

CITY OF JACKSONVILLE, ILLINOIS

ANNUAL FINANCIAL REPORT

**For the Year Ended
December 31, 2015**

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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, 2015, 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, 2015, 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 69-74 and retirement fund historical data on pages 75-84 and the related notes on pages 85-87 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 combining and individual nonmajor fund financial statements and the combining fiduciary fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

The schedule of equalized assessed valuations, tax rates, extensions and collections has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 13, 2016, on our consideration of the City of Jacksonville, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Jacksonville, Illinois' internal control over financial reporting and compliance.

Zumbahlen, Eyer, Sematt, Foote + Flynn Ltd

Jacksonville, Illinois
June 13, 2016

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash	\$ 18,640,362	\$ 6,100,305	\$ 24,740,667
Investments	2,336,056		2,336,056
Receivables:			
Taxes	6,314,892		6,314,892
Accounts	1,929,452	1,866,819	3,796,271
Due from Other Governments	2,008,924	5,460	2,014,384
Inventory		36,049	36,049
Capital Assets (Net of Accumulated Depreciation)	21,687,328	36,755,372	58,442,700
Other Assets		1,226	1,226
Internal Balances			-
Total Assets	<u>52,917,014</u>	<u>44,765,231</u>	<u>97,682,245</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	<u>3,780,724</u>	<u>902,978</u>	<u>4,683,702</u>
Total Deferred Outflows of Resources	<u>3,780,724</u>	<u>902,978</u>	<u>4,683,702</u>
Total Assets and Deferred Outflows of Resources	<u>56,697,738</u>	<u>45,668,209</u>	<u>102,365,947</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
LIABILITIES			
Accounts payable	750,019	1,891,717	2,641,736
Unearned revenue	178,827	386,928	565,555
Accrued salaries and wages	194,136	77,902	272,038
Long-term liabilities:			
Notes Payable- Due within one year	43,567	438,496	482,063
Notes Payable- Due in more than one year	210,156	5,002,965	5,213,121
Net Pension Liability	<u>37,294,952</u>	<u>973,217</u>	<u>38,268,169</u>
Total Liabilities	<u>38,671,457</u>	<u>8,771,225</u>	<u>47,442,682</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	<u>189,814</u>	<u>107,965</u>	<u>297,779</u>
Total Deferred Inflows of Resources	<u>189,814</u>	<u>107,965</u>	<u>297,779</u>
Total Liabilities and Deferred Inflows of Resources	<u>38,861,271</u>	<u>8,879,190</u>	<u>47,740,461</u>
NET POSITION			
Investments in capital assets, net of related debt	21,643,761	31,365,605	53,009,366
Restricted for:			
Debt Service		81,333	81,333
Purpose of Grantors/Trustees	2,791,700		2,791,700
Economic Loan	673,248		673,248
Public Safety	153,910		153,910
Public Works/Transportation	476,435		476,435
Health and Welfare	20,000		20,000
Culture and Recreation	1,846,612		1,846,612
Construction of Capital Assets	962,169		962,169
Unrestricted	<u>(10,731,368)</u>	<u>5,342,081</u>	<u>(5,389,287)</u>
Total Net Position	<u>\$ 17,836,467</u>	<u>\$ 36,789,019</u>	<u>\$ 54,625,486</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF ACTIVITIES

Year Ended December 31, 2015

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Governmental activities:			
General Control and Administration	\$ 2,685,558	\$ 654,029	\$ -
Public Safety	12,919,497	270,552	223,384
Public Works/Transportation	2,348,986		554,113
Health and Welfare	566,482	158,407	
Culture and Recreation	1,941,529	396,737	34,763
	<u>20,462,052</u>	<u>1,479,725</u>	<u>812,260</u>
Total Governmental Activities			
Business-type activities:			
Water Sewer	6,481,715	8,038,726	
Golf	471,621	315,531	
	<u>6,953,336</u>	<u>8,354,257</u>	<u>-</u>
Total Business-Type Activities			
Total Primary Government	\$ <u>27,415,388</u>	\$ <u>9,833,982</u>	\$ <u>812,260</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-RESTATED

