MARK A. VON NIDA

COUNTY CLERK
MADISON COUNTY

Edwardsville Township

HAS FILED THE FOLLOWING DOCUMENT(S):

[ ] BUDGET/APPROPRIATION ORDINANCE (35 ILCS 200/18-50)

[ ] CERTIFICATION OF BUDGET/APPROPRIATION ORDINANCE

[ ] ESTIMATE OF ANTICIPATED REVENUES (35 ILCS 200/18-50)

[ ] TAX LEVY ORDINANCE (35 ILCS 200/18-15)

[ ] CERTIFICATION OF TAX LEVY

[ ] CERTIFICATION OF TRUTH-IN-TAXATION COMPLIANCE
(35 ILCS 200/18-55 THRU 18-90)

--IF APPLICABLE--

[X] ANNUAL FINANCIAL REPORT (50 ILCS 310/6)
(*Fulfills fiscal accountability report card requirement*)

[X] AUDIT REPORT (60 ILCS 5/13-5) (50 ILCS 310/3)

[ ] TREASURER'S REPORT (30 ILCS 15/1)

[ ] _____

IN THIS OFFICE ON October 7, 2009.

Mark Von Nida
COUNTY CLERK

Linda Carroll
DEPUTY

EDWARDSVILLE TOWNSHIP

REPORT AND FINANCIAL STATEMENTS

MARCH 31, 2009

EDWARDSVILLE TOWNSHIP
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INDEPENDENT AUDITOR'S REPORT

August 25, 2009

Board of Trustees
Edwardsville Township
300 W. Park Street
Edwardsville, Illinois 62025

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Edwardsville Township as of and for the year ended March 31, 2009, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As described in Note 1, Edwardsville Township prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Edwardsville Township as of March 31, 2009, and the respective changes in financial position-modified cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

The management's discussion and analysis and budgetary comparison information on pages 3 through 5 and 24 through 27, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining nonmajor fund financial statements and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Schoffel & Company P.C.

TOWNSHIP OVERVIEW

Management believes the financial position of Edwardsville Township (Township) is very strong and will continue to be operated with fiscal responsibility being a top priority. The Township continues to operate within the dollars budgeted in all funds and continues to monitor areas where cost savings can be obtained. We continue to look for grant opportunities to add additional revenues to fund projects that benefit the Township taxpayers without taking revenues from existing services we offer.

Edwardsville Township is in a strong financial position and operates within the tax receipt revenues and does not have to seek outside sources of funding. Due to the lack of outside debt and no reported debt on our financial statements, there will be no discussion on debt service or balance sheet liabilities.

One important question about the Township's finances is, "Is the Township as a whole better off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the modified cash basis of accounting.

These two statements report the Township's net assets and changes in them. You can think of the Township's net assets as one way to measure the Township's financial health, or financial position. Over time, increases or decreases in the Township's net assets are one indicator of improving or deteriorating financial strength. However, other non-financial factors must also be considered, such as the Township's property tax base, condition of the Township roads, and condition of the Township park, when assessing the overall financial strength of the Township.

The Township has six (6) fund categories that are used for budgeting and accounting purposes. These categories consist of (1) General Fund (2) General Road Fund (3) Permanent Road Fund (4) Community Park Fund (5) General Assistance and (6) IMRF – Illinois Municipal Retirement Fund. The following provides an overview of each fund.

General Fund – The General Fund combines revenues allocated for the Administration and Assessor's offices. Under the Administration side, funds were budgeted for Personnel, Contractual Services, Commodities, Other, Capital Outlay, Contingencies and Community Development. Categories on the Assessor's side include Personnel, Quadrennial Assessment, Contractual Services, Commodities, Other, Capital Outlay, and Contingencies. Falling under the General Fund are three (3) of the above mentioned funds. They include the Park Fund, General Assistance Fund, and IMRF. Each of these funds contains the same budgeted items as described under the Administration side of the General Fund.

General Road Fund – The General Road Fund consists of Administration, under which Personnel, Contractual Services and Commodities are categorized. Also included is Roads which consists of Personnel, Contractual Services, Commodities, Other, Capital Outlay, and Contingencies.

Permanent Road Fund – The Permanent Road Fund consists of a single category entitled Roads. Under this category are Personnel, Contractual Services, Commodities, Capital Outlay, and Contingencies.

