

CITY OF JACKSONVILLE, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
December 31, 2013

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the City Council
City of Jacksonville, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Jacksonville, Illinois, as of and for the year ended December 31, 2013, 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.

Auditors' Responsibility

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 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 auditors' 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 opinions.

Opinions

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 Jacksonville, Illinois, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 49-55 and retirement fund historical data on pages 56-59 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 Jacksonville, Illinois' basic financial statements. The combining nonmajor fund financial statements, combining fiduciary fund financial statements, and schedule of equalized assessed valuations, tax rates, extensions and collections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133,

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 19,015,052	\$ 5,553,390	\$ 24,568,442
Investments	1,575,592		1,575,592
Receivables:			
Taxes	5,745,949		5,745,949
Accounts	1,699,404	1,199,077	2,898,481
Due from Other Governments	1,891,189		1,891,189
Inventory		36,050	36,050
Capital Assets (Net of Accumulated Depreciation)	17,997,029	27,991,542	45,988,571
Other Assets		2,521	2,521
	<u>47,924,215</u>	<u>34,782,580</u>	<u>82,706,795</u>
Total Assets			
LIABILITIES			
Accounts payable	443,889	294,901	738,790
Unearned revenue	163,359	364,120	527,479
Accrued salaries and wages	138,128	68,605	206,733
Long-term liabilities:			
Due within one year	236,964	321,272	558,236
Due in more than one year	527,395	2,300,760	2,828,155
	<u>1,509,735</u>	<u>3,349,658</u>	<u>4,859,393</u>
Total Liabilities			
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Taxes	5,738,366		5,738,366
	<u>5,738,366</u>	<u>-</u>	<u>5,738,366</u>
Total Deferred Inflows of Resources			
NET POSITION			
Investments in capital assets, net of related debt	17,460,068	25,411,807	42,871,875
Restricted for:			
Debt Service		64,059	64,059
Purpose of Grantors/Trustees	2,432,644		2,432,644
Economic Loan	639,034		639,034
Public Safety	104,918		104,918
Public Works/Transportation	534,141		534,141
Health and Welfare	20,000		20,000
Culture and Recreation	1,760,522		1,760,522
Construction of Capital Assets	1,055,805		1,055,805
Unrestricted	16,668,982	5,957,056	22,626,038
	<u>40,676,114</u>	<u>31,432,922</u>	<u>72,109,036</u>
Total Net Position			

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF ACTIVITIES

Year Ended December 31, 2013

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Governmental activities:			
General Control and Administration	\$ 2,786,396	\$ 567,629	\$
Public Safety	8,111,591	213,069	205,754
Public Works/Transportation	2,322,708		632,324
Health and Welfare	564,933	160,439	
Culture and Recreation	<u>1,883,711</u>	<u>652,946</u>	<u>33,332</u>
Total Governmental Activities	<u>15,669,339</u>	<u>1,594,083</u>	<u>871,410</u>
Business-type activities:			
Water Sewer	6,119,968	6,775,633	
Golf	<u>415,084</u>	<u>338,400</u>	
Total Business-Type Activities	<u>6,535,052</u>	<u>7,114,033</u>	<u>-</u>
Total Primary Government	<u>\$ 22,204,391</u>	<u>\$ 8,708,116</u>	<u>\$ 871,410</u>

General Revenues

Taxes

 Property Tax

 City Sales Tax

 Utility and Franchise Tax

 Hotel Tax

 Video Game Tax

Intergovernmental

 Sales Tax

 Income Tax

 Replacement Tax

 Telecommunications Tax

Investment Income

Gain on Sale of Assets

Transfers

Total General Revenues

Change in Net Position

Net Position-Beginning

Net Position-Ending

Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$	\$	\$	\$
	(2,218,767)		(2,218,767)
70,900	(7,621,868)		(7,621,868)
5,460	(1,684,924)		(1,684,924)
	(404,494)		(404,494)
	(1,197,433)		(1,197,433)
<u>76,360</u>	<u>(13,127,486)</u>		<u>(13,127,486)</u>
		655,665	655,665
		(76,684)	(76,684)
		578,981	578,981
\$ <u>76,360</u>	<u>(13,127,486)</u>	<u>578,981</u>	<u>(12,548,505)</u>
	5,533,750		5,533,750
	1,881,460		1,881,460
	109,475		109,475
	133,490		133,490
	125,551		125,551
	3,726,655		3,726,655
	1,852,822		1,852,822
	345,844		345,844
	469,582		469,582
	327,128	30,994	358,122
	10,200		10,200
	(48,217)	48,217	
	<u>14,467,740</u>	<u>79,211</u>	<u>14,546,951</u>
	1,340,254	658,192	1,998,446
	<u>39,335,860</u>	<u>30,774,730</u>	<u>70,110,590</u>
	\$ <u>40,676,114</u>	\$ <u>31,432,922</u>	\$ <u>72,109,036</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2013

	General Fund	Public Library Fund	Capital Improvement Fund	Total NonMajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 9,645,548	\$ 1,122,146	\$ 807,510	\$ 6,209,640	\$ 17,784,844
Investments				1,575,592	1,575,592
Property Taxes Receivable	3,730,446	515,000		1,500,503	5,745,949
Intergovernmental Receivables	1,842,528			48,661	1,891,189
Other Receivables	434,490			1,238,409	1,672,899
Due from Other Funds				7,098	7,098
Total Assets	\$ 15,653,012	\$ 1,637,146	\$ 807,510	\$ 10,579,903	\$ 28,677,571
LIABILITIES					
Accounts Payable	\$ 117,905	\$ 13,592	\$ 94,103	\$ 23,693	\$ 249,293
Accrued Salaries	132,024	6,104			138,128
Due to Other Funds	7,098				7,098
Unearned Revenue	78,259				78,259
Total Liabilities	335,286	19,696	94,103	23,693	472,778
DEFERRED INFLOWS OF RESOURCES					
Unavailable Property Taxes	3,730,446	515,000		1,492,920	5,738,366
Total Deferred Inflows of Resources	3,730,446	515,000	-	1,492,920	5,738,366
Fund Balance					
Nonspendable				2,432,643	2,432,643
Restricted for:					
Economic Loan				639,034	639,034
Public Safety				104,918	104,918
Public Works/Transportation				534,141	534,141
Health and Welfare				20,000	20,000
Culture and Recreation		1,102,450		658,072	1,760,522
Construction of Capital Assets			713,407	342,398	1,055,805
Committed				4,332,084	4,332,084
Unassigned	11,587,280				11,587,280
Total Fund Balance	11,587,280	1,102,450	713,407	9,063,290	22,466,427
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 15,653,012	\$ 1,637,146	\$ 807,510	\$ 10,579,903	\$ 28,677,571

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION

Year Ended December 31, 2013

Fund Balances - Total Governmental Funds	\$ 22,466,427
Capital assets used in governmental activities are not financial resources and therefore are not reported in the Funds.	17,997,029
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. All liabilities, both current and long-term are reported in the Statement of Net Position.	(764,359)
Internal Service Funds are used by management to charge the cost of self insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities section of the Statement of Net Position.	<u>977,017</u>
Net Position of Governmental Activities	\$ <u><u>40,676,114</u></u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended December 31, 2013

	General Fund	Public Library Fund	Capital Improvement Fund	Total NonMajor Governmental Funds	Total Governmental Funds
REVENUE					
Taxes	\$ 5,533,567	\$ 499,734	\$	\$ 1,624,874	\$ 7,658,175
Intergovernmental	6,520,449	89,984	76,360	771,185	7,457,978
Licenses and Permits	335,938				335,938
Fines and Forfeits	88,413	6,984		38,457	133,854
Revenue from Services	632,193	10,968		24,164	667,325
Investment Income	39,366	4,001	283	283,479	327,129
Other	197,368	12,464	167,923	99,657	477,412
	<u>13,347,294</u>	<u>624,135</u>	<u>244,566</u>	<u>2,841,816</u>	<u>17,057,811</u>
EXPENDITURES					
Current:					
General Control and Administration	2,593,736			127,230	2,720,966
Public Safety	6,418,557			1,630,262	8,048,819
Public Works/Transportation	1,412,867			350,525	1,763,392
Health and Welfare	537,713				537,713
Culture and Recreation	934,537	601,335		184,997	1,720,869
Debt Service			140,350	115,265	255,615
Capital Outlay	34,405	246,217	860,961	7,205	1,148,788
	<u>11,931,815</u>	<u>847,552</u>	<u>1,001,311</u>	<u>2,415,484</u>	<u>16,196,162</u>
Revenue Over (Under) Expenditures	<u>1,415,479</u>	<u>(223,417)</u>	<u>(756,745)</u>	<u>426,332</u>	<u>861,649</u>
OTHER FINANCING SOURCES (USES)					
Interfund Transfers					
Received	29,819	68,520	972,054	4,989	1,075,382
Paid	(855,054)		(48,217)	(220,328)	(1,123,599)
Proceeds from Long Term Debt			165,226		165,226
	<u>(825,235)</u>	<u>68,520</u>	<u>1,089,063</u>	<u>(215,339)</u>	<u>117,009</u>
Net Change in Fund Balances	590,244	(154,897)	332,318	210,993	978,658
FUND BALANCE, BEGINNING	<u>10,997,036</u>	<u>1,257,347</u>	<u>381,089</u>	<u>8,852,297</u>	<u>21,487,769</u>
FUND BALANCE, ENDING	<u>\$ 11,587,280</u>	<u>\$ 1,102,450</u>	<u>\$ 713,407</u>	<u>\$ 9,063,290</u>	<u>\$ 22,466,427</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended December 31, 2013

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

Net Changes in Fund Balances - Total Governmental Funds \$ 978,656

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets were allocated over their estimated useful life and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period. 86,057

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds
Change in Compensated absences 13,937

The issuance of long-term debt 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 affect on net assets. This is the net effect of these differences in the treatment of long-term debt.
Proceeds and Repayment of Principal on Long-Term Debt 76,766

The net revenue of certain activities of internal service funds is not reported with governmental funds. However, a portion of this net revenue is allocated to governmental activities on the Statement of Activities. This is the amount that has been included on the Statement of Activities. 184,838

