

**CITY OF WOOD RIVER, ILLINOIS**

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED  
APRIL 30, 2019

# **CITY OF WOOD RIVER, ILLINOIS**

## **TABLE OF CONTENTS APRIL 30, 2019**

	<u>Page</u>
<b>Independent Auditor's Report</b>	1 - 2
<b>Management's Discussion and Analysis</b>	3 - 10
<b>Basic Financial Statements:</b>	
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 - 60
<b>Required Supplementary Information:</b>	
Budgetary Comparison Schedule (Cash Basis):	
General Fund	61 - 64
Insurance Fund	65
Capital Improvements and Development Fund	66
Schedules of Changes in Net Pension Liability and Related Ratios	67 - 69
Schedules of Contributions – Pensions	70 - 72
Schedule of Investment Returns - Pensions	73 - 74
Schedules of Changes in Net OPEB Liability and Related Ratios	75
Schedules of Contributions - OPEB	76

**CITY OF WOOD RIVER, ILLINOIS**

TABLE OF CONTENTS (CONTINUED)  
APRIL 30, 2019

	<u>Page</u>
<b>Other Supplementary Information:</b>	
Combining Balance Sheet – Nonmajor Special Revenue Governmental Funds	77
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Special Revenue Governmental Funds	78
Assessed Valuations, Tax Rates, Extensions and Collections	79
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	80 - 81
Independent Auditor's Report on Compliance with Tax Increment Financing Act	82 - 83



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

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

## **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, 2019, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note 8 to the financial statements, in 2019 the City of Wood River adopted new accounting guidance, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 to 10), budgetary comparison information (pages 60 to 65) and schedules of pension funding information (pages 66 to 75) 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.

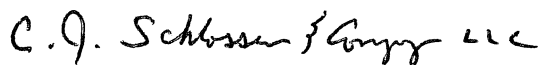
### **Other Information**

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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2019 on our consideration of the City of Wood River, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Wood River, Illinois' internal control over financial reporting and compliance.



Certified Public Accountants  
Alton, Illinois  
August 26, 2019

# **CITY OF WOOD RIVER, ILLINOIS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

### **APRIL 30, 2019**

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, 2019. 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, other post-employment benefits (OPEB) and pension liabilities are treated and the timing for recording some revenues and expenses.

**Infrastructure Assets**

Infrastructure (roads, bridges, storm sewers, etc.) is valued and reported within the governmental column of the government-wide statements. The City 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 City develops the asset management system (the modified approach) that periodically measures and demonstrates its maintenance of locally established levels of service standards, the City 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 2018 increased \$3,628,766. Governmental activities had an increase in net position of \$3,076,278 and business-type activities had an increase of \$552,488. Net position for governmental activities totals \$59.0 million with 124% being invested in capital assets (buildings, roads, equipment, etc.). The net position of the business-type activities totals \$22.1 million with 86% 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, 2019 and 2018, including a column noting changes (increases/decreases) from 2018.

	<u>Total Primary Government</u>		
	<u>2019</u>	<u>2018</u>	<u>Inc/(Dec)</u>
Other Assets	\$ 14,480,366	\$ 16,162,667	\$ (1,682,301)
Capital Assets	<u>99,154,420</u>	<u>93,778,485</u>	<u>5,375,935</u>
Total Assets	<u>\$ 113,634,786</u>	<u>\$ 109,941,152</u>	<u>\$ 3,693,634</u>

Listed below are the City's liabilities at April 30, 2019 and 2018, including a column noting changes (increases/decreases) from 2018.

	<u>Total Primary Government</u>		<u>(Increase)/</u>
	<u>2019</u>	<u>2018</u>	<u>Decrease</u>
Accounts payable	\$ 1,655,939	\$ 1,610,026	\$ (45,913)
Accrued payroll	241,918	202,274	(39,644)
Accrued interest payable	21,200	30,198	8,998
Non-current liabilities:			
Restricted:			
Meter deposits	25,965	27,145	1,180
Due within one year	1,140,417	1,126,731	(13,686)
Due in more than one year	<u>29,340,149</u>	<u>26,372,196</u>	<u>(2,967,953)</u>
Total liabilities	<u>\$ 32,425,588</u>	<u>\$ 29,368,570</u>	<u>\$ (3,057,018)</u>



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

**Changes in Net Position**

The City's total revenues increased \$3,038,398 or 16.0%. Expenses increased \$88,492 or 0.5%. Net position for the City increased \$3,628,766. Beginning net position was restated to recognize the full liability of Other Post-Employment Benefits (OPEB) resulting in a decrease of \$1,410,649.

Statement of Changes in Net Position

	Governmental Activities 2019	Business - Type Activities 2019	Primary Government Total 2019	Primary Government Total 2018
<b>REVENUES</b>				
Program Revenues:				
Charges for Services:	\$ 2,851,412	\$ -	\$ 2,851,412	\$ 2,638,812
Water	-	1,414,184	1,414,184	1,395,296
Sewer	-	3,111,974	3,111,974	2,966,918
Golf	-	796,582	796,582	758,744
Aquatic	-	-	-	227,392
Capital Grants	5,036,054	-	5,036,054	2,930,735
Operating Grants	50,000	-	50,000	144,155
General Revenues:				
Property Taxes	1,530,375	-	1,530,375	1,629,084
Replacement Taxes	253,534	-	253,534	241,171
Intergovernmental	5,810,691	-	5,810,691	5,436,573
Utility taxes	709,042	-	709,042	443,881
Franchise Fees	214,543	-	214,543	215,988
Miscellaneous	139,479	155,541	295,020	6,264
Transfers	(357,073)	357,073	-	-
<b>TOTAL REVENUES</b>	<u>16,238,057</u>	<u>5,835,354</u>	<u>22,073,411</u>	<u>19,035,013</u>
<b>EXPENSES</b>				
General Government	3,215,228	-	3,215,228	2,926,078
Public Safety	5,018,313	-	5,018,313	5,028,877
Public Works	2,389,089	-	2,389,089	2,206,636
Sanitation	621,940	-	621,940	602,320
Culture & Recreation	1,372,403	-	1,372,403	1,171,814
Development	534,525	-	534,525	885,102
Interest	10,281	-	10,281	19,875
Water	-	1,646,437	1,646,437	1,693,910
Sewer	-	2,842,058	2,842,058	2,795,500
Golf	-	792,613	792,613	773,511
Aquatic	-	1,758	1,758	252,530
<b>TOTAL EXPENSES</b>	<u>13,161,779</u>	<u>5,282,866</u>	<u>18,444,645</u>	<u>18,356,153</u>
<b>CHANGE IN NET POSITION</b>	<b>3,076,278</b>	<b>552,488</b>	<b>3,628,766</b>	<b>678,860</b>
<b>NET POSITION BEGINNING</b>	<u>55,938,050</u>	<u>21,555,441</u>	<u>77,493,491</u>	<u>78,225,280</u>
<b>NET POSITION ENDING</b>	<u>\$ 59,014,328</u>	<u>\$ 22,107,929</u>	<u>\$ 81,122,257</u>	<u>\$ 78,904,140</u>

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

**Governmental Activities**

Revenues for governmental activities increased \$2,516,946 or 18.3% to a total of \$16,238,057. An increase in capital grants of \$2,105,319, primarily related to the police station construction and phase one of the 6<sup>th</sup> Street improvement project, accounted for most of the additional revenue. Expenses increased \$321,077 or 2.5% to a total of \$13,161,779. Excess of revenues over expenses is \$3,076,278 for the fiscal year ended April 30, 2019.

**Business-type Activities**

Revenues for the City's business-type activities increased \$521,452 or 9.8%. Golf program revenues increased \$37,838, water service revenues increased \$18,888 and sewer service revenues increased \$145,056. The aquatic center closed this fiscal year; related revenues were \$227,392 last fiscal year. Miscellaneous revenues increased \$251,159 (prior year recognition of the aquatic center facility impairment) and amounts transferred to business-type activities from governmental activities increased \$295,903 (Business Park TIF funds for water system improvements). Expenses for the business-type activities decreased \$232,585, due to the aquatic center closure. Fund net position for the City's business-type activities increased \$552,488 or 2.6% from fiscal year 2018. The total fund net position for business-type activities is \$22.1 million for fiscal year 2019 with \$3.1 million unrestricted.

**Financial Analysis of the City's Fund Financial Statements**

For the fiscal year ended April 30, 2019 the governmental funds reflect a \$756,445 decrease in fund balance. Governmental fund revenue increased \$2,613,248, primarily due to receiving the final installments of the BP Amoco donation agreement for the construction of a new police station and county grant funding for phase one of the 6<sup>th</sup> Street improvement project. Governmental fund expenses increased \$2,681,350 primarily due to the police station construction project. The General Fund's fund balance increased \$356,248. There were General Fund revenue increases for sales and use tax, grant revenue and charges for services. General Fund expenses increased for general government, public safety, and cultural and recreational, but decreased for public works and development. The General Fund revenues increased 5.3% or \$318,773, while expenses decreased by 1.6% or \$112,396 with a (deficiency) of revenues over expenditures of (\$775,309) before other financing sources (uses).

**City of Wood River's Status of Reserves**

Governmental Funds	FY 18/19	FY 17/18	Increase/(Decrease)
General	2,627,030	2,270,782	356,248
Insurance	551,891	436,006	115,885
Capital Improvement and Development	631,693	1,408,513	(776,820)
Non-Major	1,056,868	1,508,626	(451,758)

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

**Capital Asset and Debt Administration**

At the end of fiscal year 2019, the City had \$99.1 million invested in a broad range of capital assets including police, fire, public works, parks and golf facilities and equipment, as well as roads, sidewalks, water and sewer lines, etc. Governmental funds had \$73.9 million and Business-type activities had \$25.2 million invested at the end of fiscal year 2019, net of depreciation (see note 6).

**Changes in Capital Assets**  
**FOR THE YEAR ENDED APRIL 30, 2019**

	Governmental Capital Assets 4/30/2018	Increases	Decreases	Depreciation	Governmental Capital Assets 4/30/2019
Capital Assets not being Depreciated					
Land	\$ 14,191,238	\$ 2,679	\$ -	\$ -	\$ 14,193,917
Land right of way	16,809,767	-	-	-	16,809,767
Total	31,001,005	2,679	-	-	31,003,684
Capital Assets being Depreciated (net of depreciation)					
Buildings	5,447,296	4,609,142	-	118,675	9,937,763
Machinery and Equipment	476,182	599,549	2,652	59,129	1,013,950
Vehicles	574,218	62,775	-	221,695	415,298
Infrastructure	31,979,069	1,084,933	-	1,519,376	31,544,626
Total	38,476,765	6,356,399	2,652	1,918,875	42,911,637
Total Governmental Capital Assets	\$ 69,477,770	\$ 6,359,078	\$ 2,652	\$ 1,918,875	\$ 73,915,321
	Business-type Capital Assets 4/30/2018	Increases	Decreases	Depreciation	Business-type Capital Assets 4/30/2019
Capital Assets not being Depreciated					
Land	\$ 1,012,334	\$ -	\$ -	\$ -	\$ 1,012,334
Total	1,012,334	-	-	-	1,012,334
Capital Assets being Depreciated (net of depreciation)					
Buildings	504,242	22,451	-	30,592	496,101
Machinery and Equipment	2,515,652	100,437	-	184,395	2,431,694
Vehicles	398,939	134,462	-	69,289	464,112
Infrastructure	19,869,548	1,617,346	-	652,036	20,834,858
Total	23,288,381	1,874,696	-	936,312	24,226,765
Total Business-type Capital Assets	\$ 24,300,715	\$ 1,874,696	\$ -	\$ 936,312	\$ 25,239,099

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

**Debt Outstanding**

The City does not have bonded indebtedness. The City's loans/capital leases for governmental activities total \$583,077. The City's legal debt margin is \$10,882,261 (see note 5).