NET ASSETS REVIEW

The Township's net assets increased by $414 thousand from a year ago.

Of the current assets, $1.6 million is invested in certificates of deposit and money market accounts. The certificates of deposit are fully secured and the money market accounts each have insurance up to $250,000. Very limited exposure exists on our deposits and they are with banking institutions that have been in business for well over 100 years.

STATEMENT OF NET ASSETS
(000's)

	2009	2008	Change
Current Assets	$2,556	$2,157	$399
Capital Assets	1,444	1,429	15
Total Assets	$4,000	$3,586	$414
Net Assets			
Invested in Capital Assets	$1,444	$1,429	$ 15
Unrestricted	2,556	2,157	399
Total Net Assets	$4,000	$3,586	$414

REVENUES AND EXPENSES

In 2009, total revenues grew by $21 thousand; however, actual growth in reoccurring revenue (property taxes) grew by $75 thousand. As the chart shows, the grant revenue was down by $34 thousand which would typically be of concern. However, grant revenue is not expected nor is it required to conduct the daily operations of the Township. Overall, the Township has shown good growth in its net assets with an increase in fund balances of $399 thousand in 2009.

Actual disbursements for the General Fund in 2008/2009 were $407,717 which was down from the $432,010 reported in 2007/2008. The Community Park Fund, a sub-category of the General Fund, reported disbursements of $100,480 in 2008/2009 as compared to $111,094 in 2007/2008.

Total expenditures under the IMRF were $73,346 in 2008/2009, which was up slightly from $69,645 in 2007/2008. The IMRF is the Township's share of Retirement and Social Security.

The General Road Fund had total expenditures in 2008/2009 of $125,815 as compared to $114,070 in 2007/2008.

The Permanent Road Fund reported expenditures in 2008/2009 of $322,350 as compared to $278,957 in 2007/2008.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
(000's)

	2009	2008
REVENUES		
General Revenues		
Property Taxes	$1,238	$1,163
Other Taxes	58	65
Interest	47	60
Grants	9	43
Rents and Other Revenues	10	10
Total Revenues	$1,362	$1,341
EXPENSES		
Administration	$ 534	$ 551
Public Assistance	2	31
Roads	273	222
Culture and Recreation	74	62
Capital Outlay		
Equipment	149	171
Total Expenditures	$1,032	$1,037
Excess Before Other Financing Sources Besides Transfers	$ 330	$ 304
Insurance Loss Recoveries	22	-
Fixed Asset Sale	47	15
Increase in Net Assets	$ 399	$ 319

SUMMARY

In summary, Management believes that Edwardsville Township consistently operates within a fiscally responsible budget. A reasonable and allowable fund surplus is maintained to keep the Township financially sound. The Township invests its monies in a manner that allows for interest income while ensuring the monies are available for day to day operations.

The annual audit of Edwardsville Township's financial statements has shown the Township to consistently operate in a fiscally responsible manner while providing the needed services to its residents.

EXHIBIT "A"

EDWARDSVILLE TOWNSHIP
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
MARCH 31, 2009

	Governmental Activities
ASSETS:	
Current Assets:	
Cash in Bank	$ 946,165
Investments	1,609,486
Total Current Assets	$ 2,555,651
Noncurrent Assets:	
Capital Assets, Net of Accumulated Depreciation:	
Land	$ 172,927
Buildings	354,474
Improvements	219,179
Infrastructure	375,356
Machinery and Equipment	246,806
Vehicles	74,912
Total Noncurrent Assets	$ 1,443,654
Total Assets	$ 3,999,305
NET ASSETS:	
Invested in Capital Assets	$ 1,443,654
Unrestricted	2,555,651
Total Net Assets	$ 3,999,305

See accompanying notes to the basic financial statements.

EXHIBIT "B"

EDWARDSVILLE TOWNSHIP
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED MARCH 31, 2009

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government Total Governmental Activities
Primary Government				
Governmental Activities:				
Administration	$ 540,724	$ 4,080	$ -	$ (536,644)
Public Assistance	2,467	-	-	(2,467)
Roads	349,852	-	-	(349,852)
Culture and Recreation	124,103	-	9,264	(114,839)
Total Governmental Activities	$ 1,017,146	$ 4,080	$ 9,264	$ (1,003,802)
General Revenues:				
Property Taxes				$ 1,237,762
Personal Property Replacement Tax				57,860
Interest Earned on Investments				47,327
Miscellaneous Income				5,668
Gain on Sale of Fixed Asset				47,000
Insurance Loss Recoveries				22,359
Total General Revenues				$ 1,417,976
Changes in Net Assets				$ 414,174
Net Assets - Beginning				3,585,131
Net Assets - Ending				$ 3,999,305

See accompanying notes to the basic financial statements.

