u>15,599,043</u>
Total Liabilities and Fund Equity	<u>\$ 12,154,154</u>	<u>\$ 4,494,861</u>	<u>\$ 8,920,230</u>	<u>\$ 25,569,245</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 ASSETS
FOR THE YEAR ENDED APRIL 30, 2012

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 15,599,043
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	37,146,718
The amount of compensated absences is not recorded as a liability on the balance sheet of the governmental funds.	(1,883,887)
The amount of accrued retirement benefits is not recorded as a liability on the balance sheet of the governmental funds.	(715,984)
The amount of net pension obligation related to the police and fire pensions is not recorded as a liability on the balance sheet of the governmental funds.	(303,434)
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	(15,030,334)
Accrued interest payable on the long-term debt is not reported as a liability on the balance sheet of the governmental funds.	(108,700)
Some receivables are not available to pay current-period expenditures and, therefore, are deferred in the governmental funds balance sheet, but recognized as revenue as economic financial resources.	1,045,135
Net effect of including internal service fund in governmental activities.	423,624
Debt issuance costs are not reported as an asset to be amortized on the balance sheet of the governmental funds.	206,940
Net assets of governmental activities	<u><u>\$ 36,379,121</u></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, 2012

	General Fund	TIF #3 Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property Tax	\$ 3,018,373	\$ 1,667,274	\$ 3,616,828	\$ 8,302,475
Intergovernmental:				
Sales and Use Tax	4,773,726	-	460,497	5,234,223
Replacement Tax	182,319	-	-	182,319
State Income Tax	1,726,376	-	-	1,726,376
Motor Fuel Tax	-	-	620,367	620,367
Telecommunications Tax	445,799	-	445,798	891,597
Grants	155,486	-	184,103	339,589
Other Local Taxes	111,694	-	1,234,806	1,346,500
Licenses, Fees and Permits	107,100	-	-	107,100
Charges for Services	1,468,159	-	590,793	2,058,952
Fines	217,130	-	-	217,130
Investment Earnings	153,814	77,712	110,511	342,037
Miscellaneous Revenues/Reimbursements	137,293	-	125,815	263,108
Total Revenues	<u>12,497,269</u>	<u>1,744,986</u>	<u>7,389,518</u>	<u>21,631,773</u>
Expenditures:				
Current:				
General Government	2,582,098	165,307	1,499,120	4,246,525
Public Safety	7,595,558	-	9,042	7,604,600
Highways and Streets	1,428,968	815,819	1,317,436	3,562,223
Public Works	1,092,274	-	-	1,092,274
Culture and Recreation	153,490	-	1,676,903	1,830,393
Debt Service:				
Principal	45,062	400,000	1,194,857	1,639,919
Interest/Fees	2,012	278,923	333,287	614,222
Capital Outlay	543,834	-	2,102,230	2,646,064
Total Expenditures	<u>13,443,296</u>	<u>1,660,049</u>	<u>8,132,875</u>	<u>23,236,220</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(946,027)</u>	<u>84,937</u>	<u>(743,357)</u>	<u>(1,604,447)</u>
Other Financing Sources (Uses):				
Transfers In (Out)	883,518	-	(752,602)	130,916
Total Other Financing Sources (Uses)	<u>883,518</u>	<u>-</u>	<u>(752,602)</u>	<u>130,916</u>
Net Change in Fund Balances	(62,509)	84,937	(1,495,959)	(1,473,531)
Fund Balance, Beginning of Year	7,848,545	2,828,524	6,395,505	17,072,574
Fund Balance, End of Year	<u>\$ 7,786,036</u>	<u>\$ 2,913,461</u>	<u>\$ 4,899,546</u>	<u>\$ 15,599,043</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, 2012**

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

Net change in fund balances - total governmental funds \$ (1,473,531)

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 exceeded depreciation expense and disposal losses in the current year.

92,969

The value of infrastructure obtained through donations are not recorded in the governmental funds. However, it is capitalized in the government-wide financial statements and recorded as a capital contribution.

92,650

The amount of net pension obligations are not recorded as expense in the fund financial statements. In the statement of activities, these amounts are included and recorded currently in the public safety functional expense category. This amount is the difference between beginning and ending net pension obligation balances that has been included in the statement of activities.

(133,495)

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.

(55,486)

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.

(164,179)

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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.

1,627,071

Net effect of including internal service fund in governmental activities.

78,944

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.

1,966

Change in net assets of governmental activities

\$ 66,909

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

CITY OF EDWARDSVILLE, ILLINOIS

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 APRIL 30, 2012

ASSETS	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds			Total	
	Water	Sewer	Garbage		
Current Assets:					
Cash and Cash Equivalents	\$ (1,159,650)	\$ (2,154,787)	\$ (459,506)	\$ (3,773,943)	\$ 189,605
Investments	121,046	728,306	44,934	894,286	111,404
Receivables:					
Property Tax	-	-	574,900	574,900	-
Customer/Unbilled	526,513	461,337	208,213	1,196,063	-
Interest	2,956	3,561	-	6,517	-
Inventory, at Cost	226,388	-	-	226,388	-
Prepaid Expenses	36,915	28,794	129,653	195,362	134,167
Total Current Assets	<u>(245,832)</u>	<u>(932,789)</u>	<u>498,194</u>	<u>(680,427)</u>	<u>435,176</u>
Noncurrent Assets:					
Restricted Cash and Cash Equivalents	432,878	-	-	432,878	-
Restricted Investments	525,657	-	-	525,657	-
Capital Assets:					
Land	177,530	116,663	-	294,193	-
Equipment	829,274	502,121	-	1,331,395	-
Vehicles	254,644	173,272	-	427,916	-
Plant and System	23,025,754	32,505,115	-	55,530,869	-
Less: Accumulated Depreciation	(7,550,869)	(14,045,119)	-	(21,595,988)	-
Deferred Debt Expense	74,436	-	-	74,436	-
Total Noncurrent Assets	<u>17,769,304</u>	<u>19,252,052</u>	<u>-</u>	<u>37,021,356</u>	<u>-</u>
Total Assets	<u>17,523,472</u>	<u>18,319,263</u>	<u>498,194</u>	<u>36,340,929</u>	<u>435,176</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	683,388	545,576	-	1,228,964	7,264
Accrued Salaries	23,331	11,558	-	34,889	-
Due to Other Funds	-	-	-	-	4,288
Compensated Absences	136,293	70,151	-	206,444	-
Accrued Retirement Health Benefits	54,610	27,306	-	81,916	-
Deferred Income	-	-	574,900	574,900	-
Loans Payable - Current	28,056	655,441	-	683,497	-
Accrued Interest	-	55,254	-	55,254	-
Total Current Liabilities	<u>925,678</u>	<u>1,365,286</u>	<u>574,900</u>	<u>2,865,864</u>	<u>11,552</u>
Current Liabilities (Payable from Restricted Assets):					
Accrued Interest	50,251	-	-	50,251	-
General Obligation Debt - Current	390,000	-	-	390,000	-
Customer Deposits	90,495	-	-	90,495	-
Total Current Liabilities (Payable from Restricted Assets)	<u>530,746</u>	<u>-</u>	<u>-</u>	<u>530,746</u>	<u>-</u>
Noncurrent Liabilities:					
General Obligation Debt (Net of Current Portion)	4,922,800	-	-	4,922,800	-
Less - Unamortized Discount on Bond	(267,144)	-	-	(267,144)	-
Loans Payable	364,460	4,524,472	-	4,888,932	-
Total Noncurrent Liabilities	<u>5,020,116</u>	<u>4,524,472</u>	<u>-</u>	<u>9,544,588</u>	<u>-</u>
Total Liabilities	<u>6,476,540</u>	<u>5,889,758</u>	<u>574,900</u>	<u>12,941,198</u>	<u>11,552</u>
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	10,729,158	13,488,048	-	24,217,206	-
Restricted for Debt Service	868,040	-	-	868,040	-
Unrestricted	(550,266)	(1,058,543)	(76,706)	(1,685,515)	423,624
Total Net Assets	<u>\$ 11,046,932</u>	<u>\$ 12,429,505</u>	<u>\$ (76,706)</u>	<u>\$ 23,399,731</u>	<u>\$ 423,624</u>

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

CITY OF EDWARDSVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds			Total	
	Water	Sewer	Garbage		
Operating Revenue:					
Customer User Charges	\$ 3,703,320	\$ 2,368,663	\$ 1,047,995	\$ 7,119,978	\$ -
Other Service Contributions	-	-	-	-	2,029,538
Tap On Fees	170,365	400,658	-	571,023	-
Miscellaneous	30,703	19,481	-	50,184	-
Total Operating Revenue	3,904,388	2,788,802	1,047,995	7,741,185	2,029,538
Operating Expenses:					
Personal Services	817,893	385,038	-	1,202,931	-
Contractual Services	1,832,432	1,400,015	1,564,745	4,797,192	1,956,928
Supplies	73,451	36,074	-	109,525	-
Heat, Light, and Power	365,492	246,251	-	611,743	-
Depreciation	490,248	644,846	-	1,135,094	-
Total Operating Expenses	3,579,516	2,712,224	1,564,745	7,856,485	1,956,928
Operating Income (Loss)	324,872	76,578	(516,750)	(115,300)	72,610
Nonoperating Revenue (Expense):					
Tax Revenue	-	-	528,371	528,371	-
Interest Income	10,816	(25,060)	(5,211)	(19,455)	6,334
Bond Amortization	(53,836)	-	-	(53,836)	-
Interest Expense	(217,141)	(146,580)	-	(363,721)	-
Total Nonoperating Revenue (Expense)	(260,161)	(171,640)	523,160	91,359	6,334
Income before Transfers	64,711	(95,062)	6,410	(23,941)	78,944
Transfers In (Out)	(72,190)	44,521	(105,000)	(132,669)	-
Change in Net Assets	(7,479)	(50,541)	(98,590)	(156,610)	78,944
Net Assets, Beginning of Year	11,054,411	12,480,046	21,884	23,556,341	344,680
Net Assets, End of Year	\$ 11,046,932	\$ 12,429,505	\$ (76,706)	\$ 23,399,731	\$ 423,624