Change in Net Position of Governmental Activities \$ 1,340,254

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 December 31, 2013

	Business-Type Activities-Enterprise Funds			Governmental
	Water & Sewer	Golf	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current Assets				
Cash	\$ 5,532,133	\$ 21,257	\$ 5,553,390	\$ 1,531,190
Receivables:				
Accounts (Net of Allowance for Uncollectibles of \$3,445)	398,385		398,385	32,990
Estimated Unbilled Revenue	800,692		800,692	
Inventory	36,050		36,050	
Other Assets	2,521		2,521	
Total Current Assets	<u>6,769,781</u>	<u>21,257</u>	<u>6,791,038</u>	<u>1,564,180</u>
Noncurrent Assets				
Property, Plant & Equipment, Net of Accumulated Depreciation	<u>26,865,241</u>	<u>1,126,301</u>	<u>27,991,542</u>	
Total Assets	<u>\$ 33,635,022</u>	<u>\$ 1,147,558</u>	<u>\$ 34,782,580</u>	<u>\$ 1,564,180</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 292,914	\$ 1,987	\$ 294,901	\$ 242,206
Accrued Salaries	67,826	779	68,605	
Unearned Revenue	329,062	35,058	364,120	105,920
Bonds, Notes, and Loans Payable	321,272		321,272	
Total Current Liabilities	<u>1,011,074</u>	<u>37,824</u>	<u>1,048,898</u>	<u>348,126</u>
Noncurrent Liabilities:				
Compensated Absences	40,894	1,403	42,297	
Bonds, Notes, and Loans Payable	2,258,463		2,258,463	
Total Noncurrent Liabilities	<u>2,299,357</u>	<u>1,403</u>	<u>2,300,760</u>	<u>0</u>
Total Liabilities	<u>3,310,431</u>	<u>39,227</u>	<u>3,349,658</u>	<u>348,126</u>
NET POSITION				
Investments in Capital Assets, Net of Related Debt	24,285,506	1,126,301	25,411,807	
Restricted for:				
Debt Service	64,059		64,059	
Unrestricted	<u>5,975,026</u>	<u>(17,970)</u>	<u>5,957,056</u>	<u>1,216,054</u>
Total Net Position	<u>30,324,591</u>	<u>1,108,331</u>	<u>31,432,922</u>	<u>1,216,054</u>
Total Liabilities and Net Position	<u>\$ 33,635,022</u>	<u>\$ 1,147,558</u>	<u>\$ 34,782,580</u>	<u>\$ 1,564,180</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 Year Ended December 31, 2013

	Business-Type Activities-Enterprise Funds			Governmental
	Water & Sewer	Golf	Total Enterprise Funds	Internal Service Funds
Operating Revenues				
Revenue from Services	\$ 6,775,633	\$ 338,400	\$ 7,114,033	\$ 1,361,148
Investment Income				443
Total Operating Revenues	<u>6,775,633</u>	<u>338,400</u>	<u>7,114,033</u>	<u>1,361,591</u>
Operating Expenses:				
Personal Services	2,438,724	201,833	2,640,557	
Contractual Services and Other	1,334,169	132,077	1,466,246	6,181
Supplies	446,279	45,609	491,888	
Heat, Light and Power	667,345	7,644	674,989	
Depreciation	1,163,446	27,921	1,191,367	
Benefit Payments				1,118,997
Total Operating Expenses	<u>6,049,963</u>	<u>415,084</u>	<u>6,465,047</u>	<u>1,125,178</u>
Operating Income (Loss)	<u>725,670</u>	<u>(76,684)</u>	<u>648,986</u>	<u>236,413</u>
Nonoperating Revenue (Expenses)				
Investment Income	30,984	10	30,994	
Interest and Fiscal Charges	<u>(70,005)</u>		<u>(70,005)</u>	
Total Nonoperating Revenues (Expenses)	<u>(39,021)</u>	<u>10</u>	<u>(39,011)</u>	<u>0</u>
Income (Loss) Before Transfers	686,649	(76,674)	609,975	236,413
Transfers In		48,217	48,217	
Change in Net Position	686,649	(28,457)	658,192	236,413
Total Net Position, Beginning	<u>29,637,942</u>	<u>1,136,788</u>	<u>30,774,730</u>	<u>979,641</u>
Total Net Position, Ending	<u>\$ 30,324,591</u>	<u>\$ 1,108,331</u>	<u>\$ 31,432,922</u>	<u>\$ 1,216,054</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

Year Ended December 31, 2013

	Business Type Activities- Enterprise Funds	
	Water and Sewer	Golf
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Users	\$ 6,610,850	\$ 331,807
Payments to Employees	(2,439,482)	(203,219)
Payments to Suppliers	(2,514,700)	(186,233)
	<u>1,656,668</u>	<u>(57,645)</u>
Net Cash Provided (Used) by Operating Activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Fixed Assets	(1,929,676)	
Receipt of Bond Proceeds	107,384	
Receipt of Capital Contribution	94,571	
Principal Paid on Bonds	(312,962)	
	<u>(2,040,683)</u>	<u>0</u>
Net Cash Provided (Used) by Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Investments	35,007	10
Receipt of Interfund Transfer		48,217
Interest Paid on Debt	(70,005)	
	<u>(34,998)</u>	<u>48,227</u>
Net Cash Provided (Used) by Investing Activities		
Net Increase (Decrease) in Cash	(419,013)	(9,418)
CASH, BEGINNING	<u>5,951,146</u>	<u>30,674</u>
CASH, ENDING	<u>\$ 5,532,133</u>	<u>\$ 21,256</u>

<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 6,942,657	\$ 1,604,813
(2,642,701)	
<u>(2,700,933)</u>	<u>(1,123,160)</u>
<u>1,599,023</u>	<u>481,653</u>
(1,929,676)	
107,384	
94,571	
<u>(312,962)</u>	<u>0</u>
<u>(2,040,683)</u>	
35,017	
48,217	
<u>(70,005)</u>	<u>0</u>
<u>13,229</u>	
(428,431)	481,653
<u>5,981,820</u>	<u>1,049,537</u>
<u>\$ 5,553,389</u>	<u>\$ 1,531,190</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

Year Ended December 31, 2013

	Business Type Activities- Enterprise Funds	
	Water and Sewer	Golf
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ 725,670	\$ (76,684)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	1,163,446	27,921
(Increase) Decrease in Accounts Receivable	(178,386)	
(Increase) Decrease in Inventory	(1,785)	
Increase (Decrease) in Accounts Payable	(65,122)	(903)
Increase (Decrease) in Unearned Revenue	13,603	(6,593)
Increase (Decrease) in Accrued Salaries	8,810	(264)
Increase (Decrease) in Accrued Vacation	(9,568)	(1,122)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,656,668</u>	<u>\$ (57,645)</u>

CITY OF JACKSONVILLE, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

December 31, 2013

ASSETS

Cash and Short-Term Investments	\$ 2,800,157
Investments	28,533,582
Receivables:	
Accrued Interest	76,597
Employer Contributions	<u>1,332,161</u>
Total Assets	<u>32,742,497</u>

LIABILITIES

Vouchers Payable	<u>221,292</u>
Total Liabilities	<u>221,292</u>

NET POSITION

Held in Trust for Pension Benefits	<u><u>\$ 32,521,205</u></u>
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See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

Year Ended December 31, 2013

Additions	
Contributions	
Employer Contributions	\$ 1,512,353
Employee Contributions	<u>384,744</u>
Total Contributions	<u>1,897,097</u>
Net Investment Income (Loss)	
Net Appreciation (Depreciation) in Fair Value of Investments	877,018
Interest/Dividends	1,213,741
Realized Gain (Loss) on Sale of Investments	434,967
Investment Expense	<u>(44,952)</u>
Net Investment Income	<u>2,480,774</u>
Total Additions	<u>4,377,871</u>
Deductions	
Benefits	2,566,673
Administrative expenses	<u>44,991</u>
Total Deductions	<u>2,611,664</u>
Change in Net Position	1,766,207
Net Position Held in Trust for Benefits, Beginning of Year	<u>30,754,998</u>
Net Position Held in Trust for Benefits, End of Year	<u>\$ 32,521,205</u>

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies

The accounting policies of City of Jacksonville, Illinois (City) are based upon accounting principles generally accepted in the United States of America as applicable to governmental units (hereinafter referred to as GAAP). The following is a summary of the significant policies.

A. Financial Reporting Entity

City of Jacksonville, Illinois is a Home Rule municipal corporation governed by an elected Mayor and City Council. These financial statements present the City of Jacksonville, Illinois, the primary government unit.

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 City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Basis of Presentation – Fund Accounting

The accounts of the City 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 balance, revenues and expenditures/expenses. The various funds are summarized by type in the combined financial statements.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation – Fund Accounting (Continued)

Funds are classified into the following categories: governmental, proprietary, fiduciary and agency.

GOVERNMENTAL FUNDS

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts) requiring separate accounting because of legal, regulatory provisions or administrative action.

Debt Service Fund – The Debt Service Fund is used for the accumulation of resources for, and payment of, general long-term debt principal and interest.

Capital Project Funds – Capital Project Funds are used to account for the acquisition and construction of major capital assets.

Permanent Funds – The Permanent Funds are used to account for funds that have a restriction on the principal which cannot be used.

PROPRIETARY FUNDS

Enterprise Funds – Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise – where tax interest of the City is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds – The Internal Service Fund is used to account for the financing of services provided by one fund to other departments or funds of the government unit, or to other government units, on a cost-reimbursement basis.

FIDUCIARY FUNDS

Pension Trust Funds – The Pension Trust Funds account for pension funds the government controls for its employees.

AGENCY FUND

The City has no Agency Funds.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

D. 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 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are considered available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Public Library Fund* accounts for the revenues and expenditures related to the operation of the Jacksonville Public Library.

The *Capital Improvement Fund* accounts for the revenues and expenditures related to ongoing capital projects and the purchase of equipment.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The City reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for the provision of water and sewer services to the residents of the City and water to additional nearby communities. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

The *Golf Fund* accounts for revenues received for use of the Nichols Park golf course and the Links, as well as the necessary expenses to operate and maintain both courses.

The City reports the following major pension funds:

Police Pension Fund and *Fire Pension Fund* account for the accumulation of resources needed to pay pension costs when due. Resources are contributions from the Police and Fire Department members at a rate fixed by State Statutes and City contribution in the form of an annual property tax levy.