Capital leases/loans/debt certificates in the business-type activities total \$6,249,351 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 fiscal year 2019 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, golf course and Riverbend Business District #1 funds, additional personnel needed after taking over dispatch services for the Village of East Alton, preliminary engineering services for the State Street Sewer Separation Project and close-out expenses for the aquatic center, Business Park TIF and Grand View Hills TIF funds. Amendments were also made increasing the budget for unforeseen professional service expenses 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 \$132,931,455 and \$496,250 for the TIF increment. The assessed valuation for the City increased by \$9,354,490, or 7.6% from last year, and is now the highest in the City's history. The increase was due to the general economy and the terminations of the Business Park TIF and Grandview Hills TIF. The City's tax rate decreased by \$0.1074 for a current rate of \$1.6473 in comparison to last year's rate of \$1.7547. The tax rate has remained relatively stable, with decreases four out of the last five years totaling \$0.1280 over that time and is now the lowest it has been since 2011.

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 since the last census with the phase one lots of both nearly filled. 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. Grand View Hills (82 homes) is a 45-acre parcel that was annexed into the City in 2006 and construction has begun. New residential subdivisions in the planning stages include Kendall Estates Phases III and IV (36 homes).

The City has diverse industrial, retail, and service employment opportunities within the community and in the surrounding Riverbend and Metro East areas. Residents also commute to employment opportunities in downtown St. Louis and St. Louis County. The largest employer within the City is the Wal-Mart SuperCenter Store and the largest employer within the Riverbend is Wieland Rolled Products North America in East Alton.

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

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-related sales city-wide accounted for approximately 36% of the sales tax collected in calendar year 2018 and grew approximately 12% from calendar year 2017.

The City's total retail sales for calendar year 2018 was \$316.5 million compared to \$298.8 million in calendar year 2017, an increase of 5.9%. The City continues to attract a significant amount of retail customers from surrounding communities and rural areas.

The City's new police station, built on land and with funds donated by BP Amoco, was completed and began housing operations in April 2019. The station is located on the corner of Route 143 (Madison Avenue) and 6<sup>th</sup> Street and will greatly improve the police department's facilities. Other significant projects completed in fiscal year 2019 were the Emerick Sports Complex renovations and phase one of the 6<sup>th</sup> Street improvement project. These three projects required significant grants and/or donations to be accomplished.

The General Fund is currently meeting the three-month operating reserve target. However, with rising personnel costs and aging infrastructure, 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, 2019 in the fourth year of a five-year plan to raise funds for combined sewer overflow reduction, wastewater treatment plant upgrades, and replace aging water and sewer infrastructure throughout the City. At the conclusion of the five-year plan, annual 3% rate increases are scheduled. The City also created a new TIF district (TIF 3) to promote downtown, commercial and industrial development. In 2019, voters approved a 1% non-home rule sales tax to fund capital projects. Collection of this tax will begin next fiscal year. 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 43.0% 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, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ 4,843,279	\$ 1,780,238	\$ 6,623,517
Investments	-	3,098,643	3,098,643
Receivables (Net of allowance for uncollectible)	3,961,910	566,600	4,528,510
Prepaid Expenses	180,276	-	180,276
Inventory	-	23,455	23,455
Internal Balances	78,896	(78,896)	-
Restricted Assets - Cash and Investments	-	25,965	25,965
Capital Assets:			
Land	31,003,684	1,012,334	32,016,018
Buildings and Improvements	17,200,158	3,200,604	20,400,762
Machinery and Equipment	1,985,299	5,317,077	7,302,376
Vehicles	2,747,668	1,006,067	3,753,735
Utility Systems/Infrastructure	93,595,580	32,483,838	126,079,418
Accumulated Depreciation	<u>(72,617,068)</u>	<u>(17,780,821)</u>	<u>(90,397,889)</u>
Net Capital Assets	<u>73,915,321</u>	<u>25,239,099</u>	<u>99,154,420</u>
Total Assets	<u>82,979,682</u>	<u>30,655,104</u>	<u>113,634,786</u>
<b><u>Deferred Outflows of Resources</u></b>			
Pension Plan Obligations	4,276,960	1,116,916	5,393,876
OPEB Obligations	<u>13,778</u>	<u>3,870</u>	<u>17,648</u>
	<u>4,290,738</u>	<u>1,120,786</u>	<u>5,411,524</u>
<b><u>Liabilities</u></b>			
Accounts Payable	1,348,696	307,243	1,655,939
Accrued Payroll and Benefits	189,485	52,433	241,918
Accrued Interest Payable	7,227	13,973	21,200
Liabilities Payable from Restricted Assets:			
Customer Deposits	-	25,965	25,965
Noncurrent Liabilities:			
Due Within One Year	536,288	604,129	1,140,417
Due in More Than One Year	<u>21,383,711</u>	<u>7,956,438</u>	<u>29,340,149</u>
Total Liabilities	<u>23,465,407</u>	<u>8,960,181</u>	<u>32,425,588</u>
<b><u>Deferred Inflows of Resources</u></b>			
Pension Plan Obligations	3,578,791	707,780	4,286,571
Unearned Revenues	<u>1,211,894</u>	<u>-</u>	<u>1,211,894</u>
	<u>4,790,685</u>	<u>707,780</u>	<u>5,498,465</u>
<b><u>Net Position</u></b>			
Net Investment in Capital Assets	73,332,244	18,989,748	92,321,992
Restricted	1,124,888	-	1,124,888
Unrestricted	<u>(15,442,804)</u>	<u>3,118,181</u>	<u>(12,324,623)</u>
Total Net Position	<u>\$ 59,014,328</u>	<u>\$ 22,107,929</u>	<u>\$ 81,122,257</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, 2019

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	Total
Governmental Activities:							
General Government	\$ 3,215,228	\$ 1,753,810	\$ -	\$ -	\$ (1,461,418)		\$ (1,461,418)
Public Safety	5,018,313	264,694	27,866	4,120,348	(605,405)		(605,405)
Public Works	2,389,089	-	-	740,848	(1,648,241)		(1,648,241)
Sanitation	621,940	714,401	-	-	92,461		92,461
Development	534,525	-	-	-	(534,525)		(534,525)
Cultural and Recreational	1,372,403	118,507	22,134	174,858	(1,056,904)		(1,056,904)
Interest on Long-term Debt	10,281	-	-	-	(10,281)		(10,281)
Total Governmental Activities	<u>13,161,779</u>	<u>2,851,412</u>	<u>50,000</u>	<u>5,036,054</u>	<u>(5,224,313)</u>		<u>(5,224,313)</u>
Business-type Activities:							
Water	1,646,437	1,414,184	-	-		\$ (232,253)	(232,253)
Sewer	2,842,058	3,111,974	-	-		269,916	269,916
Golf Course	792,613	796,582	-	-		3,969	3,969
Aquatic Center	1,758	-	-	-		(1,758)	(1,758)
Total Business-type Activities	<u>5,282,866</u>	<u>5,322,740</u>	<u>-</u>	<u>-</u>		<u>39,874</u>	<u>39,874</u>
Total Government	<u>\$ 18,444,645</u>	<u>\$ 8,174,152</u>	<u>\$ 50,000</u>	<u>\$ 5,036,054</u>	<u>(5,224,313)</u>	<u>39,874</u>	<u>(5,184,439)</u>
General Revenues:							
Property Tax, Levied for General Purposes					1,530,375	-	1,530,375
Sales and Use Tax					4,105,306	-	4,105,306
Income Tax					1,102,522	-	1,102,522
Corporate Personal Property Tax					253,534	-	253,534
Motor Fuel Tax					270,524	-	270,524
Telecommunications Tax					176,364	-	176,364
Other					155,975	-	155,975
Utility Tax					709,042	-	709,042
Franchise Fees					214,543	-	214,543
Gain (Loss) on Asset Disposal					7,180	51,030	58,210
Investment Earnings					66,890	104,511	171,401
Miscellaneous					65,409	-	65,409
Transfers					(357,073)	357,073	-
Total General Revenues and Transfers					<u>8,300,591</u>	<u>512,614</u>	<u>8,813,205</u>
Change in Net Position					<u>3,076,278</u>	<u>552,488</u>	<u>3,628,766</u>
Net Position - Beginning, As Restated					<u>55,938,050</u>	<u>21,555,441</u>	<u>77,493,491</u>
Net Position - Ending					<u>\$ 59,014,328</u>	<u>\$ 22,107,929</u>	<u>\$ 81,122,257</u>

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

# CITY OF WOOD RIVER, ILLINOIS

## BALANCE SHEET GOVERNMENTAL FUNDS APRIL 30, 2019

	<u>General Fund</u>	<u>Insurance Fund</u>	<u>Capital Improvements and Development Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash and Cash Equivalents	\$ 2,095,499	\$ 371,615	\$ 1,056,035	\$ 1,320,130	\$ 4,843,279
Receivables (Net of allowance for uncollectible):					
Property Tax	370,142	300,026	-	529,809	1,199,977
Intergovernmental	1,257,488	-	53,619	196,141	1,507,248
Other	3,500	-	50,195	116,662	170,357
Prepaid Expenses	-	180,276	-	-	180,276
Due From Other Funds	-	-	78,896	-	78,896
Total Assets	<u>\$ 3,726,629</u>	<u>\$ 851,917</u>	<u>\$ 1,238,745</u>	<u>\$ 2,162,742</u>	<u>\$ 7,980,033</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>					
Liabilities:					
Accrued Payroll and Benefits	\$ 181,856	\$ -	\$ -	\$ 7,629	\$ 189,485
Accounts Payable	229,323	-	595,815	523,558	1,348,696
Total Liabilities	<u>411,179</u>	<u>-</u>	<u>595,815</u>	<u>531,187</u>	<u>1,538,181</u>
Deferred Inflows of Resources:					
Unearned Revenue	<u>688,420</u>	<u>300,026</u>	<u>11,237</u>	<u>574,687</u>	<u>1,574,370</u>
Fund Balances:					
Nonspendable	-	180,276	-	-	180,276
Restricted	68,020	-	-	1,056,868	1,124,888
Committed	-	-	631,693	-	631,693
Assigned	173,340	371,615	-	-	544,955
Unassigned	2,385,670	-	-	-	2,385,670
Total Fund Balances	<u>2,627,030</u>	<u>551,891</u>	<u>631,693</u>	<u>1,056,868</u>	<u>4,867,482</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,726,629</u>	<u>\$ 851,917</u>	<u>\$ 1,238,745</u>	<u>\$ 2,162,742</u>	<u>\$ 7,980,033</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, 2019

Amounts reported for governmental fund balances are different because:

Fund balances - total governmental funds	\$ 4,867,482
Capital assets used in governmental activities are not financial resources and, therefore, are not reported on the balance sheet of the governmental funds.	73,915,321
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.	1,446,804
Accrued interest payable on the long-term debt is not reported as a liability on the balance sheet of the governmental funds.	(7,227)
Accrued compensated absences are not reported as a liability on the balance sheet of the governmental funds.	(1,361,144)
Net pension liabilities and the related future pension expense are not reported as assets and liabilities on the balance sheet of the governmental funds.	(18,191,259)
Net OPEB liabilities and the related future related expense are not reported as assets and liabilities on the balance sheet of the governmental funds.	(1,072,572)
Long-term debt (e.g., bonds, leases) is not reported as a liability on the balance sheet of the governmental funds.	<u>(583,077)</u>
Net position of governmental activities	<u>\$ 59,014,328</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, 2019