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, 2012

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Major Funds			Total	
	Water	Sewer	Garbage		
Cash flows from operating activities:					
Receipts for services	\$ 3,909,710	\$ 2,812,346	\$ 1,071,875	\$ 7,793,931	\$ 2,029,538
Payments to suppliers	(2,858,920)	(1,923,048)	(1,566,447)	(6,348,415)	(1,947,234)
Payments to employees	(581,341)	(278,043)	-	(859,384)	-
Other fees	30,703	19,481	-	50,184	-
Net cash provided (used) by operating activities	<u>500,152</u>	<u>630,736</u>	<u>(494,572)</u>	<u>636,316</u>	<u>82,304</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(648,089)	-	-	(648,089)	-
Principal paid on bonds	(380,000)	-	-	(380,000)	-
Interest paid on debt instruments	(220,418)	(150,461)	-	(370,879)	-
Principal paid on loans	(27,496)	(765,701)	-	(793,197)	-
Net cash provided (used) by capital and related financing activities	<u>(1,276,003)</u>	<u>(916,162)</u>	<u>-</u>	<u>(2,192,165)</u>	<u>-</u>
Cash flows from non-capital financing activities:					
Payments from (to) other funds	(72,190)	44,521	(105,000)	(132,669)	-
Customer deposits	(2,635)	-	-	(2,635)	-
Tax revenue	-	-	528,371	528,371	-
Net cash provided (used) by non-capital financing activities	<u>(74,825)</u>	<u>44,521</u>	<u>423,371</u>	<u>393,067</u>	<u>-</u>
Cash flows from investing activities:					
Net (purchase) sale of investment securities	(121,800)	(7,107)	1,759	(127,148)	(7,787)
Interest on investments	10,441	(26,080)	(5,211)	(20,850)	6,334
Net cash provided (used) by investing activities	<u>(111,359)</u>	<u>(33,187)</u>	<u>(3,452)</u>	<u>(147,998)</u>	<u>(1,453)</u>
Net increase (decrease) in cash and cash equivalents	(962,035)	(274,092)	(74,653)	(1,310,780)	80,851
Cash and cash equivalents, beginning of year	<u>235,263</u>	<u>(1,880,695)</u>	<u>(384,853)</u>	<u>(2,030,285)</u>	<u>108,754</u>
Cash and cash equivalents, end of year	<u>\$ (726,772)</u>	<u>\$ (2,154,787)</u>	<u>\$ (459,506)</u>	<u>\$ (3,341,065)</u>	<u>\$ 189,605</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, 2012

	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)	\$ 324,872	\$ 76,578	\$ (516,750)	\$ (115,300)	\$ 72,610
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	490,248	644,846	-	1,135,094	-
(Increase) decrease in:					
Customer receivable/unbilled	36,025	43,025	23,880	102,930	-
Inventory	(19,537)	-	-	(19,537)	-
Prepaid expenses	(5,464)	(2,521)	(1,702)	(9,687)	8,710
Increase (decrease) in:					
Accounts payable	(346,697)	(137,109)	-	(483,806)	984
Accrued retirement health benefits	12,622	6,312	-	18,934	-
Accrued salaries/vacation/sick	8,083	(395)	-	7,688	-
Net cash provided (used) by operating activities	<u>\$ 500,152</u>	<u>\$ 630,736</u>	<u>\$ (494,572)</u>	<u>\$ 636,316</u>	<u>\$ 82,304</u>

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

CITY OF EDWARDSVILLE, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
APRIL 30, 2012

	Pension Trust Funds		Agency Funds		
	Police Pension	Fire Pension	Lewis and Weber Sewer	Madison Avenue SSA #2	St. Louis Street SSA
<u>Assets</u>					
Cash and Cash Equivalents:					
Cash	\$ 863,785	\$ 102,536	\$ 4,107	\$ 8,629	\$ 50,081
Investments	-	-	757	1,662	-
Investments	13,047,460	10,441,928	1,904	4,181	-
Receivables:					
Property Tax	712,800	454,286	-	-	-
Interest	38,500	24,503	-	-	-
Other	-	-	-	-	-
Total Assets	14,662,545	11,023,253	6,768	14,472	50,081
<u>Liabilities</u>					
Accounts Payable	9,029	10,112	-	-	10,647
Total Liabilities	9,029	10,112	-	-	10,647
<u>Net Assets</u>					
Held in Trust for Pension					
Benefits and Other Purposes	\$ 14,653,516	\$ 11,013,141	\$ 6,768	\$ 14,472	\$ 39,434

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

CITY OF EDWARDSVILLE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2012

	<u>Pension Trust Funds</u>	
	<u>Police Pension</u>	<u>Fire Pension</u>
<u>Additions</u>		
Contributions:		
Property Tax	\$ 767,886	\$ 452,816
Employee Contributions	285,804	174,882
Other	-	20
Investment Income:		
Investment Income	203,337	186,271
Less: Investment Expense	(29,107)	(23,282)
Net Investment Income	<u>174,230</u>	<u>162,989</u>
Total Additions	<u>1,227,920</u>	<u>790,707</u>
<u>Deductions</u>		
Benefits	609,706	823,109
Refund of Contributions	-	41,214
Administrative Expenses	18,728	18,398
Total Deductions	<u>628,434</u>	<u>882,721</u>
Change in Net Assets	599,486	(92,014)
Net Assets, Beginning of Year	<u>14,054,030</u>	<u>11,105,155</u>
Net Assets, End of Year	<u>\$ 14,653,516</u>	<u>\$ 11,013,141</u>

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

CITY OF EDWARDSVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2012

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 assets and the statement of changes in net assets) 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 #3 development expenses.

The government reports the following major proprietary funds:

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

Additionally, the government reports the following fund types:

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

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

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

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

The agency funds account for the activities of the Lewis and Weber Sewer, Madison Avenue SSA #2, and St. Louis Street SSA funds, which collect taxes on a fiduciary basis in order to pay for debt service and improvements in a specific area.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected to follow subsequent private-sector guidance.

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

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

investments with original maturities of three months or less. All short-term cash surpluses are maintained in cash and investment pools and the interest is allocated to each fund based on month-end balances and investment policies.

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

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

Receivables and payables

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

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

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

General Fund	Ambulance Receivables	\$ 163,213
Proprietary Fund	Water Customer Receivables	11,773
Proprietary Fund	Sewer Customer Receivables	11,087
Proprietary Fund	Garbage Customer Receivables	7,481

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 6, 2011 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

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

June and July and are considered delinquent after the due dates. Property taxes for 2011 become an enforceable lien in January 2012. Because this tax levy will be used to pay for expenses budgeted in fiscal year 2013, no part of this tax levy is shown as tax revenue as of April 30, 2012 in the statement of activities.

Inventories and prepaid items

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

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

Restricted assets

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

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

Water Meter Deposit	\$ 90,495
Water Works Debt Service	<u>868,040</u>
Total Restricted Assets	<u>\$ 958,535</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, 2012, the City estimated that the accumulated liability for unused vacation and sick leave for governmental fund employees totaled \$1,883,887. Amounts reflected in the financial statements at April 30, 2012 for Enterprise Fund employees related to unused vacation and sick leave benefits totaled \$206,444.

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 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.

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

<u>Governmental Funds</u>	
Nonspendable:	
Prepaid Insurance	\$ 388,153
Other Prepaid Expenses	58,403
	<u>\$ 446,556</u>
Restricted:	
TIF Fund Balances	\$ 7,306,908
Motor Fuel Tax Fund	830,764
ESDA Fund	8,946
Street and Bridge Fund	39,600
Liability Insurance Fund	137,431
Parks and Playgrounds Fund	71,941
Municipal Band Fund	65,451
Retirement Fund	31,323
Social Security Fund	78,218
Incremental Sales Tax Fund	77,248
Permanent Funds	329,252
	<u>\$ 8,977,082</u>
Committed:	
Tourism Promotion Fund	\$ 22,333
Capital Development Fund	195,435
	<u>\$ 217,768</u>
Assigned:	
Parks Improvement Fund	\$ 1,745,275
	<u>\$ 1,745,275</u>
<u>Fiduciary Funds</u>	
Reserved for Employees' Pension	
Benefits	\$ 25,666,657
Lewis and Weber Sewer	67,868
Madison Avenue SSA #2	14,472
St. Louis Street SSA	39,434
	<u>\$ 25,788,431</u>

Long-term obligations

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

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

the applicable bond premium or discount. Bond issuance costs are reported as deferred debt expense and amortized over the term of the related debt.

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. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

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 21, 2011, 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 appropriations were later amended April 30, 2012.

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 assets, 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	\$ 25,441	\$ 3,236	\$ 6,517	\$ 9,264	\$ 44,458
Other	73,338	-	-	-	73,338
Accounts	244,199	-	1,226,404	78,418	1,549,021
Intergovernmental	<u>2,064,969</u>	<u>-</u>	<u>-</u>	<u>286,215</u>	<u>2,351,184</u>
Gross Receivables	2,407,947	3,236	1,232,921	373,897	4,018,001
Less: Allowance for uncollectible	<u>163,213</u>	<u>-</u>	<u>30,341</u>	<u>-</u>	<u>193,554</u>
Net Total Receivables	<u>\$2,244,734</u>	<u>\$ 3,236</u>	<u>\$1,202,580</u>	<u>\$373,897</u>	<u>\$ 3,824,447</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	\$ 8,119,800	\$ -
Intergovernmental	1,045,135	-
Fees for services	-	114,760

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, 2012, the carrying amount of the City's deposits was \$11,268,011 and the bank balance was \$12,375,752. 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, 2012, all of the City's bank balance was either FDIC insured or collateralized. The amount exceeding FDIC coverage and collateralized is \$5,872,672.

As of April 30, 2012, 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)	--	\$ 791,455
Federal Home Loan Bank	6.40	314,957
Federal Home Loan Mortgage	4.16	399,989
US Treasury Note	3.76	198,599
Federal Farm Credit Bank	8.60	<u>199,115</u>
		1,904,115
Deposits as reported above		<u>11,268,011</u>
Total deposits and investments		<u>\$ 13,172,126</u>
As Reported in the Statement of Net Assets:		
Governmental and Business-type Activities:		
Cash and Cash Equivalents		\$ 2,315,337
Investments		9,434,068
Cash and Cash Equivalents - Restricted		432,878
Investments - Restricted		525,657
Component Unit:		
Cash and Cash Equivalents		240,076
Investments		152,789
Cash and Investments Reported in Agency Funds		<u>71,321</u>
		<u>\$ 13,172,126</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, 2012, 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	AAA	Aaa
Federal Home Loan Mortgage	AAA	Aaa
Federal Farm Credit Bank	AAA	Aaa

Concentration of Credit Risk. As of April 30, 2012, the City did not have a concentration of credit risk related to the City's investments.

Foreign Currency Risk. As of April 30, 2012, the City has no foreign currency risk.