E. Recently Issued and Adopted Accounting Pronouncements

In November 2010, the GASB issued Statement 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. GASB 61 provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. This statement is effective for periods beginning after June 15, 2012. The adoption of GASB 61 during the year ending December 31, 2013 had no impact on the City's financial statements.

In March, 2012, the GASB issued Statement 65, *Items Previously Reported as assets and Liabilities*. GASB 65 provides standards for reclassifying as deferred inflows of resources or deferred outflows of resources, certain items that were previously reported as assets and liabilities, or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues), in order to better define reporting requirements provided in GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 65 is effective for periods beginning after December 15, 2012. The adoption of GASB 65 during the year ended December 31, 2013 resulted in an additional

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

E. Recently Issued and Adopted Accounting Pronouncements (Continued)

section of the balance sheet/statement of net position within which to reclassify future property tax revenues as deferred inflows of resources.

Recently Issued Accounting Pronouncements

In June, 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans-An Amendment of GASB Statement No. 25*, and Statement 68, *Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 27*. The primary objective of these statements is to improve accounting and financial reporting by state and local governments. Statement 67 is applicable for years beginning after June 15, 2013 and Statement 68 is applicable for years beginning after June 15, 2014. Management has not yet determined the impact of these Statements on the financial statements.

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid investments purchased with a maturity date of three months or less to be cash equivalents.

G. Cash and Investments

Cash and investments represent cash on hand, cash deposited in checking accounts, certificates of deposits, repurchase agreements and U.S. treasury bills and notes. Cash and cash equivalents are stated at cost (which approximates fair value). Investments are stated at fair value based on quoted market prices or other observable inputs. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

H. Receivables

GASB Statements No. 33 – *Accounting and Financial Reporting for Nonexchange Transactions* requires the recognition of receivables associated with nonexchange transactions as follows:

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

H. Receivables (Continued)

- Derived tax receivables (such as: sales, income and motor fuel taxes) are recognized when the underlying exchange has occurred.
- Imposed nonexchange receivables (such as: property taxes and fines) are recognized when an enforceable legal claim has arisen.
- Government – mandates or voluntary non-exchange transaction receivable (such as: mandates or grants) are recognized when all eligibility requirements have been met.

I. Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets (e.g. roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

Governmental activities' capital assets having a useful life greater than one year are capitalized using the following dollar thresholds: \$50,000 for land, \$100,000 for buildings and improvements, \$25,000 for equipment, \$15,000 for vehicles, and \$200,000 for roads and bridges.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The City uses the direct expense method of accounting for planned major maintenance costs associated with property and equipment. The costs of such maintenance activities are expensed as incurred.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Description</u>	<u>Years</u>
Building and improvements	20 – 40
Equipment	3 – 10
Vehicles	3
Infrastructure	50

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

J. Inventories

Inventories of the City are carried at cost which approximates fair value. The cost of the inventories is determined on the first-in, first-out basis.

K. Compensated Absences

Accrued sick leave which employees have elected to accumulate is accounted for in hours. Accrued sick leave has not been recorded; the City is not liable to pay the amount to the employees upon retirement or discontinued services so the amount is undetermined.

Accrued vacation and comp time have been recorded as noncurrent liabilities due in more than one year.

L. Fund Equity

Beginning with fiscal year 2011, the City implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance: amounts that are not in spendable form (such as inventory) or are required to be maintained intact

Restricted fund balance: amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation

Committed fund balance: amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint

Assigned fund balance: amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates authority

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 1. Summary of Significant Accounting Policies (Continued)

L. Fund Equity (Continued)

Unassigned fund balance: amounts that are available for any purpose; positive amounts are reported only in the General fund

The City Council establishes (and modifies and rescinds) fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is established through lower level action of the City Council.

The City expends restricted resources first when both restricted and unrestricted resources are available for the same purpose. When unrestricted resources are expended, the City uses any committed resources first, followed by assigned resources and unassigned resources.

M. Property Tax Revenue

Property tax revenue line items include adjustments of prior year's tax revenue from tax sales, the adjustment for the allowance for uncollectible taxes and tax increment financing (TIF) distributions. These line items are not reported separately because the amounts are immaterial.

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as operating transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfer.

O. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 2. Illinois Municipal Retirement Fund

A. City Employees Other Than SLEP

Plan Description. The EMPLOYER'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 employer 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. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the employer Regular plan 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 2013 was 12.47 percent. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2013 was \$565,625.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/13	\$ 565,625	100%	\$ 0
12/31/12	489,711	100%	0
12/31/11	493,435	100%	0

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 2. Illinois Municipal Retirement Fund (Continued)

A. City Employees Other Than SLEP (Continued)

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the City's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City's plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 84.50 percent funded. The actuarial accrued liability for benefits was \$15,044,420 and the actuarial value of assets was \$12,712,112, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,332,308. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$4,535,889 and the ratio of the UAAL to the covered payroll was 51 percent.

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

B. Sheriff's Law Enforcement Personnel (SLEP)

Plan Description. The EMPLOYER'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 employer 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. That report may be obtained on-line at www.imrf.org.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 2. Illinois Municipal Retirement Fund (Continued)

B.Sheriff's Law Enforcement Personnel (SLEP) (Continued)

Funding Policy. As set by statute, the employer Regular plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2013 was 15.67 percent. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2013 was \$13,995.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
12/31/13	\$	13,995	100%	\$	0
12/31/12		10,113	100%		0
12/31/11		10,524	100%		0

The required contribution for 2013 was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the City's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City's plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 2. Illinois Municipal Retirement Fund (Continued)

B.Sheriff's Law Enforcement Personnel (SLEP) (Continued)

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 80.11 percent funded. The actuarial accrued liability for benefits was \$199,804 and the actuarial value of assets was \$160,054, resulting in an underfunded actuarial accrued liability (UAAL) of \$39,750. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was \$89,311 and the ratio of the UAAL to the covered payroll was 45 percent.

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

NOTE 3. Police and Firemen's Pension Funds

Police Pension Fund

Plan Description. The City of Jacksonville, Illinois, Police Pension Fund is a single-employer Public Employee Retirement System (PERS) that provides pension benefits to sworn officers of the City of Jacksonville Police Department. In addition to pension benefits, the plan also provides death and disability benefits. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature.

Service benefits vest after 8 years of credited service. A police officer age 50 or more with 20 or more years of creditable service, who is not a participant in the self-managed plan under Section 3-109.3 and who is no longer in service as a police officer, shall receive a pension of ½ of the salary attached to the rank held by the officer on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years of service through 30 years of service, to a maximum of 75% of such salary. Employees with 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit.

The Police Pension Fund is administered by state statutes. There is no statutory provision for termination of the plan. The plan is of a perpetual nature.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 3. Police and Firemen's Pension Funds (Continued)

Funding Policy. Covered employees are required by statute to contribute 9.91 percent of their salary to the pension fund. Present employees' accumulated contributions at December 31, 2013 and 2012 were \$1,792,261 and \$1,674,649. If an employee leaves covered employment or dies before 8 years of credited service, accumulated employee contributions are refunded to the employee or designated beneficiary.

Participant Information at December 31, 2013 and 2012:

	2013	2012
Number of Retirees and Beneficiaries Currently Receiving Benefits	41	39
Terminated Members Entitled To But Not Yet Receiving Benefits	4	4
Number of Deferred Beneficiaries	1	2
Current Active Members	39	38

Annual Pension Cost. For 2013, the City's annual pension cost of \$842,869 for the plan was equal to the required and actual contributions.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
12/31/13	\$	842,869	113%	\$	0
12/31/12		770,316	113%		0
12/31/11		737,856	116%		0

The required contribution was determined as part of the Annual Actuarial Valuation using the entry age normal actuarial cost method. The actuarial assumptions at prior to January 1, 2011 included (a) 7.0 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 5.5% a year, attributable to inflation. The actuarial value of the plan's assets was determined using fair value of assets. The plan's underfunded actuarial accrued liability period at December 31, 2010 was 30 years.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 3. Police and Firemen's Pension Funds (Continued)

The actuarial assumption for year ended December 31, 2012 and after include (a) 6.5 percent investment rate of return, (b) projected salary increases of 4.5% a year, attributable to inflation, and Tier 2 cost of living adjustments of \$1,259. The actuarial value of the plan's assets was determined using fair value of assets with investment gains and losses recognized over a 5 year period. The plan's underfunded actuarial accrued liability period at December 31, 2012 was 90% by the end of fiscal year 2040.

Funded Status and Funding Progress. As of January 1, 2013, the most recent actuarial valuation date, the plan was 64% funded. The actuarial accrued liability for benefits was \$24,719,682 and the actuarial value of assets was \$15,772,079 resulting in an underfunded actuarial accrued liability (UAAL) \$8,947,603. The covered payroll (annual payroll of active employees covered by the plan) was \$2,263,033 and the percentage of the UAAL to the covered payroll is 395%.

The attained age at time of disability or retirement, sex, annual salary or pension, and completed years of service of each individual participant as of the date of the valuation balance sheet is used in calculating the liabilities of the fund.

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

Firemen's Pension Fund

Plan Description. The City of Jacksonville, Illinois, Firemen's Pension Fund is a single-employer Public Employee Retirement System (PERS) that provides pension benefits to Firemen of the City of Jacksonville Fire Department. In addition to pension benefits, the plan also provides death and disability benefits. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature.

All benefits vest after 10 years of credited service. Firemen who retire at or after age 50 with 20 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to a percentage of their final average salary, for each year of credited service. This percentage is as follows: 2 1/2% of final average salary for the first 20 years of credited service; 2% of final average salary for each year thereafter up to 30 years; and 1% of final average salary for 30 years to 35 years. The maximum amount of benefits is 75% of final average salary. Employees with 10 years but less than 20 years of credited service may retire and receive a reduced retirement benefit.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 3. Police and Firemen's Pension Funds (Continued)

The Firemen's Pension Fund is administered by state statutes. There is no statutory provision for termination of the plan. The plan is of a perpetual nature.

Funding Policy. Covered employees were required by statute to contribute 8.455 percent of their salary to the pension fund until July 1, 2004 when the contribution was increased to 9.455%. If an employee leaves covered employment or dies before 10 years of credited service, accumulated employee contributions are refunded to the employee or designated beneficiary.