	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	\$ 368,746	\$ 298,118	\$ -	\$ 863,511	\$ 1,530,375
Utility Tax	-	-	709,042	-	709,042
Hotel/Motel Tax	7,119	-	-	-	7,119
Intergovernmental:					
Sales and Use Tax	3,513,069	-	-	555,029	4,068,098
State Income Tax	1,102,522	-	-	-	1,102,522
Telecommunications Tax	-	-	178,974	-	178,974
Corporate Replacement Tax	180,367	-	-	73,167	253,534
Motor Fuel Tax	-	-	-	270,524	270,524
Other	148,856	-	-	-	148,856
Grant Revenue	137,581	-	33,987	208,571	380,139
Licenses, Permits and Fees	119,626	-	-	-	119,626
Charges for Services	597,543	-	-	721,691	1,319,234
Fines and Forfeitures	37,399	-	-	3,707	41,106
Investment Earnings	22,850	4,632	17,009	22,399	66,890
Insurance Reimbursements	-	1,585,989	-	-	1,585,989
Miscellaneous	90,077	-	4,153,427	6,468	4,249,972
Total Revenues	<u>6,325,755</u>	<u>1,888,739</u>	<u>5,092,439</u>	<u>2,725,067</u>	<u>16,032,000</u>
Expenditures:					
Current:					
General Government	1,302,763	1,622,854	26,062	12,246	2,963,925
Public Safety	4,126,957	-	-	-	4,126,957
Public Works	430,611	-	248,463	204,165	883,239
Sanitation	-	-	-	622,055	622,055
Development	50,031	-	-	484,494	534,525
Cultural and Recreational	765,753	-	121,629	368,267	1,255,649
Capital Outlay	221,266	-	5,050,835	555,793	5,827,894
Debt Service:					
Principal	192,737	-	48,903	-	241,640
Interest and Charges	10,946	-	6,817	-	17,763
Total Expenditures	<u>7,101,064</u>	<u>1,622,854</u>	<u>5,502,709</u>	<u>2,247,020</u>	<u>16,473,647</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(775,309)</u>	<u>265,885</u>	<u>(410,270)</u>	<u>478,047</u>	<u>(441,647)</u>
Other Financing Sources (Uses):					
Proceeds from Debt	42,275	-	-	-	42,275
Operating Transfers In	1,089,282	-	-	-	1,089,282
Operating Transfers Out	-	(150,000)	(366,550)	(929,805)	(1,446,355)
Total Other Financing Sources (Uses)	<u>1,131,557</u>	<u>(150,000)</u>	<u>(366,550)</u>	<u>(929,805)</u>	<u>(314,798)</u>
Net Change in Fund Balances	356,248	115,885	(776,820)	(451,758)	(756,445)
Fund Balance, Beginning 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>
Fund Balance, End of Year	<u>\$ 2,627,030</u>	<u>\$ 551,891</u>	<u>\$ 631,693</u>	<u>\$ 1,056,868</u>	<u>\$ 4,867,482</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, 2019

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

Net change in fund balances - total governmental funds	\$ (756,445)
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 (\$5,827,894) and contributed capital (\$531,184) exceeded depreciation expense (\$1,918,875) and loss on disposals in the current year.	4,437,551
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.	(81,569)
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.	(793,444)
Net OPEB 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 OPEB liability.	28,740
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.	199,365
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.	34,598
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>7,482</u>
Change in net position of governmental activities	<u>\$ 3,076,278</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, 2019

	Business-Type Activities--Enterprise Funds				
	<u>Water</u>	<u>Sewer</u>	<u>Golf Course</u>	<u>Nonmajor Aquatic Center</u>	<u>Total</u>
<b><u>Assets</u></b>					
Current Assets:					
Cash	\$ 439,415	\$ 1,281,582	\$ 59,241	\$ -	\$ 1,780,238
Investments	-	3,098,643	-	-	3,098,643
Receivables (Net of allowance for uncollectible):					
Accounts	64,863	43,311	-	-	108,174
Unbilled Revenue	109,610	139,204	-	-	248,814
Other	5,000	204,612	-	-	209,612
Inventory, at Cost	-	-	23,455	-	23,455
Total Current Assets	<u>618,888</u>	<u>4,767,352</u>	<u>82,696</u>	<u>-</u>	<u>5,468,936</u>
Noncurrent Assets:					
Restricted Assets:					
Cash and Cash Equivalents:					
Customer Deposits	<u>25,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,965</u>
Capital Assets:					
Land	-	852,334	160,000	-	1,012,334
Buildings and Improvements	-	-	3,200,604	-	3,200,604
Machinery and Equipment	4,040,203	813,737	463,137	-	5,317,077
Vehicles	163,261	806,356	36,450	-	1,006,067
Utility Systems	<u>8,756,445</u>	<u>23,727,393</u>	<u>-</u>	<u>-</u>	<u>32,483,838</u>
Total	<u>12,959,909</u>	<u>26,199,820</u>	<u>3,860,191</u>	<u>-</u>	<u>43,019,920</u>
Accumulated Depreciation	<u>(5,947,263)</u>	<u>(8,745,234)</u>	<u>(3,088,324)</u>	<u>-</u>	<u>(17,780,821)</u>
Net Capital Assets	<u>7,012,646</u>	<u>17,454,586</u>	<u>771,867</u>	<u>-</u>	<u>25,239,099</u>
Total Noncurrent Assets	<u>7,038,611</u>	<u>17,454,586</u>	<u>771,867</u>	<u>-</u>	<u>25,265,064</u>
Total Assets	<u>\$ 7,657,499</u>	<u>\$ 22,221,938</u>	<u>\$ 854,563</u>	<u>\$ -</u>	<u>\$ 30,734,000</u>
<b><u>Deferred Outflows of Resources</u></b>					
Pension Plan Obligations	\$ 534,782	\$ 529,212	\$ 52,922	\$ -	\$ 1,116,916
OPEB Obligations	<u>1,648</u>	<u>1,910</u>	<u>312</u>	<u>-</u>	<u>3,870</u>
	<u>\$ 536,430</u>	<u>\$ 531,122</u>	<u>\$ 53,234</u>	<u>\$ -</u>	<u>\$ 1,120,786</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, 2019

	Business-Type Activities--Enterprise Funds				
	<u>Water</u>	<u>Sewer</u>	<u>Golf Course</u>	<u>Nonmajor Aquatic Center</u>	<u>Total</u>
<b><u>Liabilities:</u></b>					
Current Liabilities:					
Accrued Payroll and Benefits	\$ 24,201	\$ 23,930	\$ 4,302	\$ -	\$ 52,433
Accrued Vacation	44,280	48,421	6,352	-	99,053
Accounts Payable	100,508	172,328	34,407	-	307,243
Due to Other Funds	-	-	78,896	-	78,896
Accrued Interest	454	12,634	885	-	13,973
Current Portion of					
Long-Term Debt	<u>61,097</u>	<u>412,018</u>	<u>31,961</u>	<u>-</u>	<u>505,076</u>
Total Current Liabilities	<u>230,540</u>	<u>669,331</u>	<u>156,803</u>	<u>-</u>	<u>1,056,674</u>
Liabilities Payable from					
Restricted Assets:					
Customer Deposits	<u>25,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,965</u>
Noncurrent Liabilities:					
Accrued Sick Leave	132,815	105,549	-	-	238,364
Net Pension Liability	797,870	789,944	80,853	-	1,668,667
Net OPEB Liability	129,927	150,601	24,604	-	305,132
Long-Term Debt	<u>127,990</u>	<u>5,583,323</u>	<u>32,962</u>	<u>-</u>	<u>5,744,275</u>
Total Noncurrent Liabilities	<u>1,188,602</u>	<u>6,629,417</u>	<u>138,419</u>	<u>-</u>	<u>7,956,438</u>
Total Liabilities	<u>1,445,107</u>	<u>7,298,748</u>	<u>295,222</u>	<u>-</u>	<u>9,039,077</u>
<b><u>Deferred Inflows of Resources</u></b>					
Pension Plan Obligations	<u>\$ 339,155</u>	<u>\$ 335,528</u>	<u>\$ 33,097</u>	<u>\$ -</u>	<u>\$ 707,780</u>
<b><u>Net Position:</u></b>					
Net Investment in Capital Assets	6,823,559	11,459,245	706,944	-	18,989,748
Unrestricted	<u>(413,892)</u>	<u>3,659,539</u>	<u>(127,466)</u>	<u>-</u>	<u>3,118,181</u>
Total Net Position	<u>\$ 6,409,667</u>	<u>\$ 15,118,784</u>	<u>\$ 579,478</u>	<u>\$ -</u>	<u>\$ 22,107,929</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, 2019

	<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	\$ 1,414,184	\$ 3,111,974	\$ 796,582	\$ -	\$ 5,322,740
Operating Expenses:					
Personal Services	788,805	907,014	131,522	-	1,827,341
Materials and Supplies	293,228	23,079	111,631	-	427,938
Contractual Services	247,163	1,280,091	462,214	1,758	1,991,226
Depreciation	310,215	553,311	72,786	-	936,312
Total Operating Expenses	1,639,411	2,763,495	778,153	1,758	5,182,817
Operating Income (Loss)	(225,227)	348,479	18,429	(1,758)	139,923
Nonoperating Revenues (Expenses):					
Investment Earnings	6,054	98,062	395	-	104,511
Gain on Disposal of Assets	-	33,085	-	17,945	51,030
Interest and Fiscal Charges	(7,026)	(78,563)	(14,460)	-	(100,049)
Total Nonoperating Revenues (Expenses)	(972)	52,584	(14,065)	17,945	55,492
Income (Loss) Before Contributions and Transfers	(226,199)	401,063	4,364	16,187	195,415
Transfers In (Out)	702,878	(318,003)	-	(27,802)	357,073
Change in Net Position	476,679	83,060	4,364	(11,615)	552,488
Net Position - Beginning of Year, As Restated	5,932,988	15,035,724	575,114	11,615	21,555,441
Net Position - End of Year	\$ 6,409,667	\$ 15,118,784	\$ 579,478	\$ -	\$ 22,107,929

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, 2019

	<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	\$ 1,410,009	\$ 3,075,440	\$ 796,582	\$ -	\$ 5,282,031
Payments to Suppliers	(806,044)	(1,532,376)	(594,397)	(2,297)	(2,935,114)
Payments to Employees	(487,087)	(488,379)	(80,454)	-	(1,055,920)
Net Cash Provided (Used) by Operating Activities	<u>116,878</u>	<u>1,054,685</u>	<u>121,731</u>	<u>(2,297)</u>	<u>1,290,997</u>
Cash Flows from Noncapital Financing Activities:					
Payments from (to) Other Funds	<u>702,878</u>	<u>(318,003)</u>	<u>(25,154)</u>	<u>(27,802)</u>	<u>331,919</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>702,878</u>	<u>(318,003)</u>	<u>(25,154)</u>	<u>(27,802)</u>	<u>331,919</u>
Cash Flows from Capital and Related Financing Activities:					
Principal Payments on Long-Term Debt	(59,381)	(405,799)	(31,301)	-	(496,481)
Proceeds from Disposals	-	33,085	-	17,945	51,030
Interest Paid on Debt	(7,169)	(79,552)	(14,844)	-	(101,565)
Customer Deposits	(1,180)	-	-	-	(1,180)
Cash Payments for Capital Assets	(808,494)	(1,043,751)	(22,451)	-	(1,874,696)
Net Cash Provided (Used) by Capital Related Financing Activities	<u>(876,224)</u>	<u>(1,496,017)</u>	<u>(68,596)</u>	<u>17,945</u>	<u>(2,422,892)</u>
Cash Flows from Investing Activities:					
Net Change in Investments	-	(73,086)	-	-	(73,086)
Interest Received	<u>6,054</u>	<u>98,062</u>	<u>395</u>	<u>-</u>	<u>104,511</u>
Net Cash Provided by Investing Activities	<u>6,054</u>	<u>24,976</u>	<u>395</u>	<u>-</u>	<u>31,425</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(50,414)	(734,359)	28,376	(12,154)	(768,551)
Cash and Cash Equivalents, Beginning of Year	<u>515,794</u>	<u>2,015,941</u>	<u>30,865</u>	<u>12,154</u>	<u>2,574,754</u>
Cash and Cash Equivalents, End of Year	<u>\$ 465,380</u>	<u>\$ 1,281,582</u>	<u>\$ 59,241</u>	<u>\$ -</u>	<u>\$ 1,806,203</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, 2019

