



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

CITY OF WOOD RIVER, ILLINOIS

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED
APRIL 30, 2018

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

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

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



www.cjsco.com

CITY OF WOOD RIVER, ILLINOIS

TABLE OF CONTENTS

APRIL 30, 2018

	<u>Page</u>
Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 10
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	13
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Net Position – Proprietary Fund	17 - 18
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	19
Statement of Cash Flows – Proprietary Fund	20 - 21
Statement of Fiduciary Net Position – Fiduciary Funds	22
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	23
Notes to Financial Statements	24 - 59
Required Supplementary Information:	
Budgetary Comparison Schedule (Cash Basis):	
General Fund	60 - 63
Insurance Fund	64
Capital Improvements and Development Fund	65
Schedules of Changes in Net Pension Liability and Related Ratios	66 - 68
Schedules of Contributions	69 - 71
Schedule of Investment Returns	72 - 73

CITY OF WOOD RIVER, ILLINOIS

TABLE OF CONTENTS (CONTINUED) APRIL 30, 2018

	<u>Page</u>
Other Supplementary Information:	
Combining Balance Sheet – Nonmajor Special Revenue Governmental Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Special Revenue Governmental Funds	75
Assessed Valuations, Tax Rates, Extensions and Collections	76
Independent Auditor's Report on Compliance with Tax Increment Financing Act	77 - 78

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
Wood River, IL

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

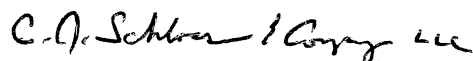
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 to 10), budgetary comparison information (pages 60 to 65) and schedules of pension funding information (pages 66 to 73) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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



Certified Public Accountants
Alton, Illinois

September 4, 2018

CITY OF WOOD RIVER, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

APRIL 30, 2018

This section of the City of Wood River's annual financial report presents an easy to read analysis of the City's financial performance for the fiscal year ended April 30, 2018. The MD&A provides an analysis of the overall financial position and results of the previous year's operations in order to assess whether the City's finances have improved or deteriorated since the previous year. The analysis describes capital asset and long-term debt activity and concludes with information regarding currently known facts, decisions, or conditions that are expected to have a significant effect on the City's future financial position and operations. Please read this analysis in conjunction with the City's financial statements, including all supplementary information and note disclosures.

Using this Annual Report

The financial statements' focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison, and enhance the City's accountability.

Government-Wide Financial Statements

The government-wide financial statements are designed to be corporate-like and consist of a statement of net position and a statement of activities. The statements are prepared using the economic resources measurement focus and accrual basis of accounting. These statements report all of the assets, liabilities, revenues, and expenses of the City. Each statement distinguishes between the governmental and business-type activities of the City and presents a total for the City as a whole in a separate column. Fiduciary activities (firefighter and police pension funds), whose resources are not available to finance the City's programs, are excluded from the government-wide financial statements.

The focus of the statement of net position (the "unrestricted net position") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations.

The statement of activities is focused on both the gross and net cost of various activities (including governmental and business-type) that are supported by the City's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

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

Fund-based Financial Statements

The fund-based financial statements consist of a series of statements that provide information about the City's major and non-major governmental, enterprise, and fiduciary funds.

-Governmental fund financial statements (including the general fund, special revenue, debt service and capital projects funds) are prepared using the current financial resources measurement focus and the modified-accrual basis of accounting. The statements consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balances.

-Proprietary fund financial statements (enterprise funds) and fiduciary fund financial statements (firefighter and police pension) are prepared using the economic resources measurement focus and the accrual basis of accounting. The statements consist of a statement of net position, a statement of revenues, expenses, and changes in fund net position, and a statement of cash flows. The fiduciary fund statements include a statement of fiduciary net position and a statement of changes in fiduciary net position.

The fund financial statements include a reconciliation between the government-wide and fund financial statements because of the differences in basis of accounting. The differences are primarily regarding how fixed assets, debt and pension liabilities are treated and the timing for recording some revenues and expenses.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure-roads, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. GASB #34 requires that these assets be valued and reported within the governmental column of the government-wide statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) that periodically measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City has chosen to depreciate assets over their useful life.

Financial Analysis of the City as a Whole

Net Position

The City's overall financial position improved over the past year as combined net position from fiscal year 2017 increased by \$678,860. Governmental activities had an increase in net position of \$880,409 and business-type activities had a decrease of \$201,549. Net position for governmental activities totals \$57.0 million with 120% being invested in capital assets (buildings, roads, equipment, etc.). The net position of the business-type activities totals \$21.9 million with 80% invested in capital assets.

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

Listed below are the City's assets at April 30, 2018 and 2017, including a column noting changes (increases/decreases) from 2017.

	<u>Total Primary Government</u>		<u>Increase/</u>
	<u>2018</u>	<u>2017</u>	<u>(Decrease)</u>
Other Assets	\$ 14,625,209	\$ 13,866,166	\$ 759,043
Capital Assets	<u>93,778,485</u>	<u>92,103,266</u>	<u>1,675,219</u>
Total Assets	<u>\$ 108,403,694</u>	<u>\$ 105,969,432</u>	<u>\$ 2,434,262</u>

Listed below are the City's liabilities at April 30, 2018 and 2017, including a column noting changes (increases/decreases) from 2017.

	<u>Total Primary Government</u>		<u>(Increase)/</u>
	<u>2018</u>	<u>2017</u>	<u>Decrease</u>
Accounts payable	\$ 1,610,026	\$ 309,007	\$ (1,301,019)
Accrued payroll	202,274	197,103	(5,171)
Accrued interest payable	30,198	27,739	(2,459)
Non-current liabilities:			
Restricted:			
Meter deposits	27,145	31,100	3,955
Due within one year	1,126,731	1,187,332	60,601
Due in more than one year	<u>26,372,196</u>	<u>28,882,045</u>	<u>2,509,849</u>
Total liabilities	<u>\$ 29,368,570</u>	<u>\$ 30,634,326</u>	<u>\$ 1,265,756</u>

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

Changes in Net Position

The City's total revenues increased by \$2,413,437 or 14.5%. Expenses increased by \$735,799 or 4.2%. Net position for the City increased \$678,860.

Statement of Changes in Net Position

	Governmental Activities <u>2018</u>	Business - Type Activities <u>2018</u>	Primary Government Total <u>2018</u>	Primary Government Total <u>2017</u>
REVENUES				
Program Revenues:				
Charges for Services:	\$ 2,638,812	\$ -	\$ 2,638,812	\$ 2,454,770
Water	-	1,395,296	1,395,296	1,341,592
Sewer	-	2,966,918	2,966,918	2,926,860
Golf	-	758,744	758,744	736,540
Aquatic	-	227,392	227,392	224,732
Capital Grants	2,930,735	-	2,930,735	913,940
Operating Grants	144,155	-	144,155	80,124
General Revenues:				
Property Taxes	1,629,084	-	1,629,084	1,677,154
Replacement Taxes	241,171	-	241,171	288,492
Intergovernmental	5,436,573	-	5,436,573	5,327,202
Utility Taxes	443,881	-	443,881	376,067
Franchise Fees	215,988	-	215,988	223,920
Miscellaneous	101,882	(95,618)	6,264	50,183
Transfers	(61,170)	61,170	-	-
TOTAL REVENUES	<u>13,721,111</u>	<u>5,313,902</u>	<u>19,035,013</u>	<u>16,621,576</u>
EXPENSES				
General Government	2,926,078	-	2,926,078	2,587,187
Public Safety	5,028,877	-	5,028,877	5,272,907
Public Works	2,206,636	-	2,206,636	2,412,559
Sanitation	602,320	-	602,320	590,430
Culture & Recreation	1,171,814	-	1,171,814	1,347,366
Development	885,102	-	885,102	256,394
Interest	19,875	-	19,875	16,647
Water	-	1,693,910	1,693,910	1,513,828
Sewer	-	2,795,500	2,795,500	2,565,054
Golf	-	773,511	773,511	779,816
Aquatic	-	252,530	252,530	278,166
TOTAL EXPENSES	<u>12,840,702</u>	<u>5,515,451</u>	<u>18,356,153</u>	<u>17,620,354</u>
CHANGE IN NET POSITION	880,409	(201,549)	678,860	(998,778)
NET POSITION BEGINNING	<u>56,158,953</u>	<u>22,066,327</u>	<u>78,225,280</u>	<u>79,224,058</u>
NET POSITION ENDING	<u>\$ 57,039,362</u>	<u>\$ 21,864,778</u>	<u>\$ 78,904,140</u>	<u>\$ 78,225,280</u>

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

Governmental Activities

Revenues for governmental activities increased by \$2,294,246 or 20.1% to a total of \$13,721,111. Expenses increased by \$357,212 or 2.9% to a total of \$12,840,702. Excess of revenues over expenses is \$880,409 for the fiscal year ended April 30, 2018.

Business-type Activities

Revenues for the City's business-type activities increased by \$119,191 or 2.3%. Aquatic Center program revenues increased by \$2,660 and golf program revenues increased by \$22,204. Water service revenues increased by \$53,704 and sewer service revenues increased by \$40,058. Miscellaneous revenues decreased \$74,309 and amounts transferred to business-type activities from governmental activities increased \$74,874. Expenses for the business-type activities increased by \$378,587. Fund net position for the City's business-type activities decreased by \$201,549 or 0.9% from fiscal year 2017. The total fund net position for business-type activities is \$21.9 million for fiscal year 2018 with \$4.31 million unrestricted.

Financial Analysis of the City's Fund Financial Statements

For the fiscal year ended April 30, 2018 the governmental funds reflect a \$194,023 decrease in fund balance. Governmental fund revenue increased \$2,213,602, primarily due to the City receiving the third installment of the donation agreement with BP Amoco for the construction of a new police station. Governmental fund expenses increased \$2,907,235 primarily due to the police station construction project, increased expenses in the Insurance Fund, and the first full year of tax rebates paid to developers from Riverbend Business District #1. The General Fund's fund balance increased \$295,769. There were General Fund revenue increases for sales and use tax, state income tax, and charges for services. General Fund expenses increased for general government, public safety, development and cultural and recreational. In addition, net transfers in to the General Fund from other funds were \$271,172 higher in fiscal year 2018 than fiscal year 2017. The General Fund revenues increased 6.5% or \$366,217, while expenses increased by 3.1% or \$216,434 with a (deficiency) of revenues over expenditures of (\$1,207,018) before other financing sources (uses).

City of Wood River's Status of Reserves

Governmental Funds	FY 17/18	FY 16/17	Increase/(Decrease)
General	2,270,782	1,975,013	295,769
Insurance	436,006	542,842	(106,836)
Capital Improvement and Development	1,408,513	1,763,119	(354,606)
Non-Major	1,508,626	1,536,976	(28,350)

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

Capital Asset and Debt Administration

At the end of fiscal year 2018, the City had \$93.8 million invested in a broad range of capital assets including police, fire, public works, parks and golf facilities and equipment, as well as roads, water and sewer lines, etc. Governmental funds had \$69.5 million and Business-type activities had \$24.3 million invested at the end of fiscal year 2018, net of depreciation (see note 6).

Changes in Capital Assets
FOR THE YEAR ENDED APRIL 30, 2018

	Governmental Capital Assets 4/30/2017	Increases	Decreases	Depreciation	Governmental Capital Assets 4/30/2018
Capital Assets not being Depreciated					
Land	\$ 13,920,410	\$ 446,728	\$ 175,900	\$ -	\$ 14,191,238
Land right of way	<u>16,809,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,809,767</u>
Total	<u>30,730,177</u>	<u>446,728</u>	<u>175,900</u>	<u>-</u>	<u>31,001,005</u>
Capital Assets being Depreciated (net of depreciation)					
Buildings	2,745,278	2,820,710	-	118,692	5,447,296
Machinery and Equipment	549,279	-	-	73,097	476,182
Vehicles	527,554	240,692	-	194,028	574,218
Infrastructure	<u>33,007,383</u>	<u>466,359</u>	<u>-</u>	<u>1,494,673</u>	<u>31,979,069</u>
Total	<u>36,829,494</u>	<u>3,527,761</u>	<u>-</u>	<u>1,880,490</u>	<u>38,476,765</u>
Total Governmental Capital Assets	<u>\$ 67,559,671</u>	<u>\$ 3,974,489</u>	<u>\$ 175,900</u>	<u>\$ 1,880,490</u>	<u>\$ 69,477,770</u>
	Business-type Capital Assets 4/30/2017	Increases	Decreases	Depreciation	Business-type Capital Assets 4/30/2018
Capital Assets not being Depreciated					
Land	\$ 1,012,334	\$ -	\$ -	\$ -	\$ 1,012,334
Total	<u>1,012,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,012,334</u>
Capital Assets being Depreciated (net of depreciation)					
Buildings	675,167	-	124,405	46,520	504,242
Machinery and Equipment	2,624,041	88,827	12,510	184,706	2,515,652
Vehicles	246,642	201,197	-	48,900	398,939
Infrastructure	<u>19,985,411</u>	<u>527,475</u>	<u>-</u>	<u>643,338</u>	<u>19,869,548</u>
Total	<u>23,531,261</u>	<u>817,499</u>	<u>136,915</u>	<u>923,464</u>	<u>23,288,381</u>
Total Business-type Capital Assets	<u>\$ 24,543,595</u>	<u>\$ 817,499</u>	<u>\$ 136,915</u>	<u>\$ 923,464</u>	<u>\$ 24,300,715</u>

Debt Outstanding

The City does not have bonded indebtedness. The City's loans/capital leases for governmental activities total \$782,442. The City's legal debt margin is \$9,876,071 (see note 5).

Capital leases/loans/debt certificates in the business-type activities total \$6,745,832 and include debt for golf course equipment, a dump truck, and various water and sewer system upgrades.

General Fund Budgetary Highlights

Budget amendments require passage of an ordinance by City Council. The City Council revised the FY 2018 budget to adjust for reallocation of expenses between line items within individual funds. Amendments were made increasing the budget for higher than anticipated expenses in the Water and Riverbend Business District #1 funds, payments of accrued paid time off due to an unexpected retirement and the movement of recreation fund expenses to the General fund. Amendments were also made increasing the budget for unforeseen professional service expenses, repairs and maintenance, utilities and capital outlay.