Effective July 1, 1993, the City has until the year 2033 to fully fund past service costs of the Firefighter's Pension Plan.

Participant Information at December 31, 2013 and 2012:

	2013	2012
Number of Retirees and Beneficiaries Currently Receiving Benefits	40	38
Terminated Members Entitled To But Not Yet Receiving Benefits	0	0
Current Active Members	25	25

Annual Pension Cost. For 2013, the Plan's annual pension cost of \$610,434 was equal to the required and actual contributions.

Three-Year Trend Information for the Plan

Fiscal Year Ending		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
12/31/13	\$	584,336	114%	\$	0
12/31/12		610,434	112%		0
12/31/11		545,046	116%		0

The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 6.75 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% to 12% a year, attributable to inflation, (c) aggregate payroll increases of 4.5% a year, and (d) inflation rate of 1.25%. The actuarial value of the plan's assets was determined using fair value of assets. The plan's underfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on a closed 30 year basis.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 3. Police and Firemen's Pension Funds (Continued)

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the plan was 70% funded. The actuarial accrued liability for benefits was \$22,674,487 and the actuarial value of assets was \$15,873,125, resulting in an underfunded actuarial accrued liability (UAAL) of \$6,801,362. The covered payroll (annual payroll of active employees covered by the plan) was \$1,522,150 and the percentage of the UAAL to the covered payroll is 447%.

The attained age at time of disability or retirement, sex, annual salary or pension, and completed years of service of each individual participant as of the date of the valuation balance sheet is used in calculating the liabilities of the fund.

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

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

NOTE 4. Deposits and Investments

The City is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act of Illinois.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). Deposited funds may be invested in certificates of deposit. Collateral agreements must be approved prior to deposit of funds. The City Council designates a list of authorized depository institutions.

Deposits of the City's reporting entity are insured or collateralized with securities held by the City, its agent, or by the pledging financial institution's trust department or agent in the name of the City.

As of December 31, 2013, all of the City's total deposits of \$25,215,302, \$2,546,625 is covered by Federal Deposit Insurance, \$19,449,667 is collateralized by securities held by the pledging financial institution in the name of the City.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 4. Deposits and Investments (Continued)

Investments

Fair value of investments is determined based on readily available quoted market prices as of December 31, 2013. At December 31, 2013 the City's reporting entity had the following investments:

		Fair Value		Cost	Quality Rating	Weighted Average Months to Maturity
Primary Government						
Non-Pooled Investments						
Corporate Bonds	\$	210,333	\$	201,597	A-	17
Mutual Fund Bonds		394,154		387,846	BBB	66
Common Stock/Equity		971,105		622,018	N/A	N/A
Total Primary overnment Investments	\$	<u>1,575,592</u>	\$	<u>1,211,461</u>		

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 4. Deposits and Investments (Continued)

Investments (Continued)

		Fair Value		Cost	Quality Rating	Weighted Average Months to Maturity
Fiduciary Funds						
Non-Pooled Investments						
U.S. Treasury Notes	\$	540,651	\$	533,524	AAA	55
U.S. Treasury Bonds		57,890		50,102	AAA	29
Federal Home Loan Banks		153,531		149,270	AAA	6
Mutual Funds Equity		5,171,315		4,950,678	N/A	N/A
Mutual Funds Index		10,358,657		8,976,635	N/A	N/A
Insurance Contracts		530,910		530,910	N/A	N/A
Municipal Bond		1,291,010		1,261,978	A3	14
Corporate Bonds		307,125		309,710	Ba1	9
Corporate Bonds		345,033		356,405	Baa1	95
Corporate Bonds		764,843		783,831	BAA3	41
Corporate Bonds		1,194,582		1,204,929	BAA2	14
Corporate Bonds		501,825		501,768	BAA1	5
Corporate Bonds		208,000		208,431	BA3	49
Exchange-Trade Products		2,181,128		1,990,490	N/A	N/A
Gov. Natl. Mort. Assoc.		34,550		30,867	AAA	109
Gov. Natl. Mort. Assoc.		413,454		419,963	AAA	297
Federal Natl. Mort. Assoc.		159,090		146,380	AAA	16
Federal Natl. Mort. Assoc.		198,934		213,937	AAA	341
State of Illinois Bonds		361,617		352,400	A3	18
Total Fiduciary Funds Investments	\$	24,774,145	\$	22,972,208		
Grand Total Investments	\$	26,349,737	\$	24,183,669		

- (1) Ratings are provided where applicable to indicate associated Credit Risk. N/A indicates not applicable.
- (2) Interest Rate Risk is estimated using either duration or weighted average months to maturity depending on the respective policy.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 4. Deposits and Investments (Continued)

Investments (Continued)

Investment Policies

City Policy

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the City's investing activities are managed under the custody of the City Treasurer.

Investing is performed in accordance with investment policies adopted by the City Council complying with the Public Funds Investment Act of Illinois. City funds may be invested in securities as authorized by Sections 2 & 6 of the Public Funds Investment Act of Illinois.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's policy provides that to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. Concentration of Credit Risk is the risk of loss attributed to the magnitude of the city's investment in a single issuer.

All amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized by (1) securities eligible for City investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating services to include Standard & Poor's, Moody's or Fitch, (2) mortgages, (3) letters of credit issued by a Federal Home Loan Bank, or (4) loans covered by a State Guaranty under the Illinois Farm Development Act. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party. City policy provides that investment collateral is held by a third party custodian with whom the City has a current custodial agreement in the City's name or be held in the name of both parties by the Federal Reserve Bank servicing Illinois.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 5. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The City funds all amounts of compensation deferred under the plan, at the direction of the covered employee, through investments in fixed and variable rate annuity contracts.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

The City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The investment activity for the year ended December 31, 2013 is as follows:

Beginning Investment Balance	\$	2,519,666
Contributions		116,238
Investment Income		482,602
Transfers		1,674
Withdrawals		(85,069)
Asset Fees		(12,966)
Life Ins. And Posted Only		(216)
Ending Investment Balance	\$	3,021,929
Life Insurance Policy Holder Account Value	\$	3,319

NOTE 6. Illinois Environmental Protection Agency

The Illinois Environmental Protection Agency requires the following additional information concerning the Sewerage system:

- 1) The total wastewater received at the wastewater plant during 2013 was 2,444,552,000 gallons.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 6. Illinois Environmental Protection Agency (Continued)

- 2) The billable flow during 2013 was 990,296,580 gallons.
- 3) The debt service of the sewerage system for 2013 is \$46,910.
- 4) There were 7,567 users connected to the system in 2013.
- 5) There were no "non-metered" users.
- 6) The following list is of those customers discharging both domestic and non-domestic and industrial waste into the wastewater system.

Nestle - Discharge of 13,813,160 gallons consisting of domestic, non-domestic and industrial waste.

South Jacksonville - Discharge of 350,522,460 gallons of domestic, non-domestic and industrial waste.

The Illinois Environmental Protection Agency requires the following additional information concerning the water system.

- 1) The billable flow 1,356,324,450.
- 2) The debt service of the water system for 2013 is \$337,432.
- 3) There were 7,811 users connected to the system in 2013.
- 4) There were no "non-metered" users.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 7. Interfund Balances

Interfund balances reported within the same activities column are eliminated from that column in the government-wide statement of activities.

At December 31, 2013, interfund receivables and payables consisted of the following:

		Due From Other Funds		Due To Other Funds
General				
Nonmajor Governmental	\$		\$	7,098
Total General				7,098
Nonmajor Governmental				
General	\$	7,098	\$	
Nonmajor Governmental				
Total Nonmajor Governmental		7,098		
Total Interfund Balances-All Funds	\$	7,098	\$	7,098

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 8. Operating Transfers

Operating transfers among funds reported within the same activities column are eliminated from that column in the government-wide statement of activities.

The following operating transfers were made:

		Operating Transfer In		Operating Transfer Out
General				
Capital Improvement	\$	25,000	\$	830,054
Golf				25,000
Nonmajor Governmental		4,819		
Total General		29,819		855,054
Public Library				
Nonmajor Governmental	\$	68,520	\$	
Total Public Library		68,520		
Capital Improvement				
General	\$	830,054	\$	25,000
Golf				23,217
Nonmajor Governmental		142,000		
Total Capital Improvement		972,054		48,217
Golf				
General	\$	25,000	\$	
Capital Improvement		23,217		
Total Golf		48,217		
Nonmajor Governmental				
Public Library	\$		\$	68,520
General				4,819
Capital Improvement				142,000
Nonmajor Governmental		4,989		4,989
Total Nonmajor Governmental		4,989		220,328
Total Interfund Transfers-All Funds	\$	1,123,599	\$	1,123,599

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 9. Risk Management and Self Insurance

The City is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. The City maintains internal service funds for its self-insured employees health insurance program insurance claims. Each participating fund makes payments to the self-insurance fund for amounts which are determined based on historical claims experience. Such payments are displayed on the fund financial statements as revenues and expenditures/expenses.

For medical claims, self-insurance is in effect up to a stop loss of \$65,000 per individual occurrence. Coverage from a private insurance company is maintained for losses in excess of the stop loss amount. An independent claims administrator performs all claim handling procedures.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The changes in the aggregate liabilities for claims for the year ended December 31, 2013 were as follows:

EMPLOYEE HEALTH INSURANCE		
Claims Payable, Beginning of the Year	\$	238,268
Claims Incurred and Changes in Accrual		1,316,133
Claim Payments		(1,318,326)
Claims Payable, End of the Year	\$	<u>236,075</u>

NOTE 10. Industrial Revenue Bonds

In 2006, the City issued \$32,390,000 in industrial revenue bonds. The bonds are backed only by the revenue stream of the recipient. No assets of the City have been pledged against this issuance. These bonds are not included on the Statement of Net Position as a liability of the City, as they are to be repaid by the recipient corporation. The activity for the bonds for the year ended December 31, 2013 follows:

Outstanding 12/31/12	Issued	Retired	Outstanding 12/31/13
\$27,080,000	\$0	\$1,005,000	\$26,075,000

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 11. Long Term Obligations

The following is a summary of changes in long-term debt of the City for the year ended
December 31, 2013

	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013	Due Within One Year
Governmental Activities					
Capital Lease Payable	\$ 22,897	\$ 165,226	\$ 53,219	\$ 134,904	\$ 43,645
Note Payable	590,830		188,773	402,057	193,319
Compensated Absences	<u>241,335</u>		<u>13,937</u>	<u>227,398</u>	
Total	<u>\$ 855,062</u>	<u>\$ 165,226</u>	<u>\$ 255,929</u>	<u>\$ 764,359</u>	<u>\$ 236,964</u>
Business-Type Activities					
Water and Sewer					
Alternative Revenue Bonds	\$ 2,785,313	\$ 107,384	\$ 312,962	\$ 2,579,735	\$ 321,272
Compensated Absences	<u>52,987</u>		<u>10,690</u>	<u>42,297</u>	
Total	<u>\$ 2,838,300</u>	<u>\$ 107,384</u>	<u>\$ 323,652</u>	<u>\$ 2,622,032</u>	<u>\$ 321,272</u>

Total interest expense of the Governmental activities for the year was \$13,623.