	<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)	\$ (225,227)	\$ 348,479	\$ 18,429	\$ (1,758)	\$ 139,923
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	310,215	553,311	72,786	-	936,312
(Increase) Decrease in Assets:					
Accounts Receivable	(2,982)	(30,563)	-	-	(33,545)
Unbilled Revenue	(1,193)	(5,971)	-	-	(7,164)
Inventory	-	-	(691)	-	(691)
Future Pension Expense	(443,467)	(427,835)	(44,324)	-	(915,626)
Increase (Decrease) in Liabilities:					
Accrued Payroll and Benefits	6,655	75,346	1,355	-	83,356
Net Pension Liability	478,989	488,676	49,331	-	1,016,996
Net OPEB Liability	(3,439)	(3,985)	(651)	-	(8,075)
Accounts Payable	(2,673)	57,227	25,496	(539)	79,511
Net Cash Provided (Used) by Operating Activities	<u>\$ 116,878</u>	<u>\$ 1,054,685</u>	<u>\$ 121,731</u>	<u>\$ (2,297)</u>	<u>\$ 1,290,997</u>
Reconciliation of Cash and Cash Equivalents:					
Current Assets	\$ 439,415	\$ 1,281,582	\$ 59,241	\$ -	\$ 1,780,238
Restricted Assets	<u>25,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,965</u>
Total Cash and Cash Equivalents	<u>\$ 465,380</u>	<u>\$ 1,281,582</u>	<u>\$ 59,241</u>	<u>\$ -</u>	<u>\$ 1,806,203</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, 2019

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 154,538	\$ 243,102
Investments	9,646,713	5,157,130
Receivables (Net of Allowance for Doubtful Accounts):		
Interest Receivable	44,631	19,003
Employer - Taxes	<u>655,140</u>	<u>424,773</u>
Total Assets	<u>10,501,022</u>	<u>5,844,008</u>
<u>Liabilities</u>		
Accounts Payable	<u>750</u>	<u>3,343</u>
<u>Net Position</u>		
Held in Trust For Pension Benefits and Other Purposes	<u>\$ 10,500,272</u>	<u>\$ 5,840,665</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, 2019

	<u>Police Pension</u>	<u>Firefighters' Pension</u>
Additions:		
Employer Contributions - Taxes	\$ 655,738	\$ 425,102
Employee Contributions	352,101	67,804
Investment Earnings:		
Interest and Dividends	271,613	178,564
Unrealized/Realized Gain (Loss) on Investments	<u>231,055</u>	<u>(66,809)</u>
Total Investment Earnings	502,668	111,755
Less: Investment Expense	<u>27,995</u>	<u>18,647</u>
Net Investment Earnings	<u>474,673</u>	<u>93,108</u>
Total Additions	<u>1,482,512</u>	<u>586,014</u>
Deductions:		
Benefit Payments	822,426	474,180
Refund of Contributions	78,307	-
Administrative Expenses	<u>14,601</u>	<u>9,203</u>
Total Deductions	<u>915,334</u>	<u>483,383</u>
Change in Net Position	567,178	102,631
Net Position - Beginning of Year	<u>9,933,094</u>	<u>5,738,034</u>
Net Position - End of Year	<u><u>\$ 10,500,272</u></u>	<u><u>\$ 5,840,665</u></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, 2019**

### **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, 2019.

(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 3, 2018 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 2018 become an enforceable lien in January 2019. Because this tax levy will be used to pay for expenses budgeted in fiscal year 2020, this tax levy is shown as a receivable and as deferred inflow of resources as of April 30, 2019 in the governmental funds statements and in the statement of activities. Tax revenues reflected in these financial statements are taxes collected on the 2017 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, 2019, employees have accumulated \$397,080 in accrued vacation and \$1,301,481 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	<u>\$ 180,276</u>
Restricted:	
General	\$ 68,020
Library	247,361
Business District	213,382
Motor Fuel Tax	307,615
Refuse	215,613
Refuse - Reserved for Compost Site	25,600
Retirement Fund	<u>47,297</u>
	<u>\$ 1,124,888</u>
Committed:	
Capital Development	<u>\$ 631,693</u>
Assigned:	
Recreation	173,340
Insurance Fund	<u>371,615</u>
	<u>\$ 544,955</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, 2019, the carrying amount of the City's deposits was \$5,021,041 and the bank balance was \$4,973,635. 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, 2019, all of the deposits of the City were covered by FDIC insurance or collateralized by the financial institutions.

At April 30, 2019, the City had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
The Illinois Funds	Daily	\$ 533,219
Illinois Metropolitan Investment Fund	Daily	1,159,037
Municipal Bonds	0.75	3,032,483
Cash on Hand		2,345
Deposits as reported above		<u>5,021,041</u>
Total deposits and investments		<u>\$ 9,748,125</u>
As Reported in the Statement of Net Position:		
Cash and Cash Equivalents		\$ 6,623,517
Investments		3,098,643
Restricted Cash and Investments		<u>25,965</u>
		<u>\$ 9,748,125</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, 2019, the credit ratings of the City's investments are as follows:

<u>Investment</u>	<u>Standard &amp; Poor's Rating</u>	<u>Moody's Investors Service Rating</u>
Illinois Metropolitan Investment Fund	--	Aaa
The Illinois Funds	AAAm	--
Municipal Bonds	AAA to BBB-	Aaa to Baa3

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, 2019, the City did not have a concentration of credit risk.

Foreign Currency Risk. As of April 30, 2019, the City has no foreign currency risk.

**Police Pension Fund**

At April 30, 2019, the carrying amount and the bank balance of the Police Pension Fund's deposits were \$154,538. 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, 2019, the Police Pension Fund had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity (Years)</u>	<u>Fair Value</u>
US Treasury Notes	3.79	\$ 1,515,617
US Treasury Bonds	16.26	969,314
Government National Mortgage Association	7.93	3,590
Federal National Mortgage Association	3.25	104,561
Federal Farm Credit Bank	14.51	179,754
Federal Home Loan Bank	4.69	230,103
Corporate Bonds	8.61	2,270,712
Mutual Funds	--	4,373,062
Deposits as reported above		154,538
Total deposits and investments		<u>\$ 9,801,251</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, 2019, the Police Pension Fund investments had the following credit risks:

<u>Investment</u>	<u>Standard &amp; 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, 2019, the Police Pension Fund did not have a concentration of credit risk in any one investment.

Foreign Currency Risk. As of April 30, 2019, the Police Pension Fund has no foreign currency risk.

**Firefighter's Pension Fund**

At April 30, 2019, the carrying amount and the bank balance of the Firefighter's Pension Fund's deposits was \$243,102. 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, 2019, 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	3.78	\$ 1,096,574
Federal Home Loan Bank	4.13	474,403
Federal National Mortgage Association	2.73	153,288
Federal Home Loan Mortgage Corporation	7.42	38,116
Federal Farm Credit Bank	4.00	790,558
TN Valley Authority	6.27	93,702
Mutual Funds	--	2,510,489
Deposits as reported above		<u>243,102</u>
Total deposits and investments		<u>\$ 5,400,232</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, 2019, the Firefighter's Pension Fund credit risk ratings were as follows:

<u>Investment</u>	<u>Standard &amp; 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, 2019, the Firefighter's Pension Fund did not have a concentration of credit risk in any one investment.

Foreign Currency Risk. As of April 30, 2019, 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, 2019:

	<u>General</u>	<u>Other Major Funds</u>	<u>Enterprise Funds</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Property Taxes	\$ 370,142	\$ 300,026	\$ -	\$ 529,809	\$ 1,199,977
Intergovernmental	1,257,488	53,619	-	196,141	1,507,248
Licenses/Fees/Other	1,087,828	50,195	209,612	-	1,347,635
Accounts	-	-	354,652	126,240	480,892
Unbilled Services	-	-	248,814	82,829	331,643
Gross Receivables	2,715,458	403,840	813,078	935,019	4,867,395
Less: Allowance for uncollectible	-	-	246,478	92,407	338,885
Net Total Receivables	<u>\$ 2,715,458</u>	<u>\$ 403,840</u>	<u>\$ 566,600</u>	<u>\$ 842,612</u>	<u>\$ 4,528,510</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, 2019 is \$112,500.

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, 2019 is \$80,875.

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

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, 2019 is \$20,777.

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, 2019 is \$74,021.

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, 2019 is \$68,174.

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, 2019 is \$85,119.

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, 2019 is \$99,336.

The City entered into a lease purchase agreement on June 5, 2018 for \$42,275 to provide funding for the purchase of two vehicles. The lease purchase is to be repaid in annual installments of \$22,222, including interest at 3.25%. The balance is to be repaid by the General Fund. The outstanding balance as of April 30, 2019 is \$42,275.

**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, 2019 is \$189,087.

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, 2019 is \$10,053.

**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, 2019 is \$11,429.

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, 2019 is \$5,960,734.

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, 2019 is \$23,178.

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, 2019 is \$31,537.

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, 2019 is \$23,333.

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>
2020	\$ 238,261	\$ 13,113	\$ 505,076	\$ 80,407
2021	147,431	7,215	467,182	72,848
2022	49,297	3,456	462,848	65,963
2023	50,307	2,327	391,787	58,957
2024	29,853	1,166	396,700	54,045
2025-2029	67,928	591	2,059,368	194,352
2030-2034	-	-	1,966,390	61,960
	<u>\$ 583,077</u>	<u>\$ 27,868</u>	<u>\$ 6,249,351</u>	<u>\$ 588,532</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, 2019.

	Beginning Balance	Additions	Retired	Ending Balance	Amounts Due Within One Year
<u>Governmental Activities:</u>					
Lease/loan agreements	\$ 782,442	\$ 42,275	\$ 241,640	\$ 583,077	\$ 238,261
Net pension liability	17,773,322	1,116,106	-	18,889,428	-
Net OPEB liability	1,116,125	-	29,775	1,086,350	-
Compensated absences	<u>1,279,575</u>	<u>81,569</u>	<u>-</u>	<u>1,361,144</u>	<u>298,027</u>
Governmental activities long-term liabilities	<u>\$ 21,286,763</u>	<u>\$ 1,239,950</u>	<u>\$ 271,415</u>	<u>\$ 21,919,999</u>	<u>\$ 536,288</u>
<u>Business-type Activities:</u>					
Lease/loan agreements	6,497,364	-	437,100	6,060,264	443,979
Debt certificates	248,468	-	59,381	189,087	61,097
Net pension liability	651,671	1,016,996	-	1,668,667	-
Net OPEB liability	313,496	-	8,364	305,132	-
Compensated absences	<u>266,085</u>	<u>71,332</u>	<u>-</u>	<u>337,417</u>	<u>99,053</u>
Business-type activities long-term liabilities	<u>\$ 8,782,614</u>	<u>\$ 1,088,328</u>	<u>\$ 504,845</u>	<u>\$ 8,560,567</u>	<u>\$ 604,129</u>

**NOTE 5: LEGAL DEBT MARGIN**

The computation of legal debt margin at April 30, 2019 is as follows:

Assessed Valuation	<u>\$ 132,931,455</u>
Bonded Debt Limit*	\$ 11,465,338
Bonded Indebtedness	<u>583,077</u>
Legal Debt Margin	<u>\$ 10,882,261</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, 2019 was as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Deletions	Ending Balance
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 14,191,238	\$ 2,679	\$ -	\$ 14,193,917
Land right-of-way	16,809,767	-	-	16,809,767
Total capital assets not being depreciated	31,001,005	2,679	-	31,003,684
Capital assets, being depreciated:				
Buildings and improvements	12,591,016	4,609,142	-	17,200,158
Machinery and equipment	1,405,644	599,549	19,894	1,985,299
Vehicles	2,843,617	62,775	158,724	2,747,668
Infrastructure	92,510,647	1,084,933	-	93,595,580
Total capital assets being depreciated	109,350,924	6,356,399	178,618	115,528,705
Less accumulated depreciation for:				
Buildings and improvements	7,143,720	118,675	-	7,262,395
Machinery and equipment	929,462	59,129	17,242	971,349
Vehicles	2,269,399	221,695	158,724	2,332,370
Infrastructure	60,531,578	1,519,376	-	62,050,954
Total accumulated depreciation	70,874,159	1,918,875	175,966	72,617,068
Total capital assets, being depreciated, net	38,476,765	4,437,524	2,652	42,911,637
Governmental activities capital assets, net	\$ 69,477,770	\$ 4,440,203	\$ 2,652	\$ 73,915,321
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 1,012,334	\$ -	\$ -	\$ 1,012,334
Capital assets, being depreciated:				
Buildings and improvements	3,178,153	22,451	-	3,200,604
Utility systems	30,866,492	1,617,346	-	32,483,838
Machinery and equipment	5,216,640	100,437	-	5,317,077
Vehicles	871,605	134,462	-	1,006,067
Total capital assets, being depreciated	40,132,890	1,874,696	-	42,007,586
Less accumulated depreciation for:				
Buildings and improvements	2,673,911	30,592	-	2,704,503
Utility systems	10,996,944	652,036	-	11,648,980
Machinery and equipment	2,700,988	184,395	-	2,885,383
Vehicles	472,666	69,289	-	541,955
Total accumulated depreciation	16,844,509	936,312	-	17,780,821
Total capital assets, being depreciated, net	23,288,381	938,384	-	24,226,765
Business-type activities capital assets, net	\$ 24,300,715	\$ 938,384	\$ -	\$ 25,239,099

**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	\$ 52,922
Public safety	236,293
Streets and highways, including depreciation of general infrastructure assets	1,563,656
Cultural and recreational	<u>66,004</u>
Total depreciation expense - governmental activities	<u>\$ 1,918,875</u>
Business-type activities:	
Water	\$ 310,215
Sewer	553,311
Golf course	<u>72,786</u>
	<u>\$ 936,312</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](http://www.imrf.org).