Economic Factors

The City's statutory debt limit is 8.625% of the Equalized Assessed Valuation of all taxable property within the boundaries of the City. The most recent assessed valuation for the City is \$123,576,965 and \$4,138,750 for the TIF increment. The assessed valuation for the City increased by \$5,253,424, or 4.4% from last year. The increase was due to the general economy and new housing construction. The City's tax rate increased by \$0.0093 for a current rate of \$1.7547 in comparison to last year's rate of \$1.7454. The tax rate has remained stable, as this was the first increase after three consecutive years of decreasing and is \$.0313 lower than the rate of twelve years ago (\$1.7860 was the 2005 levy). This year marks the third consecutive year of increased assessed valuation after four consecutive decreases, but still below the high of \$128,894,456 in 2010. The 2017 tax rate was the fourth-highest rate over the last ten years with 2009 being the lowest.

The City's population declined by 5.7% or 639 when comparing the 2010 census total of 10,657 to the 2000 census total of 11,296. The 1990 census total was 11,490. The City has had steady construction activity in the Rock Hill Trails and Heritage Trails subdivisions during the last five years. Rock Hill Trails is a 170-acre site and Phase I is now complete. The Lincoln School subdivision site is ready for development and will include nine single-family homes in an older section of town with hopes of revitalizing surrounding properties as well. Currently the City is looking for a developer to begin home construction. New residential subdivisions in the planning stages include Kendall Estates Phases III and IV (36 homes) and Grand View Hills (82 homes). Grand View Hills is a 45-acre parcel that was annexed into the City in 2006 and construction is expected to begin shortly.

The City has diverse industrial, retail, and service employment opportunities within the community and in the surrounding area. Residents also commute to employment opportunities in the region, downtown St. Louis and St. Louis County. The largest

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

employer within the City is the Wal-Mart SuperCenter Store and the largest employer within the region is Olin Corporation of East Alton.

The City is involved in extensive redevelopment plans associated with the extension of IL- 255 through portions of the corporate boundaries. Outlots on the \$44,000,000 regional shopping plaza known as Wood River Plaza continue to be marketed. Wood River Plaza occupies seventy-two acres near the IL-255/Route 111 interchange and includes a 204,000 square foot Wal-Mart SuperCenter. Spaces in the strip centers and outlots have been leased out to national tenants such as Wendy's restaurant, Hibbett Sports, Game Stop, Dollar Tree and Subway among others. The overall project continues to generate significant revenue to the City through sales tax, property tax, and utility taxes.

The east side of the City showcases the homes of the Federico Chrysler-Dodge, Auto Centers Nissan, Federico KIA and Jack Schmitt Chevrolet auto dealerships. Automobile sales accounted for approximately one-third of the sales tax collected by the City in calendar year 2017 and grew approximately 1.5% from the prior year.

The City's total retail sales for calendar year 2017 was \$298.8 million as compared to \$295.2 million in calendar year 2016.

The City's new \$7 million police station, built on land and with funds that are being donated by BP Amoco will be complete in late 2018/early 2019. The station is located on the corner of Route 143 (Madison Avenue) and 6th Street and will greatly improve the police department's facilities.

Currently, the General Fund cash balance is nearly a three month operating reserve. With rising personnel costs and aging infrastructure and facilities, the City Council continues to analyze various methods to reduce costs and generate additional revenues via economic growth and development. Water and sewer rates were increased on May 1, 2018 in the third year of a five-year plan in order to raise funds for expected future EPA mandates involving the wastewater treatment plant and to upgrade aging water and sewer lines throughout the City. After the five years ends, annual 3% rate increases are scheduled. The City is also in the process of creating a new TIF 3 Redevelopment Plan while the remaining Business Park TIF funds have been obligated primarily for water infrastructure improvements in the redevelopment area. The City operates with reduced staff, keeping several positions vacant after retirements under the early retirement incentive programs in 2003 and 2013-2014. The City Council and management have restructured staffing levels and eliminated full-time positions in various departments in order to operate as efficiently and economically as possible. Within the City's most recent overall budget, personnel costs comprise 41.1% of total expenditures.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, City of Wood River, 111 North Wood River Avenue, Wood River, IL 62095.

CITY OF WOOD RIVER, ILLINOIS

STATEMENT OF NET POSITION
APRIL 30, 2018

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 5,743,133	\$ 2,547,609	\$ 8,290,742
Investments	-	3,025,557	3,025,557
Receivables (Net of allowance for uncollectible):			
Intergovernmental	1,262,309	-	1,262,309
Accounts	115,380	355,202	470,582
Interest/Other	1,177,657	170,689	1,348,346
Prepaid Expenses	177,764	-	177,764
Inventory	-	22,764	22,764
Internal Balances	104,050	(104,050)	-
Restricted Assets - Cash and Investments	-	27,145	27,145
Capital Assets:			
Land	31,001,005	1,012,334	32,013,339
Buildings and Improvements	12,591,016	3,178,153	15,769,169
Machinery and Equipment	1,405,644	5,216,640	6,622,284
Vehicles	2,843,617	871,605	3,715,222
Utility Systems/Infrastructure	92,510,647	30,866,492	123,377,139
Accumulated Depreciation	(70,874,159)	(16,844,509)	(87,718,668)
Net Capital Assets	<u>69,477,770</u>	<u>24,300,715</u>	<u>93,778,485</u>
Total Assets	<u>78,058,063</u>	<u>30,345,631</u>	<u>108,403,694</u>
<u>Deferred Outflows of Resources</u>			
Future Pension Expense	<u>1,100,062</u>	<u>-</u>	<u>1,100,062</u>
<u>Liabilities</u>			
Accounts Payable	1,382,292	227,734	1,610,026
Accrued Payroll and Benefits	161,868	40,406	202,274
Accrued Interest Payable	14,709	15,489	30,198
Liabilities Payable from Restricted Assets:			
Customer Deposits	-	27,145	27,145
Noncurrent Liabilities:			
Due Within One Year	553,008	573,723	1,126,731
Due in More Than One Year	<u>19,282,331</u>	<u>7,089,865</u>	<u>26,372,196</u>
Total Liabilities	<u>21,394,208</u>	<u>7,974,362</u>	<u>29,368,570</u>
<u>Deferred Inflows of Resources</u>			
Future Pension Expense	<u>724,555</u>	<u>506,491</u>	<u>1,231,046</u>
<u>Net Position</u>			
Net Investment in Capital Assets	68,695,328	17,554,883	86,250,211
Restricted	2,069,772	-	2,069,772
Unrestricted	<u>(13,725,738)</u>	<u>4,309,895</u>	<u>(9,415,843)</u>
Total Net Position	<u>\$ 57,039,362</u>	<u>\$ 21,864,778</u>	<u>\$ 78,904,140</u>

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

CITY OF WOOD RIVER, ILLINOIS

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Governmental Activities:						
General Government	\$ 2,926,078	\$ 1,612,616	\$ 10,350	\$ 225,000	\$ (1,078,112)	\$ (1,078,112)
Public Safety	5,028,877	211,265	5,000	2,400,000	(2,412,612)	(2,412,612)
Public Works	2,206,636	-	49,641	305,735	(1,851,260)	(1,851,260)
Sanitation	602,320	681,628	-	-	79,308	79,308
Development	885,102	-	-	-	(885,102)	(885,102)
Cultural and Recreational	1,171,814	133,303	79,164	-	(959,347)	(959,347)
Interest on Long-term Debt	19,875	-	-	-	(19,875)	(19,875)
Total Governmental Activities	12,840,702	2,638,812	144,155	2,930,735	(7,127,000)	(7,127,000)
Business-type Activities:						
Water	1,693,910	1,395,296	-	-		\$ (298,614)
Sewer	2,795,500	2,966,918	-	-		171,418
Golf Course	773,511	758,744	-	-		(14,767)
Aquatic Center	252,530	227,392	-	-		(25,138)
Total Business-type Activities	5,515,451	5,348,350	-	-		(167,101)
Total Government	\$ 18,356,153	\$ 7,987,162	\$ 144,155	\$ 2,930,735	(7,127,000)	(167,101)
General Revenues:						
Property Tax, Levied for General Purposes					1,629,084	-
Sales and Use Tax					3,870,529	-
Income Tax					969,724	-
Corporate Personal Property Tax					241,171	-
Motor Fuel Tax					272,106	-
Telecommunications Tax					173,954	-
Other					150,260	-
Utility Tax					443,881	-
Franchise Fees					215,988	-
Gain (Loss) on Asset Disposal					28,624	-
Investment Earnings					19,587	41,297
Miscellaneous					53,671	-
Special Item					-	(136,915)
Transfers					(61,170)	61,170
Total General Revenues and Transfers					8,007,409	(34,448)
Change in Net Position					880,409	(201,549)
Net Position - Beginning					56,158,953	22,066,327
Net Position - Ending					\$ 57,039,362	\$ 21,864,778

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

CITY OF WOOD RIVER, ILLINOIS

BALANCE SHEET GOVERNMENTAL FUNDS APRIL 30, 2018

	General <u>Fund</u>	Insurance <u>Fund</u>	Capital Improvements and Development <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents	\$ 1,767,653	\$ 258,542	\$ 2,136,459	\$ 1,580,479	\$ 5,743,133
Receivables (Net of allowance for uncollectible):					
Property Tax	369,791	300,045	-	867,622	1,537,458
Intergovernmental	1,049,502	-	41,929	170,878	1,262,309
Other	36,667	-	56,662	115,380	208,709
Prepaid Expenses	-	177,764	-	-	177,764
Due From Other Funds	-	-	104,050	-	104,050
Total Assets	<u>\$ 3,223,613</u>	<u>\$ 736,351</u>	<u>\$ 2,339,100</u>	<u>\$ 2,734,359</u>	<u>\$ 9,033,423</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>					
Liabilities:					
Accrued Payroll and Benefits	\$ 153,814	\$ -	\$ -	\$ 8,054	\$ 161,868
Accounts Payable	<u>156,110</u>	<u>300</u>	<u>916,740</u>	<u>309,142</u>	<u>1,382,292</u>
Total Liabilities	<u>309,924</u>	<u>300</u>	<u>916,740</u>	<u>317,196</u>	<u>1,544,160</u>
Deferred Inflows of Resources:					
Unearned Revenue	<u>642,907</u>	<u>300,045</u>	<u>13,847</u>	<u>908,537</u>	<u>1,865,336</u>
Fund Balances:					
Nonspendable	-	177,764	-	-	177,764
Restricted	56,670	-	504,476	1,508,626	2,069,772
Committed	-	-	904,037	-	904,037
Assigned	113,062	258,242	-	-	371,304
Unassigned	<u>2,101,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,101,050</u>
Total Fund Balances	<u>2,270,782</u>	<u>436,006</u>	<u>1,408,513</u>	<u>1,508,626</u>	<u>5,623,927</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance:	<u>\$ 3,223,613</u>	<u>\$ 736,351</u>	<u>\$ 2,339,100</u>	<u>\$ 2,734,359</u>	<u>\$ 9,033,423</u>

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

CITY OF WOOD RIVER, ILLINOIS

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

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 5,623,927
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	69,477,770
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.	1,412,206
Accrued interest payable on the long-term debt is not reported as a liability on the balance sheet of the governmental funds.	(14,709)
Accrued compensated absences are not reported as a liability on the balance sheet of the governmental funds.	(1,279,575)
Net pension liabilities and the related future pension expense are not reported as assets and liabilities on the balance sheet of the governmental funds.	(17,397,815)
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	<u>(782,442)</u>
Net position of governmental activities	<u>\$ 57,039,362</u>

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

CITY OF WOOD RIVER, ILLINOIS

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

	General <u>Fund</u>	Insurance <u>Fund</u>	Capital Improvements and Development <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:					
Property Tax	\$ 484,880	\$ 298,541	\$ -	\$ 845,663	\$ 1,629,084
Utility Tax	-	-	443,881	-	443,881
Hotel/Motel Tax	6,676	-	-	-	6,676
Intergovernmental:					
Sales and Use Tax	3,333,942	-	-	546,297	3,880,239
State Income Tax	1,112,559	-	-	-	1,112,559
Telecommunications Tax	-	-	175,240	-	175,240
Corporate Replacement Tax	182,967	-	-	71,529	254,496
Motor Fuel Tax	-	-	-	272,106	272,106
Other	143,634	-	-	-	143,634
Grant Revenue	32,118	-	38,722	8,275	79,115
Licenses, Permits and Fees	101,742	-	-	-	101,742
Charges for Services	512,124	-	-	734,292	1,246,416
Fines and Forfeitures	29,841	-	-	9,295	39,136
Investment Earnings	626	2,278	7,470	9,213	19,587
Insurance Reimbursements	-	1,467,506	-	-	1,467,506
Miscellaneous	65,873	-	2,474,132	7,330	2,547,335
Total Revenues	<u>6,006,982</u>	<u>1,768,325</u>	<u>3,139,445</u>	<u>2,504,000</u>	<u>13,418,752</u>
Expenditures:					
Current:					
General Government	1,138,943	1,700,161	300	1,155	2,840,559
Public Safety	4,007,266	-	2,700	5,971	4,015,937
Public Works	537,660	-	153,504	112,635	803,799
Sanitation	-	-	-	602,320	602,320
Development	373,737	-	-	511,365	885,102
Cultural and Recreational	684,470	-	8,268	393,986	1,086,724
Capital Outlay	240,692	-	2,853,959	173,203	3,267,854
Debt Service:					
Principal	221,679	-	52,337	-	274,016
Interest and Charges	9,553	-	6,433	-	15,986
Total Expenditures	<u>7,214,000</u>	<u>1,700,161</u>	<u>3,077,501</u>	<u>1,800,635</u>	<u>13,792,297</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,207,018)</u>	<u>68,164</u>	<u>61,944</u>	<u>703,365</u>	<u>(373,545)</u>
Other Financing Sources (Uses):					
Proceeds from Debt	240,692	-	-	-	240,692
Operating Transfers In	1,297,208	-	-	-	1,297,208
Operating Transfers Out	(35,113)	(175,000)	(416,550)	(731,715)	(1,358,378)
Total Other Financing Sources (Uses)	<u>1,502,787</u>	<u>(175,000)</u>	<u>(416,550)</u>	<u>(731,715)</u>	<u>179,522</u>
Net Change in Fund Balances	295,769	(106,836)	(354,606)	(28,350)	(194,023)
Fund Balance, Beginning of Year	<u>1,975,013</u>	<u>542,842</u>	<u>1,763,119</u>	<u>1,536,976</u>	<u>5,817,950</u>
Fund Balance, End of Year	<u>\$ 2,270,782</u>	<u>\$ 436,006</u>	<u>\$ 1,408,513</u>	<u>\$ 1,508,626</u>	<u>\$ 5,623,927</u>