EXHIBIT "C"

EDWARDSVILLE TOWNSHIP
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
MARCH 31, 2009

	GENERAL	GENERAL ROAD	PERMANENT ROAD	COMMUNITY PARK	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets:						
Cash in Bank	$ 179,576	$ 13,389	$ 718,023	$ 3,487	$ 31,690	$ 946,165
Investments	-	169,894	1,365,078	-	74,514	1,609,486
Total Assets	$ 179,576	$ 183,283	$ 2,083,101	$ 3,487	$ 106,204	$ 2,555,651
Fund Balances:						
Reserved	$ -	$ 23,944	$ -	$ -	$ -	$ 23,944
Unreserved	179,576	159,339	2,083,101	3,487	106,204	2,531,707
Total Fund Balances	$ 179,576	$ 183,283	$ 2,083,101	$ 3,487	$ 106,204	$ 2,555,651

See accompanying notes to the basic financial statements.

EXHIBIT "D"

EDWARDSVILLE TOWNSHIP
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES - MODIFIED CASH BASIS
MARCH 31, 2009

Total governmental fund balances	$ 2,555,651
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in the governmental activities are not financial resources and, therefore are not reported in the funds.	1,443,654
Net assets of governmental activities	$ 3,999,305

See accompanying notes to the basic financial statements.

EXHIBIT "E"

EDWARDSVILLE TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
YEAR ENDED MARCH 31, 2009

	GENERAL	GENERAL ROAD	PERMANENT ROAD	COMMUNITY PARK	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:						
Property Taxes	$ 401,315	$ 89,216	$ 629,692	$ -	$ 117,539	$ 1,237,762
Personal Property Replacement Taxes	24,862	22,998	-	-	10,000	57,860
Interest Earned on Investments	4,234	5,882	35,979	9	1,223	47,327
Rental Income	4,080	-	-	-	-	4,080
Grant Income	-	-	-	9,264	-	9,264
Other Income	5,412	96	-	160	-	5,668
Total Revenues	$ 439,903	$ 118,192	$ 665,671	$ 9,433	$ 128,762	$ 1,361,961
Expenditures:						
Administration	$ 406,254	$ 53,912	$ -	$ 67	$ 73,346	$ 533,579
Public Assistance	-	-	-	-	2,467	2,467
Roads	-	71,903	201,005	-	-	272,908
Culture and Recreation	700	-	-	73,294	-	73,994
Capital Outlay:						
Equipment	763	-	121,345	27,119	-	149,227
Total Expenditures	$ 407,717	$ 125,815	$ 322,350	$ 100,480	$ 75,813	$ 1,032,175
Excess (Deficiency) of Revenues Over Expenditures	$ 32,186	$ (7,623)	$ 343,321	$ (91,047)	$ 52,949	$ 329,786
Other Financing Sources (Uses):						
Insurance Loss Recoveries	$ -	$ -	$ -	$ 22,359	$ -	$ 22,359
Sale of Fixed Asset	-	-	47,000	-	-	47,000
Transfers From Other Funds	70,000	-	-	62,000	-	132,000
Transfers To Other Funds	(62,000)	-	-	-	(70,000)	(132,000)
Total Other Financing Sources (Uses)	$ 8,000	$ -	$ 47,000	$ 84,359	$ (70,000)	$ 69,359
Net Change in Fund Balances	$ 40,186	$ (7,623)	$ 390,321	$ (6,688)	$ (17,051)	$ 399,145
Fund Balances:						
Beginning of Year	139,390	190,906	1,692,780	10,175	123,255	2,156,506
End of Year	$ 179,576	$ 183,283	$ 2,083,101	$ 3,487	$ 106,204	$ 2,555,651

See accompanying notes to the basic financial statements.

EXHIBIT "F"

EDWARDSVILLE TOWNSHIP
RECONCILIATION OF THE STATEMENT OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
MARCH 31, 2009

Net Change in fund balances - total governmental funds	$ 399,145
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	15,029
Change in net assets of governmental activities	$ 414,174

See accompanying notes to the basic financial statements.