*Funding Policy.* As set by statute, members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2018 was 21.09 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	85
Inactive, non-Retired Members	32
Active Members	<u>41</u>
Total	<u>158</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 7.25%; the municipal bond rate is 3.71%; and the resulting single discount rate is 7.25%.

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

Actuarial Valuation Date	12/31/18
Measurement Date of the Net Pension Liability	12/31/18
Fiscal Year End	04/30/19

Development of the Single Discount Rate as of December 31, 2018	
Long-Term Expected Rate of Investment Return	7.25%
Long-Term Municipal Bond Rate	3.71%
Last year ending December 31 in the 2019 to 2118 projection period for which projected benefit payments are fully funded	2118
Resulting Single Discount Rate based on the above development	7.25%

Single Discount Rate calculated using December 31, 2017 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 31, 2018.

*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: 25 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.

<b>Total pension liability</b>	
Service Cost	\$ 224,489
Interest on the Total Pension Liability	1,483,074
Changes of benefit terms	-
Difference between expected and actual experience of the Total Pension Liability	(516,660)
Changes of assumptions	540,698
Benefit payments, including refunds of employee contributions	(1,339,648)
Net change in total pension liability	\$ 391,953
Total pension liability - beginning	20,331,897
Total pension liability - ending	<u>\$ 20,723,850</u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 507,184
Contributions - employee	108,242
Net investment income	(1,163,454)
Benefit payments, including refunds of employee contributions	(1,339,648)
Other (Net Transfer)	(301,056)
Net change in plan fiduciary net position	\$ (2,188,732)
Plan fiduciary net position - beginning	18,747,984
Plan fiduciary net position - ending	<u>\$ 16,559,252</u>
<b>Net pension liability/(asset)</b>	<u>\$ 4,164,598</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	79.90%
<b>Covered valuation payroll</b>	\$ 2,400,836
<b>Net pension liability as a percentage of covered valuation payroll</b>	173.46%

**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>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
Total Pension Liability	\$ 23,173,112	\$ 20,723,850	\$ 18,704,271
Plan Fiduciary Net Position	<u>16,559,252</u>	<u>16,559,252</u>	<u>16,559,252</u>
Net Pension Liability/(Asset)	<u>\$ 6,613,860</u>	<u>\$ 4,164,598</u>	<u>\$ 2,145,019</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 29,213	\$ 339,582
Changes in assumptions	355,381	243,525
Subsequent contributions	148,870	
Net difference between projected and actual earnings on pension plan investments	<u>2,251,860</u>	<u>1,181,113</u>
Total	<u>\$ 2,785,324</u>	<u>\$ 1,764,220</u>

Year Ending <u>December 31,</u>	Net Deferred Outflows of Resources
2019	\$ 336,896
2020	55,714
2021	122,273
2022	506,221
2023	-
	<u>\$ 1,021,104</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 retiree membership.

Plan Membership as of April 30, 2019:

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, 2019:

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

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, 2019, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 1.93%. 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, 2019 were as follows:

Total Pension Liability	\$ 13,300,098
Plan Fiduciary Net Position	<u>(5,840,665)</u>
Net Pension Liability	<u>\$ 7,459,433</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	44%
Covered Employee Payroll	\$ 713,979
Employer's Net pension Liability as a % of Employee Payroll	1,045%

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

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation April 30, 2019 using the following actuarial assumptions.

Inflation	2.50%
Projected Increase in Total Payroll	3.25%
Investment Rate of Return	6.00%
Mortality Table: RP-2014 Adjusted for Plan Status	
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 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return</u>
US Govt Fixed Income	0.40 - 2.00%
US Large Cap Equities	4.45 - 4.70%
US Mid/Small Cap Equities	5.20 - 6.50%
International Equities	4.45 - 7.45%
Emerging Markets Equity	7.50%

Discount Rate:

The discount rate used to measure the total pension liability was 5.52 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 2060. 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 5.52% 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>4.52%</u>	<u>5.52%</u>	<u>6.52%</u>
Net Pension Liability	\$ 9,589,597	\$ 7,459,433	\$ 5,747,770

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of May 01, 2018	\$ 12,410,886	\$ 5,738,034	\$ 6,672,852
Changes for a year			
Service Cost	259,850	-	259,850
Interest	702,428	-	702,428
Differences between expected and actual experience	(61,678)	-	(61,678)
Changes of assumptions	462,792	-	462,792
Changes of benefit terms	-	-	-
Contributions - employer	-	425,102	(425,102)
Contributions - employee	-	67,804	(67,804)
Net investment income	-	93,108	(93,108)
Benefit payments, including refunds	(474,180)	(474,180)	-
Administrative	-	(9,203)	9,203
Net Changes	<u>889,212</u>	<u>102,631</u>	<u>786,581</u>
Balances as of April 30, 2019	<u>\$ 13,300,098</u>	<u>\$ 5,840,665</u>	<u>\$ 7,459,433</u>

*Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses.* For the year ended April 30, 2019, the City recognized a pension expense of \$946,891. 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	\$ 332,232	\$ 54,828
Changes in assumptions	760,055	379,778
Net difference between projected and actual earnings on pension plan investments	<u>332,413</u>	<u>14,232</u>
Total	<u>\$ 1,424,700</u>	<u>\$ 448,838</u>

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

Year Ending <u>April 30,</u>	Net Deferred Outflows of <u>Resources</u>
2020	\$ 387,781
2021	310,550
2022	117,805
2023	99,665
2024	60,061
Thereafter	-
	<u>\$ 975,862</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 retiree membership.

Plan Membership as of April 30, 2019:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	18
Inactive Plan Members Entitled to But Not	
Currently Receiving Benefits	2
Active Plan Members	<u>18</u>
Total	<u>38</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, 2019:

<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, 2019, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 5.40%. 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, 2019 were as follows:

Total Pension Liability	\$ 19,434,336
Plan Fiduciary Net Position	<u>(10,500,272)</u>
Net Pension Liability	<u>\$ 8,934,064</u>
Plan Fiduciary Net Position as a % of Total Pension Liability	54%
Covered Employee Payroll	\$ 1,269,359
Employer's Net Pension Liability as a % of Employee Payroll	704%

**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, 2019 using the following actuarial assumptions.

Inflation	2.50%
Projected Increase in Total Payroll	3.25%
Investment Rate of Return	6.50%
Mortality Table: RP-2014 Adjusted for Plan Status	
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 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	3.50%

Discount Rate:

The discount rate used to measure the total pension liability was 6.50 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. To the extent future benefit payments would not covered by the plan's net position, the municipal bond rate would be used to determine the portion of the net pension liability associated with those payments.



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

The Net Pension Liability was determined using the discount rate of 6.50% 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>5.50%</u>	<u>6.50%</u>	<u>7.50%</u>
Net Pension Liability	\$ 11,849,898	\$ 8,934,064	\$ 6,579,377

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, 2018	\$ 20,101,322	\$ 9,933,094	\$ 10,168,228
Changes for a year			
Service Cost	374,886	-	374,886
Interest	1,182,988	-	1,182,988
Differences between expected and actual experience	(4,255)	-	(4,255)
Changes of assumptions	(1,319,872)	-	(1,319,872)
Changes of benefit terms	-	-	-
Contributions - employer	-	655,738	(655,738)
Contributions - employee	-	352,100	(352,100)
Net investment income	-	474,675	(474,675)
Benefit payments, including refunds	(900,733)	(900,733)	-
Administrative	-	(14,602)	14,602
Net Changes	<u>(666,986)</u>	<u>567,178</u>	<u>(1,234,164)</u>
Balances as of April 30, 2019	<u>\$ 19,434,336</u>	<u>\$ 10,500,272</u>	<u>\$ 8,934,064</u>

*Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses.* For the year ended April 30, 2019, the City recognized a pension expense of \$700,228. 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	\$ 269,129	\$ 3,535
Changes in assumptions	527,154	2,069,978
Net difference between projected and actual earnings on pension plan investments	<u>387,569</u>	<u>-</u>
Total	<u>\$ 1,183,852</u>	<u>\$ 2,073,513</u>

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

Year Ending <u>April 30,</u>	Net Deferred Inflows of <u>Resources</u>
2020	\$ 128,504
2021	(26,418)
2022	(413,832)
2023	(355,575)
2024	(222,340)
Thereafter	-
	<u>\$ (889,661)</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, 2019:

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, 2019.

**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, 2019 were as follows:

Total OPEB Liability	\$ 1,391,482
Plan Fiduciary Net Position	-
Net OPEB Liability	<u>\$ 1,391,482</u>
Plan Fiduciary Net Position as a % of Total OPEB Liability	0%
Covered Employee Payroll	\$ 4,402,896
Employer's Net OPEB Liability as a % of Employee Payroll	31.60%

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	OPEB Plan Net Position	Net OPEB Liability
Balances Beginning at 5/1/18	\$ 1,429,621	\$ -	\$ 1,429,621
Changes for a year			
Service Cost	36,660	-	36,660
Interest	53,823	-	53,823
Actuarial Experience			
Changes of assumptions	18,972	-	18,972
Plan Changes	-	-	-
Contributions - employer	-	147,594	(147,594)
Contributions - employee	-	-	-
Contributions - other	-	-	-
Net investment income	-	-	-
Benefit payments from Trust	(147,594)	(147,594)	-
Administrative	-	-	-
Net Changes	(38,139)	-	(38,139)
Balances Beginning at 4/30/19	<u>\$ 1,391,482</u>	<u>\$ -</u>	<u>\$ 1,391,482</u>

**Actuarial Assumptions:**

The total pension liability was determined by an actuarial valuation as of April 30, 2019 using the following actuarial assumptions.

Projected Increase in Total Payroll	2.75%
Discount Rate	3.79%
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 using MP-2016 Improvement Rates	
Retirement Rate: L&A 2016 Illinois Fire and Police Retirement and the IMRF December 31, 2017	

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

**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%

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

	<u>Healthcare Cost</u>		
	<u>Trend Rates</u>		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>(Varies)</u>	<u>(Varies)</u>	<u>(Varies)</u>
Net OPEB Liability	\$ 1,245,548	\$ 1,391,482	\$ 1,562,926

**Discount Rate:**

The discount rate used to measure the total OPEB liability was 3.79 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 following table displays the sensitivity of the resulting change had the rate been 1% higher or lower.