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

CITY OF WOOD RIVER, ILLINOIS

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

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

Net change in fund balances - total governmental funds	\$ (194,023)
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 (\$3,267,854) and contributed capital (\$530,735) exceeded depreciation expense (\$1,880,490) in the current year.	1,918,099
Accrued compensated absences are reported in the government-wide statement of activities and changes in net assets, but do not require the use of current financial resources; therefore, accrued compensated absences are not reported as expenditures in governmental funds. This is the change in accrued compensated absences.	194,846
Net pension liabilities and the related future pension expense are reported in the government-wide statement of activities and changes in net position, but do not require the use of current financial resources; therefore, these amounts are not reported as expenditures in governmental funds. This is the change in the net pension liability.	(900,742)
The issuance of long-term debt (e.g., bonds, loans) 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 premiums and discounts 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.	33,324
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.	(167,206)
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net assets, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds.	<u>(3,889)</u>
Change in net position of governmental activities	<u>\$ 880,409</u>

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

CITY OF WOOD RIVER, ILLINOIS

STATEMENT OF NET POSITION PROPRIETARY FUNDS APRIL 30, 2018

	<u>Business-Type Activities--Enterprise Funds</u>				
	<u>Water</u>	<u>Sewer</u>	<u>Golf Course</u>	<u>Nonmajor Aquatic Center</u>	<u>Total</u>
<u>Assets</u>					
Current Assets:					
Cash	\$ 488,649	\$ 2,015,941	\$ 30,865	\$ 12,154	\$ 2,547,609
Investments	-	3,025,557	-	-	3,025,557
Receivables (Net of allowance for uncollectible):					
Accounts	66,881	46,671	-	-	113,552
Unbilled Revenue	108,417	133,233	-	-	241,650
Other	-	170,689	-	-	170,689
Inventory, at Cost	-	-	22,764	-	22,764
Total Current Assets	<u>663,947</u>	<u>5,392,091</u>	<u>53,629</u>	<u>12,154</u>	<u>6,121,821</u>
Noncurrent Assets:					
Restricted Assets:					
Cash and Cash Equivalents:					
Customer Deposits	<u>27,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,145</u>
Capital Assets:					
Land	-	852,334	160,000	-	1,012,334
Buildings and Improvements	-	-	3,178,153	-	3,178,153
Machinery and Equipment	3,904,766	813,737	498,137	-	5,216,640
Vehicles	163,261	706,894	1,450	-	871,605
Utility Systems	<u>8,083,388</u>	<u>22,783,104</u>	<u>-</u>	<u>-</u>	<u>30,866,492</u>
Total	<u>12,151,415</u>	<u>25,156,069</u>	<u>3,837,740</u>	<u>-</u>	<u>41,145,224</u>
Accumulated					
Depreciation	<u>(5,637,048)</u>	<u>(8,191,923)</u>	<u>(3,015,538)</u>	<u>-</u>	<u>(16,844,509)</u>
Net Capital Assets	<u>6,514,367</u>	<u>16,964,146</u>	<u>822,202</u>	<u>-</u>	<u>24,300,715</u>
Total Noncurrent Assets	<u>6,541,512</u>	<u>16,964,146</u>	<u>822,202</u>	<u>-</u>	<u>24,327,860</u>
Total Assets	<u>\$ 7,205,459</u>	<u>\$ 22,356,237</u>	<u>\$ 875,831</u>	<u>\$ 12,154</u>	<u>\$ 30,449,681</u>

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

CITY OF WOOD RIVER, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
APRIL 30, 2018

Business-Type Activities--Enterprise Funds					
	<u>Water</u>	<u>Sewer</u>	<u>Golf Course</u>	<u>Nonmajor Aquatic Center</u>	<u>Total</u>
<u>Liabilities:</u>					
Current Liabilities:					
Accrued Payroll and Benefits	\$ 17,616	\$ 18,839	\$ 3,951	\$ -	\$ 40,406
Accrued Vacation	51,685	23,638	1,268	-	76,591
Accounts Payable	103,181	115,101	8,913	539	227,734
Due to Other Funds	-	-	104,050	-	104,050
Accrued Interest	597	13,623	1,269	-	15,489
Current Portion of					
Long-Term Debt	59,381	406,318	31,433	-	497,132
Total Current Liabilities	<u>232,460</u>	<u>577,519</u>	<u>150,884</u>	<u>539</u>	<u>961,402</u>
Liabilities Payable from					
Restricted Assets:					
Customer Deposits	<u>27,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,145</u>
Noncurrent Liabilities:					
Accrued Sick Leave	125,340	60,077	4,077	-	189,494
Net Pension Liability	318,881	301,268	31,522	-	651,671
Long-Term Debt	189,087	5,994,822	64,791	-	6,248,700
Total Noncurrent Liabilities	<u>633,308</u>	<u>6,356,167</u>	<u>100,390</u>	<u>-</u>	<u>7,089,865</u>
Total Liabilities	<u>892,913</u>	<u>6,933,686</u>	<u>251,274</u>	<u>539</u>	<u>8,078,412</u>
<u>Deferred Inflows of Resources</u>					
Future Pension Expense	\$ <u>247,840</u>	\$ <u>234,151</u>	\$ <u>24,500</u>	\$ <u>-</u>	\$ <u>506,491</u>
<u>Net Position:</u>					
Net Investment in Capital Assets	6,265,899	10,563,006	725,978	-	17,554,883
Unrestricted	<u>(201,193)</u>	<u>4,625,394</u>	<u>(125,921)</u>	<u>11,615</u>	<u>4,309,895</u>
Total Net Position	<u>\$ 6,064,706</u>	<u>\$ 15,188,400</u>	<u>\$ 600,057</u>	<u>\$ 11,615</u>	<u>\$ 21,864,778</u>

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

CITY OF WOOD RIVER, ILLINOIS

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

	<u>Business-Type Activities--Enterprise Funds</u>				
	<u>Water</u>	<u>Sewer</u>	<u>Golf Course</u>	<u>Nonmajor Aquatic Center</u>	<u>Total</u>
Operating Revenues:					
Charges for Services	<u>\$ 1,395,296</u>	<u>\$ 2,966,918</u>	<u>\$ 758,744</u>	<u>\$ 227,392</u>	<u>\$ 5,348,350</u>
Operating Expenses:					
Personal Services	843,833	845,292	123,867	106,935	1,919,927
Materials and Supplies	218,859	21,683	92,534	61,916	394,992
Contractual Services	323,638	1,308,425	473,770	65,823	2,171,656
Depreciation	<u>298,882</u>	<u>536,928</u>	<u>69,798</u>	<u>17,856</u>	<u>923,464</u>
Total Operating Expenses	<u>1,685,212</u>	<u>2,712,328</u>	<u>759,969</u>	<u>252,530</u>	<u>5,410,039</u>
Operating Income (Loss)	<u>(289,916)</u>	<u>254,590</u>	<u>(1,225)</u>	<u>(25,138)</u>	<u>(61,689)</u>
Nonoperating Revenues (Expenses):					
Investment Earnings	1,965	38,928	289	115	41,297
Impairment of Assets	-	-	-	(136,915)	(136,915)
Interest and Fiscal Charges	<u>(8,698)</u>	<u>(83,172)</u>	<u>(13,542)</u>	<u>-</u>	<u>(105,412)</u>
Total Nonoperating Revenues (Expenses)	<u>(6,733)</u>	<u>(44,244)</u>	<u>(13,253)</u>	<u>(136,800)</u>	<u>(201,030)</u>
Income (Loss) Before Contributions and Transfers	(296,649)	210,346	(14,478)	(161,938)	(262,719)
Transfers In (Out)	<u>610,676</u>	<u>(584,619)</u>	<u>16,113</u>	<u>19,000</u>	<u>61,170</u>
Change in Net Position	314,027	(374,273)	1,635	(142,938)	(201,549)
Net Position - Beginning of Year	<u>5,750,679</u>	<u>15,562,673</u>	<u>598,422</u>	<u>154,553</u>	<u>22,066,327</u>
Net Position - End of Year	<u>\$ 6,064,706</u>	<u>\$ 15,188,400</u>	<u>\$ 600,057</u>	<u>\$ 11,615</u>	<u>\$ 21,864,778</u>

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

CITY OF WOOD RIVER, ILLINOIS

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

	<u>Business-Type Activities--Enterprise Funds</u>				
	<u>Water</u>	<u>Sewer</u>	<u>Golf Course</u>	<u>Nonmajor Aquatic Center</u>	<u>Total</u>
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 1,403,679	\$ 2,939,184	\$ 758,744	\$ 227,392	\$ 5,328,999
Payments to Suppliers	(822,974)	(1,499,189)	(617,205)	(147,108)	(3,086,476)
Payments to Employees	(430,814)	(449,588)	(79,801)	(99,418)	(1,059,621)
Net Cash Provided (Used) by Operating Activities	<u>149,891</u>	<u>990,407</u>	<u>61,738</u>	<u>(19,134)</u>	<u>1,182,902</u>
Cash Flows from Noncapital Financing Activities:					
Payments from (to) Other Funds	<u>348,164</u>	<u>(584,619)</u>	<u>(10,086)</u>	<u>19,000</u>	<u>(227,541)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>348,164</u>	<u>(584,619)</u>	<u>(10,086)</u>	<u>19,000</u>	<u>(227,541)</u>
Cash Flows from Capital and Related Financing Activities:					
Principal Payments on Long-Term Debt	(57,713)	(401,205)	(46,450)	-	(505,368)
Interest Paid on Debt	(8,837)	(84,145)	(13,860)	-	(106,842)
Customer Deposits	(3,955)	-	-	-	(3,955)
Cash Payments for Capital Assets	(177,583)	(294,372)	-	-	(471,955)
Net Cash Provided (Used) by Capital Related Financing Activities	<u>(248,088)</u>	<u>(779,722)</u>	<u>(60,310)</u>	<u>-</u>	<u>(1,088,120)</u>
Cash Flows from Investing Activities:					
Net Change in Investments	-	193,464	-	-	193,464
Interest Received	<u>1,965</u>	<u>31,725</u>	<u>289</u>	<u>115</u>	<u>34,094</u>
Net Cash Provided by Investing Activities	<u>1,965</u>	<u>225,189</u>	<u>289</u>	<u>115</u>	<u>227,558</u>
Net Increase (Decrease) in Cash and Cash Equivalents	251,932	(148,745)	(8,369)	(19)	94,799
Cash and Cash Equivalents, Beginning of Year	<u>263,862</u>	<u>2,164,686</u>	<u>39,234</u>	<u>12,173</u>	<u>2,479,955</u>
Cash and Cash Equivalents, End of Year	<u>\$ 515,794</u>	<u>\$ 2,015,941</u>	<u>\$ 30,865</u>	<u>\$ 12,154</u>	<u>\$ 2,574,754</u>

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

CITY OF WOOD RIVER, ILLINOIS

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

	<u>Business-Type Activities--Enterprise Funds</u>				
	<u>Water</u>	<u>Sewer</u>	<u>Golf Course</u>	<u>Nonmajor Aquatic Center</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ (289,916)	\$ 254,590	\$ (1,225)	\$ (25,138)	\$ (61,689)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	298,882	536,928	69,798	17,856	923,464
(Increase) Decrease in Assets:					
Accounts Receivable	5,419	(61,380)	-	-	(55,961)
Unbilled Revenue	2,964	33,646	-	-	36,610
Inventory	-	-	(6,425)	-	(6,425)
Future Pension Expense	453,815	405,583	46,931	-	906,329
Increase (Decrease) in Liabilities:					
Accrued Payroll and Benefits	10,421	(4,008)	(2,565)	(89)	3,759
Net Pension Liability	(349,694)	(259,270)	(41,824)	-	(650,788)
Accounts Payable	18,000	84,318	(2,952)	(11,763)	87,603
Net Cash Provided (Used) by Operating Activities	<u>\$ 149,891</u>	<u>\$ 990,407</u>	<u>\$ 61,738</u>	<u>\$ (19,134)</u>	<u>\$ 1,182,902</u>
Reconciliation of Cash and Cash Equivalents:					
Current Assets	\$ 488,649	\$ 2,015,941	\$ 30,865	\$ 12,154	\$ 2,547,609
Restricted Assets	27,145	-	-	-	27,145
Total Cash and Cash Equivalents	<u>\$ 515,794</u>	<u>\$ 2,015,941</u>	<u>\$ 30,865</u>	<u>\$ 12,154</u>	<u>\$ 2,574,754</u>

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

CITY OF WOOD RIVER, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND - POLICE AND FIREFIGHTERS' PENSION TRUST FUNDS
APRIL 30, 2018

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 138,347	\$ 38,028
Investments	9,110,747	5,270,655
Receivables (Net of Allowance for Doubtful Accounts):		
Interest Receivable	41,647	17,188
Employer - Taxes	<u>642,353</u>	<u>414,971</u>
Total Assets	<u>9,933,094</u>	<u>5,740,842</u>
<u>Liabilities</u>		
Accounts Payable	<u>-</u>	<u>2,808</u>
<u>Net Position</u>		
Held in Trust For Pension Benefits and Other Purposes	<u>\$ 9,933,094</u>	<u>\$ 5,738,034</u>

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

CITY OF WOOD RIVER, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND - POLICE AND FIREFIGHTERS' PENSION TRUST FUNDS
FOR THE YEAR ENDED APRIL 30, 2018

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Additions:		
Employer Contributions - Taxes	\$ 642,328	\$ 414,940
Employee Contributions	119,150	65,218
Investment Earnings:		
Interest and Dividends	227,925	167,016
Unrealized/Realized Gain (Loss) on Investments	<u>271,606</u>	<u>91,567</u>
Total Investment Earnings	499,531	258,583
Less: Investment Expense	<u>27,853</u>	<u>18,618</u>
Net Investment Earnings	<u>471,678</u>	<u>239,965</u>
Total Additions	<u>1,233,156</u>	<u>720,123</u>
Deductions:		
Benefit Payments	760,728	476,071
Administrative Expenses	<u>11,076</u>	<u>7,497</u>
Total Deductions	<u>771,804</u>	<u>483,568</u>
Change in Net Position	461,352	236,555
Net Position - Beginning of Year	<u>9,471,742</u>	<u>5,501,479</u>
Net Position - End of Year	<u>\$ 9,933,094</u>	<u>\$ 5,738,034</u>

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

CITY OF WOOD RIVER, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Wood River, Illinois 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 government's accounting policies are described below.