Fire Pension Fund

At April 30, 2012, the carrying amount and bank balance of the Fire Pension Fund's deposits were \$102,536. 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, 2012, 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, 2012, the Fire Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
U.S. Treasury Notes	4.17	\$ 3,916,548
Federal National Mortgage Association	14.00	604,917
Federal Home Loan Mortgage	9.71	15,055
Government National Mortgage Association	17.71	56,994
Commercial Paper	0.35	327,193
Mutual Funds	--	<u>5,521,221</u>
		10,441,928
Deposits as reported above		<u>102,536</u>
Total deposits and investments		<u>\$ 10,544,464</u>
As Reported in the Statement of Net Assets:		
Cash and Cash Equivalents		\$ 102,536
Investments		<u>10,441,928</u>
		<u>\$ 10,544,464</u>

Credit Risk. As of April 30, 2012, 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	AAA	Aaa
Federal Home Loan Mortgage	AAA	Aaa
Commercial Paper	AAA	--

Concentration of Credit Risk. As of April 30, 2012, the Fire Pension Fund's investments are concentrated as follows:

<u>Investment</u>	<u>Percentage</u>
Federal National Mortgage Association	5.74%

Police Pension Fund

At April 30, 2012, the carrying amount and bank balance of the Police Pension Fund's deposits was \$863,785. 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, 2012, the Police Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
U.S. Treasury Notes	4.85	\$ 3,432,140
Federal Home Loan Bank	2.99	730,721
Federal National Mortgage Association	23.27	465,186
Federal Home Loan Mortgage Corp.	9.71	20,073
Federal Farm Credit Bank	4.62	290,950
Municipal Bonds	2.40	1,174,127
Mutual Funds	--	<u>6,934,263</u>
		13,047,460
Deposits as reported above		<u>863,785</u>
Total deposits and investments		<u>\$ 13,911,245</u>
As Reported in the Statement of Net Assets:		
Cash and Cash Equivalents		\$ 863,785
Investments		<u>13,047,460</u>
		<u>\$ 13,911,245</u>

Credit Risk. As of April 30, 2012, 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 Bank	AAA	Aaa
Federal Home Loan Mortgage	AAA	Aaa
Federal Farm Credit Bank	AAA	Aaa
Federal National Mortgage Association	AAA	Aaa
Bedford Park IL Wtr Rev First Lien	AA-	NR
Byron Forest IL Preserve Dist BAB	A+	NR
Minooka IL Fire Protn Dist	AA	Aa2
Sangamon Cnty IL Sch Dist No 186	A+	Aa2
Illinois St. Pension - Taxable	A+	A2
Cook County IL Sch Dist No 104 Argo Summit	AA-	NR
Dolton III Taxable Ser C	AA-	NR
Southern IL Univ Revs Hsg Auxiliary	AA-	NR
Bannockburn III Recovery Zone	AAA	NR
Southern IL Univ Revs	AA-	A2
Cook Cnty III High Sch Dist No 214	AA	NR
Western III Univ Revs Ctfs Partn	A	NR
O'Fallon IL Babs Taxable Ser A	AA	NR
Will Cnty Taxable Trans Improv	NR	NR

Concentration of Credit Risk. As of April 30, 2012, the Police Pension Fund's investments are concentrated as follows:

<u>Investment</u>	<u>Percentage</u>
Federal Home Loan Bank	5.25%

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

Foreign Currency Risk. As of April 30, 2012, the Police Pension Fund has no foreign currency risk.

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

NOTE 5: SPECIAL SERVICE AREAS

On December 16, 1997, the City adopted an ordinance to establish the Madison Avenue Special Service Area. The City issued bonds for this project in the amount of \$350,000; principal and interest payable through October 1, 2012. The total balance outstanding on the bonds at April 30, 2012 is \$32,000. The debt service funding is accomplished by a separate tax levy and the activity is being recorded as an agency fund.

On November 1, 2011, the City adopted an ordinance to establish the St. Louis Street Special Service Area. On December 16, 2011 the City issued Special Ad Valorem Tax Bond, Series 2011 in the amount of \$550,000; principal and interest payable through December 15, 2036, for projects in the special service area. The total balance outstanding on the bonds at April 30, 2012 is \$550,000. The debt service funding is accomplished by a separate tax levy and the activity is being recorded as an agency fund.

NOTE 6: TAX INCREMENT FINANCING DISTRICTS

Tax Incremental Financing (TIF) Funds have been established to account for the portion of taxes attributable to the increase in the current equalized assessed valuation of property within the TIF areas. Tax receipts are deposited into the TIF Funds to be used for paying the debt service on obligations incurred on project costs and for current expenditures for area improvements. On March 15, 1988, the City adopted an ordinance approving the Central Area Tax Increment Redevelopment Plan and Redevelopment Project. A second TIF district, TIF District #2, was approved by the City Council on April 15, 1997. The City established a third TIF district, the North Gateway Commerce Center Redevelopment Project Area, on February 4, 2003. A fourth TIF district, the North Main Street TIF was established on March 4, 2008.

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

NOTE 7: CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2012 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 2,231,805	\$ -	\$ -	\$ 2,231,805
Total capital assets, not being depreciated	<u>2,231,805</u>	<u>-</u>	<u>-</u>	<u>2,231,805</u>
Capital assets, being depreciated:				
Land improvements	983,493	65,976	-	1,049,469
Buildings and improvements	10,046,048	-	-	10,046,048
Equipment	2,387,225	192,960	45,524	2,534,661
Vehicles	3,222,035	415,831	154,222	3,483,644
Infrastructure	<u>70,631,580</u>	<u>2,063,947</u>	<u>-</u>	<u>72,695,527</u>
Total capital assets being depreciated	<u>87,270,381</u>	<u>2,738,714</u>	<u>199,746</u>	<u>89,809,349</u>
Less accumulated depreciation for:				
Land improvements	330,642	52,146	-	382,788
Buildings and improvements	3,829,446	492,763	-	4,322,209
Equipment	1,591,238	184,030	45,524	1,729,744
Vehicles	2,811,971	222,240	154,222	2,879,989
Infrastructure	<u>43,977,790</u>	<u>1,601,916</u>	<u>-</u>	<u>45,579,706</u>
Total accumulated depreciation	<u>52,541,087</u>	<u>2,553,095</u>	<u>199,746</u>	<u>54,894,436</u>
Total capital assets being depreciated, net	<u>34,729,294</u>	<u>185,619</u>	<u>-</u>	<u>34,914,913</u>
Governmental activities capital assets, net	<u>\$ 36,961,099</u>	<u>\$ 185,619</u>	<u>\$ -</u>	<u>\$ 37,146,718</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	1,331,395	-	-	1,331,395
Vehicles	427,916	-	-	427,916
Buildings and systems	<u>54,882,780</u>	<u>648,089</u>	<u>-</u>	<u>55,530,869</u>
Total capital assets being depreciated	<u>56,642,091</u>	<u>648,089</u>	<u>-</u>	<u>57,290,180</u>
Less accumulated depreciation for:				
Equipment	1,083,208	37,388	-	1,120,596
Vehicles	392,187	11,910	-	404,097
Buildings and systems	<u>18,985,499</u>	<u>1,085,796</u>	<u>-</u>	<u>20,071,295</u>
Total accumulated depreciation	<u>20,460,894</u>	<u>1,135,094</u>	<u>-</u>	<u>21,595,988</u>
Total capital assets being depreciated, net	<u>36,181,197</u>	<u>(487,005)</u>	<u>-</u>	<u>35,694,192</u>
Business-type activities capital assets, net	<u>\$ 36,475,390</u>	<u>\$ (487,005)</u>	<u>\$ -</u>	<u>\$ 35,988,385</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	\$ 235,244
Public safety	219,612
Highways and streets	1,673,729
Public works	30,043
Culture and recreation	<u>394,467</u>
Total depreciation expense - governmental activities	<u>\$ 2,553,095</u>
Business-type activities:	
Water and sewer	<u>\$ 1,135,094</u>

Discretely Presented Component Unit

The capital asset activity for the City Library for the year ended April 30, 2012, 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	\$ 4,734,571	\$ -	\$ -	\$ 4,734,571
Equipment	<u>92,366</u>	<u>-</u>	<u>-</u>	<u>92,366</u>
	<u>4,826,937</u>	<u>-</u>	<u>-</u>	<u>4,826,937</u>
Less accumulated depreciation for:				
Buildings	4,271,289	75,134	-	4,346,423
Equipment	<u>81,339</u>	<u>3,169</u>	<u>-</u>	<u>84,508</u>
	<u>4,352,628</u>	<u>78,303</u>	<u>-</u>	<u>4,430,931</u>
Total capital assets, net of depreciation	<u>\$ 474,309</u>	<u>\$ (78,303)</u>	<u>\$ -</u>	<u>\$ 396,006</u>

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

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

NOTE 8: LONG-TERM DEBT

General Obligation Debt

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

\$1,070,000 Municipal Facilities Debt Refunding Certificates, Series 1998 dated December 15, 1998, due in annual installments of \$90,000 to \$95,000 through December 1, 2013; interest at 4.90%. The amount of certificates outstanding as of April 30, 2012 is \$185,000.

\$3,560,000 General Obligation Waterworks Refunding Bonds (Alternative Revenue Source), Series 2003 dated October 22, 2003, due in annual installments of \$390,000 to \$455,000 through February 1, 2017; interest at 3.550% to 4.000%. The amount of bonds outstanding as of April 30, 2012 is \$2,110,000.

\$500,000 General Obligation (Limited Tax) Debt Certificates, Series 2003C dated September 26, 2003, due in annual installments of \$57,000 to \$60,000 through September 1, 2013; interest at 4.34%. The amount of certificates outstanding as of April 30, 2012 is \$117,000.

\$3,000,000 General Obligation Debt Certificates, Series 2006A dated May 1, 2006, due in annual installments of \$150,000 through November 1, 2025; interest at 4.29%. The amount of certificates outstanding as of April 30, 2012 is \$2,100,000.

\$1,200,000 General Obligation Debt Certificates, Series 2007A dated August 22, 2007, due in monthly installments of \$9,125 through September 1, 2022; interest at 4.33%. The amount of certificates outstanding as of April 30, 2012 is \$914,035.

\$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 2.750% to 4.500%. The amount of certificates outstanding as of April 30, 2012 is \$5,100,000.

\$7,565,000 General Obligation Debt Certificates, Series 2010 dated April 13, 2010, due in annual installments of \$450,000 to \$1,510,000 through April 1, 2018; interest at 3.557% to 3.936%. The outstanding balance as of April 30, 2012 is \$6,795,000.

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

\$2,975,000 General Obligation Bonds, Series 2010C (Recovery Zone Economic Development Bonds) dated November 16, 2010, due in annual installments of \$130,000 to \$200,000 through October 1, 2030; interest at 1.350% to 5.850%. The bonds qualify as Recovery Zone Economic Development Bonds and the City receives a 45% rebate on interest payments from the federal government. The rebate earned and received in the current year is \$59,051. The outstanding balance as of April 30, 2012 is \$2,975,000.