Total interest expense of the Business-type activities for the year was \$70,005.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 11. Long Term Obligations (Continued)

1. Capital Lease

The City has entered into a lease agreement for financing the acquisition of golf carts and a new phone system in the Municipal Building. This agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at present value of the future minimum lease payments in the amount of \$134,904. As of December 31, 2013, the City has paid off the golf cart lease.

The future minimum lease obligations and the net present value of the minimum lease payment as of December 31, 2013 is as follows:

Year Ending	Governmental
2014	47,692
2015	47,692
2016	47,692
Total Minimum Lease Payment	143,076
Less Amount Representation, Interest	(8,172)
Present Value of Minimum Lease Payments	\$ 134,904

2. Alternative Revenue Bonds

Alternative revenue bonds included as liabilities of the Water and Sewer enterprise fund consist of the following:

- a. \$3,129,907 issue of 1998 is due in semi-annual installments of \$103,259 through November 1, 2019, interest rate of 2.625%
- b. \$325,989 issue of 1999 is due in semi-annual installments of \$10,646 through May 1, 2020, interest rate of 2.525%.
- c. \$915,324 issue of 2000 is due in semi-annual installments of \$23,455 through May 1, 2021, including interest of 2.905%.
- d. \$792,848 issue of 2002 is due in semi-annual installments of \$25,975 through November 1, 2022, with a final payment of \$11,329 due May 1, 2023, including interest of 2.5700%.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 11. Long Term Obligations (Continued)

2. Alternative Revenue Bonds (Continued)

- e. \$880,184 issue of 2002 is due in semi-annual installments of \$28,836 through November 1, 2022, with a final payment of \$12,577 due May 1, 2023, including interest of 2.5700%.

Principal and interest payments to maturity are as follows:

Year Ending December 31,		Principal		Interest		Total
2014	\$	321,272	\$	63,070	\$	384,342
2015		329,803		54,539		384,342
2016		338,562		45,780		384,342
2017		347,553		36,789		384,342
2018		356,784		27,558		384,342
2019		366,259		18,083		384,342
2020		154,194		9,750		163,944
2021		127,372		5,705		133,077
2022		106,950		2,672		109,622
2023		23,603		303		23,906
	\$	<u>2,472,352</u>	\$	<u>264,249</u>	\$	<u>2,736,601</u>

- f. In addition to the above loans, the City has drawn \$107,383 from the Illinois Environmental Protection Agency Clean Water Revolving Loan Fund as of December 31, 2013. The loan is being used to fund construction projects of the Water and Sewer Fund. The total available loan expected to be utilized amounts to \$2,310,786 and is expected to be repaid semi-annually at a rate of 1.9300% interest, beginning in the fall of 2014, and maturing in the fall of 2033.

Below is an amortization schedule for this loan, based on the above assumptions. These amounts are subject to change based on the final determination of loan utilization and repayment dates:

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 11. Long Term Obligations (Continued)

2. Alternative Revenue Bonds (Continued)

Year Ending December 31,		Principal		Interest		Total
2014	\$	49,081	\$	22,299	\$	71,380
2015		99,588		43,172		71,380
2016		101,519		41,241		71,380
2017		103,488		39,272		71,380
2018		105,495		37,265		71,380
2019		107,541		35,219		71,380
2020		109,626		33,134		71,380
2021		111,752		31,008		71,380
2022		113,919		28,841		71,380
2023		116,129		26,631		71,380
2024		118,381		24,379		71,380
2025		120,677		22,083		71,380
2026		123,017		19,743		71,380
2027		125,403		17,357		71,380
2028		127,835		14,925		71,380
2029		130,314		12,446		71,380
2030		132,841		9,919		71,380
2031		135,417		7,343		71,380
2032		138,043		4,717		71,380
2033		140,720		2,040		71,380
	\$	2,310,786	\$	473,034	\$	2,783,820

Alternative revenue bond ordinances of the Water and Sewer Utility Fund require that certain reserve accounts be maintained at designated minimum dollar amounts.

Account	Amount
Bond and Interest	\$ 64,059

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 11. Long Term Obligations (Continued)

3. Note Payable

The City has entered into a note agreement with the Bank of Springfield to borrow a maximum of \$1,000,000 at an interest rate of 2.89% to fund the downtown rehabilitation project. The agreement calls for monthly interest-only payments through March 2011, with monthly principal and interest payments of \$9,605 beginning April 1, 2011. Based on the outstanding balance as of December 31, 2013, annual principal and interest requirements expected to be paid from the Tax Increment Finance fund are as follows:

Year Ending December 31,		Principal		Interest		Total
2014	\$	109,953	\$	5,312	\$	115,265
2015		124,053		1,756		125,809
	\$	234,006	\$	7,068	\$	241,074

4. Note Payable

The City has entered into a note agreement with the Jacksonville Savings Bank to borrow \$250,000 at an interest rate of 1.73% for the purchase of a fire engine. The agreement calls for three annual payments beginning on August 27, 2013 in the amount of \$86,274. The interest and principal will be paid out of the Capital Improvements fund as follows:

Year Ending December 31,		Principal		Interest		Total
2014	\$	83,366	\$	2,908	\$	86,274
2015		84,685		1,589		86,274
	\$	168,051	\$	4,497	\$	172,548

NOTE 12. Commitments and Contingent Liabilities

There are several lawsuits in which the City may potentially be involved. The City Attorney believes that the potential settlements from these claims, in excess of insurance coverage, would not materially affect the financial statements.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 13. Capital Assets.

The following is a summary of changes in capital assets for the year ended
December 31, 2013

	Beginning Balance January 1, 2013	Additions	Deletions	Ending Balance December 31, 2013
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 344,949	\$	\$	344,949
Infrastructure Land	459,635			459,635
Construction in Progress	<u>70,906</u>	<u>310,181</u>	<u></u>	<u>381,087</u>
Total Capital Assets, Not Being Depreciated	<u>875,490</u>	<u>310,181</u>	<u>-</u>	<u>1,185,671</u>
Capital Assets, Being Depreciated:				
Buildings	5,527,912	243,717		5,771,629
Infrastructure	18,673,726			18,673,726
Machinery and Equipment	2,678,495	253,300		2,931,795
Licensed Vehicles	<u>1,217,478</u>	<u>87,963</u>	<u></u>	<u>1,305,441</u>
Total Capital Assets, Being Depreciated	<u>28,097,611</u>	<u>584,980</u>	<u>-</u>	<u>28,682,591</u>
Less Accumulated Depreciation for:				
Buildings	3,298,678	95,151		3,393,829
Infrastructure	4,654,463	466,843		5,121,306
Machinery and Equipment	2,155,865	137,233		2,293,098
Licensed Vehicles	<u>953,123</u>	<u>109,877</u>	<u></u>	<u>1,063,000</u>
Total Accumulated Depreciation	<u>11,062,129</u>	<u>809,104</u>	<u>-</u>	<u>11,871,233</u>
Total Capital Assets, Being Depreciated, Net	<u>17,035,482</u>	<u>(224,124)</u>	<u>-</u>	<u>16,811,358</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,910,972</u>	<u>\$ 86,057</u>	<u>\$ -</u>	<u>\$ 17,997,029</u>

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 13. Capital Assets (Continued)

	Beginning Balance January 1, 2013	Additions	Deletions	Ending Balance December 31, 2013
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 173,813	\$	\$	\$ 173,813
Construction in Progress	<u>1,389,503</u>	<u>1,696,891</u>	<u>426,479</u>	<u>2,659,915</u>
 Total Capital Assets, Not Being Depreciated	 <u>1,563,316</u>	 <u>1,696,891</u>	 <u>426,479</u>	 <u>2,833,728</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,809,041			1,809,041
Buildings & Infrastructure	57,352,887	426,479		57,779,366
Machinery and Equipment	<u>4,703,692</u>	<u>232,786</u>		<u>4,936,478</u>
 Total Capital Assets, Being Depreciated	 <u>63,865,620</u>	 <u>659,265</u>	 <u>-</u>	 <u>64,524,885</u>
Less Accumulated Depreciation for:				
Land Improvements	551,713	6,712		558,425
Buildings & Infrastructure	34,023,011	1,090,900		35,113,911
Machinery and Equipment	<u>3,600,980</u>	<u>93,755</u>		<u>3,694,735</u>
 Total Accumulated Depreciation	 <u>38,175,704</u>	 <u>1,191,367</u>	 <u>-</u>	 <u>39,367,071</u>
 Total Capital Assets, Being Depreciated, Net	 <u>25,689,916</u>	 <u>(532,102)</u>	 <u>-</u>	 <u>25,157,814</u>
 Business-Type Activities Capital Assets, Net	 <u>\$ 27,253,232</u>	 <u>\$ 1,164,789</u>	 <u>\$ 426,479</u>	 <u>\$ 27,991,542</u>

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 13. Capital Assets (Continued)

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

Governmental Activities	
General Government	\$ 33,094
Public Safety	168,743
Public Works/Transportation	499,522
Health and Welfare	16,049
Culture and Recreation	<u>91,696</u>
	<u>\$ 809,104</u>
Business-Type Activities	
Water and Sewer	\$ 1,163,446
Golf	<u>27,921</u>
	<u>\$ 1,191,367</u>

NOTE 14. Restricted Fund Balance

Amounts included as restricted fund balances on the financial statements include property tax levies, grant funds, fines and fees, and other amounts externally restricted for specific purposes.