(a) The financial reporting entity

The City is a political subdivision of the State of Illinois. These financial statements present the government and its component units. Component units are legally separate entities for which the City, as the primary government, is financially accountable. The City defines its reporting entity in accordance with Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. To be considered financially accountable, the organization must be fiscally dependent on the City or the City must appoint a majority of the board of the organization and either (1) be able to impose its will on the organization or (2) the relationship must have the potential for creating a financial benefit to or imposing a financial burden on the City. The City did not have any component units as of April 30, 2018.

(b) Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function 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

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City 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 claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues, permits and fees 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. All 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 main operating fund of the City. This fund is used to account for all financial resources not required to be accounted for in a separate fund. This fund reports all general tax revenues and other revenues that are not restricted by law or contractual agreement to a separate fund.

The Insurance Fund accounts for the financial transactions related to providing for the insurance coverages of the City.

The Capital Improvements and Development Fund accounts for utility taxes and telecommunication taxes that are committed for expenses for development costs as determined by the City.

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The government reports the following major proprietary funds:

The Water and Sewer Funds account for the activities of the water and sewer operations. The City operates water and sewerage treatment plants, water distribution systems and pump stations, and sewer collection and lift station systems.

The Golf Fund accounts for the operations related to the City operated golf course.

Additionally, the government reports the following fund type:

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.

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 connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(d) Assets, liabilities and net assets or equity

Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposits and short-term investments with original maturities of three months or less.

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, 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. The pension trust funds

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

are also allowed to invest limited percentages of their monies in mutual funds and equity securities.

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

Receivables and payables

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

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

Unbilled water, sewer and garbage service receivables 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 13, 2017 based upon the assessed valuation as of the previous January 1. Property taxes are due in four installments in the following year, usually beginning in June, and are considered delinquent after the due dates. Property taxes for 2017 become an enforceable lien in January 2018. Because this tax levy will be used to pay for expenses budgeted in fiscal year 2019, this tax levy is shown as a receivable and as deferred inflow of resources as of April 30, 2018 in the governmental funds statements and eliminated in the statement of activities. Tax revenues reflected in these financial statements are taxes collected on the 2016 levy.

Inventory

Inventory reported in the enterprise funds are valued at the lower of cost (first-in, first-out) or market.

Restricted assets - Business-Type Activities

These accounts accumulate to provide funds to offset the existing liability for customer utility deposits.

Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government generally defines capital assets as assets with an initial, individual cost of more than \$20,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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.

Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25 - 40
Infrastructure	20 - 50
Distribution systems	50
Vehicles	5 - 15
Office and other equipment	5 - 15
Golf course	10 - 50
Pool and slide	15 - 30

Prepaid expenses

Payments made to vendors for services that will benefit periods beyond the fiscal year end are reported as prepaid expenses.

Compensated absences

In the governmental fund financial statements, vested and accumulated vacation and sick pay that is expected to be liquidated with expendable available resources is reported as an expenditure and a fund liability. Vested and accumulated vacation and sick pay of proprietary funds are recorded as an expense and a liability of those funds as the benefits accrue to employees. The government-wide financial statements report the amounts in the same method as reported in the proprietary funds.

Sick pay is earned at a rate of 144 hours per year (police personnel 216 per year and fire personnel 432 per year) and accumulated up to 2,080 hours per employee for all full time City employees except firefighters, who can accumulate up to 2,756 hours. Retired or terminated employees may be compensated for ½ of their sick hour balance at retirement or separation depending on whether they are covered for the benefit by the collective bargaining agreement or the personnel code. Each employee earns vacation time up to a maximum of 204 hours (firefighters 360 hours) at their anniversary date. At April 30, 2018, employees have accumulated \$389,982 in accrued vacation and \$1,155,678 in accrued sick pay.

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 are deferred and amortized over the life of the bonds.

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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund balances

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

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

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

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

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

Unassigned - the residual classification of the General Fund balance.

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Nonspendable:	
Prepaid Insurance	\$ 177,764
Restricted:	
TIF Balances	\$ 347,851
General	56,670
Library	208,507
Business District	114,904
Motor Fuel Tax	548,694
Refuse	221,961
Capital Development (Police Station)	504,476
Retirement Fund	66,709
	<u>\$ 2,069,772</u>
Committed:	
Capital Development	\$ 904,037
Assigned:	
Recreation	113,062
Insurance Fund	258,242
	<u>\$ 371,304</u>

When expenditures are incurred for which the City has both restricted and unrestricted funds available, the City spends any restricted funds before using unrestricted sources. Likewise, the City uses committed, assigned and then unassigned balances, in that order, when spending amounts for which all three categories are available.

Budget Policy and Practices

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

1. Prior to April 30, the Director of Finance and the City Manager prepared a "City Manager's Proposed Budget" which was distributed to the City Council for their review.
2. The City Council conducts budget review sessions.
3. A public hearing is conducted to obtain taxpayer comments.
4. The City Council adopts the proposed budget.
5. Amendments to the budget affect transfers of amounts between line items. All amendments are approved by the City Council.
6. The budget is prepared on a cash basis of accounting.

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Risk Management

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. There has been no significant reduction in coverage from the prior year.

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: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Governmental & Business-Type Activities

At April 30, 2018, the carrying amount of the City's deposits was \$7,176,124 and the bank balance was \$7,144,331. The deposits were comprised of interest checking, money market and savings accounts.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City requires that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the City's name. As of April 30, 2018, all of the deposits of the City were covered by FDIC insurance or collateralized by the financial institutions.

At April 30, 2018, the City had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
The Illinois Funds	Daily	\$ 140,497
Illinois Metropolitan Investment Fund	Daily	1,128,712
Municipal Bonds	0.75	2,895,766
Cash on Hand		2,345
Deposits as reported above		<u>7,176,124</u>
Total deposits and investments		<u>\$ 11,343,444</u>
As Reported in the Statement of Net Position:		
Cash and Cash Equivalents		\$ 8,290,742
Investments		3,025,557
Restricted Cash and Investments		<u>27,145</u>
		<u>\$ 11,343,444</u>

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Credit Risk. As of April 30, 2018, the credit ratings of the City's investments are as follows:

<u>Investment</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
Illinois Metropolitan Investment Fund	--	Aaa
The Illinois Funds	AAAm	--
Municipal Bonds	AAA to A	Aaa to A2

The Illinois Funds and the Illinois Metropolitan Investment Fund are pooled investments that are operated by the State of Illinois as a not-for-profit common law trust and are not registered with the SEC. The funds are monitored regularly through the State by internal and external audits. The goals of the funds are to provide liquidity and to maintain balances that are equal to the par value of the invested shares with no loss to market fluctuations. The fair value of the City's position in the pool is the same as the value of the pool shares.

Concentration of Credit Risk. As of April 30, 2018, the City did not have a concentration of credit risk.

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

Police Pension Fund

At April 30, 2018, the carrying amount and the bank balance of the Police Pension Fund's deposits were \$138,347. The deposits were comprised of a money market account.

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

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
US Treasury Notes	3.66	\$ 1,799,337
US Treasury Bonds	57.18	395,255
Government National Mortgage Association	8.93	4,075
Federal National Mortgage Association	4.24	102,140
Federal Farm Credit Bank	15.43	174,351
Federal Home Loan Bank	5.66	225,261
Corporate Bonds	9.19	2,296,283
Mutual Funds	--	4,114,045
Deposits as reported above		<u>138,347</u>
Total deposits and investments		<u>\$9,249,094</u>

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.

Credit Risk. As of April 30, 2018, the Police Pension Fund investments had the following credit risks:

<u>Investment</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
Corporate Bonds	AAA to BBB-	Aaa to Baa3
Federal Home Loan Bank	AA+	Aaa
Federal National Mortgage Association	AA+	Aaa
Federal Farm Credit Bank	AA+	Aaa

Concentration of Credit Risk. As of April 30, 2018, the Police Pension Fund did not have a concentration of credit risk in any one investment.

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

Firefighter's Pension Fund

At April 30, 2018, the carrying amount and the bank balance of the Firefighter's Pension Fund's deposits was \$38,028. The deposits were comprised of money market accounts.

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

As of April 30, 2018, the Firefighter's Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
U.S. Treasury Notes	2.83	\$ 1,225,096
Federal Home Loan Bank	4.11	583,132
Federal National Mortgage Association	3.09	185,219
Federal Home Loan Mortgage Corporation	4.51	71,080
Federal Farm Credit Bank	4.13	547,948
TN Valley Authority	6.95	61,155
Mutual Funds	--	2,597,025
Deposits as reported above		<u>38,028</u>
Total deposits and investments		<u>\$ 5,308,683</u>

Interest Rate Risk. The Firefighter's 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.

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

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

Concentration of Credit Risk. As of April 30, 2018, the Firefighter's Pension Fund did not have a concentration of credit risk in any one investment.

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

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3: RECEIVABLES

City receivables, as reported in the statement of net position, including the applicable allowances for uncollectible accounts, are as follows as of April 30, 2018:

	<u>General</u>	<u>Other Major Funds</u>	<u>Enterprise Funds</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Intergovernmental	\$ 1,049,502	\$ 41,929	\$ -	\$ 170,878	\$ 1,262,309
Licenses/Fees/Other	1,120,995	56,662	170,689	-	1,348,346
Accounts	-	-	353,356	128,523	481,879
Unbilled Services	-	-	241,650	78,494	320,144
Gross Receivables	2,170,497	98,591	765,695	377,895	3,412,678
Less: Allowance for uncollectible	-	-	239,804	91,637	331,441
Net Total Receivables	<u>\$ 2,170,497</u>	<u>\$ 98,591</u>	<u>\$ 525,891</u>	<u>\$ 286,258</u>	<u>\$ 3,081,237</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

The City entered into an agreement with a developer that provided an advance of \$1,000,000 in addition to related attorney fees of \$84,328. These amounts will be repaid to the City through incremental sales taxes in future years. The balance of \$1,084,328 has been added to the government-wide financial statements as an additional account receivable.

NOTE 4: LONG-TERM DEBT

The City enters into long-term debt agreements to provide funds for the acquisition and construction of equipment and major capital projects. The City has entered into the following long-term debt agreements:

Governmental

The City entered into a loan agreement on September 1, 2008 for \$250,000 to provide funding for the purchase of a fire truck. The loan is to be repaid in annual principal installments of \$12,500. The balance is to be repaid by the General Fund. The outstanding balance as of April 30, 2018 is \$125,000.

The City entered into a lease purchase agreement on March 23, 2012 for \$198,609 to refinance prior debt for the purchase of a fire truck. The lease is to be repaid in annual installments of \$31,561, including interest at 2.75 percent. The balance is to be repaid by the General Fund. The outstanding balance as of April 30, 2018 is \$30,526.

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The City entered into a lease purchase agreement on August 27, 2012 for \$186,350 to provide for the purchase of a street sweeper. The lease purchase is to be repaid in annual installments of \$21,733, including interest at 2.89 percent. The balance is to be repaid by the Capital Improvement Fund. The balance as of April 30, 2018 is \$99,723.

The City entered into a lease purchase agreement on November 18, 2015 for \$82,199 to provide funding for the purchase of a paver. The lease purchase is to be repaid in annual installments of \$21,740, including interest at 2.29 percent. The balance is to be repaid by the General Fund. The balance as of April 30, 2018 is \$42,033.

The City entered into a lease purchase agreement on August 2, 2016 for \$278,060 to provide funding for the purchase of nine police vehicles. The lease purchase is to be repaid by an initial payment of \$61,097 and annual installments of \$75,596, including interest at 2.25 percent. The balance is to be repaid by the General Fund. The balance as of April 30, 2018 is \$146,239.

The City entered into a loan agreement on August 3, 2016 for \$132,000 to provide funding for park improvements. The loan is to be repaid in annual installments of \$35,512, including interest at 3.00 percent. The balance is to be repaid with reductions in future Madison County Community Development grant funds. The balance as of April 30, 2018 is \$98,229.

The City entered into a lease purchase agreement on July 8, 2017 for \$126,596 to provide funding for the purchase of four police vehicles. The lease purchase is to be repaid in annual installments of \$43,938, including interest at 2.15%. The balance is to be repaid by the General Fund. The outstanding balance as of April 30, 2018 is \$126,596.

The City entered into a lease purchase agreement on March 13, 2018 for \$114,096 to provide funding for the purchase of a fire truck. The lease purchase is to be repaid in annual installments of \$18,519, including interest at 3.25%. The balance is to be repaid by the General Fund. The outstanding balance as of April 30, 2018 is \$114,096.

Business-type

The City entered into general obligation debt certificates on April 2, 2012 to refinance existing debt certificates that provided funding for various water improvements. The debt certificates are to be repaid in 10 annual installments including interest at 2.89 percent. The balance is to be repaid by the Water Fund. The outstanding balance as of April 30, 2018 is \$248,468.