EXHIBIT "G"

EDWARDSVILLE TOWNSHIP
STATEMENT OF FIDUCIARY NET ASSETS - MODIFIED CASH BASIS
AGENCY FUND
MARCH 31, 2009

Assets		
Current Assets:		
Cash in Bank	$	2,937
Total Current Assets	$	2,937
Liabilities		
Current Liabilities:		
Due to Others	$	2,937
Total Current Liabilities	$	2,937

See accompanying notes to the basic financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Township of Edwardsville provides the following services: public assistance, road and bridge maintenance and improvements, and general administrative services.

The financial statements of the Township have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP).

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 Township's accounting policies are described below.

A. Reporting Entity

The Township defines its reporting entity in accordance with provisions established by the Governmental Accounting Standards Board (GASB). GASB requirements for inclusion of component units are based upon whether the Township's governing body has a significant amount of financial accountability for another entity.

The following criteria have been developed to determine whether related organizations should be included within the financial reporting entity. The criteria include, but are not limited to, whether the Township exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public services, and special financing relationships.

The Township has determined that no other outside agency meets any of the above criteria (except scope of public service) and therefore, no other agency has been included as a component unit in the Township's financial statements. The Township is not a component unit of any other government.

B. Government-Wide and Fund Financial Statements

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Currently, the Township does not have any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

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

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. Edwardsville Township reports the following major governmental funds:

General Fund - This fund is the main operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

General Road - This fund is used to account for the general maintenance and repair work performed on the Township's roads on an annual basis.

Permanent Road - This fund is designed to account for the construction and maintenance of permanent roads within the Township that are not performed annually.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Community Park - This fund is used to account for expenses of the township park. The General Fund budgets money to be transferred each year into this fund.

Additionally, the government reports the following funds as other governmental funds:

General Assistance - This fund is used to account for the revenues and expenses of items used for public assistance.

IMRF/Social Security Fund - This fund is used to pay for the retirement costs and social security for Township employees.

Fiduciary Funds:

Clearing Account - Clearing Accounts are custodial in nature and do not involve measurement of results of operations. The Payroll Fund is the only clearing account of the Township.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified cash basis of accounting. Their revenues are recognized when received rather than when earned. Expenditures are recognized when cash is disbursed rather than when the obligation is incurred.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Budgets and Budgetary Accounting

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

The Township budget is prepared in accordance with the Illinois Budget Code. The budget is prepared by the Town Board of Trustees. The annual town budget and the related budget hearing are acted upon no later than June each year. The Town Board of Trustees authorizes all transfers of budgeted amounts between accounts. Budgets are prepared on the modified cash basis of accounting.

The budgets for both town and road were approved on April 15, 2008. Budget appropriation transfers were approved but the budgets were not amended.

The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Modified Cash Basis presents a comparison of budgetary data to actual results. All funds utilize the same basis of accounting for both budgetary purposes and actual results.

E. Investments

The Township is authorized to invest in any investments allowed by state statutes. Investments are stated at cost, which approximates market. Investments include certificates of deposit and money market accounts.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if the actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Capital assets are defined by Edwardsville Township as assets with an initial individual cost of more than $2,500 for equipment, $10,000 for buildings, and $50,000 for road improvements. Repairs and maintenance are recorded as expenses.

The Township has elected not to retroactively report major infrastructure assets as allowed under GASB 34. These assets are roads, bridges and other land improvements. New infrastructure assets are being capitalized and depreciated from April 1, 2004 and on.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Assets capitalized are depreciated using the straight-line method. Estimated useful lives are as follows:

Assets	Years
Equipment	7
Vehicles	5
Buildings	40
Road Improvements	10
Other Improvements	20
New Infrastructure	40

G. Risk of Loss

The Township is exposed to risks of loss from normal items typically applicable to all Townships. These include liability, worker's injury, property damage and others too numerous to mention. The Township has purchased insurance through a public entity risk pool, Township Officials of Illinois Risk Management Association (TOIRMA), to protect against such loss. The Township believes that they are reasonably covered for all possible risks of loss. The liabilities for any unpaid claims would revert back to the members of the pool. These members, of which there are over 1,100, would share the liability evenly. Settlements have not exceeded coverage for any of the past three years.