Net Position-Ending

Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$	\$	\$	\$
	(2,031,529)		(2,031,529)
104,614	(12,320,947)		(12,320,947)
1,240,721	(554,152)		(554,152)
	(408,075)		(408,075)
	(1,510,029)		(1,510,029)
<u>1,345,335</u>	<u>(16,824,732)</u>		<u>(16,824,732)</u>
103,542		1,660,553	1,660,553
		(156,090)	(156,090)
<u>103,542</u>		<u>1,504,463</u>	<u>1,504,463</u>
\$ <u>1,448,877</u>	<u>(16,824,732)</u>	<u>1,504,463</u>	<u>(15,320,269)</u>
	6,259,542		6,259,542
	1,976,211		1,976,211
	101,435		101,435
	171,265		171,265
	261,272		261,272
	3,950,726		3,950,726
	2,069,116		2,069,116
	363,734		363,734
	550,677		550,677
	128,079	17,216	145,295
	4,577		4,577
	(314,887)	314,887	-
	<u>15,521,747</u>	<u>332,103</u>	<u>15,853,850</u>
	(1,302,985)	1,836,566	533,581
	<u>19,139,452</u>	<u>34,952,453</u>	<u>54,091,905</u>
\$	\$ <u>17,836,467</u>	\$ <u>36,789,019</u>	\$ <u>54,625,486</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2015

	General Fund	Capital Improvement Fund	Total NonMajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 11,002,335	\$ 1,077,763	\$ 5,402,232	\$ 17,482,330
Investments			2,336,056	2,336,056
Property Taxes Receivable	4,135,447		2,179,445	6,314,892
Intergovernmental Receivables	1,965,036		43,888	2,008,924
Other Receivables	448,101		1,468,227	1,916,328
Due from Other Funds		0	1,599	1,599
	<u>17,550,919</u>	<u>1,077,763</u>	<u>11,431,447</u>	<u>30,060,129</u>
Total Assets	\$ 17,550,919	\$ 1,077,763	\$ 11,431,447	\$ 30,060,129
LIABILITIES				
Accounts Payable	\$ 153,177	\$ 440,792	\$ 52,320	\$ 646,289
Accrued Salaries	188,032		6,104	194,136
Due to Other Funds	1,599			1,599
Unearned Revenue	78,226			78,226
	<u>421,034</u>	<u>440,792</u>	<u>58,424</u>	<u>920,250</u>
Total Liabilities	421,034	440,792	58,424	920,250
DEFERRED INFLOWS OF RESOURCES				
Unavailable Property Taxes	4,135,447		2,169,260	6,304,707
	<u>4,135,447</u>	<u>-</u>	<u>2,169,260</u>	<u>6,304,707</u>
Total Deferred Inflows of Resources	4,135,447	-	2,169,260	6,304,707
Fund Balance				
Nonspendable			2,791,700	2,791,700
Restricted for:				
Economic Loan			673,248	673,248
Public Safety			153,910	153,910
Public Works/Transportation			476,435	476,435
Health and Welfare			20,000	20,000
Culture and Recreation			1,846,612	1,846,612
Construction of Capital Assets		636,971	325,198	962,169
Committed			2,916,660	2,916,660
Unassigned	12,994,438			12,994,438
	<u>12,994,438</u>	<u>636,971</u>	<u>9,203,763</u>	<u>22,835,172</u>
Total Fund Balance	12,994,438	636,971	9,203,763	22,835,172
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 17,550,919	\$ 1,077,763	\$ 11,431,447	\$ 30,060,129

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, 2015

Fund Balances - Total Governmental Funds	\$ 22,835,172
Capital assets used in governmental activities are not financial resources and therefore are not reported in the Funds.	21,687,328
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds	
Deferred outflows of resources related to pensions	3,780,724
Deferred inflows of resources related to pensions	(189,814)
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds.	6,304,707
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.	
Notes and Compensated Absences Payable	(253,723)
Net Pension Liability	(37,294,952)
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>967,025</u>
Net Position of Governmental Activities	\$ <u><u>17,836,467</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, 2015