The City entered into a lease purchase agreement on September 11, 2012 for \$64,942 to provide funding for the purchase of a mower and roller. The lease purchase is to be repaid in annual installments of \$10,325, including interest at 2.71 percent. The balance is to be repaid by the Golf Fund. The outstanding balance as of April 30, 2018 is \$19,708.

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The City entered into a loan agreement with Madison County Community Development on April 30, 2013 to provide funding for improvements at the wastewater treatment plant. The loan amount is \$80,000, which is to be repaid in monthly installments of \$952. The balance is to be repaid by the Sewer Fund. The outstanding balance as of April 30, 2018 is \$22,857.

The City entered into an agreement with the IEPA on February 7, 2011 to provide funding for sewer infrastructure improvements. The loan, in the approved amount of \$9,936,067, was drawn on as needed to provide funding for the improvements. The loan is to be repaid in 39 semi-annual installments including interest at 1.25 percent. The balance is to be repaid by the Sewer Fund. The total outstanding balance as of April 30, 2018 is \$6,333,471.

The City entered into a lease purchase agreement on November 18, 2015 for \$87,634 to provide funding for the purchase of a dump truck. The lease purchase is to be repaid in annual installments of \$23,179, including interest at 2.29 percent. The balance is to be repaid by the Sewer Fund. The balance as of April 30, 2017 is \$44,812.

The City entered into a lease purchase agreement on March 22, 2017 for \$52,266 to provide funding for the purchase of a Kubota tractor. The lease purchase is to be repaid in annual installments of \$11,070, including interest at 2.63 percent. The balance is to be repaid by the Golf Fund. The balance as of April 30, 2018 is \$41,516.

The City entered into a lease purchase agreement on April 10, 2018 for \$35,000 to provide funding for the purchase of a fairway mower. The lease purchase is to be repaid in annual installments of \$11,667. The lease is to be repaid by the Golf Fund. The balance as of April 30, 2018 is \$35,000.

The annual requirements to retire other long-term debt 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>
2019	\$ 243,694	\$ 17,217	\$ 497,132	\$ 87,832
2020	217,898	11,643	504,424	80,407
2021	123,465	6,516	467,182	72,848
2022	49,297	3,456	462,849	65,963
2023	50,307	2,327	391,787	58,957
2024-2028	97,781	1,757	2,033,867	219,857
2029-2033	-	-	2,164,619	89,102
2034-2035	-	-	223,972	1,399
	<u>\$ 782,442</u>	<u>\$ 42,916</u>	<u>\$ 6,745,832</u>	<u>\$ 676,365</u>

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

	Beginning Balance	Additions	Retired	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
Lease/loan agreements	\$ 815,766	\$ 240,692	\$ 274,016	\$ 782,442	\$ 243,694
Net pension liability	18,996,576	-	1,223,254	17,773,322	-
Compensated absences	<u>1,474,421</u>	<u>-</u>	<u>194,846</u>	<u>1,279,575</u>	<u>309,314</u>
Governmental activities long-term liabilities	<u>\$ 21,286,763</u>	<u>\$ 240,692</u>	<u>\$ 1,692,116</u>	<u>\$ 19,835,339</u>	<u>\$ 553,008</u>
<u>Business-type Activities:</u>					
Lease/loan agreements	6,910,019	35,000	447,655	6,497,364	437,751
Debt certificates	306,181	-	57,713	248,468	59,381
Net pension liability	1,302,459	-	650,788	651,671	-
Compensated absences	<u>263,955</u>	<u>2,130</u>	<u>-</u>	<u>266,085</u>	<u>76,591</u>
Business-type activities long-term liabilities	<u>\$ 8,782,614</u>	<u>\$ 37,130</u>	<u>\$ 1,156,156</u>	<u>\$ 7,663,588</u>	<u>\$ 573,723</u>

NOTE 5: LEGAL DEBT MARGIN

The computation of legal debt margin at April 30, 2018 is as follows:

Assessed Valuation	<u>\$ 123,576,965</u>
Bonded Debt Limit*	\$ 10,658,513
Bonded Indebtedness	<u>782,442</u>
Legal Debt Margin	<u>\$ 9,876,071</u>

The bonded indebtedness of the City of Wood River, Illinois is limited by Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes to 8.625% of the assessed valuation of taxable tangible property.

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6: CAPITAL ASSETS

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

	Beginning Balance	Additions/ Completions	Retirements/ Deletions	Ending Balance
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 13,920,410	\$ 446,728	\$ 175,900	\$ 14,191,238
Land right-of-way	16,809,767	-	-	16,809,767
Total capital assets not being depreciated	30,730,177	446,728	175,900	31,001,005
Capital assets, being depreciated:				
Buildings and improvements	9,770,306	2,820,710	-	12,591,016
Machinery and equipment	1,462,644	-	57,000	1,405,644
Vehicles	2,812,340	240,692	209,415	2,843,617
Infrastructure	92,044,288	466,359	-	92,510,647
Total capital assets being depreciated	106,089,578	3,527,761	266,415	109,350,924
Less accumulated depreciation for:				
Buildings and improvements	7,025,028	118,692	-	7,143,720
Machinery and equipment	913,365	73,097	57,000	929,462
Vehicles	2,284,786	194,028	209,415	2,269,399
Infrastructure	59,036,905	1,494,673	-	60,531,578
Total accumulated depreciation	69,260,084	1,880,490	266,415	70,874,159
Total capital assets, being depreciated, net	36,829,494	1,647,271	-	38,476,765
Governmental activities capital assets, net	\$ 67,559,671	\$ 2,093,999	\$ 175,900	\$ 69,477,770
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 1,012,334	\$ -	\$ -	\$ 1,012,334
Capital assets, being depreciated:				
Buildings and improvements	5,825,148	-	2,646,995	3,178,153
Utility systems	30,339,017	527,475	-	30,866,492
Machinery and equipment	5,617,905	88,827	490,092	5,216,640
Vehicles	729,280	201,197	58,872	871,605
Total capital assets, being depreciated	42,511,350	817,499	3,195,959	40,132,890
Less accumulated depreciation for:				
Buildings and improvements	5,149,981	46,520	2,522,590	2,673,911
Utility systems	10,353,606	643,338	-	10,996,944
Machinery and equipment	2,993,864	184,706	477,582	2,700,988
Vehicles	482,638	48,900	58,872	472,666
Total accumulated depreciation	18,980,089	923,464	3,059,044	16,844,509
Total capital assets, being depreciated, net	23,531,261	(105,965)	136,915	23,288,381
Business-type activities capital assets, net	\$ 24,543,595	\$ (105,965)	\$ 136,915	\$ 24,300,715

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Depreciation expense was charged as direct expense to functions of the City as follows:

Governmental activities:

General government	\$ 40,383
Public safety	221,183
Streets and highways, including depreciation of general infrastructure assets	1,537,437
Cultural and recreational	<u>81,487</u>
Total depreciation expense - governmental activities	<u>\$ 1,880,490</u>

Business-type activities:

Water	\$ 298,882
Sewer	536,928
Golf course	69,798
Aquatic center	<u>17,856</u>
	<u>\$ 923,464</u>

NOTE 7: RETIREMENT AND PENSION FUND COMMITMENTS

1. Illinois Municipal Retirement Fund

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

Funding Policy. As set by statute, members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2017 was 20.31 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.

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Retirees and Beneficiaries	91
Inactive, non-Retired Members	34
Active Members	<u>40</u>
Total	<u>165</u>

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

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

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

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Actuarial Valuation Date	12/31/17
Measurement Date of the Net Pension Liability	12/31/17
Fiscal Year End	04/30/18

Development of the Single Discount Rate as of December 31, 2017

Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate	3.31%
Last year ending December 31 in the 2018 to 2117 projection period for which projected benefit payments are fully funded	2117
Resulting Single Discount Rate based on the above development	7.50%

Single Discount Rate calculated using December 31, 2016 Measurement Date 7.50%

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

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

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

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Total pension liability

Service Cost	\$ 233,161
Interest on the Total Pension Liability	1,497,155
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	35,826
Changes of assumptions	(598,123)
Benefit payments, including refunds of employee contributions	<u>(1,363,228)</u>
Net change in total pension liability	\$ (195,209)
Total pension liability - beginning	<u>20,527,106</u>
Total pension liability - ending	<u><u>\$ 20,331,897</u></u>

Plan fiduciary net position

Contributions - employer	\$ 472,609
Contributions - employee	104,715
Net investment income	3,136,094
Benefit payments, including refunds of employee contributions	(1,363,228)
Other (Net Transfer)	<u>(426,426)</u>
Net change in plan fiduciary net position	\$ 1,923,764
Plan fiduciary net position - beginning	<u>16,824,220</u>
Plan fiduciary net position - ending	<u><u>\$ 18,747,984</u></u>

Net pension liability/(asset) \$ 1,583,913

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

92.21%

Covered valuation payroll

\$ 2,326,983

**Net pension liability as a percentage
of covered valuation payroll**

68.07%

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
Total Pension Liability	\$ 22,644,505	\$ 20,331,897	\$ 18,418,078
Plan Fiduciary Net Position	18,747,984	18,747,984	18,747,984
Net Pension Liability/(Asset)	<u>\$ 3,896,521</u>	<u>\$ 1,583,913</u>	<u>\$ (329,906)</u>

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

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 179,174	\$ -
Changes in assumptions	1,678	436,117
Subsequent contributions	149,961	
Net difference between projected and actual earnings on pension plan investments	<u>453,954</u>	<u>1,579,696</u>
Total	<u>\$ 784,767</u>	<u>\$ 2,015,813</u>

Year Ending <u>December 31,</u>	Net Deferred Outflows of <u>Resources</u>
2018	\$ (62,597)
2019	(326,434)
2020	(458,067)
2021	(383,948)
2022	-
	<u>\$ (1,231,046)</u>

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Firefighters' Pension Fund

a) Plan Description

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

Plan Membership as of April 30, 2018:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	12
Active Plan Members	<u>10</u>
Total	<u>22</u>

Benefits Provided.

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

Normal Retirement:

Tier 1: Age 50 and 20 years of Credited Service. Tier 2: Age 55 with 10 years of Credited Service. Benefit: Tier 1: 50% of annual salary attached to rank on last day of service plus 2.5% of annual salary for each year over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is \$1,159 per month. Tier 2: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75% of average salary.

Cost of Living Adjustment:

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

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Disability Benefit:

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

Pre-Retirement Death Benefit:

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

Vesting (Termination):

Less than 10 years: Refund of Member Contributions.

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

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

Contributions.

Employee: 9.455% of Salary. City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of 90% of the accrued past service liability by December 31, 2040.

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

b) Investments

Investment Policy:

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

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	58%
U.S. Equity	24%
International Equity	18%
Total	<u>100%</u>

Concentrations:

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

Rate of Return:

For the year ended April 30, 2018, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 4.86%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

c) Net Pension Liability of the Sponsor

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

Total Pension Liability	\$ 12,410,886
Plan Fiduciary Net Position	<u>(5,738,034)</u>
Net Pension Liability	<u>\$ 6,672,852</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	46.2%
Covered Employee Payroll	\$692,088
Employer's Net pension Liability as a % of Employee Payroll	964%

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Actuarial Assumptions:

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

Inflation	2.50%
Projected Increase in Total Payroll	3.25%
Investment Rate of Return	6.00%
Mortality Table: L&A 2016 Illinois Firefighters Mortality Rates	
Retirement Rate: L&A 2016 Illinois Firefighters capped at age 65	
Disability Rate: L&A 2016 Illinois Firefighters Disability Rates	
Termination Rates: L&A 2016 Illinois Firefighters Termination Rates	
Percent Married: 80.0%	

The long-term expected rate of return on pension plan investments was determined using the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) and are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of April 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
US Govt Fixed Income	0.50 - 2.00%
US Large Cap Equities	4.50 - 5.00%
US Mid/Small Cap Equities	5.00 - 7.00%
International Equities	4.50 - 8.00%
Emerging Markets Equity	8.00%

Discount Rate:

The discount rate used to measure the total pension liability was 5.77 percent. The projection of cash flows was used to determine the extent which the plan's future net position will be able to cover future benefit payments. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future projected benefit payments through 2063. To the extent future benefit payments are not covered by the plan's net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Net Pension Liability was determined using the discount rate of 5.77% as stated in the prior paragraph. The following table displays the sensitivity of the resulting change had the rate been 1% higher or lower.

	1% Decrease	Current Discount Rate	1% Increase
	<u>4.77%</u>	<u>5.77%</u>	<u>6.77%</u>
Net Pension Liability	\$ 8,644,322	\$ 6,672,852	\$ 5,087,067

Changes in Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances as of May 01, 2017	\$ 12,056,881	\$ 5,501,479	\$ 6,555,402
Changes for a year			
Service Cost	267,008	-	267,008
Interest	674,856	-	674,856
Differences between expected and actual experience	(5,422)	-	(5,422)
Changes of assumptions	(106,366)	-	(106,366)
Changes of benefit terms	-	-	-
Contributions - employer	-	414,940	(414,940)
Contributions - employee	-	65,218	(65,218)
Net investment income	-	239,965	(239,965)
Benefit payments, including refunds	(476,071)	(476,071)	-
Administrative	-	(7,497)	7,497
Net Changes	<u>354,005</u>	<u>236,555</u>	<u>117,450</u>
Balances as of April 30, 2018	<u>\$ 12,410,886</u>	<u>\$ 5,738,034</u>	<u>\$ 6,672,852</u>

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses. For the year ended April 30, 2018, the City recognized a pension expense of \$823,545. The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 448,776	\$ 4,522
Changes in assumptions	560,978	499,297
Net difference between projected and actual earnings on pension plan investments	<u>226,484</u>	<u>21,349</u>
Total	<u>\$ 1,236,238</u>	<u>\$ 525,168</u>

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ending <u>December 31,</u>	Net Deferred Outflows of <u>Resources</u>
2019	\$ 269,389
2020	269,388
2021	192,157
2022	(588)
2023	(18,728)
Thereafter	<u>(548)</u>
	<u>\$ 711,070</u>

3. Police Pension Fund

a) Plan Description

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

Plan Membership as of April 30, 2018:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	17
Inactive Plan Members Entitled to But Not	
Currently Receiving Benefits	2
Active Plan Members	<u>18</u>
Total	<u>37</u>

Benefits Provided.