The annual requirements to retire general obligation debt as of April 30, 2012 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>
2013	\$ 1,492,786	\$ 626,364	\$ 390,000	\$ 201,004
2014	1,908,957	583,467	410,000	187,159
2015	1,910,850	510,634	586,420	171,989
2016	1,990,975	437,665	629,680	151,452
2017	1,941,405	362,593	677,940	128,647
2018-2022	2,587,399	1,076,915	1,064,460	441,658
2023-2027	2,171,383	540,201	1,183,780	233,217
2028-2031	979,480	105,051	370,520	23,775
	<u>\$ 14,983,235</u>	<u>\$ 4,242,890</u>	<u>\$ 5,312,800</u>	<u>\$ 1,538,901</u>

Loans and Capital Leases

The City has entered into the following loans and capital lease agreements as of April 30, 2012 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, 2012 is \$266,224.

\$2,342,185 Water Pollution Control Revolving Fund loan dated November 1, 1993 with the Illinois Environmental Protection Agency for the North Interceptor Sewer Project. The loan is to be repaid in semi-annual installments of \$83,441 through May 1, 2013, including interest at 3.58%. The outstanding balance as of April 30, 2012 is \$162,506.

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

\$786,051 Water Pollution Control Revolving Fund loan dated March 21, 1994 with the Illinois Environmental Protection Agency for the West Interceptor Sewer Project. The loan is to be repaid in semi-annual installments of \$29,084 through June 30, 2014, including interest at 3.015%. The outstanding balance as of April 30, 2012 is \$139,070.

\$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, 2012 is \$4,843,351.

\$340,000 agreement dated November 1997 with the Village of Glen Carbon for the expansion of the water treatment plant. Credits are being applied against water service fees for a 20 year period ending October 2017. The outstanding balance as of April 30, 2012 is \$126,292.

\$346,644 promissory note dated July 3, 2001 with the Illinois Department of Commerce and Economic Opportunity for the East Corridor Sewer Project. The note is to be repaid in monthly installments of \$3,698 through December 5, 2012 including interest at 4.00%. The outstanding balance as of April 30, 2012 is \$29,944.

\$500,000 promissory note dated December 3, 2001 with Madison County Community Development for the East Corridor Sewer Project. There is one monthly installment of \$5,042 remaining, plus interest at 4.00%. The outstanding balance as of April 30, 2012 is \$5,042.

\$37,165 lease/purchase agreement dated May 18, 2009 with Lyon Financial Services for the acquisition of a 2008 Dodge Sprinter 2500 Van. The lease/purchase is to be paid in monthly installments of \$731 through May 18, 2014 including interest at 9.436%. The outstanding balance as of April 30, 2012 is \$19,580.

\$79,775 promissory note dated April 26, 2010 with First Clover Leaf Bank for a telephone system. The note is to be repaid in monthly installments of \$2,337 through April 26, 2013; interest at 3.47%. The amount of the note outstanding as of April 30, 2012 is \$27,519.

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

The annual requirements to retire loans and capital leases are as follows:

Fiscal Year Ended April 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 34,747	\$ 2,060	\$ 683,497	\$ 134,886
2014	7,940	828	664,962	115,340
2015	4,412	35	569,323	98,454
2016	-	-	554,760	83,933
2017	-	-	569,234	69,460
2018-2022	-	-	2,338,439	132,619
2023-2024	-	-	192,214	-
	<u>\$ 47,099</u>	<u>\$ 2,923</u>	<u>\$ 5,572,429</u>	<u>\$ 634,692</u>

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

The following is a summary of changes in long-term liabilities for the year ended April 30, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government Activities:					
Bond and notes payable:					
General obligation debt	\$ 16,571,513	\$ -	\$ 1,588,278	\$ 14,983,235	\$ 1,492,786
Loans and capital leases	98,740	-	51,641	47,099	34,747
	<u>16,670,253</u>	<u>-</u>	<u>1,639,919</u>	<u>15,030,334</u>	<u>1,527,533</u>
Less: deferred refunding	17,304	-	1,508	15,796	-
Total debt payable	16,652,949	-	1,638,411	15,014,538	1,527,533
Other liabilities:					
Retirement health benefits	551,805	164,179	-	715,984	-
Net pension obligation	11,502	291,932	-	303,434	-
Compensated absences	1,828,401	55,486	-	1,883,887	-
Governmental activities long-term liabilities	<u>\$ 19,044,657</u>	<u>\$ 511,597</u>	<u>\$ 1,638,411</u>	<u>\$ 17,917,843</u>	<u>\$ 1,527,533</u>
Business-type Activities:					
Bond and notes payable:					
General obligation debt	\$ 5,692,800	\$ -	\$ 380,000	\$ 5,312,800	\$ 390,000
Loans	6,365,626	-	793,197	5,572,429	683,497
	<u>12,058,426</u>	<u>-</u>	<u>1,173,197</u>	<u>10,885,229</u>	<u>1,073,497</u>
Less: deferred refunding	312,073	-	44,929	267,144	-
Total debt payable	11,746,353	-	1,128,268	10,618,085	1,073,497
Other liabilities:					
Retirement health benefits	62,982	18,934	-	81,916	-
Compensated absences	202,953	3,491	-	206,444	-
Business-type activities long-term liabilities	<u>\$ 12,012,288</u>	<u>\$ 22,425</u>	<u>\$ 1,128,268</u>	<u>\$ 10,906,445</u>	<u>\$ 1,073,497</u>

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

NOTE 9: RETIREMENT AND PENSION FUND COMMITMENTS

1. Illinois Municipal Retirement Fund

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

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 2011 was 10.71 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2011 was \$528,921.

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Cost (APC)</u>	<u>of APC</u> <u>Contributed</u>	<u>Pension</u> <u>Obligation</u>
12/31/11	\$ 528,921	100%	\$ -
12/31/10	564,710	100%	-
12/31/09	398,890	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 7.50% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

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

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the plan was 80.00 percent funded. The actuarial accrued liability for benefits was \$12,996,710 and the actuarial value of assets was \$10,397,387, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,599,323. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$4,938,569 and the ratio of the UAAL to the covered payroll was 53 percent.

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

2. Police Pension Fund and Firefighters' Pension Fund

a) Plan Description and Contribution Information

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40 – Act 5, Article 3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The City's payroll for employees covered by the Police Pension Plan for the year ended April 30, 2012 was \$2,883,996.

At April 30, 2012, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	15
Active Participants	<u>41</u>
Total	<u>56</u>

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary.

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

Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the current pension.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amount necessary to finance the plan as actuarially determined by an enrolled actuary.

Beginning January 1, 2011, several changes were implemented for all new officers. These changes include:

- An officer age 55 or more must now have 10 years of creditable service to receive a monthly pension of 2.50 percent for each year of service
- An officer retiring at age 50 shall have their pension reduced by 1% for each month under the age of 55.
- The maximum salary for calculation of benefits shall not exceed \$106,800, to be adjusted for inflation.
- Pension payment increases shall be limited based on inflationary rates.
- Changes required funding date to 2040 and provides for required measures by the State Comptroller to ensure the municipalities are providing the required funding.

Fire sworn personnel are covered by the Firefighter's Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (Chapter 40 - Act 5, Article 4) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. The City's payroll for employees covered by the Firefighters' Pension Plan for the year ended April 30, 2012 was \$1,843,421.

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

At April 30, 2012, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	16
Active Participants	<u>26</u>
Total	<u>43</u>

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

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit.

The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching at least the age of 55, by 3% of the original pension and an additional 3% annually, in January thereafter.

Effective July 1, 2004, covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary.

Beginning January 1, 2011, several changes were implemented for all new firefighters. These changes include:

- A firefighter must now be age 55 or more and have 10 or more years of creditable service to receive a monthly pension of 2.50 percent for each year of service.
- A firefighter retiring at age 50 shall have their pension reduced by 1/2 of 1% for each month under the age of 55.

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

- The maximum salary for calculation of benefits shall not exceed \$106,800, to be adjusted for inflation.
- Pension payment increases shall be limited based on inflationary rates and will not occur until the latter of age 60 or the first anniversary of the pension start date.
- Changes required funding date to 2040 and provides for required measures by the State Comptroller to ensure the municipalities are providing the required funding.

b) Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed.

Method Used to Value Investments

Fixed-income and equity securities are reported at fair value in accordance with GASB 25. Investment income is recognized as earned. Gains or losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

c) Annual Pension Cost and Net Pension Obligation

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

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Annual required contribution	\$ 780,930	\$ 524,089
Interest on net pension obligation	5,416	6,479
Adjustment to annual required contribution	<u>(3,967)</u>	<u>(4,747)</u>
Annual pension cost	782,379	525,821
Contributions made	<u>720,018</u>	<u>454,687</u>
Increase (decrease) in net pension obligation	62,361	71,134
Net pension obligation beginning of year	<u>77,377</u>	<u>92,562</u>
Net pension obligation end of year	<u>\$ 139,738</u>	<u>\$ 163,696</u>

The annual required contribution for the current year was determined as part of the April 30, 2010, actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return (net of administrative expenses) and (b) projected salary increases of 5.5% per year. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of assets was determined using amortized costs. The unfunded actuarial

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

accrued liability is being amortized as a level percentage of projected payroll on an open basis.

Three-Year Trend Information

	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Police Pension	04/30/10	\$ 782,379	92.08%	\$ 139,738
	04/30/09	787,899	86.73%	77,377
	04/30/08	620,763	100.05%	(27,218)
Firefighter's Pension	04/30/10	\$ 525,821	86.47%	\$ 163,696
	04/30/09	582,075	70.95%	92,562
	04/30/08	422,459	88.78%	(76,526)

d) Concentration

The City's pension funds did not have a concentration of 5% or more investments in any non-Federally backed organizations.

e) Legally Required Reserves

The City has the following legally required reserves:

Police Pension	\$ 14,653,516
Firefighter's Pension	11,013,141

3. 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

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

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 \$113,082 for the year ended April 30, 2012. The City has fully contributed all required payments during this period.

4. Social Security

Employees, excluding Police and Fire Pension members, are covered under Social Security. The City paid \$465,697, the total required contribution for the current fiscal year.

5. Retiree Medical Plan

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

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

Annual Pension Cost. For 2012, the City's required contribution was \$23,470. The annual required contribution cost was determined to be \$220,866. The net OPEB obligation related to retirement health insurance costs in \$825,204. Of this amount, \$715,984 is reported as a liability in the governmental activities, \$81,916 is reported as a liability in the business-type activities, and \$27,304 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>
04/30/12	\$ 220,866	10.9%	\$ 825,204
04/30/11	220,866	10.9%	635,780
04/30/10	248,491	10.3%	443,688

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

The required contribution for 2012 was determined as part of the April 30, 2011 actuarial valuation using the projected credit unit funding method. The actuarial assumptions at April 30, 2011 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 April 30, 2011 valuation was 30 years.