	General Fund	Capital Improvement Fund	Total NonMajor Governmental Funds	Total Governmental Funds
REVENUE				
Taxes	\$ 5,945,765	\$	\$ 2,300,608	\$ 8,246,373
Intergovernmental	7,192,437	1,345,335	805,975	9,343,747
Licenses and Permits	340,573			340,573
Fines and Forfeits	112,123		56,163	168,286
Revenue from Services	736,717		30,130	766,847
Investment Income	60,563	17,802	49,714	128,079
Other	190,640	9,257	18,072	217,969
	<u>14,578,818</u>	<u>1,372,394</u>	<u>3,260,662</u>	<u>19,211,874</u>
EXPENDITURES				
Current:				
General Control and Administration	2,697,112		21,802	2,718,914
Public Safety	6,786,549		1,733,918	8,520,467
Public Works/Transportation	1,341,730		454,063	1,795,793
Health and Welfare	558,989		-	558,989
Culture and Recreation	944,456		824,811	1,769,267
Debt Service		133,979	125,024	259,003
Capital Outlay	85,642	2,538,705	183,721	2,808,068
	<u>12,414,478</u>	<u>2,672,684</u>	<u>3,343,339</u>	<u>18,430,501</u>
Revenue Over (Under) Expenditures	<u>2,164,340</u>	<u>(1,300,290)</u>	<u>(82,677)</u>	<u>781,373</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers				
Received	30,805	1,456,111	111,173	1,598,089
Paid	(1,287,605)	(289,887)	(335,484)	(1,912,976)
Proceeds from Long Term Debt		-		-
	<u>(1,256,800)</u>	<u>1,166,224</u>	<u>(224,311)</u>	<u>(314,887)</u>
Net Change in Fund Balances	907,540	(134,066)	(306,988)	466,486
FUND BALANCE, BEGINNING	<u>12,086,898</u>	<u>771,037</u>	<u>9,510,751</u>	<u>22,368,686</u>
FUND BALANCE, ENDING	<u>\$ 12,994,438</u>	<u>\$ 636,971</u>	<u>\$ 9,203,763</u>	<u>\$ 22,835,172</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, 2015

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 466,486
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.	1,663,472
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	(17,181)
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense reflects the net change in the net pension obligation and deferred outflows and inflows related to pensions. This is the amount by which the actuarial change in net pension obligation exceeds pension contributions	(3,895,825)
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.	256,037
Revenues in the government-wide Statement of Activities that do no provide current financial resources are not reported as revenues in the funds. This is the amount by which property tax revenue recognized in the Statement of Activities exceeds amounts included in the funds.	262,080
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.	<u>(38,054)</u>
Change in Net Position of Governmental Activities	\$ <u>(1,302,985)</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2015

	Business-Type Activities-Enterprise Funds			Governmental Activities
	Water & Sewer	Golf	Total Enterprise Funds	Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current Assets				
Cash	\$ 6,071,653	\$ 28,652	\$ 6,100,305	\$ 1,426,649
Receivables:				
Accounts (Net of Allowance for Uncollectibles of \$10,425)	1,102,532		1,102,532	16,167
Estimated Unbilled Revenue	764,287		764,287	
Grant	5,460		5,460	
Inventory	36,049		36,049	
Other Assets	1,226		1,226	
Total Current Assets	<u>7,981,207</u>	<u>28,652</u>	<u>8,009,859</u>	<u>1,442,816</u>
Noncurrent Assets				
Property, Plant & Equipment, Net of Accumulated Depreciation	<u>35,420,381</u>	<u>1,334,991</u>	<u>36,755,372</u>	
Deferred Outflows of Resources				
Deferred Outflows Related to Pensions	<u>902,978</u>		<u>902,978</u>	
Total Deferred Outflows of Resources	<u>902,978</u>	<u>0</u>	<u>902,978</u>	<u>0</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 44,304,566</u>	<u>\$ 1,363,643</u>	<u>\$ 45,668,209</u>	<u>\$ 1,442,816</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Current Liabilities				
Accounts Payable	\$ 1,890,088	\$ 1,629	\$ 1,891,717	\$ 127,791
Accrued Salaries	76,406	1,496	77,902	
Unearned Revenue	351,109	35,819	386,928	115,145
Bonds, Notes, and Loans Payable	438,496		438,496	
Total Current Liabilities	<u>2,756,099</u>	<u>38,944</u>	<u>2,795,043</u>	<u>242,936</u>
Noncurrent Liabilities:				
Compensated Absences	48,116	3,578	51,694	
Net Pension Liability	973,217		973,217	
Bonds, Notes, and Loans Payable	4,951,271		4,951,271	
Total Noncurrent Liabilities	<u>5,972,604</u>	<u>3,578</u>	<u>5,976,182</u>	<u>0</u>
Deferred Inflows of Resources				
Deferred Inflows Related to Pensions	<u>107,965</u>		<u>107,965</u>	
Total Deferred Inflows of Resources	<u>107,965</u>	<u>0</u>	<u>107,965</u>	<u>0</u>
Total Liabilities and Deferred Inflows of Resources	<u>8,836,668</u>	<u>42,522</u>	<u>8,879,190</u>	<u>242,936</u>
NET POSITION				
Investments in Capital Assets, Net of Related Debt	30,030,614	1,334,991	31,365,605	
Restricted for:				
Debt Service	81,333		81,333	
Unrestricted	<u>5,355,951</u>	<u>(13,870)</u>	<u>5,342,081</u>	<u>1,199,880</u>
Total Net Position	<u>35,467,898</u>	<u>1,321,121</u>	<u>36,789,019</u>	<u>1,199,880</u>
Total Liabilities and Net Position	<u>\$ 44,304,566</u>	<u>\$ 1,363,643</u>	<u>\$ 45,668,209</u>	<u>\$ 1,442,816</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, 2015