NOTE 15. Legal Debt Margin

Equalized Assessed Valuation, 2012 Tax Year	\$ <u>235,584,018</u>
Statutory Debt Limitation (5.75% of Equalized Assessed Valuation)	\$ 13,546,081
Less: Bond Indebtedness	
Legal Debt Margin	<u>\$ 13,546,081</u>

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 16. SUBSEQUENT EVENTS

Events that occur after the statement of net assets date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net assets date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net assets date require disclosure in the accompanying notes. Management evaluated the activity of the City through June 19, 2014, the date which the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

NOTE 17. CONSTRUCTION IN PROGRESS

The City has multiple construction projects in process as of December 31, 2013. The most significant projects include sewer separation projects that are being funded by the State Revolving Loan Fund as discussed in Note 10(2)(f) and the new water treatment plant with an estimated total cost of \$28,000,000. The new water treatment plant is in the early stages of the project, with \$629,000 expended as of December 31, 2013. Construction on the water plant is estimated to begin in the spring of 2015, with completion in the fall of 2016. Funding for the water treatment plant is also expected to come from the State Revolving Loan Fund. Both of these projects are being paid for through the Water and Sewer Fund.

Construction in progress also includes work completed to date on the north side of the downtown square to open North Main Street, which is expected to cost a total of \$3,880,000 and be completed early 2015. As of December 31, 2013, \$257,529 has been expended, which does not include any construction. Funding for the project will come from a \$2,000,000 grant and the rest will come from City funds.

The electrical system in the Municipal Building is also included in construction in progress. This project is expected to be completed in 2014 at a total estimated cost of \$253,000. As of December 31, 2013, \$123,558 has been expended for the new electrical system project.

NOTE 18. EXPENDITURES IN EXCESS OF BUDGET

During the year ended December 31, 2013, the City had actual expenditures in excess of budget of \$177,997 in the Public Library.

CITY OF JACKSONVILLE, ILLINOIS

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Property Taxes	\$ 3,605,513	\$ 3,605,513	\$ 3,542,632	\$ (62,881)
City Sales Tax	1,850,000	1,850,000	1,881,460	31,460
Franchise Tax	112,000	112,000	109,475	(2,525)
Intergovernmental:				
State Income Tax	1,800,000	1,800,000	1,852,822	52,822
Replacement Tax	4,000	4,000	94,974	90,974
Sales Tax	3,554,000	3,554,000	3,726,655	172,655
Video Gaming Tax	25,000	25,000	125,551	100,551
Telecommunications Tax	425,000	425,000	469,582	44,582
Federal Grant	52,000	52,000	49,097	(2,903)
State Expense Reimbursement	130,225	130,225	139,613	9,388
Local Expense Reimbursement	58,900	58,900	62,155	3,255
Licenses and Permits	320,995	320,995	335,938	14,943
Fines and Forfeitures	125,000	125,000	88,413	(36,587)
Revenue from Services	627,250	627,250	632,193	4,943
Rent	46,000	46,000	46,221	221
Investment Income	83,500	83,500	39,366	(44,134)
Other	96,403	96,403	151,147	54,744
Total Revenue	<u>12,915,786</u>	<u>12,915,786</u>	<u>13,347,294</u>	<u>431,508</u>
EXPENDITURES				
Current:				
General Control and Administration	2,628,814	2,628,814	2,593,736	35,078
Public Safety	6,397,710	6,397,710	6,418,557	(20,847)
Public Works/Transportation	1,580,429	1,580,429	1,412,867	167,562
Culture & Recreation	983,840	983,840	934,537	49,303
Health and Welfare	582,902	582,902	537,713	45,189
Capital Outlay	35,250	35,250	34,405	845
Total Expenditures	<u>12,208,945</u>	<u>12,208,945</u>	<u>11,931,815</u>	<u>277,130</u>
Revenue Over (Under) Expenditures	<u>706,841</u>	<u>706,841</u>	<u>1,415,479</u>	<u>708,638</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers				
Received	7,500	7,500	29,819	22,319
Paid	(855,054)	(855,054)	(855,054)	-
Total Other Financing Sources	<u>(847,554)</u>	<u>(847,554)</u>	<u>(825,235)</u>	<u>22,319</u>
Net Change in Fund Balances	\$ <u>(140,713)</u>	\$ <u>(140,713)</u>	590,244	\$ <u>730,957</u>
FUND BALANCE, BEGINNING			10,997,036	
FUND BALANCE, ENDING			\$ <u>11,587,280</u>	

CITY OF JACKSONVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES

Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CURRENT:				
General Control and Administration:				
Aldermen				
Personal Services	\$ 32,295	\$ 32,295	\$ 30,007	\$ 2,288
Other Services and Charges	9,100	9,100	10,004	(904)
	<u>41,395</u>	<u>41,395</u>	<u>40,011</u>	<u>1,384</u>
Mayor's Office				
Personal Services	293,547	293,547	296,255	(2,708)
Supplies	3,000	3,000	1,019	1,981
Other Services and Charges	42,100	42,100	43,286	(1,186)
	<u>338,647</u>	<u>338,647</u>	<u>340,560</u>	<u>(1,913)</u>
Revolving Loan				
Personal Services	2,746	2,746	2,799	(53)
	<u>2,746</u>	<u>2,746</u>	<u>2,799</u>	<u>(53)</u>
City Clerk's Office				
Personal Services	361,275	361,275	360,641	634
Supplies	1,600	1,600	686	914
Other Services and Charges	8,500	8,500	7,205	1,295
	<u>371,375</u>	<u>371,375</u>	<u>368,532</u>	<u>2,843</u>
City Treasurer's Office				
Personal Services	83,561	83,561	83,715	(154)
Supplies	900	900	356	544
Other Services and Charges	3,700	3,700	3,628	72
	<u>88,161</u>	<u>88,161</u>	<u>87,699</u>	<u>462</u>
City Attorney's Office				
Personal Services	95,310	95,310	91,908	3,402
Supplies	10,000	10,000	10,214	(214)
Other Services and Charges	100,550	100,550	86,422	14,128
	<u>205,860</u>	<u>205,860</u>	<u>188,544</u>	<u>17,316</u>
Boards and Commissions				
Other Services and Charges	15,546	15,546	10,130	5,416
	<u>\$ 15,546</u>	<u>\$ 15,546</u>	<u>\$ 10,130</u>	<u>\$ 5,416</u>

CITY OF JACKSONVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES
-continued-

Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Audit				
Other Services and Charges	\$ 35,000	\$ 35,000	\$ 33,850	\$ 1,150
	<u>35,000</u>	<u>35,000</u>	<u>33,850</u>	<u>1,150</u>
Major Departmental Emergency				
Personal Services	49,819	49,819	49,652	167
Supplies	16,000	16,000	16,831	(831)
Other Services and Charges	331,245	331,245	356,386	(25,141)
	<u>397,064</u>	<u>397,064</u>	<u>422,869</u>	<u>(25,805)</u>
City Hall and Plaza				
Personal Services	237,948	237,948	231,134	6,814
Supplies	34,500	34,500	37,260	(2,760)
Other Services and Charges	119,000	119,000	98,536	20,464
	<u>391,448</u>	<u>391,448</u>	<u>366,930</u>	<u>24,518</u>
City Insurance				
Other Services and Charges	633,590	633,590	629,822	3,768
	<u>633,590</u>	<u>633,590</u>	<u>629,822</u>	<u>3,768</u>
Central Supply				
Supplies	20,000	20,000	18,672	1,328
	<u>20,000</u>	<u>20,000</u>	<u>18,672</u>	<u>1,328</u>
Human Resource				
Personal Services	80,982	80,982	80,771	211
Other Services and Charges	7,000	7,000	2,547	4,453
	<u>87,982</u>	<u>87,982</u>	<u>83,318</u>	<u>4,664</u>
Total General Control and Administration	<u>2,628,814</u>	<u>2,628,814</u>	<u>2,593,736</u>	<u>35,078</u>
Public Safety:				
Police Department				
Personal Services	3,504,756	3,504,756	3,615,437	(110,681)
Supplies	27,500	27,500	23,035	4,465
Other Services and Charges	134,433	134,433	129,941	4,492
	<u>3,666,689</u>	<u>3,666,689</u>	<u>3,768,413</u>	<u>(101,724)</u>
Fire Department				
Personal Services	1,927,117	1,927,117	1,900,127	26,990
Supplies	11,000	11,000	5,725	5,275
Other Services and Charges	79,300	79,300	54,286	25,014
	<u>\$ 2,017,417</u>	<u>\$ 2,017,417</u>	<u>\$ 1,960,138</u>	<u>\$ 57,279</u>

CITY OF JACKSONVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES
-continued-

Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Inspection/Community Development				
Personal Services	\$ 469,345	\$ 469,345	\$ 464,999	\$ 4,346
Supplies	1,500	1,500	906	594
Other Services and Charges	82,100	82,100	56,083	26,017
	<u>552,945</u>	<u>552,945</u>	<u>521,988</u>	<u>30,957</u>
Emergency Services				
Personal Services	140,109	140,109	146,032	(5,923)
Supplies	6,550	6,550	10,635	(4,085)
Other Services and Charges	14,000	14,000	11,351	2,649
	<u>160,659</u>	<u>160,659</u>	<u>168,018</u>	<u>(7,359)</u>
 Total Public Safety	 <u>6,397,710</u>	 <u>6,397,710</u>	 <u>6,418,557</u>	 <u>(20,847)</u>
Public Works/Transportation:				
Municipal Services				
Personal Services	736,629	736,629	682,951	53,678
Supplies	419,500	419,500	360,815	58,685
Other Services and Charges	186,800	186,800	135,648	51,152
	<u>1,342,929</u>	<u>1,342,929</u>	<u>1,179,414</u>	<u>163,515</u>
Street Lighting				
Other Services and Charges	237,500	237,500	233,453	4,047
	<u>237,500</u>	<u>237,500</u>	<u>233,453</u>	<u>4,047</u>
 Total Public Works/ Transportation	 <u>1,580,429</u>	 <u>1,580,429</u>	 <u>1,412,867</u>	 <u>167,562</u>
Culture and Recreation:				
Parks & Lakes	927,176	927,176	878,429	48,747
Personal Services	56,664	56,664	56,108	556
	<u>983,840</u>	<u>983,840</u>	<u>934,537</u>	<u>49,303</u>
 Total Culture and Recreation	 <u>983,840</u>	 <u>983,840</u>	 <u>934,537</u>	 <u>49,303</u>
Health and Welfare:				
Animal Control				
Other Services and Charges	38,428	38,428	38,428	-
	<u>38,428</u>	<u>38,428</u>	<u>38,428</u>	<u>-</u>
	\$ <u>38,428</u>	\$ <u>38,428</u>	\$ <u>38,428</u>	\$ <u>-</u>