Funded Status and Funding Progress. As of April 30, 2011, the most recent actuarial valuation date, the plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$1,675,781 with no offsetting assets leaving the entire balance unfunded. The schedule of funding progress is presented as RSI following the notes to the financial statements.

NOTE 10: INTERFUND RECEIVABLES/PAYABLES

Individual fund interfund receivable and payable balances as of April 30, 2012 are as follows:

	Interfund Receivable/ <u>(Payable)</u>
General Fund due from (to):	
Motor Fuel Tax Fund	\$ (19,756)
Mobile Intensive Care Fund	9,700
Group Health Insurance Fund	4,288
Parks and Playgrounds Fund	7,619
Motor Fuel Tax Fund due from:	
General Fund	19,756
Tourism Promotion Fund due from:	
Community Redevelopment Fund	11,606
Community Redevelopment Fund due (to):	
Tourism Promotion Fund	(11,606)
Parks and Playgrounds Fund due (to):	
General Fund	(7,619)
Mobile Intensive Care Fund due (to):	
General Fund	(9,700)
Group Health Insurance Fund due (to):	
General Fund	<u>(4,288)</u>
	<u>\$ -</u>

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

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

NOTE 11: INTERFUND TRANSFERS

The following is a summary of interfund transfers for the year ended April 30, 2012:

General Fund Transfer From (To):	
Water Fund	\$ 127,541
Sewer Fund	31,954
Motor Fuel Tax Fund	100,000
Liability Insurance Fund	474,454
Garbage Fund	55,000
Mobile Intensive Care Fund	7,750
Community Redevelopment Fund	154,240
Public Library Fund	(1,753)
Parks & Playground Fund	(3,275)
Municipal Band Fund	(1,122)
Municipal Facilities Fund	(61,271)
TIF #2 Fund Transfer From (To):	
TIF Debt Service Fund	655,884
TIF #4 Fund	(250,000)
TIF #4 Fund Transfer From TIF #2 Fund	250,000
Motor Fuel Tax Fund Transfer To General Fund	(100,000)
Liability Insurance Fund Transfer From (To):	
General Fund	(474,454)
Parks & Playground Fund	(22,081)
Municipal Band Fund	(2,464)
Parks & Playground Fund Transfer From (To):	
Community Redevelopment Fund	50,000
General Fund	3,275
Liability Insurance Fund	22,081
Wildey Theatre Fund	(13,200)
Municipal Band Fund Transfer From (To):	
General Fund	1,122
Liability Insurance Fund	2,464
Retirement Fund Transfer From (To):	
Water Fund	(29,867)
Sewer Fund	(14,285)
Social Security Fund Transfer From (To):	
Water Fund	(25,484)
Sewer Fund	(12,190)

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

NOTE 11: INTERFUND TRANSFERS (continued)

Capital Improvement Fund Transfer From (To):	
Capital Improvement Debt Service Fund	(626,277)
Capital Improvement Debt Service Fund Transfer From (To):	
Capital Improvement Fund	626,277
Community Redevelopment Fund Transfer From (To):	
Parks Improvement Fund	(736,949)
Parks & Playground Fund	(50,000)
General Fund	(154,240)
Willey Theatre Fund Transfer From (To):	
Parks & Playground Fund	13,200
TIF Debt Service Fund Transfer From (To) TIF #2	(655,884)
Municipal Facilities Fund Transfer From General Fund	61,271
Parks Improvement Fund Transfer From (To):	
Community Redevelopment Fund	736,949
Mobile Intensive Care Fund Transfer From (To):	
General Fund	(7,750)
Water Fund Transfer From (To):	
Retirement Fund	29,867
Social Security Fund	25,484
General Fund	(127,541)
Sewer Fund Transfer From (To):	
Retirement Fund	14,285
Social Security Fund	12,190
Garbage Fund	50,000
General Fund	(31,954)
Garbage Fund Transfer From (To):	
Sewer Fund	(50,000)
General Fund	(55,000)
Public Library Fund Transfer From General Fund	1,753
	<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. Other transfers are the result of transferring funds to make debt service payments or to assist in paying for capital projects.

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

NOTE 12: ILLINOIS MUNICIPAL LEAGUE RISK MANAGEMENT ASSOCIATION (IMLRMA)

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

NOTE 13: SUBSEQUENT EVENTS

The City has evaluated events occurring after the financial statement date through November 6, 2012 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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Receipts:			
Property Tax	\$ 2,971,500	\$ 2,971,500	\$ 3,018,373
Intergovernmental:			
Sales and Use Tax	4,598,000	4,598,000	4,721,334
Replacement Tax	210,000	210,000	182,965
State Income Tax	2,000,000	2,000,000	1,763,125
Telecommunications Tax	428,000	428,000	435,035
Other	605,861	605,861	150,657
Other Local Taxes	-	-	112,500
Licenses, Fees and Permits	187,090	187,090	107,100
Charges for Services	1,000,881	1,000,881	1,501,310
Fines	323,190	323,190	210,768
Investment Earnings	157,916	157,916	147,203
Miscellaneous Revenues/Reimbursements	39,998	39,998	126,377
Total Receipts	<u>12,522,436</u>	<u>12,522,436</u>	<u>12,476,747</u>
Disbursements			
Current:			
General Government	2,465,622	2,465,622	2,464,205
Public Safety	7,670,735	7,670,735	7,594,125
Highways and Streets	1,550,352	1,550,352	1,404,875
Public Works	1,106,956	1,106,956	1,107,166
Welfare	2,500	2,500	-
Culture and Recreation	187,124	187,124	155,030
Capital Outlay	514,408	514,408	553,101
Total Disbursements	<u>13,497,697</u>	<u>13,497,697</u>	<u>13,278,502</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(975,261)</u>	<u>(975,261)</u>	<u>(801,755)</u>
Other Financing Sources:			
Operating Transfers In (Out)	942,673	942,673	830,173
Total Other Financing Sources	<u>942,673</u>	<u>942,673</u>	<u>830,173</u>
Excess of Receipts and Other Financing Sources Over Disbursements	<u>\$ (32,588)</u>	<u>\$ (32,588)</u>	28,418
Change in other receivable on modified accrual basis			10,567
Change in intergovernmental revenue on modified accrual basis			25,761
Change in accrued interest receivable on modified accrual basis			6,611
Change in accrued salaries on modified accrual basis			(46,167)
Change in accounts payable on modified accrual basis			(18,181)
Change in charges for services receivable on modified accrual basis			(29,766)
Change in prepaid expenses on modified accrual basis			(37,877)
Change in deferred income on modified accrual basis			(1,875)
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (62,509)</u>

CITY OF EDWARDSVILLE, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CASH BASIS)
TIF 3 FUND
FOR THE YEAR ENDED APRIL 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Property Taxes	\$ 1,653,296	\$ 1,653,296	\$ 1,667,274
Investment Earnings	62,000	62,000	74,476
Total Receipts	<u>1,715,296</u>	<u>1,715,296</u>	<u>1,741,750</u>
Disbursements:			
Current:			
General Government	166,329	166,329	165,307
Highways and Streets	1,478,964	1,478,964	815,819
Debt Service Fees	-	-	678,923
Total Disbursements	<u>1,645,293</u>	<u>1,645,293</u>	<u>1,660,049</u>
Excess of Receipts Over Disbursements	<u>\$ 70,003</u>	<u>\$ 70,003</u>	81,701
Change in accrued interest receivable on modified accrual basis			3,236
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 84,937</u>

CITY OF EDWARDSVILLE, ILLINOIS

**SCHEDULE OF POLICE AND FIRE PENSION
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
APRIL 30, 2012**

	Fiscal Year Valuation					
	2010	2009	2008	2007	2006	2005
Police Pension:						
Actuarial Value of Assets	\$ 12,451,033	\$ 10,373,564	\$ 11,546,168	\$ 11,234,856	\$ 10,259,019	\$ 9,042,746
Actuarial Accrued Liability (AAL)	19,552,409	18,301,196	16,973,498	15,580,596	14,400,170	13,121,726
Unfunded AAL (UAAL)	7,101,376	7,927,632	5,427,330	4,345,740	4,141,151	4,078,980
Funded Ratio	63.68%	56.68%	68.02%	72.11%	71.24%	68.91%
Covered Payroll	2,662,153	2,556,499	2,333,619	2,149,635	1,967,054	1,911,478
UAAL as a % of Covered Payroll	266.75%	310.10%	232.57%	202.16%	210.53%	213.39%
Employer Contributions:						
Required	780,930	788,458	621,361	529,841	487,578	466,672
Made - Tax Levy	720,018	683,305	621,043	530,559	488,173	467,107
Percentage of Employer Contributions						
Made to Required Contribution	92.20%	86.66%	99.95%	100.14%	100.12%	100.09%
Firefighters' Pension:						
Actuarial Value of Assets	10,120,349	8,706,333	9,949,723	9,988,289	9,395,717	8,698,370
Actuarial Accrued Liability (AAL)	13,916,672	14,004,660	12,878,975	11,029,443	10,229,086	9,991,231
Unfunded AAL (UAAL)	3,796,323	5,298,327	2,929,252	1,041,154	833,369	1,292,861
Funded Ratio	72.72%	62.17%	77.26%	90.56%	91.85%	87.06%
Covered Payroll	1,554,761	1,501,134	1,323,056	1,210,629	976,822	950,375
UAAL as a % of Covered Payroll	244.17%	352.95%	221.40%	86.00%	85.31%	136.04%
Employer Contributions:						
Required	524,089	583,646	425,209	303,740	252,614	264,853
Made - Tax Levy	454,687	412,987	375,045	353,139	265,133	265,436
Percentage of Employer Contributions						
Made to Required Contribution	86.76%	70.76%	88.20%	116.26%	104.96%	100.22%

2010 is the last reported year due to receiving tax revenue related to the 2011 valuation in the fiscal year ended April 30, 2013. All information is reported for all available years.