	Business-Type Activities-Enterprise Funds			Governmental
	Water & Sewer	Golf	Total Enterprise Funds	Internal Service Funds
Operating Revenues				
Revenue from Services	\$ 8,038,726	\$ 315,531	\$ 8,354,257	\$ 1,485,541
Investment Income				11,880
Total Operating Revenues	8,038,726	315,531	8,354,257	1,497,421
Operating Expenses:				
Personal Services	2,467,900	207,174	2,675,074	
Contractual Services and Other	1,489,805	149,284	1,639,089	9,002
Supplies	471,595	52,611	524,206	
Heat, Light and Power	704,451	7,457	711,908	
Depreciation	1,258,982	55,095	1,314,077	
Benefit Payments				1,523,871
Total Operating Expenses	6,392,733	471,621	6,864,354	1,532,873
Operating Income (Loss)	1,645,993	(156,090)	1,489,903	(35,452)
Nonoperating Revenue (Expenses)				
Investment Income	17,208	8	17,216	
Interest and Fiscal Charges	(88,982)		(88,982)	
Total Nonoperating Revenues (Expenses)	(71,774)	8	(71,766)	0
Income (Loss) Before Contributions and Transfers	1,574,219	(156,082)	1,418,137	(35,452)
Capital Contributions	103,542		103,542	
Transfers In		314,887	314,887	
Change in Net Position	1,677,761	158,805	1,836,566	(35,452)
Total Net Position, Beginning- RESTATED	33,790,137	1,162,316	34,952,453	1,235,332
Total Net Position, Ending	\$ 35,467,898	\$ 1,321,121	\$ 36,789,019	\$ 1,199,880

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year Ended December 31, 2015

	Business Type Activities- Enterprise Funds	
	Water and Sewer	Golf
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Users	\$ 7,924,485	\$ 318,665
Payments to Employees	(2,559,384)	(205,193)
Payments to Suppliers	(2,330,114)	(209,255)
	<u>3,034,987</u>	<u>(95,783)</u>
Net Cash Provided (Used) by Operating Activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Fixed Assets	(2,821,770)	(216,165)
Grant Money Received	98,082	
Receipt of Bond Proceeds	1,376,145	
Principal Paid on Bonds	(393,859)	
	<u>(1,741,402)</u>	<u>(216,165)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Investments	17,412	8
Receipt of Interfund Transfer		314,887
Payment on Interfund Loan	(330,022)	
Interest Paid on Debt	(88,982)	
	<u>(401,592)</u>	<u>314,895</u>
Net Cash Provided (Used) by Investing Activities		
Net Increase (Decrease) in Cash	891,993	2,947
CASH, BEGINNING	<u>5,179,660</u>	<u>25,705</u>
CASH, ENDING	<u>\$ 6,071,653</u>	<u>\$ 28,652</u>