CITY OF JACKSONVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES
-continued-

Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Landfill				
Personal Services	\$ 9,334	\$ 9,334	\$ 9,165	\$ 169
Other Services and Charges	172,000	172,000	157,754	14,246
	<u>181,334</u>	<u>181,334</u>	<u>166,919</u>	<u>14,415</u>
Public Service				
Other Services and Charges	1,000	1,000	1,000	-
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Cemetery	362,140	362,140	331,366	30,774
	<u>362,140</u>	<u>362,140</u>	<u>331,366</u>	<u>30,774</u>
Total Health and Welfare	<u>582,902</u>	<u>582,902</u>	<u>537,713</u>	<u>45,189</u>
Total Current Expenditures	<u>12,173,695</u>	<u>12,173,695</u>	<u>11,897,410</u>	<u>276,285</u>
Capital Outlay:				
General Control and Administration:				
City Attorney's Office	500	500	79	421
Public Safety:				
Police Department	20,000	20,000	19,528	472
Fire Department	1,500	1,500	2,390	(890)
Inspection/Community Development	3,000	3,000	2,158	842
Health & Welfare				
Cemetery	10,250	10,250	10,250	-
Total Capital Outlay	<u>35,250</u>	<u>35,250</u>	<u>34,405</u>	<u>845</u>
Total General Fund Expenditures	<u>\$ 12,208,945</u>	<u>\$ 12,208,945</u>	<u>\$ 11,931,815</u>	<u>\$ 277,130</u>

CITY OF JACKSONVILLE, ILLINOIS

PUBLIC LIBRARY FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Taxes	\$ 500,000	\$ 500,000	\$ 499,734	\$ (266)
Intergovernmental				
Replacement Tax	66,000	66,000	70,000	4,000
State Grant			19,984	19,984
Fines and Forfeits	8,000	8,000	6,984	(1,016)
Revenue from Services	11,000	11,000	10,968	(32)
Investment Income	70,000	70,000	4,001	(65,999)
Other	28,000	28,000	12,464	(15,536)
	<u>683,000</u>	<u>683,000</u>	<u>624,135</u>	<u>(58,865)</u>
Total Revenue				
EXPENSES				
Current:				
Culture and Recreation	705,710	705,710	601,335	104,375
Capital Outlay			246,217	(246,217)
	<u>705,710</u>	<u>705,710</u>	<u>847,552</u>	<u>(141,842)</u>
Total Expenditures				
Revenue Over (Under)				
Expenditures	<u>(22,710)</u>	<u>(22,710)</u>	<u>(223,417)</u>	<u>(200,707)</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers				
Received			68,520	68,520
Paid			-	-
	<u> </u>	<u> </u>	<u>68,520</u>	<u>68,520</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	\$ <u>(22,710)</u>	\$ <u>(22,710)</u>	(154,897)	\$ <u>(132,187)</u>
FUND BALANCE, BEGINNING			<u>1,257,347</u>	
FUND BALANCE, ENDING			\$ <u><u>1,102,450</u></u>	

CITY OF JACKSONVILLE, ILLINOIS

CAPITAL IMPROVEMENT FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Intergovernmental				
Federal Grant	\$ -	\$ -	\$ 5,460	\$ 5,460
State Grant	70,900	70,900	70,900	-
Investment Income	400	400	283	(117)
Other	1,000	1,000	167,923	166,923
	<u>72,300</u>	<u>72,300</u>	<u>244,566</u>	<u>172,266</u>
Total Revenue				
EXPENSES				
Debt Service			140,350	(140,350)
Capital Outlay	1,087,993	1,087,993	860,961	227,032
	<u>1,087,993</u>	<u>1,087,993</u>	<u>1,001,311</u>	<u>86,682</u>
Total Expenditures				
Revenue Over (Under) Expenditures	<u>(1,015,693)</u>	<u>(1,015,693)</u>	<u>(756,745)</u>	<u>\$ 258,948</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers				
Received	960,054	960,054	972,054	12,000
Paid	(28,000)	(28,000)	(48,217)	(20,217)
Proceeds from Long Term Debt		-	165,226	165,226
	<u>932,054</u>	<u>932,054</u>	<u>1,089,063</u>	<u>157,009</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	\$ <u>(83,639)</u>	\$ <u>(83,639)</u>	332,318	\$ <u>415,957</u>
FUND BALANCE, BEGINNING			<u>381,089</u>	
FUND BALANCE, ENDING			<u>\$ 713,407</u>	

City of Jacksonville, Illinois
Schedule of Funding Progress
(in thousands of dollars)
Illinois Municipal Retirement Fund

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)
12/31/13	12,712,112	15,044,420	2,332,308	84.50	4,535,889	51.42%
12/31/12	11,041,791	14,149,771	3,107,980	78.04	4,403,875	70.57%
12/31/11	10,794,902	13,951,719	3,156,817	77.37	4,324,587	73.00%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$15,265,882. On a market basis, the funded ratio would be 101.47%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with City of Jacksonville. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

City of Jacksonville, Illinois
Schedule of Funding Progress
(in thousands of dollars)
Illinois Municipal Retirement Fund

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)
12/31/13	160,054	199,804	39,750	80.11	89,311	44.51%
12/31/12	138,721	172,788	34,067	80.28	87,560	38.91%
12/31/11	118,993	144,973	25,980	82.08	85,010	30.56%

On a market value basis, the actuarial value of assets as of December 31, 2013 is \$177,053.
On a market basis, the funded ratio would be 88.61%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with City of Jacksonville. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

City of Jacksonville, Illinois
 Schedule of Funding Progress
 (in thousands of dollars)
 Firemen's Pension Fund

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)
12/31/13	NOT AVAILABLE					
12/31/12	15,873	22,674	6,801	70%	1,522	447%
12/31/11	15,371	22,712	7,341	68%	1,466	501%

City of Jacksonville, Illinois
 Schedule of Funding Progress
 (in thousands of dollars)
 Police Pension Fund

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)
12/31/13	NOT AVAILABLE					
12/31/12	15,772	24,720	8,948	64%	2,263	395%
12/31/11	15,364	23,852	8,488	64%	2,172	391%

CITY OF JACKSONVILLE, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

December 31, 2013

	Total Nonmajor Governmental Funds	Special Revenue Funds	
		Motor Fuel Tax	Economic Loan
ASSETS			
Cash	\$ 6,209,640	\$ 485,480	\$ 312,947
Investments	1,575,592		
Receivables:			
Taxes	1,500,503		
Intergovernmental	48,661	48,661	
Loans	1,230,239		326,087
Accrued Interest	8,170		
Due from Other Funds	7,098		
	<u>10,579,903</u>	<u>534,141</u>	<u>639,034</u>
Total Assets	\$ <u>10,579,903</u>	\$ <u>534,141</u>	\$ <u>639,034</u>
LIABILITIES			
Accounts Payable	\$ 23,693	\$	\$
Accrued Salaries	-		
Due to Other Funds	-		
Unearned Revenue	-		
	<u>23,693</u>	<u>-</u>	<u>-</u>
Total Liabilities	23,693	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Taxes	1,492,920		
	<u>1,492,920</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	1,492,920	-	-
Fund Balance:			
Nonspendable	2,432,643		
Restricted for:			
Economic Loan	639,034		639,034
Public Safety	104,918		
Public Works/Transportation	534,141	534,141	
Health and Welfare	20,000		
Culture and Recreation	658,072		
Construction of Capital Assets	342,398		
Committed	4,332,084		
Unassigned	-		
	<u>9,063,290</u>	<u>534,141</u>	<u>639,034</u>
Total Fund Balance	9,063,290	534,141	639,034
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ <u>10,579,903</u>	\$ <u>534,141</u>	\$ <u>639,034</u>

Special Revenue Funds

Goveia Trust	Heritage Cultural Center	Tourism	Drug Enforcement
\$ 613,643	\$ 46,072	\$ 11,318	\$ 53,922
		7,583	
1,481			
<u>\$ 615,124</u>	<u>\$ 46,072</u>	<u>\$ 18,901</u>	<u>\$ 53,922</u>
\$ 3,124		\$ 18,901	
<u>3,124</u>	<u>-</u>	<u>18,901</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
			53,922
612,000	46,072		
<u>612,000</u>	<u>46,072</u>	<u>-</u>	<u>53,922</u>
<u>\$ 615,124</u>	<u>\$ 46,072</u>	<u>\$ 18,901</u>	<u>\$ 53,922</u>

CITY OF JACKSONVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2013

	Special Revenue Funds		
	Police and Fire Retirement Funds	Police Department Evidence	Foreign Fire Insurance Tax
ASSETS			
Cash	\$	\$ 25,811	\$ 25,185
Investments			
Receivables:			
Taxes	1,332,161		
Intergovernmental Loans			
Accrued Interest			
Due from Other Funds			
Total Assets	\$ <u>1,332,161</u>	\$ <u>25,811</u>	\$ <u>25,185</u>
LIABILITIES			
Accounts Payable	\$	\$	\$
Accrued Salaries			
Due to Other Funds			
Deferred Revenue			
Total Liabilities	-	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Taxes	1,332,161		
Total Deferred Inflows of Resources	1,332,161	-	-
Fund Balance:			
Nonspendable			
Restricted for:			
Economic Loan			
Public Safety		25,811	25,185
Public Works/Transportation			
Health and Welfare			
Culture and Recreation			
Construction of Capital Assets			
Committed			
Unassigned			
Total Fund Balance	-	25,811	25,185
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ <u>1,332,161</u>	\$ <u>25,811</u>	\$ <u>25,185</u>