Actuarial Cost Method:	Entry Age Normal Cost
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	29 Years
Asset Valuation Method:	Mixed Cost/Market
Actuarial Assumptions:	
Interest Rate	7.00%
Salary Progression	5.50%
Cost of Living Adjustments	3.00%

CITY OF EDWARDSVILLE, ILLINOIS

**SCHEDULE OF ILLINOIS MUNICIPAL RETIREMENT
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
APRIL 30, 2012**

	Calendar Year Valuation					
	2011	2010	2009	2008	2007	2006
Actuarial Value of Assets	\$ 10,397,387	\$ 9,624,859	\$ 8,826,976	\$ 7,957,460	\$ 9,580,707	\$ 9,031,182
Actuarial Accrued Liability (AAL)	12,996,710	12,474,502	10,902,623	10,142,702	9,936,635	9,549,228
Unfunded AAL (UAAL)	2,599,323	2,849,643	2,075,647	2,185,242	355,928	518,046
Funded Ratio	80.00%	77.16%	80.96%	78.46%	96.42%	94.57%
Covered Payroll	4,938,569	5,019,642	4,507,236	4,235,415	3,977,253	3,805,150
UAAL as a % of Covered Payroll	52.63%	56.77%	46.05%	51.59%	8.95%	13.61%
Employer Contributions:						
Required	528,921	564,710	398,890	386,270	377,044	368,719
Made	528,921	564,710	398,890	386,270	377,044	368,719
Percentage of Employer Contributions						
Made to Required Contribution	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$9,956,235. On a market basis, the funded ratio would be 76.61%.

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

Actuarial Cost Method:	Entry Age Normal Cost
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	Open 30 Year Basis
Asset Valuation Method:	Techniques that spread the effects of short term volatility over a five year period.
Actuarial Assumptions:	
Interest Rate	7.50%
Salary Progression	4.4 - 14.0%
Cost of Living Adjustments	3.00%

CITY OF EDWARDSVILLE, ILLINOIS

**SCHEDULE OF RETIREMENT MEDICAL PLAN
FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
APRIL 30, 2012**

	Fiscal Year Valuation		
	2012	2011	2010
Actuarial Value of Assets	\$ -	\$ -	\$ -
Actuarial Accrued Liability (AAL)	1,675,781	1,675,781	1,847,293
Unfunded AAL (UAAL)	1,675,781	1,675,781	1,847,293
Funded Ratio	0.00%	0.00%	0.00%
Covered Payroll	8,679,158	8,679,158	9,334,000
UAAL as a % of Covered Payroll	19.31%	19.31%	19.79%
Employer Contributions:			
Required	215,562	215,562	245,823
Made	23,470	23,470	25,313
Percentage of Employer Contributions			
Made to Required Contribution	10.89%	10.89%	10.30%

The City had a bi-annual actuarial valuation performed for fiscal years 2010 and 2011 and will update as required in fiscal year 2013.

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, 2012

Special Revenue Funds

	TIF #2	TIF #4	MFT	ESDA	Street and Bridge	Liability Insurance	Tourism Promotion	Parks and Playgrounds	Municipal Band
Cash and Equivalents	\$ 1,446,842	\$ 2,776,051	\$ 252,360	\$ 8,182	\$ 40,575	\$ 118,440	\$ 5,781	\$ 45,780	\$ 56,485
Investments	168,408	64,150	592,352	764	20,155	18,991	822	115,067	8,966
Receivables:									
Accounts Receivable	-	-	-	-	-	-	4,124	-	-
Property Tax	607,700	38,200	-	6,300	549,500	411,400	-	511,100	116,200
Interest	-	-	3,332	-	-	-	-	-	-
Intergovernmental	-	-	47,162	-	-	-	-	-	-
Due From Other Funds	-	-	19,756	-	-	-	11,606	-	-
Prepaid Expenses	-	-	-	-	-	-	-	16,904	2,391
Total Assets	\$ 2,222,950	\$ 2,878,401	\$ 914,962	\$ 15,246	\$ 610,230	\$ 548,831	\$ 22,333	\$ 688,851	\$ 184,042

Assets

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

Total Assets

Liabilities and Fund Balance

Liabilities:

Accounts Payable
Accrued Wages
Due to Other Funds
Deferred Revenue
Total Liabilities

Fund Balance:

Nonspendable
Restricted
Committed
Assigned
Unassigned

Total Fund Balance (Deficit)

Total Liabilities and Fund Balance

Accounts Payable	\$ 38,859	\$ 23,145	\$ 84,198	\$ -	\$ 21,130	\$ -	\$ -	\$ 5,920	\$ -
Accrued Wages	-	-	-	-	-	-	-	16,354	-
Due to Other Funds	-	-	-	-	-	-	-	7,619	-
Deferred Revenue	607,700	38,200	-	6,300	549,500	411,400	-	570,113	116,200
Total Liabilities	646,559	61,345	84,198	6,300	570,630	411,400	-	600,006	116,200
Fund Balance:									
Nonspendable	-	-	-	-	-	-	-	16,904	2,391
Restricted	1,576,391	2,817,056	830,764	8,946	39,600	137,431	-	71,941	65,451
Committed	-	-	-	-	-	-	22,333	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balance (Deficit)	1,576,391	2,817,056	830,764	8,946	39,600	137,431	22,333	88,845	67,842
Total Liabilities and Fund Balance	\$ 2,222,950	\$ 2,878,401	\$ 914,962	\$ 15,246	\$ 610,230	\$ 548,831	\$ 22,333	\$ 688,851	\$ 184,042

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2012

	Special Revenue Funds							Capital Projects Fund	
	Retirement	Social Security	Capital Improvement	Community Redevelopment	Incremental Sales Tax	Withey Theatre	Foreign Fire Insurance Tax		Total
Cash and Equivalents	\$ 15,783	\$ 20,148	\$ 97,218	\$ (1,873,423)	\$ -	\$ (251,142)	\$ (156)	\$ 2,758,924	\$ (566,038)
Investments	15,540	58,070	23,923	122,401	-	-	-	1,209,609	46,587
Receivables:									
Accounts Receivable	-	-	74,294	-	-	-	-	78,418	-
Property Tax	535,000	421,100	-	-	-	-	-	3,196,500	-
Interest	-	-	-	-	-	-	-	3,332	-
Intergovernmental	-	-	-	125,080	113,973	-	-	286,215	-
Due From Other Funds	-	-	-	-	-	-	-	31,362	-
Prepaid Expenses	-	-	-	58,403	-	10,657	-	88,355	-
Total Assets	\$ 566,323	\$ 499,318	\$ 195,435	\$ (1,567,539)	\$ 113,973	\$ (240,485)	\$ (156)	\$ 7,652,715	\$ (519,451)

Assets

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

Total Assets

Liabilities and Fund Balance

Liabilities:

 Accounts Payable
 Accrued Wages
 Due to Other Funds
 Deferred Revenue
 Total Liabilities

Fund Balance:

 Nonspendable
 Restricted
 Committed
 Assigned
 Unassigned

Total Fund Balance (Deficit)

Total Liabilities and
Fund Balance

	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,252	\$ -
	-	-	-	-	-	6,857	-	23,211	-
	-	-	-	11,606	-	-	-	19,225	-
535,000	421,100	-	35,258	36,725	-	-	-	3,327,496	-
535,000	421,100	-	46,864	36,725	6,857	-	-	3,543,184	-
			58,403	-	10,657	-	-	88,355	-
31,323	78,218	-	-	77,248	-	-	-	5,734,369	-
		195,435	-	-	-	-	-	217,768	-
			(1,672,806)	-	(257,999)	(156)	-	(1,930,961)	(519,451)
31,323	78,218	195,435	(1,614,403)	77,248	(247,342)	(156)	(156)	4,109,531	(519,451)
\$ 566,323	\$ 499,318	\$ 195,435	\$ (1,567,539)	\$ 113,973	\$ (240,485)	\$ (156)	\$ (156)	\$ 7,652,715	\$ (519,451)

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2012

	Debt Service Funds					Permanent Funds			Total Nonmajor Governmental Funds
	TIF Debt Service	Municipal Facilities	Parks Improvement	Capital Improvement	Total	Police Department Endowment	Mobile Intensive Care	Total	
\$ (416,418)	\$ (746,257)	\$ 1,294,661	\$ -	\$ 131,986	\$ 98,205	\$ 73,069	\$ 239,662	\$ 2,423,077	
413,661	(18,374)	448,094	-	843,381	46,796	192,866	239,662	2,339,239	
-	-	-	-	-	-	-	-	78,418	
467,800	-	-	-	467,800	-	-	-	3,664,300	
2,327	-	2,520	-	4,847	-	1,085	1,085	9,264	
-	-	-	-	-	-	-	-	286,215	
-	-	-	-	-	-	-	-	31,362	
-	-	-	-	-	-	-	-	88,355	
\$ 467,370	\$ (764,631)	\$ 1,745,275	\$ -	\$ 1,448,014	\$ 71,932	\$ 267,020	\$ 338,952	\$ 8,920,230	

Assets

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

Total Assets

Liabilities and Fund Balance

Liabilities:

Accounts Payable
Accrued Wages
Due to Other Funds
Deferred Revenue
Total Liabilities

Fund Balance:

Nonspendable
Restricted
Committed
Assigned
Unassigned
Total Fund Balance (Deficit)

Total Liabilities and
Fund Balance

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2012

Special Revenue Funds

	TIF #2	TIF #4	MFT	ESDA	Street and Bridge	Liability Insurance	Tourism Promotion	Parks and Playgrounds	Municipal Band
Revenues:									
Property Tax	\$ 498,280	\$ 42,639	\$ -	\$ 6,319	\$ 553,120	\$ 363,758	\$ -	\$ 513,405	\$ 116,841
Telecommunication Tax	-	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	-	-
State Allotments	-	-	620,367	-	-	-	-	-	-
Grants	-	-	108,884	-	-	-	-	-	-
Other Local Taxes	-	-	-	-	-	-	33,970	-	-
Charges for Services	-	-	-	-	-	-	-	137,360	-
Investment Earnings	22,628	60,125	21,869	157	3,017	5,599	519	5,389	1,763
Miscellaneous	-	-	-	-	-	-	-	11,746	2,300
Total Revenues	520,908	102,764	751,120	6,476	556,137	369,357	34,489	667,900	120,904
Expenditures:									
General Government	-	-	-	-	-	-	76,245	-	-
Highways and Streets	157,653	528,287	443,959	-	26,179	-	-	-	-
Public Safety	-	-	-	2,545	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	790,756	103,727
Capital Outlay	-	126,072	471,179	-	686,576	-	-	33,570	-
Debt Service:									
Principal	-	-	-	-	-	-	-	-	6,579
Interest and Charges	-	72,222	-	-	-	-	-	-	2,189
Total Expenditures	157,653	726,581	915,138	2,545	712,755	-	76,245	824,326	112,495
Excess (Deficiency) of Revenues Over Expenditures	363,255	(623,817)	(164,018)	3,931	(156,618)	369,357	(41,756)	(156,426)	8,409
Other Financing Sources (Uses):									
Transfers In (Out)	405,884	250,000	(100,000)	-	-	(498,999)	-	62,156	3,586
Total Other Financing Sources (Uses)	405,884	250,000	(100,000)	-	-	(498,999)	-	62,156	3,586
Net Change in Fund Balances	769,139	(373,817)	(264,018)	3,931	(156,618)	(129,642)	(41,756)	(94,270)	11,995
Fund Balance, (Deficit) Beginning of Year	807,252	3,190,873	1,094,782	5,015	196,218	267,073	64,089	183,115	55,847
Fund Balance (Deficit), End of Year	\$ 1,576,391	\$ 2,817,056	\$ 830,764	\$ 8,946	\$ 39,600	\$ 137,431	\$ 22,333	\$ 88,845	\$ 67,842