	<u>Current Discount</u>		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>2.79%</u>	<u>3.79%</u>	<u>4.79%</u>
Net OPEB Liability	\$ 1,539,684	\$ 1,391,482	\$ 1,263,940

*Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses.* For the year ended April 30, 2019, the City recognized an OPEB expense of \$91,807. The following tables display the amount of deferred inflows and outflows related to the net pension liability and the future periods that these deferrals will affect the financial statements.

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

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	17,648	-
Net difference between projected and actual earnings on OPEB investments	-	-
Total	<u>\$ 17,648</u>	<u>\$ -</u>

Year Ending <u>April 30,</u>	Net Deferred Outflows of <u>Resources</u>
2020	\$ 1,324
2021	1,324
2022	1,324
2023	1,324
2024	1,324
Thereafter	11,028
	<u>\$ 17,648</u>

GASB Statement 75 was implemented in the current fiscal year and requires the City to recognize the full liability related to Other Post-Employment Benefits (OPEB). This resulted in a restatement of the beginning balance of the governmental funds and the business-type funds. The governmental funds decreased by \$1,101,312 and the business-type funds decreased by \$309,337 as a result of the implementation.

**NOTE 9: INTERFUND RECEIVABLES**

For the year ended April 30, 2019, the Golf Course Fund owed the Capital Improvements and Development Fund \$78,896.

**NOTE 10: TAX ABATEMENTS**

Property tax value abatements within the City, related to the Riverbend Enterprise Zone (REZ), were \$1,539,560 and \$1,491,100 for the tax levy years 2018 and 2017, respectively. The 2018 levy is shown as a receivable and as deferred inflow of resources as of April 30, 2019 in the governmental funds statements and eliminated in the statement of activities. Tax revenues reflected in these financial statements are taxes collected on the 2017 levy. The abated tax on the REZ property related to the City is \$25,361 and \$26,164 for the tax levy years 2018 and 2017, respectively.

For the year ended April 30, 2019, local sales tax rebated to developers totaled \$22,281 and Business District sales tax rebated to developers totaled \$488,425.

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

**NOTE 11: INTERFUND TRANSFERS**

The following is a summary of interfund transfers for the year ended April 30, 2019:

**Business-type Activities:**

Water Fund Transfer From (To):	
General Fund	(112,214)
Sewer Fund	85,176
Refuse Fund	27,636
Business Park Special Allocation TIF Fund	635,730
Capital Improvement and Development Fund	66,550
Sewer Fund Transfer From (To):	
General Fund	(232,827)
Water Fund	(85,176)
Aquatic Center Fund Fund Transfer From (To):	
General Fund	(27,802)
	<u>\$ 357,073</u>

**Governmental Activities:**

General Fund Transfer From (To):	
Water Fund	\$ 112,214
Sewer Fund	232,827
Refuse Fund	136,639
Insurance Fund	150,000
Municipal Retirement Fund	100,000
Library Fund	5,800
Aquatic Center Fund	27,802
Capital Improvement and Development Fund	300,000
Motor Fuel Tax Fund	24,000
Insurance Fund Transfer From (To) General Fund	(150,000)
Motor Fuel Tax Fund Transfer From (To) General Fund	(24,000)
Business Park Special Allocation TIF Fund Transfer (To):	
Water Fund	(635,730)
Capital Improvement and Development Fund Transfer From (To):	
Water Fund	(66,550)
General Fund	(300,000)
Municipal Retirement Fund Transfer To General Fund	(100,000)
Library Fund Transfer From (To) General Fund	(5,800)
Refuse Fund Transfer (To):	
General Fund	(136,639)
Water Fund	(27,636)
	<u>\$ (357,073)</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.

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

**NOTE 12: SUBSEQUENT EVENT**

The City has evaluated events occurring after the financial statement date through August 26, 2019 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

**CITY OF WOOD RIVER, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Property Tax	\$ 370,540	\$ 370,540	\$ 368,746
Intergovernmental:			
Sales and Use Tax	3,230,900	3,230,900	3,505,519
Replacement Tax	158,000	158,000	167,101
State Income Tax	935,000	935,000	1,034,677
Grants	93,264	93,264	33,577
Other	140,000	140,000	148,414
Other Local Taxes	6,000	6,000	7,119
Licenses, Fees and Permits	93,250	93,250	119,626
Charges for Services	566,901	566,901	709,690
Fines	104,442	104,442	55,765
Investment Earnings	2,000	2,000	22,850
Miscellaneous Revenues and Reimbursements	2,250	2,250	42,108
Total Receipts	<u>5,702,547</u>	<u>5,702,547</u>	<u>6,215,192</u>
Disbursements:			
Legislative			
Personnel	26,288	26,288	24,619
Materials/Supplies	4,000	4,000	3,579
Dues/Subscriptions/Training	23,650	23,650	19,601
Services	21,900	21,900	17,365
Miscellaneous	<u>3,480</u>	<u>3,480</u>	<u>3,405</u>
Total Legislative	<u>79,318</u>	<u>79,318</u>	<u>68,569</u>
Administration			
Personnel	388,279	388,279	383,919
Materials/Supplies	7,200	7,200	5,747
Dues/Subscriptions/Training	2,700	2,700	1,130
Services	15,000	15,000	12,353
Miscellaneous	13,350	13,350	2,850
Capital	<u>-</u>	<u>31,095</u>	<u>31,095</u>
Total Administration	<u>426,529</u>	<u>457,624</u>	<u>437,094</u>
Finance			
Personnel	370,778	370,778	363,908
Materials/Supplies	16,100	16,100	13,310
Dues/Subscriptions/Training	5,500	5,500	3,808
Services	74,003	74,003	61,387
Miscellaneous	20,138	20,138	20,043
Capital	<u>12,018</u>	<u>12,018</u>	<u>2,194</u>
Total Finance	<u>498,537</u>	<u>498,537</u>	<u>464,650</u>



**CITY OF WOOD RIVER, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Disbursements (Continued):			
Legal			
Services	50,000	75,238	75,238
Miscellaneous	800	800	800
Total Legal	<u>50,800</u>	<u>76,038</u>	<u>76,038</u>
Building & Zoning			
Personnel	128,941	126,271	118,899
Materials/Supplies	6,675	6,675	5,508
Dues/Subscriptions/Training	3,100	3,100	175
Services	16,200	18,870	18,870
Miscellaneous	11,082	11,082	630
Capital	-	31,680	31,680
Total Building & Zoning	<u>165,998</u>	<u>197,678</u>	<u>175,762</u>
City Hall Maintenance			
Materials/Supplies	3,850	3,850	3,235
Services	55,600	55,600	50,532
Miscellaneous	8,400	8,400	8,400
Total City Hall Maintenance	<u>67,850</u>	<u>67,850</u>	<u>62,167</u>
Street Maintenance			
Personnel	125,572	123,836	123,642
Materials/Supplies	50,500	48,989	48,988
Dues/Subscriptions/Training	500	132	15
Services	117,738	121,353	121,352
Miscellaneous	35,972	35,972	35,971
Total Street Maintenance	<u>330,282</u>	<u>330,282</u>	<u>329,968</u>
Parks & Recreation			
Personnel	343,948	343,948	333,276
Materials/Supplies	21,700	21,700	19,614
Dues/Subscriptions/Training	2,900	2,900	127
Services	156,500	156,500	143,426
Miscellaneous	11,836	11,836	11,836
Capital	116,414	179,684	179,684
Total Parks & Recreation	<u>653,298</u>	<u>716,568</u>	<u>687,963</u>

**CITY OF WOOD RIVER, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Disbursements (Continued):			
Street Lighting			
Services	<u>203,000</u>	<u>203,000</u>	<u>154,436</u>
Total Street Lighting	<u>203,000</u>	<u>203,000</u>	<u>154,436</u>
Parks Maintenance			
Personnel	189,368	186,211	184,628
Materials/Supplies	42,200	45,357	45,356
Dues/Subscriptions/Training	250	250	-
Services	23,400	23,400	20,797
Miscellaneous	<u>4,080</u>	<u>4,080</u>	<u>4,080</u>
Total Parks Maintenance	<u>259,298</u>	<u>259,298</u>	<u>254,861</u>
Police Department			
Personnel	1,957,218	1,957,218	1,920,315
Materials/Supplies	139,515	145,211	115,442
Dues/Subscriptions/Training	9,000	9,000	6,846
Services	133,410	127,714	105,822
Capital	36,284	36,284	-
Miscellaneous	<u>129,139</u>	<u>129,139</u>	<u>129,138</u>
Total Police Department	<u>2,404,566</u>	<u>2,404,566</u>	<u>2,277,563</u>
Police Communications Center			
Personnel	505,265	537,112	537,111
Materials/Supplies	4,755	4,755	4,283
Dues/Subscriptions/Training	1,300	1,300	500
Services	<u>24,529</u>	<u>24,529</u>	<u>9,917</u>
Total Police Communications Center	<u>535,849</u>	<u>567,696</u>	<u>551,811</u>
Animal Control Department			
Personnel	22,631	22,631	20,262
Materials/Supplies	6,500	6,500	2,815
Services	2,400	2,400	510
Miscellaneous	<u>220</u>	<u>220</u>	<u>220</u>
Total Animal Control Department	<u>31,751</u>	<u>31,751</u>	<u>23,807</u>

**CITY OF WOOD RIVER, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (CASH BASIS) - GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Disbursements (Continued):			
Fire Department			
Personnel	1,154,824	1,143,268	1,140,189
Materials/Supplies	64,250	65,543	65,543
Dues/Subscriptions/Training	13,900	13,900	8,810
Services	73,150	83,413	83,413
Miscellaneous	89,551	89,551	89,265
Capital	<u>21,900</u>	<u>21,900</u>	<u>21,898</u>
Total Fire Department	<u>1,417,575</u>	<u>1,417,575</u>	<u>1,409,118</u>
Disaster Preparedness			
Personnel	994	994	993
Materials/Supplies	2,000	2,367	2,366
Services	<u>2,400</u>	<u>2,033</u>	<u>1,240</u>
Total Disaster Preparedness	<u>5,394</u>	<u>5,394</u>	<u>4,599</u>
Capital	<u>245,126</u>	<u>245,126</u>	<u>198,690</u>
Total Disbursements	<u>7,375,171</u>	<u>7,558,301</u>	<u>7,177,096</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>(1,672,624)</u>	<u>(1,855,754)</u>	<u>(961,904)</u>
Other Financing Sources:			
Proceeds From Loan	-	-	42,275
Operating Transfers In	<u>1,673,418</u>	<u>1,673,418</u>	<u>1,130,219</u>
Total Other Financing Sources	<u>1,673,418</u>	<u>1,673,418</u>	<u>1,172,494</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	<u>\$ 794</u>	<u>\$ (182,336)</u>	210,590
Change in intergovernmental revenue on modified accrual basis			157,103
Change in deferred revenue on modified accrual basis			(17,917)
Change in other receivable			(29,666)
Change in accrued payroll on modified accrual basis			(28,042)
Change in accounts payable on modified accrual basis			<u>46,542</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 338,610</u>