Capital Improvement Funds			Permanent Funds	
Lake Reclamation	Securities Investment	Tax Increment Finance	Public Library Endowment Trust	Cemetery Perpetual Care
\$ 1,858,527	\$ 1,634,151	\$ 271,031	\$ 23,849	\$ 847,704
			1,575,592	
		160,759		
1,696	832,716	71,436		
	4,993			
		1,599		5,499
<u>\$ 1,860,223</u>	<u>\$ 2,471,860</u>	<u>\$ 504,825</u>	<u>\$ 1,599,441</u>	<u>\$ 853,203</u>
\$	\$	\$ 1,668	\$	\$
-	-	1,668	-	-
		160,759		
-	-	160,759	-	-
			1,599,441	833,202
				20,000
1,860,223	2,471,861	342,398		
<u>1,860,223</u>	<u>2,471,861</u>	<u>342,398</u>	<u>1,599,441</u>	<u>853,202</u>
<u>\$ 1,860,223</u>	<u>\$ 2,471,861</u>	<u>\$ 504,825</u>	<u>\$ 1,599,441</u>	<u>\$ 853,202</u>

CITY OF JACKSONVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2013

	Total Nonmajor Governmental Funds	Special Revenue Funds	
		Motor Fuel Tax	Economic Loan
REVENUE			
Taxes	\$ 1,624,874	\$	\$
Intergovernmental	771,185	562,388	
Licenses and Permits	-		
Fines and Forfeitures	38,457		
Revenue from Services	24,164		
Investment Income	283,479	307	5,175
Other	99,657		
Total Revenue	2,841,816	562,695	5,175
EXPENDITURES			
Current:			
General Control and Administration	127,230		
Public Safety	1,630,262		
Public Works/Transportation	350,525	350,525	
Health and Welfare	-		
Culture and Recreation	184,997		
Debt Service	115,265		
Capital Outlay	7,205	7,205	
Total Expenditures	2,415,484	357,730	-
Revenue Over (Under) Expenditures	426,332	204,965	5,175
OTHER FINANCING SOURCES (USES)			
Interfund Transfers			
Received	4,989		
Paid	(220,328)	(100,000)	
Total Other Financing Sources (Uses)	(215,339)	(100,000)	-
Net Change in Fund Balances	210,993	104,965	5,175
FUND BALANCE, BEGINNING	8,852,297	429,176	633,859
FUND BALANCE, ENDING	\$ 9,063,290	\$ 534,141	\$ 639,034

Special Revenue Funds

	Goveia Trust	Heritage Cultural Center	Tourism	Drug Enforcement
\$			\$ 133,490	
				29,338
	4,819	1,663		618
	<u>4,819</u>	<u>1,663</u>	<u>133,490</u>	<u>9,714</u>
	4,819	1,663	133,490	39,670
				69,117
		35	133,490	
	<u>-</u>	<u>35</u>	<u>133,490</u>	<u>69,117</u>
	4,819	1,628	-	(29,447)
	<u>(4,819)</u>	<u>-</u>	<u>-</u>	<u>4,989</u>
	(4,819)	-	-	4,989
	-	1,628	-	(24,458)
	<u>612,000</u>	<u>44,444</u>	<u>-</u>	<u>78,380</u>
\$	<u><u>612,000</u></u>	<u><u>46,072</u></u>	<u><u>-</u></u>	<u><u>53,922</u></u>

CITY OF JACKSONVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

Year Ended December 31, 2013

	Special Revenue Funds		
	Police and Fire Retirement Funds	Police Department Evidence	Foreign Fire Insurance Tax
REVENUE			
Taxes	\$ 1,331,483	\$	\$
Intergovernmental	180,870		27,927
Licenses and Permits			
Fines and Forfeitures		9,119	
Revenue from Services			
Investment Income		32	22
Other			50
Total Revenue	<u>1,512,353</u>	<u>9,151</u>	<u>27,999</u>
EXPENDITURES			
Current:			
General Control and Administration			
Public Safety	1,512,353		48,792
Public Works/Transportation			
Health and Welfare			
Culture and Recreation			
Debt Service			
Capital Outlay			
Total Expenditures	<u>1,512,353</u>	<u>-</u>	<u>48,792</u>
Revenue Over (Under) Expenditures	<u>-</u>	<u>9,151</u>	<u>(20,793)</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers			
Received			
Paid		(4,989)	
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4,989)</u>	<u>-</u>
Net Change in Fund Balances	-	4,162	(20,793)
FUND BALANCE, BEGINNING	<u>-</u>	<u>21,649</u>	<u>45,978</u>
FUND BALANCE, ENDING	\$ <u>-</u>	\$ <u>25,811</u>	\$ <u>25,185</u>

Capital Improvement Funds			Permanent Funds	
Lake Reclamation	Securities Investment	Tax Increment Finance	Public Library Endowment Trust	Cemetery Perpetual Care
\$	\$	\$ 159,901	\$	\$
7,460	33,024	5,052	225,201	24,164
89,009			884	106
<u>96,469</u>	<u>33,024</u>	<u>164,953</u>	<u>226,085</u>	<u>24,270</u>
	87,676	39,554		
41,126		115,265	10,346	
<u>41,126</u>	<u>87,676</u>	<u>154,819</u>	<u>10,346</u>	<u>-</u>
55,343	(54,652)	10,134	215,739	24,270
	(42,000)		(68,520)	
-	(42,000)	-	(68,520)	-
55,343	(96,652)	10,134	147,219	24,270
<u>1,804,880</u>	<u>2,568,513</u>	<u>332,264</u>	<u>1,452,222</u>	<u>828,932</u>
\$ <u>1,860,223</u>	\$ <u>2,471,861</u>	\$ <u>342,398</u>	\$ <u>1,599,441</u>	\$ <u>853,202</u>

CITY OF JACKSONVILLE, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

December 31, 2013

ASSETS	Firemen's Pension Trust Fund	Policemen's Pension Trust Fund	Total
Cash and Short-Term Investments	\$ 1,383,501	\$ 1,416,656	\$ 2,800,157
Investments	14,996,176	13,537,406	28,533,582
Receivables:			
Accrued Interest	1,980	74,617	76,597
Employer Contributions	584,336	747,825	1,332,161
	<u>16,965,993</u>	<u>15,776,504</u>	<u>32,742,497</u>
LIABILITIES			
Vouchers Payable	<u>102,067</u>	<u>119,225</u>	<u>221,292</u>
Total Liabilities	<u>102,067</u>	<u>119,225</u>	<u>221,292</u>
NET POSITION			
Held in Trust for Pension Benefits	<u>\$ 16,863,926</u>	<u>\$ 15,657,279</u>	<u>\$ 32,521,205</u>

CITY OF JACKSONVILLE, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
AVAILABLE FOR BENEFITS
PENSION TRUST FUNDS

Year Ended December 31, 2013

	Firemen's Pension	Police Pension	Total
ADDITIONS			
Contributions:			
Employer Contributions	\$ 669,484	\$ 842,869	\$ 1,512,353
Employee Contributions	<u>149,162</u>	<u>235,582</u>	<u>384,744</u>
Total Contributions	<u>818,646</u>	<u>1,078,451</u>	<u>1,897,097</u>
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	730,672	146,346	877,018
Interest/Dividends	651,382	562,359	1,213,741
Realized Gain (Loss) on Sale of Investments	179,434	255,533	434,967
Investment Expense	<u>(17,933)</u>	<u>(27,019)</u>	<u>(44,952)</u>
Net Investment Income	<u>1,543,555</u>	<u>937,219</u>	<u>2,480,774</u>
Total Additions	<u>2,362,201</u>	<u>2,015,670</u>	<u>4,377,871</u>
DEDUCTIONS			
Benefits	1,230,583	1,336,090	2,566,673
Administration Expenses	<u>19,957</u>	<u>25,034</u>	<u>44,991</u>
Total Deductions	<u>1,250,540</u>	<u>1,361,124</u>	<u>2,611,664</u>
Net Increase (Decrease)	1,111,661	654,546	1,766,207
NET POSITION, BEGINNING OF YEAR	<u>15,752,265</u>	<u>15,002,733</u>	<u>30,754,998</u>
NET POSITION, END OF YEAR	<u>\$ 16,863,926</u>	<u>\$ 15,657,279</u>	<u>\$ 32,521,205</u>

CITY OF JACKSONVILLE, ILLINOIS

SCHEDULE OF EQUALIZED ASSESSED VALUATIONS, TAX RATES,
EXTENSIONS AND COLLECTIONS

	2013	Tax Year 2012	2011
EQUALIZED ASSESSED VALUATIONS	\$ <u>235,584,018</u>	\$ <u>235,187,351</u>	\$ <u>236,091,279</u>
TAX LEVY			
General	\$ 3,467,659	\$ 3,306,219	\$ 3,227,645
Firemen's Pension	584,336	610,434	545,046
Police Pension	747,825	681,496	636,115
Library	515,000	500,000	493,260
Road District No. 14	<u>262,787</u>	<u>250,274</u>	<u>238,357</u>
	\$ <u>5,577,607</u>	\$ <u>5,348,423</u>	\$ <u>5,140,423</u>
TAX LEVY RATES			
General	1.47195	1.40579	1.36712
Firemen's Pension	0.24804	0.25956	0.23087
Police Pension	0.31744	0.28977	0.26944
Library	0.21861	0.21260	0.20893
Road District No. 14	<u>0.11155</u>	<u>0.10642</u>	<u>0.09744</u>
	<u>2.36759</u>	<u>2.27413</u>	<u>2.17380</u>
TAX EXTENSIONS			
General	\$ 3,467,679	\$ 3,306,240	\$ 3,227,651
Firemen's Pension	584,343	610,452	545,064
Police Pension	747,838	681,503	636,124
Library	515,010	500,008	493,266
Road District No. 14	<u>245,384</u>	<u>238,339</u>	<u>230,047</u>
	\$ <u>5,560,254</u>	\$ <u>5,336,542</u>	\$ <u>5,132,152</u>
TAX COLLECTIONS			
General		\$ 3,304,417	\$ 3,226,232
Firemen's Pension		610,101	544,840
Police Pension		681,125	635,862
Library		499,728	493,063
Road District No. 14		238,193	229,923
Tax Increment Finance		<u>159,901</u>	<u>154,297</u>
		\$ <u>5,493,465</u>	\$ <u>5,284,217</u>