H. Accrued Vacation and Sick Leave

The Township has a contingent liability for vacation time due. However, these amounts are noncumulative. If not taken before the end of the year, the time for vacation is lost. The Township has a liability for sick time due. Employees are able to accumulate up to a total of 24 days of sick time. This amount is estimated to be $14,316 at March 31, 2009.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. CASH AND INVESTMENTS

Cash and investments as of March 31, 2009, are classified in the accompanying financial statements as follows:

Cash	$ 946,165
Investments	1,609,486
	$2,555,651

It is the policy of Edwardsville Township to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

A. Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

To the extent possible, Edwardsville Township shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, Edwardsville Township will not directly invest in securities maturing more than five years from the date of purchase.

Reserve funds may be invested in securities exceeding five years if the maturities of such investments are made to coincide as nearly as practicable with the accepted use of the funds.

Information about the sensitivity of fair values of the Township's investments to market rate fluctuations is provided by the following table that shows the distribution of the Township's investments by maturity.

INVESTMENT	MATURITY	FAIR VALUE
Money Market Accounts	-	$1,138,051
Certificates of Deposit	July, 2009	471,435
		$1,609,486

B. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a financial institution, a government will not be able to recover its investments or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

NOTE 2. CASH AND INVESTMENTS (CONT'D)

Funds on deposit (checking accounts, certificates of deposits, etc.) in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent – third party institution in the name of the Township.

As of March 31, 2009, the Township's deposits and investments are fully covered by both depository insurance and collateral held by the Township or its Agent in the Township's name.

	Book Balance	Bank Balance
Amount insured by FDIC	$ 965,674	$ 965,794
Amount collateralized with securities held by a pledging institution's trust department or agent in the Township's name	1,589,977	1,590,819
Uncollateralized	-	-
Total	$2,555,651	$2,556,613

NOTE 3. CAPITAL ASSETS

A summary of capital assets follows:

	BALANCE MARCH 31, 2008	ADDITIONS	DELETIONS	BALANCE MARCH 31, 2009
Governmental Activities not being depreciated:				
Land:				
General Fund	$ 33,000			$ 33,000
Permanent Road	30,000			30,000
Park	109,927			109,927
Total	$ 172,927			$ 172,927
Other Capital Assets:				
Buildings:				
General Fund	$ 196,263			$ 196,263
Permanent Road	96,544			96,544
Park	292,642			292,642
Improvements:				
Park Fund	269,078			269,078
Infrastructure:				
Permanent Road	397,755			397,755
Equipment:				
General Fund	20,411			20,411
Road	45,035			45,035
Permanent Road	296,183	$120,000		416,183
Park	58,700	18,282	$26,591	50,391
Vehicles:				
Permanent Road	283,933			283,933
Park	28,709			28,709
Total	$1,985,253	$138,282	$26,591	$2,096,944
Accumulated Depreciation:				
Buildings	$ 216,339	$ 14,636		$ 230,975
Improvements	36,445	13,454		49,899
Infrastructure	12,455	9,944		22,399
Equipment	249,635	48,816	$13,238	285,213
Vehicles	214,681	23,050		237,731
Total	$ 729,555	$109,900	$13,238	$ 826,217
Net Other Capital Assets	$1,255,698	$ 28,382	$13,353	$1,270,727
Net Capital Assets	$1,428,625	$ 28,382	$13,353	$1,443,654

Depreciation expense was charged to functions/programs of the primary government as follows:

Administration	$ 6,382
Roads	75,599
Culture and Recreation	27,919
Total	$109,900

NOTE 4. PROPERTY TAXES

The Township's property tax is levied each year on all taxable real property located in the Township on or before the last Tuesday in December. The 2007 levy was passed by the Board on December 18, 2007. Property taxes attach as an enforceable lien on property as of January 1. Taxes were payable in two installments, July 8, 2008 and September 8, 2008. Madison County bills the taxes and collections are remitted to the County Collector. The County Collector disburses the tax collections to the Township as they are received.

NOTE 5. MOTOR FUEL TAX

Township motor fuel tax allotments are received directly by Madison County from the State of Illinois. The County retains and invests these monies until the Township requests that payments be made. The Township submits a proposal and request for funds to the County Engineer. Township suppliers are paid directly by the County, or funds can be transferred to the Township for payment of authorized expenditures.