**CITY OF WOOD RIVER, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (CASH BASIS)

INSURANCE FUND  
FOR THE YEAR ENDED APRIL 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual (Budget Basis)</u>
	<u>Original</u>	<u>Final</u>	
Receipts:			
Property Tax	\$ 300,000	\$ 300,000	\$ 298,118
Insurance Reimbursements	1,561,910	1,561,910	1,585,989
Investment Earnings	<u>1,700</u>	<u>1,700</u>	<u>4,632</u>
Total Receipts	<u>1,863,610</u>	<u>1,863,610</u>	<u>1,888,739</u>
Disbursements:			
General Government - Miscellaneous	<u>1,714,950</u>	<u>1,714,950</u>	<u>1,625,366</u>
Total Disbursements	<u>1,714,950</u>	<u>1,714,950</u>	<u>1,625,366</u>
Excess of Receipts Over Disbursements	<u>\$ 148,660</u>	<u>\$ 148,660</u>	<u>263,373</u>
Other Financing Sources:			
Transfers In (Out)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(150,000)</u>
Excess of Receipts and Other Financing Sources Over Disbursements	<u>\$ (51,340)</u>	<u>\$ (51,340)</u>	113,373
Change for reporting on modified accrual basis:			
Change in prepaid expenses on modified accrual basis			<u>2,512</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ 115,885</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	<u>(Budget Basis)</u>
Receipts:			
Utility Tax	\$ 640,000	\$ 640,000	\$ 715,510
Telecommunications Tax	175,000	175,000	164,674
Grant Revenue	15,000	15,000	33,987
Investment Earnings	4,000	4,000	17,009
Miscellaneous	<u>1,032,000</u>	<u>1,032,000</u>	<u>4,153,427</u>
Total Receipts	<u>1,866,000</u>	<u>1,866,000</u>	<u>5,084,607</u>
Disbursements:			
Current:			
Materials and Supplies	207,751	231,617	231,617
Services	130,000	164,472	164,472
Capital Outlay	5,203,550	5,203,550	4,964,196
Debt Service	<u>88,284</u>	<u>88,284</u>	<u>55,720</u>
Total Disbursements	<u>5,629,585</u>	<u>5,687,923</u>	<u>5,416,005</u>
Excess of Receipts Over Disbursements	<u>(3,763,585)</u>	<u>(3,821,923)</u>	<u>(331,398)</u>
Other Financing Sources:			
Transfers In (Out)	<u>(773,801)</u>	<u>(715,463)</u>	<u>(366,550)</u>
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements	<u>\$ (4,537,386)</u>	<u>\$ (4,537,386)</u>	<u>(697,948)</u>
Change for reporting on modified accrual basis:			
Change in intergovernmental receivables on modified accrual basis			14,300
Change in accounts payable on modified accrual basis			(86,704)
Change in accounts receivable on modified accrual basis			<u>(6,468)</u>
As reported on the Statement of Revenues, Expenditures and Changes in Fund Balance			<u>\$ (776,820)</u>

**CITY OF WOOD RIVER, ILLINOIS**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION FUND  
APRIL 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:					
Service cost	\$ 374,886	\$ 411,243	\$ 388,148	\$ 362,046	\$ 426,604
Interest	1,182,988	1,138,361	1,177,380	935,917	883,886
Differences between expected and actual experience	(4,255)	923	51,424	726,070	-
Changes in assumptions	(1,319,872)	(200,965)	(1,525,756)	1,592,114	-
Benefit payments, including refunds	<u>(900,733)</u>	<u>(760,728)</u>	<u>(733,203)</u>	<u>(710,916)</u>	<u>(678,095)</u>
Net change in total pension liability	(666,986)	588,834	(642,007)	2,905,231	632,395
Total pension liability - beginning	<u>20,101,322</u>	<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>\$ 19,434,336</u>	<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	655,738	642,328	517,319	475,526	453,461
Contributions - employee	352,100	119,150	118,221	150,760	112,087
Net investment income	474,675	471,678	546,117	(136,607)	394,086
Benefit payments, including refunds	(900,733)	(760,728)	(733,203)	(710,916)	(678,095)
Administrative	<u>(14,602)</u>	<u>(11,075)</u>	<u>(11,340)</u>	<u>(10,100)</u>	<u>(8,230)</u>
Net change in plan fiduciary net position	567,178	461,353	437,114	(231,337)	273,309
Plan fiduciary net position - beginning	<u>9,933,094</u>	<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>\$ 10,500,272</u>	<u>\$ 9,933,094</u>	<u>\$ 9,471,741</u>	<u>\$ 9,034,627</u>	<u>\$ 9,265,964</u>
Net Pension Liability	<u>\$ 8,934,064</u>	<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>54.03%</u>	<u>49.42%</u>	<u>48.54%</u>	<u>44.83%</u>	<u>53.72%</u>
Covered-employee payroll	<u>\$ 1,269,359</u>	<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>703.82%</u>	<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, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:					
Service Cost	\$ 259,850	\$ 267,008	\$ 252,585	\$ 234,126	\$ 265,655
Interest	702,428	674,856	650,972	526,087	544,350
Differences between expected and actual experience	(61,678)	(5,422)	576,785	125,970	-
Changes in assumptions	462,792	(106,366)	(614,330)	1,116,404	-
Benefit payments, including refunds	<u>(474,180)</u>	<u>(476,071)</u>	<u>(419,368)</u>	<u>(414,806)</u>	<u>(378,187)</u>
Net change in total pension liability	889,212	354,005	446,644	1,587,781	431,818
Total pension liability - beginning	<u>12,410,886</u>	<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>\$ 13,300,098</u>	<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	425,102	414,940	318,511	297,756	291,031
Contributions - employee	67,804	65,218	64,591	63,298	61,367
Net investment income	93,108	239,965	346,266	(68,194)	169,570
Benefit payments, including refunds	(474,180)	(476,071)	(419,368)	(414,806)	(378,187)
Administrative	<u>(9,203)</u>	<u>(7,497)</u>	<u>(9,414)</u>	<u>(7,252)</u>	<u>(4,195)</u>
Net change in plan fiduciary net position	102,631	236,555	300,586	(129,198)	139,586
Plan fiduciary net position - beginning	<u>5,738,034</u>	<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>\$ 5,840,665</u>	<u>\$ 5,738,034</u>	<u>\$ 5,501,479</u>	<u>\$ 5,200,893</u>	<u>\$ 5,330,091</u>
Net Pension Liability	<u>\$ 7,459,433</u>	<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>43.91%</u>	<u>46.23%</u>	<u>45.63%</u>	<u>44.80%</u>	<u>53.18%</u>
Covered-employee payroll	<u>\$ 713,979</u>	<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>1044.77%</u>	<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, 2019

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability:				
Service Cost	\$ 224,489	\$ 233,161	\$ 235,078	\$ 206,508
Interest	1,483,074	1,497,155	1,448,374	1,397,338
Difference between expected and actual experience	(516,660)	35,826	336,219	418,857
Assumption changes	540,698	(598,123)	(44,895)	21,865
Benefit payments, including refunds	<u>(1,339,648)</u>	<u>(1,363,228)</u>	<u>(1,386,852)</u>	<u>(1,316,353)</u>
Net change in total pension liability	391,953	(195,209)	587,924	728,215
Total pension liability - beginning	<u>20,331,897</u>	<u>20,527,106</u>	<u>19,939,182</u>	<u>19,210,967</u>
Total pension liability - ending	<u>\$ 20,723,850</u>	<u>\$ 20,331,897</u>	<u>\$ 20,527,106</u>	<u>\$ 19,939,182</u>
Plan Fiduciary Net Position				
Contributions - employer	507,184	472,609	517,451	353,931
Contributions - employee	108,242	104,715	101,995	102,016
Net investment income	(1,163,454)	3,136,094	1,261,868	79,482
Benefit payments, including refunds	(1,339,648)	(1,363,228)	(1,386,852)	(1,316,353)
Other	<u>(301,056)</u>	<u>(426,426)</u>	<u>193,601</u>	<u>590,567</u>
Net change in plan fiduciary net position	(2,188,732)	1,923,764	688,063	(190,357)
Plan fiduciary net position - beginning	<u>18,747,984</u>	<u>16,824,220</u>	<u>16,136,157</u>	<u>16,326,514</u>
Plan fiduciary net position - ending	<u>\$ 16,559,252</u>	<u>\$ 18,747,984</u>	<u>\$ 16,824,220</u>	<u>\$ 16,136,157</u>
Net Pension Liability	<u>\$ 4,164,598</u>	<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>79.90%</u>	<u>92.21%</u>	<u>81.96%</u>	<u>80.93%</u>
Covered-employee Payroll	<u>\$ 2,400,836</u>	<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>173.46%</u>	<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, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 655,140	\$ 642,311	\$ 517,404	\$ 477,414	\$ 458,124
Contributions in relation to actuarial determined contribution	<u>655,738</u>	<u>642,328</u>	<u>517,319</u>	<u>475,526</u>	<u>453,461</u>
Contribution deficiency (excess)	<u>\$ (598)</u>	<u>\$ (17)</u>	<u>\$ 85</u>	<u>\$ 1,888</u>	<u>\$ 4,663</u>
 Covered-employee Payroll	 <u>1,269,359</u>	 <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>51.66%</u>	 <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, 2018.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	22 years
Asset Valuation Method:	5-Year Smoothed Market Value
Actuarial Assumptions:	
Interest Rate	6.25%
Payroll Growth	3.50%
Inflation Rate	2.50%

**CITY OF WOOD RIVER, ILLINOIS**

**SCHEDULE OF CONTRIBUTIONS  
FIREFIGHTER'S PENSION FUND  
APRIL 30, 2019**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 424,773	\$ 414,887	\$ 318,496	\$ 299,024	\$ 294,411
Contributions in relation to actuarial determined contribution	<u>425,102</u>	<u>414,940</u>	<u>318,511</u>	<u>297,756</u>	<u>291,031</u>
Contribution deficiency (excess)	<u>\$ (329)</u>	<u>\$ (53)</u>	<u>\$ (15)</u>	<u>\$ 1,268</u>	<u>\$ 3,380</u>
 Covered-employee Payroll	 <u>713,979</u>	 <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>59.54%</u>	 <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, 2018.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Level Percentage of Payroll
Remaining Amortization Period:	22 years
Asset Valuation Method:	5-Year Smoothed Market Value
Actuarial Assumptions:	
Interest Rate	6.25%
Payroll Growth	3.50%
Inflation Rate	2.50%

**CITY OF WOOD RIVER, ILLINOIS**

**SCHEDULE OF CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
APRIL 30, 2019**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial Determined Contribution	\$ 506,336	\$ 472,610	\$ 517,451	\$ 353,904
Contributions in relation to actuarial determined contribution	<u>507,184</u>	<u>472,609</u>	<u>517,451</u>	<u>353,931</u>
Contribution deficiency (excess)	<u>\$ (848)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (27)</u>
 Covered-employee Payroll	 <u>\$ 2,400,836</u>	 <u>\$ 2,326,983</u>	 <u>\$ 2,266,539</u>	 <u>\$ 2,224,414</u>
 Contributions as a percentage of covered-employee payroll	 <u>21.13%</u>	 <u>20.31%</u>	 <u>22.83%</u>	 <u>15.91%</u>

Actuarial valuation date for above is December 31, 2018.

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:	25 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, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	5.40%	5.58%	6.71%	-1.26%	4.93%

**CITY OF WOOD RIVER, ILLINOIS**

SCHEDULE OF INVESTMENT RETURNS  
FIREFIGHTER'S PENSION FUND  
APRIL 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	1.93%	4.86%	7.28%	-1.12%	3.73%

**CITY OF WOOD RIVER, ILLINOIS**

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

RETIREE MEDICAL PROGRAM

APRIL 30, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability:		
Service Cost	\$ 36,660	\$ 35,260
Interest	53,823	55,938
Differences between expected and actual	-	-
Changes in assumptions	18,972	-
Benefit payments, including refunds	<u>(147,594)</u>	<u>(141,161)</u>
Net change in total OPEB liability	(38,139)	(49,963)
Total OPEB liability - beginning	<u>1,429,621</u>	<u>1,479,584</u>
Total OPEB liability - ending	<u><u>\$ 1,391,482</u></u>	<u><u>\$ 1,429,621</u></u>
Plan Fiduciary Net Position		
Contributions - employer	147,594	141,161
Contributions - employee	-	-
Net investment income	-	-
Benefit payments, including refunds	(147,594)	(141,161)
Administrative	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Net OPEB Liability	<u><u>\$ 1,391,482</u></u>	<u><u>\$ 1,429,621</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>	<u>0.00%</u>
Covered-employee payroll	<u><u>\$ 4,402,896</u></u>	<u><u>\$ 4,232,487</u></u>
Net position liability as a percentage of covered-employee payroll	<u>31.60%</u>	<u>33.78%</u>

CITY OF WOOD RIVER, ILLINOIS

SCHEDULE OF EMPLOYER PAID CONTRIBUTIONS  
RETIREE MEDICAL PROGRAM  
APRIL 30, 2019

	<u>2019</u>	<u>2018</u>
Actuarial Determined Contribution	N/A	N/A
Contributions in relation to actuarial determined contribution	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>N/A</u>	<u>N/A</u>
Covered-employee Payroll	<u>4,402,896</u>	<u>4,232,487</u>
Contributions as a percentage of covered-employee payroll	<u>0.00%</u>	<u>0.00%</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, 2019.