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

Normal Retirement:

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

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Cost of Living Adjustment:

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

Disability Benefit:

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

Pre-Retirement Death Benefit:

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

Vesting (Termination):

Less than 10 years: Refund of Member Contributions.

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

Contributions.

Employee: 9.91% of Salary. City: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of 90% of the accrued past service liability over a period ending in 2040.

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Investments

Investment Policy:

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

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	53 - 100%
Equities	0 - 45%
Cash/Cash Equivalents	2 - 10%

Concentrations:

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

Rate of Return:

For the year ended April 30, 2018, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 5.58%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

b) Net Pension Liability of the Sponsor

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

Total Pension Liability	\$ 20,101,322
Plan Fiduciary Net Position	<u>(9,933,094)</u>
Net Pension Liability	<u>\$ 10,168,228</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	49.4%
Covered Employee Payroll	\$1,258,518
Employer's Net Pension Liability as a % of Employee Payroll	808%

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Actuarial Assumptions:

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

Inflation	2.50%
Projected Increase in Total Payroll	3.25%
Investment Rate of Return	6.50%
Mortality Table: L&A 2016 Illinois Police Mortality Rates	
Retirement Rate: L&A 2016 Illinois Police Retirement capped at age 65	
Disability Rate: L&A 2016 Illinois Police Disability Rates	
Termination Rates: L&A 2016 Illinois Police Termination Rates	
Percent Married : 80.0%	

The long-term expected rate of return on pension plan investments was determined using the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) and are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of April 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
US Govt Fixed Income	0.50 – 2.00%
US Large Cap Equities	4.50 – 5.50%
US Mid/Small Cap Equities	5.00 – 5.50%
International Equities	5.00%
Emerging Markets Equity	6.50%
Alternatives	3.00%

Discount Rate:

The discount rate used to measure the total pension liability was 6.02 percent. The projection of cash flows was used to determine the extent which the plan's future net position will be able to cover future benefit payments. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future projected benefit payments through 2061. To the extent future benefit payments are not covered by the plan's net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Net Pension Liability was determined using the discount rate of 6.02% as stated in the prior paragraph. The following table displays the sensitivity of the resulting change had the rate been 1% higher or lower.

	1% Decrease	Current Discount Rate	1% Increase
	<u>5.02%</u>	<u>6.02%</u>	<u>7.02%</u>
Net Pension Liability	\$ 13,361,590	\$ 10,168,228	\$ 7,605,977

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of May 01, 2017	\$ 19,512,488	\$ 9,471,741	\$ 10,040,747
Changes for a year			
Service Cost	411,243	-	411,243
Interest	1,138,361	-	1,138,361
Differences between expected and actual experience	923	-	923
Changes of assumptions	(200,965)	-	(200,965)
Changes of benefit terms	-	-	-
Contributions - employer	-	642,328	(642,328)
Contributions - employee	-	119,150	(119,150)
Net investment income	-	471,678	(471,678)
Benefit payments, including refunds	(760,728)	(760,728)	-
Administrative	-	(11,075)	11,075
Net Changes	<u>588,834</u>	<u>461,353</u>	<u>127,481</u>
Balances as of April 30, 2018	<u>\$ 20,101,322</u>	<u>\$ 9,933,094</u>	<u>\$ 10,168,228</u>

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses. For the year ended April 30, 2018, the City recognized a pension expense of \$1,143,961. The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 398,466	\$ -
Changes in assumptions	793,394	1,234,665
Net difference between projected and actual earnings on pension plan investments	<u>431,797</u>	<u>-</u>
Total	<u>\$ 1,623,657</u>	<u>\$ 1,234,665</u>

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

<u>Year Ending</u> <u>December 31,</u>	<u>Net Deferred</u> <u>Outflows of</u> <u>Resources</u>
2019	\$ 317,760
2020	317,756
2021	162,834
2022	(224,580)
2023	(166,320)
Thereafter	<u>(18,458)</u>
	<u>\$ 388,992</u>

NOTE 8: POST RETIREMENT HEALTH PLAN

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

Plan Membership as of April 30, 2018:

Active Employees	65
Inactive Employees Currently Receiving Benefit Payments	13
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	<u>0</u>
Total	<u>78</u>

Investments

Investment Policy:

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

Receivables:

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

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Net OPEB Liability of the Sponsor

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

Total OPEB Liability	\$ 1,429,621
Plan Fiduciary Net Position	-
Net OPEB Liability	<u>\$ 1,429,621</u>
Plan Fiduciary Net Position as a % of Total OPEB Liability	0%
Covered Employee Payroll	\$4,232,487
Employer's Net OPEB Liability as a % of Employee Payroll	33.78%

Actuarial Assumptions:

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

Projected Increase in Total Payroll	2.75%
Discount Rate	3.97%
Investment Rate of Return	N/A
Mortality Rates: Follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally MP-2016 Improvement Rates	
Retirement Rate: L&A 2016 Illinois Fire and Police Retirement and the IMRF December 31, 2017	

Health Care Trend Rates:

The following trend rate is based on the 2018 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range.

Health Care Trend
(FY=Fiscal Year)

<u>Period</u>	<u>PPO</u>	
	<u>Pre-65</u>	<u>Post-65</u>
FY 17 to FY 18	7.70%	7.70%
FY 18 to FY 19	7.40%	7.40%
FY 19 to FY 20	7.10%	7.10%
FY 20 to FY 21	6.80%	6.80%
FY 21 to FY 22	6.50%	6.50%
FY 22 to FY 23	6.20%	6.20%
FY 23 to FY 24	5.90%	5.90%
FY 24 to FY 25	5.60%	5.60%
FY 25 to FY 26	5.30%	5.30%
FY 26 to FY 27	5.00%	5.00%
Ultimate	5.00%	5.00%

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	OPEB Plan Net Position	Net OPEB Liability
Balances Beginning at 5/1/17	\$ 1,479,584	\$ -	\$ 1,479,584
Changes for a year			
Service Cost	35,260	-	35,260
Interest	55,938	-	55,938
Actuarial Experience			
Changes of assumptions	-	-	-
Plan Changes	-	-	-
Contributions - employer	-	141,161	(141,161)
Contributions - employee	-	-	-
Contributions - other	-	-	-
Net investment income	-	-	-
Benefit payments from Trust	(141,161)	(141,161)	-
Administrative	-	-	-
Net Changes	(49,963)	-	(49,963)
Balances Beginning at 4/30/18	<u>\$ 1,429,621</u>	<u>\$ -</u>	<u>\$ 1,429,621</u>

Below is a table illustrating the sensitivity of the net OPEB liability to the healthcare trend rate assumption.

	Healthcare Cost Trend Rates		
	1% Decrease (Varies)	Rate (Varies)	1% Increase (Varies)
Net OPEB Liability	\$ 1,296,202	\$ 1,429,621	\$ 1,585,710

Discount Rate:

The discount rate used to measure the total OPEB liability was 3.97 percent. If the OPEB plan is funded, the projection of cash flows will be used to determine the extent to which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are not covered by the plan's net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The municipal bond rate is based on The Bond Buyer 20-Bond GO Index.

The net OPEB Liability was determined using the discount rate of 3.97% as stated in the prior paragraph. The following table displays the sensitivity of the resulting change had the rate been 1% higher or lower.

	Current Discount		
	1% Decrease 2.97%	Rate 3.97%	1% Increase 4.97%
Net OPEB Liability	\$ 1,546,868	\$ 1,429,621	\$ 1,328,513

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses. For the year ended April 30, 2018, the City recognized an OPEB expense of \$91,198. The City did not have any deferred inflows or outflows related to the net OPEB liability and the future periods.

NOTE 9: INTERFUND TRANSFERS

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

Governmental Activities:

General Fund Transfer From (To):

Water Fund	\$ 108,150
Sewer Fund	220,544
Refuse Fund	131,148
Golf Course Fund	(16,113)
Business Park Special Allocation TIF Fund	19,476
Insurance Fund	175,000
Municipal Retirement Fund	100,000
Library Fund	5,500
Aquatic Center Fund	(19,000)
Recreation Fund	167,465
Capital Improvement and Development Fund	350,000
Motor Fuel Tax Fund	19,925
Insurance Fund Transfer From (To) General Fund	(175,000)
Motor Fuel Tax Fund Transfer From (To) General Fund	(19,925)
Business Park Special Allocation TIF Fund Transfer (To):	
General Fund	(19,476)
Water Fund	(262,512)
Capital Improvement and Development Fund Transfer From (To):	
Water Fund	(66,550)
General Fund	(350,000)
Recreation Fund Transfer From (To) General Fund	(167,465)
Municipal Retirement Fund Transfer To General Fund	(100,000)
Library Fund Transfer From (To) General Fund	(5,500)
Refuse Fund Transfer (To):	
General Fund	(131,148)
Water Fund	(25,689)
	<u>\$ (61,170)</u>

CITY OF WOOD RIVER, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 9: INTERFUND TRANSFERS (continued)

Business-type Activities:

Water Fund Transfer From (To):	
General Fund	(108,150)
Sewer Fund	364,075
Refuse Fund	25,689
Business Park Special Allocation TIF Fund	262,512
Capital Improvement and Development Fund	66,550
Sewer Fund Transfer From (To):	
General Fund	(220,544)
Water Fund	(364,075)
Golf Fund Fund Transfer From (To):	
General Fund	16,113
Aquatic Center Fund Fund Transfer From (To):	
General Fund	19,000
	<u>\$ 61,170</u>

The City makes transfers between funds to reimburse for costs related to a specific fund that was originally paid from another fund or to reimburse for overhead costs.

NOTE 10: INTERFUND RECEIVABLES

For the year ended April 30, 2018, the Golf Course Fund owed the Capital Improvements and Development Fund \$104,050.

NOTE 11: TAX ABATEMENTS

Property tax value abatements within the City, related to the Riverbend Enterprise Zone (REZ), were \$1,491,100 and \$1,471,400 for the tax levy years 2017 and 2016, respectively. The 2017 levy is shown as a receivable and as deferred inflow of resources as of April 30, 2018 in the governmental funds statements and eliminated in the statement of activities. Tax revenues reflected in these financial statements are taxes collected on the 2016 levy. The abated tax on the REZ property related to the City is \$26,164 and \$25,681 for the tax levy years 2017 and 2016, respectively.

For the year ended April 30, 2018, local sales tax rebated to developers totaled \$346,673 and Business District sales tax rebated to developers totaled \$522,678.

NOTE 12: SUBSEQUENT EVENT

The City has evaluated events occurring after the financial statement date through September 4, 2018 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 WOOD RIVER, ILLINOIS

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

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Property Tax	\$ 486,600	\$ 486,600	\$ 484,880
Intergovernmental:			
Sales and Use Tax	3,160,000	3,160,000	3,308,338
Replacement Tax	163,000	163,000	168,576
State Income Tax	1,050,000	1,050,000	1,128,847
Grants	12,007	12,007	16,005
Other	117,500	117,500	140,708
Other Local Taxes	6,000	6,000	6,676
Licenses, Fees and Permits	90,900	90,900	101,742
Charges for Services	426,105	426,105	466,287
Fines	29,750	29,750	29,841
Investment Earnings	2,000	2,000	626
Miscellaneous Revenues and Reimbursements	3,396	3,396	62,377
Total Receipts	<u>5,547,258</u>	<u>5,547,258</u>	<u>5,914,903</u>
Disbursements:			
Legislative			
Personnel	26,291	26,291	25,645
Materials/Supplies	4,000	4,000	3,188
Dues/Subscriptions/Training	23,130	23,130	19,050
Services	26,098	26,098	18,575
Miscellaneous	3,600	3,600	3,500
Total Legislative	<u>83,119</u>	<u>83,119</u>	<u>69,958</u>
Administration			
Personnel	309,948	311,016	311,016
Materials/Supplies	7,900	6,163	5,644
Dues/Subscriptions/Training	2,700	826	730
Services	12,700	15,243	15,242
Miscellaneous	3,670	3,670	3,170
Capital	2,100	2,100	1,647
Total Administration	<u>339,018</u>	<u>339,018</u>	<u>337,449</u>
Finance			
Personnel	354,184	354,184	343,565
Materials/Supplies	16,100	16,100	15,152
Dues/Subscriptions/Training	6,100	6,100	2,585
Services	73,898	73,898	59,091
Miscellaneous	21,355	21,355	20,071
Capital	9,200	9,200	4,181
Total Finance	<u>480,837</u>	<u>480,837</u>	<u>444,645</u>

CITY OF WOOD RIVER, ILLINOIS

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

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Disbursements (Continued):			
Legal			
Services	50,000	52,499	52,499
Miscellaneous	1,000	1,000	1,000
Total Legal	<u>51,000</u>	<u>53,499</u>	<u>53,499</u>
Building & Zoning			
Personnel	123,580	123,580	121,146
Materials/Supplies	8,075	8,075	7,375
Dues/Subscriptions/Training	3,100	3,100	555
Services	18,453	18,453	11,701
Miscellaneous	740	740	740
Capital	2,100	2,100	1,927
Total Building & Zoning	<u>156,048</u>	<u>156,048</u>	<u>143,444</u>
City Hall Maintenance			
Materials/Supplies	3,850	3,850	2,659
Services	56,100	56,100	49,960
Miscellaneous	10,170	10,170	10,170
Total City Hall Maintenance	<u>70,120</u>	<u>70,120</u>	<u>62,789</u>
Street Maintenance			
Personnel	119,201	119,452	119,452
Materials/Supplies	56,000	54,800	36,098
Dues/Subscriptions/Training	500	500	-
Services	127,736	127,736	112,737
Miscellaneous	64,248	64,248	64,179
Capital	26,517	27,466	27,465
Total Street Maintenance	<u>394,202</u>	<u>394,202</u>	<u>359,931</u>
Parks & Recreation			
Personnel	305,297	305,297	304,071
Materials/Supplies	21,450	21,327	16,060
Dues/Subscriptions/Training	2,950	2,950	555
Services	55,600	55,600	48,262
Miscellaneous	14,576	61,200	61,200
Capital	8,000	8,123	8,123
Total Parks & Recreation	<u>407,873</u>	<u>454,497</u>	<u>438,271</u>