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2012

	Special Revenue Funds										Capital Projects Fund	
	Retirement	Social Security	Capital Improvement	Community Redevelopment	Incremental Sales Tax	Wildley Theatre	Foreign Fire Insurance Tax	Total	Street Improvement Revenue Bonds			
Revenues:												
Property Tax	\$ 508,229	\$ 423,615	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,026,206	\$ -	\$ -	\$ -	\$ -
Telecommunication Tax	-	-	-	445,798	-	-	-	445,798	-	-	-	-
Sales Tax	-	-	-	-	460,497	-	-	460,497	-	-	-	-
State Allotments	-	-	-	-	-	-	-	620,367	-	-	-	-
Grants	-	-	-	-	-	-	-	108,884	-	-	-	-
Other Local Taxes	-	-	1,046,789	154,047	-	-	-	1,234,806	-	-	-	-
Charges for Services	-	-	(2,135)	(33,279)	-	453,433	-	590,793	-	-	-	-
Investment Earnings	2,071	3,044	-	-	-	(3,105)	-	87,662	-	-	(8,445)	-
Miscellaneous	-	-	-	50,000	-	54,769	-	118,815	-	-	-	-
Total Revenues	510,300	426,659	1,044,654	616,566	460,497	505,097	-	6,693,828	-	-	(8,445)	-
Expenditures:												
General Government	501,615	428,023	-	37,746	455,491	-	-	1,499,120	-	-	-	-
Highways and Streets	-	-	159,863	-	-	-	-	1,315,941	-	-	1,495	-
Public Safety	-	-	-	-	-	-	-	2,545	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	1,635,339	-	-	-	-
Capital Outlay	-	-	669,297	-	-	740,856	-	1,986,694	-	-	-	-
Debt Service:												
Principal	-	-	-	-	-	-	-	6,579	-	-	-	-
Interest and Charges	-	-	-	-	-	-	-	74,411	-	-	-	-
Total Expenditures	501,615	428,023	829,160	37,746	455,491	740,856	-	6,520,629	-	-	1,495	-
Excess (Deficiency) of Revenues Over Expenditures	8,685	(1,364)	215,494	578,820	5,006	(235,759)	-	173,199	-	-	(9,940)	-
Other Financing Sources (Uses):												
Transfers In (Out)	(44,152)	(37,674)	(626,277)	(941,189)	-	13,200	-	(1,513,465)	-	-	-	-
Total Other Financing Sources (Uses)	(44,152)	(37,674)	(626,277)	(941,189)	-	13,200	-	(1,513,465)	-	-	-	-
Net Change in Fund Balances	(35,467)	(39,038)	(410,783)	(362,369)	5,006	(222,559)	-	(1,340,266)	-	-	(9,940)	-
Fund Balance, (Deficit) Beginning of Year	66,790	117,256	606,218	(1,252,034)	72,242	(24,783)	(156)	5,449,797	-	-	(509,511)	-
Fund Balance (Deficit), End of Year	\$ 31,323	\$ 78,218	\$ 195,435	\$ (1,614,403)	\$ 77,248	\$ (247,342)	\$ (156)	\$ 4,109,531	\$ (519,451)	-	\$ (519,451)	-

CITY OF EDWARDSVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED APRIL 30, 2012

	Debt Service Funds					Permanent Funds			Total Nonmajor Governmental Funds
	TIF Debt Service	Municipal Facilities	Parks Improvement	Capital Improvement	Total	Police Department Endowment	Mobile Intensive Care	Total	
Revenues:									
Property Tax	\$ 489,324	\$ 101,298	\$ -	\$ -	\$ 590,622	\$ -	\$ -	\$ -	\$ 3,616,828
Telecommunication Tax	-	-	-	-	-	-	-	-	445,798
Sales Tax	-	-	-	-	-	-	-	-	460,497
State Allotments	-	-	-	-	-	-	-	-	620,367
Grants	-	-	75,219	-	75,219	-	-	-	184,103
Other Local Taxes	-	-	-	-	-	-	-	-	1,234,806
Charges for Services	-	-	-	-	-	-	-	-	590,793
Investment Earnings	14,067	(14,795)	23,144	-	22,416	1,806	7,072	8,878	110,511
Miscellaneous	-	-	-	-	-	-	7,000	7,000	125,815
Total Revenues	503,391	86,503	98,363	-	688,257	1,806	14,072	15,878	7,389,518
Expenditures:									
General Government	-	-	-	-	-	-	-	-	1,499,120
Highways and Streets	-	-	-	-	-	-	-	-	1,317,436
Public Safety	-	-	-	-	-	6,497	-	6,497	9,042
Culture and Recreation	-	-	41,564	-	41,564	-	-	-	1,676,903
Capital Outlay	-	-	65,976	-	65,976	21,440	28,120	49,560	2,102,230
Debt Service:									
Principal	435,000	212,644	90,634	450,000	1,188,278	-	-	-	1,194,857
Interest and Charges	15,548	63,914	3,137	176,277	258,876	-	-	-	333,287
Total Expenditures	450,548	276,558	201,311	626,277	1,554,694	27,937	28,120	56,057	8,132,875
Excess (Deficiency) of Revenues Over Expenditures	52,843	(190,055)	(102,948)	(626,277)	(866,437)	(26,131)	(14,048)	(40,179)	(743,357)
Other Financing Sources (Uses):									
Transfers In (Out)	(655,884)	61,271	736,949	626,277	768,613	-	(7,750)	(7,750)	(752,602)
Total Other Financing Sources (Uses)	(655,884)	61,271	736,949	626,277	768,613	-	(7,750)	(7,750)	(752,602)
Net Change in Fund Balances	(603,041)	(128,784)	634,001	-	(97,824)	(26,131)	(21,798)	(47,929)	(1,495,959)
Fund Balance, (Deficit) Beginning of Year	602,611	(635,847)	1,111,274	-	1,078,038	98,063	279,118	377,181	6,395,505
Fund Balance (Deficit), End of Year	\$ (430)	\$ (764,631)	\$ 1,745,275	\$ -	\$ 980,214	\$ 71,932	\$ 257,320	\$ 329,252	\$ 4,899,546

CITY OF EDWARDSVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FOR THE YEAR ENDED APRIL 30, 2012

	<u>Budget</u>	<u>Actual</u>
General Government:		
Legislative and Executive:		
Personal Services	\$ 226,649	\$ 228,451
Supplies	7,050	9,869
Contractual Services	39,800	26,445
Total Legislative and Executive	<u>273,499</u>	<u>264,765</u>
Legal and Judicial:		
Personal Services	171,565	170,807
Supplies	1,572	1,346
Contractual Services	520,151	591,610
Total Legal and Judicial	<u>693,288</u>	<u>763,763</u>
City Clerk:		
Personal Services	408,113	392,318
Supplies	54,900	62,716
Contractual Services	112,624	134,479
Total City Clerk	<u>575,637</u>	<u>589,513</u>
City Treasurer:		
Personal Services	16,250	16,201
Contractual Services	17,440	16,865
Total City Treasurer	<u>33,690</u>	<u>33,066</u>
Human Resources:		
Personal Services	180,613	168,721
Supplies	2,000	1,724
Contractual Services	91,915	69,463
Total Human Resources	<u>274,528</u>	<u>239,908</u>
Planning and Zoning		
Personal Services	159,700	158,626
Supplies	600	415
Contractual Services	29,400	8,850
Total Planning and Zoning	<u>189,700</u>	<u>167,891</u>

CITY OF EDWARDSVILLE, ILLINOIS

**GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2012**

	<u>Budget</u>	<u>Actual</u>
General Government: (Continued)		
Public Grounds and Buildings:		
Personal Services	\$ 58,680	\$ 38,229
Supplies	16,600	16,944
Contractual Services	350,000	350,126
Total Public Grounds and Buildings	<u>425,280</u>	<u>405,299</u>
Contingency:		
Capital Outlay	514,408	553,101
Total Contingency	<u>514,408</u>	<u>553,101</u>
Total General Government	<u>2,980,030</u>	<u>3,017,306</u>
Public Safety:		
Police and Fire Commission:		
Supplies	50	162
Contractual Services	3,875	5,786
Total Police and Fire Commission	<u>3,925</u>	<u>5,948</u>
Police Department:		
Personal Services	4,527,290	4,539,650
Supplies	179,014	180,586
Contractual Services	183,488	176,186
Total Police Department	<u>4,889,792</u>	<u>4,896,422</u>
Fire Department:		
Personal Services	2,594,088	2,493,689
Supplies	69,430	70,872
Contractual Services	113,500	127,194
Total Fire Department	<u>2,777,018</u>	<u>2,691,755</u>
Total Public Safety	<u>7,670,735</u>	<u>7,594,125</u>

CITY OF EDWARDSVILLE, ILLINOIS

**GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2012**

	<u>Budget</u>	<u>Actual</u>
Highways and Streets:		
Personal Services	\$ 829,752	\$ 692,841
Supplies	58,800	54,481
Contractual Services	661,800	657,553
Total Highways and Streets	<u>1,550,352</u>	<u>1,404,875</u>
Public Works:		
Personal Services	974,073	975,606
Supplies	24,650	21,346
Contractual Services	108,233	110,214
Total Public Works	<u>1,106,956</u>	<u>1,107,166</u>
Welfare:		
Human Relations:		
Supplies	2,500	-
Total Human Relations	<u>2,500</u>	<u>-</u>
Total Welfare	<u>2,500</u>	<u>-</u>
Culture and Recreation:		
Cable TV Commission:		
Personal Services	128,624	115,796
Supplies	5,800	4,767
Contractual Services	8,460	8,661
Total Cable TV Commission	<u>142,884</u>	<u>129,224</u>
Historic Preservation:		
Supplies	1,600	1,336
Contractual Services	1,640	1,541
Total Historic Preservation	<u>3,240</u>	<u>2,877</u>