Balance, April 1, 2008	$35,757
Motor Fuel Tax Receipts	22,436
Interest Earned	1,016
	$59,209
Expenditures	(26,575)
Balance, March 31, 2009	$32,634

The balance in the County Motor Fuel Tax Account is not included in the assets of the Township in order to reflect the agency capacity of the County Highway Department. Therefore, the current year's financial statements do not reflect the above transactions and balances.

NOTE 6. RETIREMENT COMMITMENTS

The Illinois Municipal Retirement Fund is classified as an Agent-Multiple-Employer Public Employee Retirement System. The Township's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries.

IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www. imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The Township is required to contribute at an actuarially determined rate. The employer rate for calendar year 2008, based on the 2006 valuation, was 12.09% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period for the 2008 employer rate was 24 years.

For December 31, 2008, the Township's annual pension cost of $57,103 was equal to the Township's required and actual contributions. The required contribution was determined as part of the December 31, 2006 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor. The assumptions for the 2008 annual pension cost were based on the 2002-2004 experience study. However, the 2008 actuarial valuation information shown on page 23 is based on the 2005-2007 experience study.

NOTE 6. RETIREMENT COMMITMENTS (CONT'D)

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	$57,103	100%	$0
12/31/07	53,863	100%	0
12/31/06	54,323	100%	0
12/31/05	53,668	100%	0
12/31/04	46,643	100%	0
12/31/03	31,512	100%	0
12/31/02	24,696	100%	0
12/31/01	29,240	100%	0
12/31/00	53,157	100%	0
12/31/99	36,341	100%	0

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) ---Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) /c)
12/31/08	$1,221,307	$1,625,441	$404,134	75.14%	472,315	85.56%
12/31/07	1,297,254	1,540,708	243,454	84.20%	456,856	53.29%
12/31/06	1,120,317	1,395,056	274,739	80.31%	456,878	60.13%
12/31/05	1,430,352	1,680,846	250,494	85.10%	481,760	52.00%
12/31/04	1,277,487	1,527,486	249,999	83.63%	470,193	53.17%
12/31/03	1,174,089	1,359,540	185,451	86.36%	452,111	41.02%
12/31/02	1,172,708	1,260,881	88,173	93.01%	420,008	20.99%
12/31/01	1,144,914	1,083,036	(61,878)	105.71%	382,729	0.00%
12/31/00	1,035,548	945,224	(90,324)	109.56%	367,362	0.00%
12/31/99	858,804	824,136	(34,668)	104.21%	353,527	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2008 is $890,144. On a market basis, the funded ratio would be 54.76%

*Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2008 are based on the 2005-2007 Experience Study.

NOTE 7. RESERVED FUND BALANCE

Proceeds from the General Road levy for Social Security and IMRF have been included in the General Road Fund. At March 31, 2009, the cumulative revenues from these levies exceeded the related cumulative expenditures; therefore the following portion of the General Road Fund balance is reserved:

IMRF	$ 23,944

EDWARDSVILLE TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
GENERAL FUND
YEAR ENDED MARCH 31, 2009

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	ACTUAL OVER (UNDER) BUDGET
REVENUES:				
Property Taxes	$ 405,147	$ 405,147	$ 401,315	$ (3,832)
Personal Property Replacement Taxes	30,000	30,000	24,862	(5,138)
Interest Earned on Investments	5,000	5,000	4,234	(766)
Rental Income	3,500	3,500	4,080	580
Other Income	5,400	5,400	5,412	12
Total Revenues	$ 449,047	$ 449,047	$ 439,903	$ (9,144)
EXPENDITURES:				
Administration	$ 470,900	$ 480,900	$ 406,254	$ (74,646)
Culture and Recreation	1,000	1,000	700	(300)
Capital Outlay - Equipment	12,000	12,000	763	(11,237)
Total Expenditures	$ 483,900	$ 493,900	$ 407,717	$ (86,183)
EXCESS OF REVENUES OVER EXPENDITURES	$ (34,853)	$ (44,853)	$ 32,186	$ 77,039
OTHER FINANCING SOURCES (USES):				
Transfers From Other Funds			$ 70,000	(GA)
Transfers To Other Funds			(62,000)	(Town to Park)
Total Other Financing Sources (Uses)			$ 8,000	
NET CHANGE IN FUND BALANCE			$ 40,186	
FUND BALANCE, BEGINNING OF YEAR			139,390	
FUND BALANCE, END OF YEAR			$ 179,576	