The City contributes on a pay-as-you basis with no funded balances.

The actuarial valuations presented are prepared using the following parameters:

Actuarial Cost Method:	Entry Age Normal Cost
Amortization Method:	Level Percentage of Payroll
Assumed Retirement Age	Age 60 for Tier I IMRF Employees Age 62 for Tier II IMRF Employees Age 55 for Tier I and II Firefighters Age 54 for Tier I Police Officers Age 55 for Tier II Police Officers
Actuarial Assumptions:	
Discount Rate	3.79%
Healthcare Inflation	7.70% grading down .30% per year until 5.00%
Payroll Increases	2.75%
Inflation	2.75%

Mortality Rates follow the Sex Distinct Raw Rates as developed in the RP-2014 Study

**CITY OF WOOD RIVER, ILLINOIS**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE GOVERNMENTAL FUNDS  
APRIL 30, 2019

	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	TIF #3 Fund	Total Nonmajor Special Revenue Funds
<u>Assets</u>									
Cash and Cash Equivalents	\$ 34,899	\$ 418,310	\$ 253,600	\$ 178,756	\$ -	\$ 434,565	\$ -	\$ -	\$ 1,320,130
Receivables (Net of allowance for uncollectible):									
Property Tax	35,094	-	358,649	90,128	-	-	-	45,938	529,809
Intergovernmental	12,398	41,778	7,558	-	-	134,407	-	-	196,141
Accounts	-	-	-	116,662	-	-	-	-	116,662
Total Assets	<u>\$ 82,391</u>	<u>\$ 460,088</u>	<u>\$ 619,807</u>	<u>\$ 385,546</u>	<u>\$ -</u>	<u>\$ 568,972</u>	<u>\$ -</u>	<u>\$ 45,938</u>	<u>\$ 2,162,742</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>									
Liabilities:									
Accrued Payroll and Benefits	\$ -	\$ -	\$ 6,888	\$ 741	\$ -	\$ -	\$ -	\$ -	\$ 7,629
Accounts Payable	-	152,473	6,909	53,464	-	310,712	-	-	523,558
Total Liabilities	<u>-</u>	<u>152,473</u>	<u>13,797</u>	<u>54,205</u>	<u>-</u>	<u>310,712</u>	<u>-</u>	<u>-</u>	<u>531,187</u>
Deferred Inflows of Resources:									
Unearned Revenue	<u>35,094</u>	<u>-</u>	<u>358,649</u>	<u>90,128</u>	<u>-</u>	<u>44,878</u>	<u>-</u>	<u>45,938</u>	<u>574,687</u>
Fund Balances:									
Restricted	<u>47,297</u>	<u>307,615</u>	<u>247,361</u>	<u>241,213</u>	<u>-</u>	<u>213,382</u>	<u>-</u>	<u>-</u>	<u>1,056,868</u>
Total Fund Balances	<u>47,297</u>	<u>307,615</u>	<u>247,361</u>	<u>241,213</u>	<u>-</u>	<u>213,382</u>	<u>-</u>	<u>-</u>	<u>1,056,868</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 82,391</u>	<u>\$ 460,088</u>	<u>\$ 619,807</u>	<u>\$ 385,546</u>	<u>\$ -</u>	<u>\$ 568,972</u>	<u>\$ -</u>	<u>\$ 45,938</u>	<u>\$ 2,162,742</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, 2019**

	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>	TIF #3 <u>Fund</u>	Total Nonmajor Special Revenue <u>Funds</u>
Property Tax	\$ 34,874	\$ -	\$ 356,490	\$ 89,509	\$ 376,104	\$ -	\$ 6,534	\$ -	\$ 863,511
Intergovernmental Revenues:									
Corporate Replacement Tax	45,457	-	27,710	-	-	-	-	-	73,167
Sales Tax	-	-	-	-	-	555,029	-	-	555,029
Motor Fuel Tax	-	270,524	-	-	-	-	-	-	270,524
Grant Revenue	-	195,250	13,321	-	-	-	-	-	208,571
Fines and Fees	-	-	3,707	-	-	-	-	-	3,707
Charges for Services	-	-	7,290	714,401	-	-	-	-	721,691
Investment Earnings	257	8,046	881	1,672	7,416	4,124	3	-	22,399
Miscellaneous Income	-	901	5,567	-	-	-	-	-	6,468
Total Revenues	<u>80,588</u>	<u>474,721</u>	<u>414,966</u>	<u>805,582</u>	<u>383,520</u>	<u>559,153</u>	<u>6,537</u>	<u>-</u>	<u>2,725,067</u>
Expenditures:									
Current:									
General Government	-	-	-	-	-	-	12,246	-	12,246
Public Works	-	-	-	-	66,113	-	-	-	66,113
Streets and Highways	-	138,052	-	-	-	-	-	-	138,052
Development	-	-	-	-	23,819	460,675	-	-	484,494
Sanitation	-	-	-	622,055	-	-	-	-	622,055
Cultural and Recreational	-	-	368,267	-	-	-	-	-	368,267
Capital Outlay	-	553,748	2,045	-	-	-	-	-	555,793
Total Expenditures	<u>-</u>	<u>691,800</u>	<u>370,312</u>	<u>622,055</u>	<u>89,932</u>	<u>460,675</u>	<u>12,246</u>	<u>-</u>	<u>2,247,020</u>
Excess (Deficiency) of Revenues Over Expenditures	80,588	(217,079)	44,654	183,527	293,588	98,478	(5,709)	-	478,047
Other Financing Sources (Uses):									
Transfers Out	(100,000)	(24,000)	(5,800)	(164,275)	(635,730)	-	-	-	(929,805)
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(24,000)</u>	<u>(5,800)</u>	<u>(164,275)</u>	<u>(635,730)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(929,805)</u>
Net Change in Fund Balances	(19,412)	(241,079)	38,854	19,252	(342,142)	98,478	(5,709)	-	(451,758)
Fund Balances at Beginning 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>
Fund Balances at End of Year	<u>\$ 47,297</u>	<u>\$ 307,615</u>	<u>\$ 247,361</u>	<u>\$ 241,213</u>	<u>\$ -</u>	<u>\$ 213,382</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,056,868</u>

**CITY OF WOOD RIVER, ILLINOIS**

SCHEDULE OF TAX RATES, EXTENSIONS AND COLLECTIONS  
APRIL 30, 2019

	<u>2018</u>	<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>
Assessed Valuation	<u>\$ 132,931,455</u>	<u>\$ 123,576,965</u>	<u>\$ 118,323,541</u>	<u>\$ 117,500,934</u>	<u>\$ 115,582,183</u>	<u>\$ 117,288,987</u>	<u>\$ 120,677,049</u>	<u>\$ 126,702,506</u>	<u>\$ 128,894,456</u>	<u>\$ 114,398,405</u>
Tax Rates:										
General	\$ -	\$ -	\$ 0.1260	\$ 0.1203	\$ 0.1220	\$ 0.1160	\$ 0.1127	\$ 0.1950	\$ 0.1984	\$ 0.1264
Retirement	0.0264	0.0284	0.0296	0.0298	0.0303	0.0299	0.0291	0.0277	0.0272	0.0184
Fire Protection	0.0497	0.0534	0.0423	0.0554	0.0563	0.0555	0.0539	0.0514	0.0505	0.0491
Fire Pension	0.3196	0.3358	0.2692	0.2545	0.2548	0.2873	0.2643	0.1930	0.1897	0.2224
Police Protection	0.0497	0.0534	0.0423	0.0554	0.0563	0.0555	0.0539	0.0514	0.0505	0.0491
Police Pension	0.4929	0.5198	0.4373	0.4064	0.3964	0.3895	0.3638	0.3053	0.3001	0.3494
Garbage	0.0678	0.0729	0.0761	0.1022	0.1039	0.1024	0.0995	0.0948	0.0931	0.0875
Audit	0.0202	0.0216	0.0225	0.0227	0.0229	0.0223	0.0191	0.0182	0.0179	0.0144
Insurance	0.2257	0.2428	0.2536	0.2554	0.2596	0.2558	0.2486	0.2368	0.2328	0.2404
Street and Bridge	0.0494	0.0546	0.0589	0.0593	0.0599	0.0629	0.0612	0.0572	0.0381	0.0311
Street Lighting	0.0264	0.0284	0.0296	0.0298	0.0303	0.0256	0.0249	0.0237	0.0233	0.0175
Playground and Recreation	0.0497	0.0534	0.0550	0.0554	0.0563	0.0555	0.0539	0.0514	0.0505	0.0491
Band	-	-	-	0.0111	0.0117	0.0105	0.0083	0.0079	0.0078	0.0078
Library - General	0.2181	0.2358	0.2424	0.2379	0.2403	0.2422	0.2467	0.2478	0.2341	0.2443
Library - Other	<u>0.0517</u>	<u>0.0544</u>	<u>0.0606</u>	<u>0.0655</u>	<u>0.0660</u>	<u>0.0644</u>	<u>0.0619</u>	<u>0.0566</u>	<u>0.0582</u>	<u>0.0629</u>
	<u>\$ 1.6473</u>	<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>
Tax Extensions:										
General	\$ -	\$ -	\$ 149,088	\$ 141,353	\$ 141,010	\$ 136,055	\$ 136,003	\$ 247,070	\$ 255,727	\$ 144,599
Retirement	35,094	35,096	35,024	35,015	35,022	35,070	35,117	35,097	35,059	21,049
Fire Protection	66,067	65,990	50,051	65,096	65,073	65,095	65,045	65,125	65,092	56,170
Fire Pension	424,849	414,971	318,527	299,040	294,503	336,971	318,949	244,536	244,513	254,422
Police Protection	66,067	65,990	50,051	65,096	65,073	65,095	65,045	65,125	65,092	56,170
Police Pension	655,219	642,353	517,429	477,524	458,168	456,841	439,023	386,823	386,812	399,708
Garbage	90,127	90,088	90,044	120,086	120,090	120,104	120,074	120,114	120,001	100,098
Audit	26,852	26,693	26,623	26,673	26,468	26,156	23,049	23,060	23,072	16,473
Insurance	300,027	300,045	300,068	300,097	300,051	300,025	300,003	300,032	300,066	275,014
Street and Bridge	65,668	67,473	69,693	69,678	69,234	73,775	73,854	72,474	49,109	35,578
Street Lighting	35,094	35,096	35,024	35,015	35,021	30,026	30,049	30,028	30,032	20,020
Playground and Recreation	66,067	65,990	65,078	65,096	65,073	65,095	65,045	65,125	65,092	56,170
Band	-	-	-	13,042	13,523	12,315	10,016	10,009	10,054	8,923
Library - General	289,924	291,394	286,816	279,535	277,744	284,074	297,710	313,969	301,742	279,475
Library - Other	<u>68,725</u>	<u>67,226</u>	<u>71,704</u>	<u>76,963</u>	<u>76,284</u>	<u>75,534</u>	<u>74,699</u>	<u>71,713</u>	<u>75,016</u>	<u>71,957</u>
Total	<u>\$ 2,189,780</u>	<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>
Tax Collections	<u>\$ -</u>	<u>\$ 2,153,553</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>
Percentage Collected	<u>0.00%</u>	<u>99.32%</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>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements 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 and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Wood River, Illinois' basic financial statements, and have issued our report thereon dated August 26, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Wood River, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Wood River, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Wood River, Illinois' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Wood River, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*C. J. Schoner & Company LLC*

Certified Public Accountants

Alton, Illinois

August 26, 2019



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

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

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

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 City of Wood River, Illinois as of and for the year ended April 30, 2019, 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. Schlosser & Company LLC*  
Certified Public Accountants

August 26, 2019