<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 8,243,150	\$ 1,493,270
(2,764,577)	
<u>(2,539,369)</u>	<u>(1,475,172)</u>
2,939,204	18,098
(3,037,935)	
98,082	
1,376,145	
<u>(393,859)</u>	
<u>(1,957,567)</u>	<u>-</u>
17,420	
314,887	
(330,022)	
<u>(88,982)</u>	
<u>(86,697)</u>	<u>-</u>
894,940	18,098
<u>5,205,365</u>	<u>1,408,551</u>
<u>\$ 6,100,305</u>	<u>\$ 1,426,649</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

Year Ended December 31, 2015

	<u>Business Type Activities-</u> <u>Enterprise Funds</u>	
	Water and Sewer	Golf
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ 1,645,993	\$ (156,090)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	1,258,982	55,095
(Increase) Decrease in Accounts Receivable	(123,693)	
(Increase) Decrease in Deferred Outflows	(902,978)	
Increase (Decrease) in Accounts Payable	335,737	97
Increase (Decrease) in Unearned Revenue	9,452	3,134
Increase (Decrease) in Net Pension Liability	693,957	
Increase (Decrease) in Deferred Inflows	107,965	
Increase (Decrease) in Accrued Salaries	5,921	1,496
Increase (Decrease) in Accrued Vacation	3,651	485
	<u>3,034,987</u>	<u>(95,783)</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>3,034,987</u>	\$ <u>(95,783)</u>

<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 1,489,903	\$ (35,452)
1,314,077	
(123,693)	(6,175)
(902,978)	
335,834	57,701
12,586	2,024
693,957	
107,965	
7,417	
4,136	
<u>\$ 2,939,204</u>	<u>\$ 18,098</u>

See accompanying notes to the financial statements

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

December 31, 2015

ASSETS

Cash and Short-Term Investments	\$ 3,657,529
Investments	26,359,757
Receivables:	
Accrued Interest	38,143
Other	4,034
Employer Contributions	<u>1,466,736</u>
Total Assets	<u>31,526,199</u>

LIABILITIES

Vouchers Payable	<u>246,649</u>
Total Liabilities	<u>246,649</u>

NET POSITION

Held in Trust for Pension Benefits	<u>\$ 31,279,550</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, 2015

Additions	
Contributions	
Employer Contributions	\$ 1,663,643
Employee Contributions	<u>393,002</u>
Total Contributions	<u>2,056,645</u>
Net Investment Income (Loss)	
Net Appreciation (Depreciation) in Fair Value of Investments	(2,702,619)
Interest/Dividends	1,319,834
Realized Gain (Loss) on Sale of Investments	802,576
Investment Expense	<u>(41,498)</u>
Net Investment Income	<u>(621,707)</u>
Other Income	
Miscellaneous Income	<u>439</u>
Total Other Income	<u>439</u>
Total Additions	<u>1,435,377</u>
Deductions	
Benefits	3,004,901
Administrative expenses	<u>55,078</u>
Total Deductions	<u>3,059,979</u>
Change in Net Position	(1,624,602)
Net Position Held in Trust for Benefits, Beginning of Year	<u>32,904,152</u>
Net Position Held in Trust for Benefits, End of Year	<u>\$ 31,279,550</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

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.

The City's comprehensive annual financial report includes the accounts of all City operations.

The City's financial statements include the accounts of all City operations. The criteria for including organizations within the City's reporting entity, as set forth in GASB No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", is financial accountability. A component unit is included in the City's reporting entity if it is both fiscally dependent on the City (the primary government) and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on the primary government. The primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon the application of the criteria for inclusion as set forth in GASB No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", there are no component units.

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

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies (Continued)

B. Government-Wide and Fund Financial Statements (Continued)

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.

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.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation – Fund Accounting (Continued)

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.

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.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

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

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. 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.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies (Continued)

F. Recently Issued and Adopted 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. GASB 67 and 68 were implemented by the City during the year ended December 31, 2015.

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:

- 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. 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.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies (Continued)

J. 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:

Description	Years
Building and Improvements	20 - 40
Equipment	3 - 10
Vehicles	3
Infrastructure	50

K. 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.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies (Continued)

L. 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.

M. 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

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.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies (Continued)

M. Fund Equity (Continued)

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.