EDWARDSVILLE TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
GENERAL ROAD
YEAR ENDED MARCH 31, 2009

	BUDGETED AMOUNTS			ACTUAL OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	BUDGET
REVENUES:				
Property Taxes	$ 89,643	$ 89,643	$ 89,216	$ (427)
Personal Property Replacement Taxes	15,000	15,000	22,998	7,998
Interest Earned on Investments	3,800	3,800	5,882	2,082
Other Income	100	100	96	(4)
Total Revenues	$ 108,543	$ 108,543	$ 118,192	$ 9,649
EXPENDITURES:				
Administration	$ 68,170	$ 68,170	$ 53,912	$ (14,258)
Roads	143,000	143,000	71,903	(71,097)
Capital Outlay - Equipment	1,500	1,500	-	(1,500)
Total Expenditures	$ 212,670	$ 212,670	$ 125,815	$ (86,855)
DEFICIENCY OF REVENUES OVER EXPENDITURES	$ (104,127)	$ (104,127)	$ (7,623)	$ 96,504
FUND BALANCE, BEGINNING OF YEAR			190,906	
FUND BALANCE, END OF YEAR			$ 183,283	

EDWARDSVILLE TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
PERMANENT ROAD
YEAR ENDED MARCH 31, 2009

	BUDGETED AMOUNTS			ACTUAL OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	BUDGET
REVENUES:				
Property Taxes	$ 550,000	$ 550,000	$ 629,692	$ 79,692
Interest Earned on Investments	40,000	40,000	35,979	(4,021)
Total Revenues	$ 590,000	$ 590,000	$ 665,671	$ 75,671
EXPENDITURES:				
Roads			$ 201,005	
Capital Outlay - Equipment			121,345	
Total Expenditures	$ 701,200	$ 701,200	$ 322,350	$ (378,850)
EXCESS OF REVENUES OVER EXPENDITURES	$ (111,200)	$ (111,200)	$ 343,321	$ 454,521
OTHER FINANCING SOURCE:				
Sale of Fixed Asset			$ 47,000	
NET CHANGE IN FUND BALANCE			$ 390,321	
FUND BALANCE, BEGINNING OF YEAR			1,692,780	
FUND BALANCE, END OF YEAR			$ 2,083,101	

EDWARDSVILLE TOWNSHIP
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
COMMUNITY PARK
YEAR ENDED MARCH 31, 2009

	BUDGETED AMOUNTS			ACTUAL OVER (UNDER)
	ORIGINAL	FINAL	ACTUAL	BUDGET
REVENUES:				
Interest Earned on Investments	$ -	$ -	$ 9	$ 9
Grant Income	-	-	9,264	9,264
Other Income	-	-	160	160
Total Revenues	$ -	$ -	$ 9,433	$ 9,433
EXPENDITURES:				
Administration	$ 3,000	$ 3,000	$ 67	$ (2,933)
Culture and Recreation	110,000	110,000	73,294	(36,706)
Capital Outlay - Improvements	15,000	5,000	27,119	22,119
Total Expenditures	$ 128,000	$ 118,000	$ 100,480	$ (17,520)
DEFICIENCY OF REVENUES OVER EXPENDITURES	$ (128,000)	$ (118,000)	$ (91,047)	$ 26,953
OTHER FINANCING SOURCES:				
Insurance Loss Recoveries			$ 22,359	
Transfers From Other Funds			62,000	
Total Other Financing Sources			$ 84,359	
NET CHANGE IN FUND BALANCE			$ (6,688)	
FUND BALANCE, BEGINNING OF YEAR			10,175	
FUND BALANCE, END OF YEAR			$ 3,487	

SCHEDULE "1"

EDWARDSVILLE TOWNSHIP
COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
MARCH 31, 2009

	GENERAL ASSISTANCE	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	TOTAL OTHER GOVERNMENTAL FUNDS
Assets:			
Cash in Bank	$ 27,323	$ 4,367	$ 31,690
Investments	22,187	52,327	74,514
Total Assets	$ 49,510	$ 56,694	$ 106,204
Fund Balances:			
Unreserved	$ 49,510	$ 56,694	$ 106,204
Total Fund Balances	$ 49,510	$ 56,694	$ 106,204

See accompanying notes to the basic financial statements.