CITY OF WOOD RIVER, ILLINOIS

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

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Disbursements (Continued):			
Street Lighting			
Services	203,000	219,545	219,545
Total Street Lighting	203,000	219,545	219,545
Parks Maintenance			
Personnel	183,821	183,821	169,802
Materials/Supplies	40,700	37,735	34,444
Dues/Subscriptions/Training	250	250	-
Services	20,900	23,865	23,865
Miscellaneous	4,580	4,580	4,580
Capital	13,300	13,300	12,798
Total Parks Maintenance	263,551	263,551	245,489
Police Department			
Personnel	1,916,735	1,992,284	1,992,284
Materials/Supplies	89,400	73,235	67,391
Dues/Subscriptions/Training	9,000	9,000	6,967
Services	101,090	101,090	90,985
Capital	3,295	3,295	3,083
Miscellaneous	155,134	171,299	171,231
Total Police Department	2,274,654	2,350,203	2,331,941
Police Communications Center			
Personnel	463,599	466,323	466,322
Materials/Supplies	4,300	4,300	1,763
Dues/Subscriptions/Training	1,300	1,300	1,170
Services	32,197	29,473	22,433
Total Police Communications Center	501,396	501,396	491,688
Animal Control Department			
Personnel	22,001	22,001	21,844
Materials/Supplies	6,000	6,000	2,602
Services	2,400	2,400	902
Miscellaneous	250	250	250
Total Animal Control Department	30,651	30,651	25,598

CITY OF WOOD RIVER, ILLINOIS

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

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Disbursements (Continued):			
Fire Department			
Personnel	1,114,422	1,114,422	1,110,013
Materials/Supplies	70,250	61,017	52,184
Dues/Subscriptions/Training	14,400	14,400	9,108
Services	68,650	77,883	77,882
Miscellaneous	76,602	76,602	76,298
Capital	6,300	120,827	120,826
Total Fire Department	<u>1,350,624</u>	<u>1,465,151</u>	<u>1,446,311</u>
Disaster Preparedness			
Personnel	996	996	995
Materials/Supplies	1,000	1,000	-
Services	2,000	2,000	1,323
Total Disaster Preparedness	<u>3,996</u>	<u>3,996</u>	<u>2,318</u>
Capital	<u>405,347</u>	<u>405,347</u>	<u>382,164</u>
Total Disbursements	<u>7,015,436</u>	<u>7,271,180</u>	<u>7,055,040</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(1,468,178)</u>	<u>(1,723,922)</u>	<u>(1,140,137)</u>
Other Financing Sources:			
Proceeds From Loan	-	-	113,701
Operating Transfers In	1,447,466	1,447,466	1,342,018
Operating Transfers Out	<u>(61,000)</u>	<u>(61,000)</u>	<u>(20,000)</u>
Total Other Financing Sources	<u>1,386,466</u>	<u>1,386,466</u>	<u>1,435,719</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	<u>\$ (81,712)</u>	<u>\$ (337,456)</u>	295,582
Change in intergovernmental revenue on modified accrual basis			17,203
Change in deferred revenue on modified accrual basis			18,597
Change in other receivable			36,667
Change in accrued payroll on modified accrual basis			(2,914)
Change in accounts payable on modified accrual basis			<u>(69,366)</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 295,769</u>

CITY OF WOOD RIVER, ILLINOIS

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

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Receipts:			
Property Tax	\$ 300,000	\$ 300,000	\$ 298,541
Insurance Reimbursements	1,470,802	1,470,802	1,467,506
Investment Earnings	<u>1,200</u>	<u>1,200</u>	<u>2,278</u>
Total Receipts	<u>1,772,002</u>	<u>1,772,002</u>	<u>1,768,325</u>
Disbursements:			
General Government - Miscellaneous	<u>1,619,200</u>	<u>1,619,200</u>	<u>1,611,659</u>
Total Disbursements	<u>1,619,200</u>	<u>1,619,200</u>	<u>1,611,659</u>
Excess of Receipts Over Disbursements	<u>\$ 152,802</u>	<u>\$ 152,802</u>	<u>156,666</u>
Other Financing Sources:			
Transfers In (Out)	<u>(175,000)</u>	<u>(175,000)</u>	<u>(175,000)</u>
Excess of Receipts and Other Financing Sources Over Disbursements	<u>\$ (22,198)</u>	<u>\$ (22,198)</u>	(18,334)
Change for reporting on modified accrual basis:			
Change in prepaid expenses on modified accrual basis			<u>(88,502)</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (106,836)</u>

CITY OF WOOD RIVER, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (CASH BASIS)
CAPITAL IMPROVEMENTS AND DEVELOPMENT FUND
FOR THE YEAR ENDED APRIL 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Utility Tax	\$ 370,000	\$ 370,000	\$ 413,756
Telecommunications Tax	190,000	190,000	178,772
Grant Revenue	-	-	1,685
Investment Earnings	2,000	2,000	7,470
Miscellaneous	<u>32,000</u>	<u>32,000</u>	<u>2,474,132</u>
Total Receipts	<u>594,000</u>	<u>594,000</u>	<u>3,075,815</u>
Disbursements:			
Current:			
Public Works	275,000	275,000	161,795
Cultural and Recreational	7,500	7,500	2,976
Capital Outlay	6,755,973	6,755,973	2,582,423
Debt Service	<u>88,284</u>	<u>88,284</u>	<u>88,284</u>
Total Disbursements	<u>7,126,757</u>	<u>7,126,757</u>	<u>2,835,478</u>
Excess of Receipts Over Disbursements	<u>(6,532,757)</u>	<u>(6,532,757)</u>	<u>240,337</u>
Other Financing Sources:			
Transfers In (Out)	<u>(547,515)</u>	<u>(547,515)</u>	<u>(350,000)</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	<u>\$ (7,080,272)</u>	<u>\$ (7,080,272)</u>	<u>(109,663)</u>
Change for reporting on modified accrual basis:			
Change in intergovernmental receivables on modified accrual basis			(3,532)
Change in accounts payable on modified accrual basis			(271,536)
Change in accounts receivable on modified accrual basis			<u>30,125</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (354,606)</u>

CITY OF WOOD RIVER, ILLINOIS

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:				
Service cost	\$ 411,243	\$ 388,148	\$ 362,046	\$ 426,604
Interest	1,138,361	1,177,380	935,917	883,886
Differences between expected and actual experience	923	51,424	726,070	-
Changes in assumptions	(200,965)	(1,525,756)	1,592,114	-
Benefit payments, including refunds	<u>(760,728)</u>	<u>(733,203)</u>	<u>(710,916)</u>	<u>(678,095)</u>
Net change in total pension liability	588,834	(642,007)	2,905,231	632,395
Total pension liability - beginning	<u>19,512,488</u>	<u>20,154,495</u>	<u>17,249,264</u>	<u>16,616,869</u>
Total pension liability - ending	<u>\$ 20,101,322</u>	<u>\$ 19,512,488</u>	<u>\$ 20,154,495</u>	<u>\$ 17,249,264</u>
Plan Fiduciary Net Position				
Contributions - employer	642,328	517,319	475,526	453,461
Contributions - employee	119,150	118,221	150,760	112,087
Net investment income	471,678	546,117	(136,607)	394,086
Benefit payments, including refunds	(760,728)	(733,203)	(710,916)	(678,095)
Administrative	<u>(11,075)</u>	<u>(11,340)</u>	<u>(10,100)</u>	<u>(8,230)</u>
Net change in plan fiduciary net position	461,353	437,114	(231,337)	273,309
Plan fiduciary net position - beginning	<u>9,471,741</u>	<u>9,034,627</u>	<u>9,265,964</u>	<u>8,992,655</u>
Plan fiduciary net position - ending	<u>\$ 9,933,094</u>	<u>\$ 9,471,741</u>	<u>\$ 9,034,627</u>	<u>\$ 9,265,964</u>
Net Pension Liability	<u>\$ 10,168,228</u>	<u>\$ 10,040,747</u>	<u>\$ 11,119,868</u>	<u>\$ 7,983,300</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>49.42%</u>	<u>48.54%</u>	<u>44.83%</u>	<u>53.72%</u>
Covered-employee payroll	<u>\$ 1,258,518</u>	<u>\$ 1,197,643</u>	<u>\$ 1,400,239</u>	<u>\$ 1,460,969</u>
Net position liability as a percentage of covered-employee payroll	<u>807.95%</u>	<u>838.38%</u>	<u>794.14%</u>	<u>546.44%</u>

CITY OF WOOD RIVER, ILLINOIS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTER'S PENSION FUND
APRIL 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:				
Service Cost	\$ 267,008	\$ 252,585	\$ 234,126	\$ 265,655
Interest	674,856	650,972	526,087	544,350
Differences between expected and actual experience	(5,422)	576,785	125,970	-
Changes in assumptions	(106,366)	(614,330)	1,116,404	-
Benefit payments, including refunds	<u>(476,071)</u>	<u>(419,368)</u>	<u>(414,806)</u>	<u>(378,187)</u>
Net change in total pension liability	354,005	446,644	1,587,781	431,818
Total pension liability - beginning	<u>12,056,881</u>	<u>11,610,237</u>	<u>10,022,456</u>	<u>9,590,638</u>
Total pension liability - ending	<u>\$ 12,410,886</u>	<u>\$ 12,056,881</u>	<u>\$ 11,610,237</u>	<u>\$ 10,022,456</u>
Plan Fiduciary Net Position				
Contributions - employer	414,940	318,511	297,756	291,031
Contributions - employee	65,218	64,591	63,298	61,367
Net investment income	239,965	346,266	(68,194)	169,570
Benefit payments, including refunds	(476,071)	(419,368)	(414,806)	(378,187)
Administrative	<u>(7,497)</u>	<u>(9,414)</u>	<u>(7,252)</u>	<u>(4,195)</u>
Net change in plan fiduciary net position	236,555	300,586	(129,198)	139,586
Plan fiduciary net position - beginning	<u>5,501,479</u>	<u>5,200,893</u>	<u>5,330,091</u>	<u>5,190,505</u>
Plan fiduciary net position - ending	<u>\$ 5,738,034</u>	<u>\$ 5,501,479</u>	<u>\$ 5,200,893</u>	<u>\$ 5,330,091</u>
Net Pension Liability	<u>\$ 6,672,852</u>	<u>\$ 6,555,402</u>	<u>\$ 6,409,344</u>	<u>\$ 4,692,365</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>46.23%</u>	<u>45.63%</u>	<u>44.80%</u>	<u>53.18%</u>
Covered-employee payroll	<u>\$ 692,088</u>	<u>\$ 667,640</u>	<u>\$ 826,739</u>	<u>\$ 803,173</u>
Net position liability as a percentage of covered-employee payroll	<u>964.16%</u>	<u>981.88%</u>	<u>775.26%</u>	<u>584.23%</u>

CITY OF WOOD RIVER, ILLINOIS

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:			
Service Cost	\$ 233,161	\$ 235,078	\$ 206,508
Interest	1,497,155	1,448,374	1,397,338
Difference between expected and actual experience	35,826	336,219	418,857
Assumption changes	(598,123)	(44,895)	21,865
Benefit payments, including refunds	<u>(1,363,228)</u>	<u>(1,386,852)</u>	<u>(1,316,353)</u>
Net change in total pension liability	(195,209)	587,924	728,215
Total pension liability - beginning	<u>20,527,106</u>	<u>19,939,182</u>	<u>19,210,967</u>
Total pension liability - ending	<u>\$ 20,331,897</u>	<u>\$ 20,527,106</u>	<u>\$ 19,939,182</u>
Plan Fiduciary Net Position			
Contributions - employer	472,609	517,451	353,931
Contributions - employee	104,715	101,995	102,016
Net investment income	3,136,094	1,261,868	79,482
Benefit payments, including refunds	(1,363,228)	(1,386,852)	(1,316,353)
Other	<u>(426,426)</u>	<u>193,601</u>	<u>590,567</u>
Net change in plan fiduciary net position	1,923,764	688,063	(190,357)
Plan fiduciary net position - beginning	<u>16,824,220</u>	<u>16,136,157</u>	<u>16,326,514</u>
Plan fiduciary net position - ending	<u>\$ 18,747,984</u>	<u>\$ 16,824,220</u>	<u>\$ 16,136,157</u>
Net Pension Liability	<u>\$ 1,583,913</u>	<u>\$ 3,702,886</u>	<u>\$ 3,803,025</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>92.21%</u>	<u>81.96%</u>	<u>80.93%</u>
Covered-employee Payroll	<u>\$ 2,326,983</u>	<u>\$ 2,266,539</u>	<u>\$ 2,224,414</u>
Net position liability as a percentage of covered-employee payroll	<u>68.07%</u>	<u>163.37%</u>	<u>170.97%</u>

CITY OF WOOD RIVER, ILLINOIS

**SCHEDULE OF CONTRIBUTIONS
POLICE PENSION FUND
APRIL 30, 2018**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 642,311	\$ 517,404	\$ 477,414	\$ 458,124
Contributions in relation to actuarial determined contribution	<u>642,328</u>	<u>517,319</u>	<u>475,526</u>	<u>453,461</u>
Contribution deficiency (excess)	<u>\$ (17)</u>	<u>\$ 85</u>	<u>\$ 1,888</u>	<u>\$ 4,663</u>
 Covered-employee Payroll	 <u>1,258,518</u>	 <u>1,197,643</u>	 <u>1,400,239</u>	 <u>1,460,969</u>
 Contributions as a percentage of covered-employee payroll	 <u>51.04%</u>	 <u>43.19%</u>	 <u>33.96%</u>	 <u>31.04%</u>

Actuarial valuations are performed as of April 30 of each year with the related contributions to be made in the following year. Actuarial valuation date for above is April 30, 2017.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	23 years
Asset Valuation Method:	Gains and losses recognized over a five year period
Actuarial Assumptions:	
Interest Rate	6.50%
Payroll Growth	3.25%
Inflation Rate	2.50%

CITY OF WOOD RIVER, ILLINOIS

**SCHEDULE OF CONTRIBUTIONS
FIREFIGHTER'S PENSION FUND**

APRIL 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 414,887	\$ 318,496	\$ 299,024	\$ 294,411
Contributions in relation to actuarial determined contribution	<u>414,940</u>	<u>318,511</u>	<u>297,756</u>	<u>291,031</u>
Contribution deficiency (excess)	<u>\$ (53)</u>	<u>\$ (15)</u>	<u>\$ 1,268</u>	<u>\$ 3,380</u>
 Covered-employee Payroll	 <u>692,088</u>	 <u>667,640</u>	 <u>826,739</u>	 <u>803,173</u>
 Contributions as a percentage of covered-employee payroll	 <u>59.95%</u>	 <u>47.71%</u>	 <u>36.02%</u>	 <u>36.24%</u>

Actuarial valuations are performed as of April 30 of each year with the related contributions to be made in the following year. Actuarial valuation date for above is April 30, 2017.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	23 years
Asset Valuation Method:	Gains and losses recognized over a five year period
Actuarial Assumptions:	
Interest Rate	6.00%
Payroll Growth	3.25%
Inflation Rate	2.50%

CITY OF WOOD RIVER, ILLINOIS

SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
APRIL 30, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 472,610	\$ 517,451	\$ 353,904
Contributions in relation to actuarial determined contribution	<u>472,609</u>	<u>517,451</u>	<u>353,931</u>
Contribution deficiency (excess)	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (27)</u>
 Covered-employee Payroll	 <u>\$ 2,326,983</u>	 <u>\$ 2,266,539</u>	 <u>\$ 2,224,414</u>
 Contributions as a percentage of covered-employee payroll	 <u>20.31%</u>	 <u>22.83%</u>	 <u>15.91%</u>

Actuarial valuation date for above is December 31, 2017.