CITY OF EDWARDSVILLE, ILLINOIS

**GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
FOR THE YEAR ENDED APRIL 30, 2012**

	<u>Budget</u>	<u>Actual</u>
Culture and Recreation: (Continued)		
Beautification Committee		
Supplies	\$ 10,000	\$ 8,393
Contractual Services	31,000	14,536
Total Beautification Committee	<u>41,000</u>	<u>22,929</u>
Total Culture and Recreation	<u>187,124</u>	<u>155,030</u>
Total Expenditures	<u>\$ 13,497,697</u>	<u>\$ 13,278,502</u>

CITY OF EDWARDSVILLE, ILLINOIS

TAX RATES AND EXTENSIONS
APRIL 30, 2012

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Assessed Value	\$ 326,493,830	\$ 355,235,244	\$ 386,793,989	\$ 437,044,362	\$ 494,293,603	\$ 546,665,921	\$ 566,836,688	\$ 576,106,306	\$ 577,603,490	\$ 575,553,655
Tax Increment Financing -										
District #1	\$ 5,710,990	\$ 6,012,640	\$ 6,842,100	\$ 6,025,450	\$ 6,748,620	\$ 7,288,320	\$ 8,687,360	\$ 7,592,930	\$ 7,080,350	\$ 6,816,870
District #2	\$ 3,230,990	\$ 3,654,370	\$ 4,436,390	\$ 4,358,870	\$ 5,269,410	\$ 5,921,190	\$ 6,606,340	\$ 7,188,660	\$ 7,266,990	\$ 8,856,750
North Gateway Commerce Center	\$ -	\$ 7,801,680	\$ 19,456,280	\$ 26,088,740	\$ 22,345,380	\$ 24,445,820	\$ 25,176,690	\$ 22,624,950	\$ 22,301,080	\$ 20,708,960
North Main Street	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 314,670	\$ 594,740	\$ 679,330	\$ 622,360	\$ 556,580
Special Service Area -										
Edwardsville	\$ 1,175,940	\$ 1,239,500	\$ 1,284,800	\$ 1,392,780	\$ 1,550,400	\$ 1,995,950	\$ 2,217,700	\$ 2,021,020	\$ -	\$ -
Madison Avenue	\$ 9,436,490	\$ 9,902,400	\$ 11,282,900	\$ 11,417,150	\$ 12,072,260	\$ 12,850,910	\$ 12,473,460	\$ 11,449,120	\$ 11,195,780	\$ 10,875,510
St. Louis Street	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,868,730
Rates:										
General	\$ 0.2489	\$ 0.2500	\$ 0.2500	\$ 0.2500	\$ 0.2347	\$ 0.2465	\$ 0.2500	\$ 0.2510	\$ 0.2503	\$ 0.2458
ESDA	0.0017	0.0016	0.0014	0.0013	0.0011	0.0012	0.0012	0.0011	0.0011	0.0011
Garbage	0.1484	0.1408	0.1358	0.1225	0.1093	0.0986	0.0990	0.0955	0.0918	0.1009
Parks and Playgrounds	0.0896	0.0900	0.0900	0.0900	0.0850	0.0868	0.0862	0.0849	0.0857	0.0861
Library	0.2344	0.2309	0.2250	0.2128	0.2018	0.1989	0.1976	0.1979	0.2028	0.2035
School Crossing Guard	0.0138	0.0127	0.0117	0.0115	0.0104	0.0098	0.0094	0.0093	0.0093	0.0094
Public Comfort Station	0.0215	0.0198	0.0196	0.0195	0.0174	0.0164	0.0163	-	0.0035	0.0036
Band	0.0331	0.0310	0.0299	0.0277	0.0259	0.0243	0.0242	0.0238	0.0203	0.0204
Fire Protection	0.1494	0.1500	0.1500	0.1500	0.1396	0.1479	0.1500	0.1563	0.1605	0.1611
Fire Pension	0.0230	0.0484	0.0566	0.0488	0.0537	0.0485	0.0623	0.0651	0.0715	0.0790
Police Protection	0.0747	0.0750	0.0750	0.0750	0.0698	0.0740	0.0750	0.0809	0.0877	0.0881
Police Pension	0.0858	0.0978	0.1081	0.0979	0.0945	0.0893	0.0936	0.1078	0.1183	0.1251
IMRF	0.0705	0.0704	0.0647	0.0687	0.0842	0.0789	0.0847	0.0912	0.0883	0.0939
Bond and Interest	0.0299	0.0282	0.0264	0.0227	0.0194	0.0179	0.0175	0.0175	0.0176	-
Social Security	0.0812	0.0958	0.1035	0.1122	0.0820	0.0769	0.0776	0.0738	0.0736	0.0739
Street and Bridge	0.0996	0.1000	0.1000	0.1000	0.0941	0.0961	0.0836	0.0964	0.0961	0.1052
Liability Insurance	0.0919	0.1211	0.1146	0.1145	0.1063	0.0996	0.0551	0.0618	0.0632	0.0722
Library Bond	0.0729	0.0677	0.0613	0.0543	0.0478	0.0428	-	-	-	-
	\$ 1.5703	\$ 1.6312	\$ 1.6236	\$ 1.5794	\$ 1.4770	\$ 1.4544	\$ 1.3833	\$ 1.4143	\$ 1.4416	\$ 1.4693
Tax Increment Financing -										
District #1	\$ 6.9942	\$ 7.0179	\$ 6.9954	\$ 6.8538	\$ 6.6643	\$ 6.7278	\$ 6.6819	\$ 6.7782	\$ 6.9105	\$ 6.9312
District #2	\$ 6.9942	\$ 7.0179	\$ 6.9954	\$ 6.8538	\$ 6.6643	\$ 6.7278	\$ 6.6819	\$ 6.7782	\$ 6.9105	\$ 6.9312
North Gateway Commerce Center	\$ -	\$ 7.8321	\$ 7.5462	\$ 7.3518	\$ 7.2356	\$ 7.3198	\$ 7.2283	\$ 7.3074	\$ 7.4596	\$ 7.7132
North Main Street	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6.7280	\$ 6.6819	\$ 6.7782	\$ 6.9106	\$ 6.9312
Special Service Area -										
Edwardsville	\$ 0.4678	\$ 0.4438	\$ 0.4281	\$ 0.3949	\$ 0.3548	\$ 0.2756	\$ 0.2481	\$ 0.2722	\$ -	\$ -
Madison Avenue	\$ 0.3553	\$ 0.3378	\$ 0.2954	\$ 0.2904	\$ 0.2728	\$ 0.2541	\$ 0.2670	\$ 0.2872	\$ 0.2982	\$ 0.3016
St. Louis Street	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.4926

CITY OF EDWARDSVILLE, ILLINOIS

TAX RATES AND EXTENSIONS
APRIL 30, 2012

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Extensions:										
General	\$ 812,643	\$ 888,088	\$ 966,985	\$ 1,092,611	\$ 1,160,107	\$ 1,347,531	\$ 1,417,092	\$ 1,446,027	\$ 1,445,742	\$ 1,414,711
ESDA	5,550	5,684	5,415	5,682	5,437	6,560	6,802	6,337	6,354	6,331
Garbage	484,517	500,171	525,266	535,379	540,263	539,013	561,168	550,182	530,240	580,734
Parks and Playgrounds	292,538	319,712	348,115	393,340	420,150	474,506	488,613	489,114	495,006	495,552
Library	765,302	820,238	870,286	930,030	997,484	1,087,319	1,120,069	1,140,114	1,171,380	1,171,252
School Crossing Guard	45,056	45,115	45,255	50,260	51,407	53,573	53,283	53,578	53,717	54,102
Public Comfort Station	70,196	70,337	75,812	85,224	86,007	89,653	92,394	-	20,216	20,720
Band	108,069	110,123	115,651	121,061	128,022	132,840	137,175	137,113	117,254	117,413
Fire Protection	487,782	532,853	580,191	655,567	690,034	808,519	850,255	900,454	927,054	927,217
Fire Pension	75,094	171,934	218,925	213,278	265,436	265,133	353,139	375,045	412,986	454,687
Police Protection	243,891	266,426	290,095	327,783	345,017	404,533	425,128	466,070	506,558	507,063
Police Pension	280,132	347,420	418,124	427,866	467,107	488,173	530,559	621,043	683,305	720,017
IMRF	230,178	250,086	250,256	300,249	416,195	431,319	480,111	525,409	510,024	540,445
Bond and Interest	97,622	100,176	102,114	99,209	95,893	97,853	99,196	100,819	101,658	-
Social Security	265,113	340,315	400,332	490,364	405,321	420,386	439,865	425,166	425,116	425,334
Street and Bridge	325,188	355,235	386,794	437,044	465,130	525,346	473,876	555,366	555,077	605,482
Liability Insurance	300,048	430,190	443,266	500,416	525,434	544,479	312,327	356,034	365,045	415,550
Library Bond	238,014	240,494	237,105	237,315	236,272	233,973	-	-	-	-
	\$ 5,126,933	\$ 5,794,597	\$ 6,279,987	\$ 6,902,678	\$ 7,300,716	\$ 7,950,709	\$ 7,841,052	\$ 8,147,871	\$ 8,326,732	\$ 8,456,610
Tax Increment Financing -										
District #1	\$ 399,438	\$ 421,961	\$ 478,632	\$ 412,972	\$ 449,748	\$ 490,344	\$ 580,472	\$ 514,664	\$ 489,288	\$ 472,491
District #2	\$ 225,982	\$ 256,460	\$ 310,343	\$ 298,748	\$ 351,169	\$ 398,367	\$ 441,423	\$ 487,263	\$ 502,186	\$ 613,880
North Gateway Commerce Center	\$ -	\$ 611,033	\$ 1,468,203	\$ 1,917,971	\$ 1,616,812	\$ 1,789,390	\$ 1,819,827	\$ 1,653,297	\$ 1,663,562	\$ 1,597,324
North Main Street	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,171	\$ 39,740	\$ 46,047	\$ 43,009	\$ 38,578
Special Service Area -										
Edwardsville	\$ 5,501	\$ 5,501	\$ 5,500	\$ 5,500	\$ 5,501	\$ 5,501	\$ 5,502	\$ 5,501	\$ -	\$ -
Madison Avenue	\$ 33,528	\$ 33,450	\$ 33,330	\$ 33,155	\$ 32,933	\$ 32,654	\$ 33,304	\$ 32,882	\$ 33,386	\$ 32,801
St. Louis Street	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,835

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

To the Mayor and City Council
City of Edwardsville, Illinois

We have audited the financial statements of the City of Edwardsville, Illinois for the year ended April 30, 2012, and have issued our report thereon dated November 6, 2012. The financial statements are the responsibility of the City of Edwardsville, Illinois' administration. Our responsibility is to express an opinion on the financial statements based on our audit.

Our audit was made 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 Section 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. Schlosser & Company, L.L.C.
Certified Public Accountants

November 6, 2012