N. 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.

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.

NOTE 2. Defined Benefit Pension Plan

A. IMRF

IMRF Plan Description

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

A. IMRF (continued)

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Cities could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms – RP

As of December 31, 2015, the City's membership consisted of 102 retirees and beneficiaries currently receiving benefits, 48 inactive plan members entitled to but not yet receiving benefits, and 112 active plan members for a total of 262 plan members.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

A. IMRF (continued)

Benefits Provided (Continued)

Employees Covered by Benefit Terms – SLEP

As of December 31, 2015, the City's membership consisted of 0 retirees and beneficiaries currently receiving benefits, 0 inactive plan members entitled to but not yet receiving benefits, and 1 active plan members for a total of 1 plan member.

Employees Covered by Benefit Terms – ECO

As of December 31, 2015, the City's membership consisted of 2 retirees and beneficiaries currently receiving benefits, 0 inactive plan member entitled to but not yet receiving benefits, and 0 active plan member for a total of 2 plan members.

Contributions – RP

As set by statute, the City's Regular Plan Members are required to contribute 4.5% 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 City's annual contribution rate for calendar year 2015 was 11.07%. For the fiscal year ended December 31, 2015, the City contributed \$534,588 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Contributions – SLEP

As set by statute, the City's SLEP Plan Members are required to contribute 7.5% 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 City's annual contribution rate for calendar year 2015 was 16.32%. For the fiscal year ended December 31, 2015, the City contributed \$15,088 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

A. IMRF (continued)

Contributions – ECO

As set by statute, the City's ECO Plan Members are required to contribute 7.5% 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 City's annual contribution rate for calendar year 2015 was 0%. For the fiscal year ended December 31, 2015, the City contributed \$0 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

For all three of the City's plans, net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be as follows: 7.49% for RP, 7.39% for SLEP, and 7.50% for ECO.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

A. IMRF (continued)

- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.60%
International Equity	17%	7.80%
Fixed Income	27%	3.00%
Real Estate	8%	6.15%
Alternative Investments	9%	5.25-8.50%
Cash Equivalents	1%	2.25%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

- The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
- The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

A. IMRF (continued)

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.49% for RP, 7.39% for SLEP, and 7.50% for ECO.

Changes in the Net Pension Liability – RP

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 28,219,066	\$ 27,468,205	\$ 750,861
Changes for the year:			
Service Cost	506,454	-	506,454
Interest on the Total Pension Liability	2,082,829	-	2,082,829
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	209,053	-	209,053
Changes of Assumptions	34,881	-	34,881
Contributions – Employer	-	534,588	(534,588)
Contributions – Employees	-	217,313	(217,313)
Net Investment Income	-	135,715	(135,715)
Benefit Payments, including Refunds of Employee Contributions	(1,402,471)	(1,402,471)	-
Other (Net Transfer)		79,724	(79,724)
Net Changes	1,430,746	(435,131)	1,865,877
Balances at December 31, 2015	\$ 29,649,812	\$ 27,033,074	\$ 2,616,738

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

A. IMRF (continued)

Changes in the Net Pension Liability – SLEP

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 247,131	\$ 208,873	\$ 38,258
Changes for the year:			
Service Cost	15,911	-	15,911
Interest on the Total Pension Liability	18,876	-	18,876
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(7,664)	-	(7,664)
Changes of Assumptions	289	-	289
Contributions – Employer	-	15,088	(15,088)
Contributions – Employees	-	6,934	(6,934)
Net Investment Income	-	1,099	(1,099)
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Other (Net Transfer)	-	339	(339)
Net Changes	27,412	23,460	3,952
Balances at December 31, 2015	\$ 274,543	\$ 232,333	\$ 42,210

Changes in the Net Pension Liability – ECO

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 43,458	\$ 41,157	\$ 2,301
Changes for the year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	3,259	-	3,259
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	33,867	-	33,867
Changes of Assumptions	-	-	-
Contributions – Employer	-	-	-
Contributions – Employees	-	-	-
Net Investment Income	-	206	(206)
Benefit Payments, including Refunds of Employee Contributions	-	-	-
Other (Net Transfer)	-	39,234	(39,234)
Net Changes	37,126	39,440	(2,314)
Balances at December 31, 2015	\$ 80,584	\$ 80,597	\$ (13)