The actuarial valuations presented are prepared using the following parameters:

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

CITY OF WOOD RIVER, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND
APRIL 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	5.58%	6.71%	-1.26%	4.93%

CITY OF WOOD RIVER, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTER'S PENSION FUND
APRIL 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	4.86%	7.28%	-1.12%	3.73%

CITY OF WOOD RIVER, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS
APRIL 30, 2018

	Municipal Retirement Fund	Motor Fuel Tax Fund	Library Fund	Refuse Fund	Business Park Special Allocation TIF Fund	Riverbend Business District #1 Fund	Grand View Hills TIF Fund	Recreation Fund	Total Nonmajor Special Revenue Funds
<u>Assets</u>									
Cash and Cash Equivalents	\$ 57,715	\$ 577,972	\$ 217,299	\$ 157,313	\$ 344,142	\$ 220,329	\$ 5,709	\$ -	\$ 1,580,479
Receivables (Net of allowance for uncollectible):									
Property Tax	35,096	-	358,620	90,088	377,284	-	6,534	-	867,622
Intergovernmental Accounts	8,994	24,397	5,483	-	-	132,004	-	-	170,878
	-	-	-	115,380	-	-	-	-	115,380
Total Assets	<u>\$ 101,805</u>	<u>\$ 602,369</u>	<u>\$ 581,402</u>	<u>\$ 362,781</u>	<u>\$ 721,426</u>	<u>\$ 352,333</u>	<u>\$ 12,243</u>	<u>\$ -</u>	<u>\$ 2,734,359</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>									
Liabilities:									
Accrued Payroll and Benefits	\$ -	\$ -	\$ 7,285	\$ 769	\$ -	\$ -	\$ -	\$ -	\$ 8,054
Accounts Payable	-	53,675	6,990	49,963	2,000	196,514	-	-	309,142
Total Liabilities	-	53,675	14,275	50,732	2,000	196,514	-	-	317,196
Deferred Inflows of Resources:									
Unearned Revenue	35,096	-	358,620	90,088	377,284	40,915	6,534	-	908,537
Fund Balances:									
Restricted	66,709	548,694	208,507	221,961	342,142	114,904	5,709	-	1,508,626
Total Fund Balances	66,709	548,694	208,507	221,961	342,142	114,904	5,709	-	1,508,626
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 101,805</u>	<u>\$ 602,369</u>	<u>\$ 581,402</u>	<u>\$ 362,781</u>	<u>\$ 721,426</u>	<u>\$ 352,333</u>	<u>\$ 12,243</u>	<u>\$ -</u>	<u>\$ 2,734,359</u>

CITY OF WOOD RIVER, ILLINOIS

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

	Municipal Retirement <u>Fund</u>	Motor Fuel Tax <u>Fund</u>	Library <u>Fund</u>	Refuse <u>Fund</u>	Business Park Special Allocation TIF <u>Fund</u>	Riverbend Business District #1 <u>Fund</u>	Grand View Hills TIF <u>Fund</u>	Recreation <u>Fund</u>	Total Nonmajor Special Revenue <u>Funds</u>
Property Tax	\$ 34,845	\$ -	\$ 356,980	\$ 89,585	\$ 362,511	\$ -	\$ 1,742	\$ -	\$ 845,663
Intergovernmental Revenues:									
Corporate Replacement Tax	44,480	-	27,049	-	-	-	-	-	71,529
Sales Tax	-	-	-	-	-	546,297	-	-	546,297
Motor Fuel Tax	-	272,106	-	-	-	-	-	-	272,106
Grant Revenue	-	-	8,275	-	-	-	-	-	8,275
Fines and Fees	-	-	3,894	-	-	-	-	5,401	9,295
Charges for Services	-	-	6,901	681,628	-	-	-	45,763	734,292
Investment Earnings	307	5,361	481	1,069	1,572	359	2	62	9,213
Miscellaneous Income	-	-	6,130	-	-	-	-	1,200	7,330
Total Revenues	<u>79,632</u>	<u>277,467</u>	<u>409,710</u>	<u>772,282</u>	<u>364,083</u>	<u>546,656</u>	<u>1,744</u>	<u>52,426</u>	<u>2,504,000</u>
Expenditures:									
Current:									
General Government	-	-	-	-	-	-	436	719	1,155
Public Safety	-	-	-	-	-	-	-	5,971	5,971
Public Works	-	-	-	-	25,233	-	-	-	25,233
Streets and Highways	-	87,402	-	-	-	-	-	-	87,402
Development	-	-	-	-	15,303	496,062	-	-	511,365
Sanitation	-	-	-	602,320	-	-	-	-	602,320
Cultural and Recreational	-	-	361,702	-	-	-	-	32,284	393,986
Capital Outlay	-	160,624	12,579	-	-	-	-	-	173,203
Total Expenditures	<u>-</u>	<u>248,026</u>	<u>374,281</u>	<u>602,320</u>	<u>40,536</u>	<u>496,062</u>	<u>436</u>	<u>38,974</u>	<u>1,800,635</u>
Excess (Deficiency) of Revenues Over Expenditures	79,632	29,441	35,429	169,962	323,547	50,594	1,308	13,452	703,365
Other Financing Sources (Uses):									
Transfers Out	(100,000)	(19,925)	(5,500)	(156,837)	(281,988)	-	-	(167,465)	(731,715)
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(19,925)</u>	<u>(5,500)</u>	<u>(156,837)</u>	<u>(281,988)</u>	<u>-</u>	<u>-</u>	<u>(167,465)</u>	<u>(731,715)</u>
Net Change in Fund Balances	(20,368)	9,516	29,929	13,125	41,559	50,594	1,308	(154,013)	(28,350)
Fund Balances at Beginning of Year	<u>87,077</u>	<u>539,178</u>	<u>178,578</u>	<u>208,836</u>	<u>300,583</u>	<u>64,310</u>	<u>4,401</u>	<u>154,013</u>	<u>1,536,976</u>
Fund Balances at End of Year	<u>\$ 66,709</u>	<u>\$ 548,694</u>	<u>\$ 208,507</u>	<u>\$ 221,961</u>	<u>\$ 342,142</u>	<u>\$ 114,904</u>	<u>\$ 5,709</u>	<u>\$ -</u>	<u>\$ 1,508,626</u>

CITY OF WOOD RIVER, ILLINOIS

SCHEDULE OF TAX RATES, EXTENSIONS AND COLLECTIONS
APRIL 30, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Assessed Valuation	\$ 123,576,965	\$ 118,323,541	\$ 117,500,934	\$ 115,582,183	\$ 117,288,987	\$ 120,677,049	\$ 126,702,506	\$ 128,894,456	\$ 114,398,405	\$ 112,863,812
Tax Rates:										
General	\$ -	\$ 0.1260	\$ 0.1203	\$ 0.1220	\$ 0.1160	\$ 0.1127	\$ 0.1950	\$ 0.1984	\$ 0.1264	\$ 0.1852
Retirement	0.0284	0.0296	0.0298	0.0303	0.0299	0.0291	0.0277	0.0272	0.0184	0.0223
Fire Protection	0.0534	0.0423	0.0554	0.0563	0.0555	0.0539	0.0514	0.0505	0.0491	0.0498
Fire Pension	0.3358	0.2692	0.2545	0.2548	0.2873	0.2643	0.1930	0.1897	0.2224	0.1888
Police Protection	0.0534	0.0423	0.0554	0.0563	0.0555	0.0539	0.0514	0.0505	0.0491	0.0498
Police Pension	0.5198	0.4373	0.4064	0.3964	0.3895	0.3638	0.3053	0.3001	0.3494	0.2766
Garbage	0.0729	0.0761	0.1022	0.1039	0.1024	0.0995	0.0948	0.0931	0.0875	0.0887
Audit	0.0216	0.0225	0.0227	0.0229	0.0223	0.0191	0.0182	0.0179	0.0144	0.0146
Insurance	0.2428	0.2536	0.2554	0.2596	0.2558	0.2486	0.2368	0.2328	0.2404	0.2881
Street and Bridge	0.0546	0.0589	0.0593	0.0599	0.0629	0.0612	0.0572	0.0381	0.0311	0.0392
Street Lighting	0.0284	0.0296	0.0298	0.0303	0.0256	0.0249	0.0237	0.0233	0.0175	0.0204
Playground and Recreation	0.0534	0.0550	0.0554	0.0563	0.0555	0.0539	0.0514	0.0505	0.0491	0.0498
Band	-	-	0.0111	0.0117	0.0105	0.0083	0.0079	0.0078	0.0078	0.0079
Library - General	0.2358	0.2424	0.2379	0.2403	0.2422	0.2467	0.2478	0.2341	0.2443	0.2516
Library - Other	0.0544	0.0606	0.0655	0.0660	0.0644	0.0619	0.0566	0.0582	0.0629	0.0596
	<u>\$ 1.7547</u>	<u>\$ 1.7454</u>	<u>\$ 1.7611</u>	<u>\$ 1.7670</u>	<u>\$ 1.7753</u>	<u>\$ 1.7018</u>	<u>\$ 1.6182</u>	<u>\$ 1.5722</u>	<u>\$ 1.5698</u>	<u>\$ 1.5924</u>
Tax Extensions:										
General	\$ -	\$ 149,088	\$ 141,353	\$ 141,010	\$ 136,055	\$ 136,003	\$ 247,070	\$ 255,727	\$ 144,599	\$ 209,024
Retirement	35,096	35,024	35,015	35,022	35,070	35,117	35,097	35,059	21,049	25,169
Fire Protection	65,990	50,051	65,096	65,073	65,095	65,045	65,125	65,092	56,170	56,206
Fire Pension	414,971	318,527	299,040	294,503	336,971	318,949	244,536	244,513	254,422	213,087
Police Protection	65,990	50,051	65,096	65,073	65,095	65,045	65,125	65,092	56,170	56,206
Police Pension	642,353	517,429	477,524	458,168	456,841	439,023	386,823	386,812	399,708	312,182
Garbage	90,088	90,044	120,086	120,090	120,104	120,074	120,114	120,001	100,098	100,110
Audit	26,693	26,623	26,673	26,468	26,156	23,049	23,060	23,072	16,473	16,478
Insurance	300,045	300,068	300,097	300,051	300,025	300,003	300,032	300,066	275,014	325,160
Street and Bridge	67,473	69,693	69,678	69,234	73,775	73,854	72,474	49,109	35,578	44,243
Street Lighting	35,096	35,024	35,015	35,021	30,026	30,049	30,028	30,032	20,020	23,024
Playground and Recreation	65,990	65,078	65,096	65,073	65,095	65,045	65,125	65,092	56,170	56,206
Band	-	-	13,042	13,523	12,315	10,016	10,009	10,054	8,923	8,916
Library - General	291,394	286,816	279,535	277,744	284,074	297,710	313,969	301,742	279,475	283,965
Library - Other	67,226	71,704	76,963	76,284	75,534	74,699	71,713	75,016	71,957	67,267
Total	<u>\$ 2,168,405</u>	<u>\$ 2,065,220</u>	<u>\$ 2,069,309</u>	<u>\$ 2,042,337</u>	<u>\$ 2,082,231</u>	<u>\$ 2,053,681</u>	<u>\$ 2,050,300</u>	<u>\$ 2,026,479</u>	<u>\$ 1,795,826</u>	<u>\$ 1,797,243</u>
Tax Collections	<u>\$ -</u>	<u>\$ 2,056,267</u>	<u>\$ 2,048,192</u>	<u>\$ 2,033,424</u>	<u>\$ 2,062,193</u>	<u>\$ 2,048,815</u>	<u>\$ 2,035,370</u>	<u>\$ 2,018,853</u>	<u>\$ 1,785,881</u>	<u>\$ 1,781,381</u>
Percentage Collected	<u>0.00%</u>	<u>99.57%</u>	<u>98.98%</u>	<u>99.56%</u>	<u>99.04%</u>	<u>99.76%</u>	<u>99.27%</u>	<u>99.62%</u>	<u>99.45%</u>	<u>99.12%</u>

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

Honorable Mayor and Members
of the City Council
Wood River, Illinois

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Other Matters

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

C. J. Schlem & Co. LLC

Certified Public Accountants

September 4, 2018