EDWARDSVILLE TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
YEAR ENDED MARCH 31, 2009

	GENERAL ASSISTANCE	ILLINOIS MUNICIPAL RETIREMENT/ SOCIAL SECURITY	TOTAL OTHER GOVERNMENTAL FUNDS
Revenues:			
Property Taxes	$ 41,978	$ 75,561	$ 117,539
Personal Property Replacement Taxes	-	10,000	10,000
Interest Earned on Investments	674	549	1,223
Total Revenues	$ 42,652	$ 86,110	$ 128,762
Expenditures:			
Administration	$ -	$ 73,346	$ 73,346
Public Assistance	2,467	-	2,467
Total Expenditures	$ 2,467	$ 73,346	$ 75,813
Excess of Revenues Over Expenditures	$ 40,185	$ 12,764	$ 52,949
Other Financing Uses:			
Transfers To Other Funds	$ (70,000)	$ -	$ (70,000)
Total Other Financing Uses	$ (70,000)	$ -	$ (70,000)
Net Change in Fund Balances	$ (29,815)	$ 12,764	$ (17,051)
Fund Balances:			
Beginning of Year	79,325	43,930	123,255
End of Year	$ 49,510	$ 56,694	$ 106,204

See accompanying notes to the basic financial statements.

TABLE "1"

EDWARDSVILLE TOWNSHIP
PROPERTY TAX RATES, EXTENSIONS AND COLLECTIONS
MARCH 31, 2009

LEVY YEAR	ASSESSED VALUATION	GENERAL	GENERAL ASSISTANCE	ILLINOIS MUNICIPAL RETIREMENT	SOCIAL SECURITY	GENERAL ROAD	PERMANENT ROAD	TOTAL
		TAX RATES						
1999	388,159,478	0.1058	0.0111	0.0112	0.0064	0.0426	0.0750	0.2521
2000	417,048,886	0.0985	0.0103	0.0103	0.0060	0.0397	0.0750	0.2398
2001	454,405,980	0.0859	0.0090	0.0091	0.0052	0.0346	0.0750	0.2188
2002	496,074,046	0.0747	0.0079	0.0079	0.0046	0.0301	0.0750	0.2002
2003	547,911,890	0.0663	0.0070	0.0069	0.0040	0.0265	0.0750	0.1857
2004	595,605,426	0.0614	0.0064	0.0071	0.0048	0.0237	0.0750	0.1784
2005	677,544,487	0.0540	0.0057	0.0079	0.0054	0.0209	0.0750	0.1689
2006	772,247,977	0.0493	0.0052	0.0071	0.0050	0.0183	0.0750	0.1599
2007	847,897,336	0.0478	0.0050	0.0065	0.0045	0.0167	0.0750	0.1555
2008	871,406,880	0.0477	0.0067	0.0064	0.0044	0.0171	0.0750	0.1573
		*TAX EXTENDED						
1999		410,673	43,086	43,474	24,842	82,678	291,120	895,873
2000		410,793	42,956	42,956	25,023	87,092	312,787	921,607
2001		390,335	40,897	41,351	23,629	82,703	340,804	919,719
2002		370,567	39,190	39,190	22,819	77,410	372,056	921,232
2003		363,266	38,354	37,806	21,916	79,865	410,934	952,141
2004		365,702	38,119	42,288	28,589	77,643	446,704	999,045
2005		365,874	38,620	53,526	36,587	77,890	508,158	1,080,655
2006		380,718	40,157	54,830	38,612	77,733	579,186	1,171,236
2007		405,295	42,395	55,113	38,155	73,105	635,923	1,249,986
2008		415,661	58,384	55,770	38,342	76,919	653,555	1,298,631

	TOTAL EXTENSION	TOTAL TAXES COLLECTED	PERCENT COLLECTED	TAXES UNCOLLECTED
	TAXES COLLECTED			
1999	895,873	895,592	99.97	281
2000	921,607	913,661	99.14	7,946
2001	919,719	914,934	99.48	4,785
2002	921,232	914,914	99.31	6,318
2003	952,141	945,343	99.29	6,798
2004	999,045	990,225	99.12	8,820
2005	1,080,655	1,086,201	100.51	(5,546)
2006	1,171,236	1,162,610	99.26	8,626
2007	1,249,986	1,237,762	99.02	12,224
2008	1,298,631	-	-	1,298,631

* The taxes extended for the General Road Fund do not include that portion of the taxes which are paid to incorporated governmental units within the Township.