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

A. IMRF (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plans' net pension liabilities, calculated using Single Discount Rates of 7.49%, 7.39%, and 7.50% for RP, SLEP, and ECO, respectively, as well as what the plans' net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

RP:

	1% Decrease 6.49%	Current Discount Rate 7.49%	1% Increase 8.49%
Total Pension Liability	\$33,425,238	\$29,649,812	\$26,561,260
Plan Fiduciary Net Position	27,033,074	27,033,074	27,033,074
Net Pension Liability/(Asset)	\$ 6,392,164	\$ 2,616,738	\$(471,814)

SLEP:

	1% Decrease 6.39%	Current Discount Rate 7.39%	1% Increase 8.39%
Total Pension Liability	\$ 305,642	\$ 274,543	\$ 247,863
Plan Fiduciary Net Position	232,333	232,333	232,333
Net Pension Liability/(Asset)	\$ 73,309	\$ 42,210	\$ 15,530

ECO:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Total Pension Liability	\$89,472	\$80,584	\$73,131
Plan Fiduciary Net Position	80,597	80,597	80,597
Net Pension Liability/(Asset)	\$ 8,875	\$ (13)	\$ (7,466)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2015, the City recognized pension expense of \$534,588 for RP, \$15,088 for SLEP, and \$0 for ECO. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

A. IMRF (continued)

RP:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	163,020	290,290
Net difference between projected and actual earnings on pension plan investments	1,740,013	0
Changes of assumptions	<u>524,849</u>	<u>0</u>
Total Deferred Amounts Related to Pensions	2,427,882	290,290

SLEP:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	0	7,489
Net difference between projected and actual earnings on pension plan investments	13,888	0
Changes of assumptions	<u>4,757</u>	<u>0</u>
Total Deferred Amounts Related to Pensions	18,645	7,489

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

A. IMRF (continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

ECO:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	0	0
Net difference between projected and actual earnings on pension plan investments	3,765	0
Changes of assumptions	<u>0</u>	<u>0</u>
Total Deferred Amounts Related to Pensions	3,765	0

Amounts reported as deferred outflows of resources related to employer contributions made subsequent to the measurement date will be recognized as a reduction in the net pension liability during the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

RP:

Year ended November 30:	
2016	\$ 589,383
2017	589,383
2018	549,150
2019	409,676
2020	0
Total	\$ 2,137,592

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

A. IMRF (continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (continued)

SLEP:	
Year ended November 30:	
2016	\$ 3,160
2017	2,434
2018	2,481
2019	3,081
2020	0
Total	\$ 11,156

ECO:	
Year ended November 30:	
2016	\$ 964
2017	964
2018	965
2019	872
2020	0
Total	\$ 3,765

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

B. Police Pension Fund

Plan Description:

The City of Jacksonville, Illinois, Police Pension Fund is a defined benefit single-employer pension plan that covers all sworn police personnel. Although this is a single-employer plan, the defined benefits and employee and employer contribution levels are governed by "Article 3, Police Pension Fund – Municipalities 500,000 and Under" of the Illinois Pension Code (Illinois Compiled Statutes, 1992, Chapter 40) and may only be amended by the Illinois legislature. This fund is accounted for and reported as a pension trust fund. Administrative costs are financed through investment earnings.

Plan Membership

At December 31, 2015 and 2014, the pension fund membership consisted of:

	2015	2014
Inactive Plan Members and Beneficiaries Currently Receiving Benefits	41	41
Inactive Plan Members Entitled to but not yet Receiving Benefits	3	2
Active Plan Members	39	39

Benefits Provided

Following is a summary of the police pension plan as provided for in the Illinois Compiled Statutes.

The police pension plan provides retirement benefits as well as death and disability benefits. There are two tiers or levels of benefits:

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

B. Police Pension Fund (continued)

Employees that are hired prior to January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service. 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 at least 8 years, but less than 20 years of credited service, may retire and receive a reduced benefit, which begins at age 60. The monthly pension of a police officer who retired after January 1, 1999 with at least 20 years of service, shall be increased annually, following the first anniversary date of retirement, and be paid upon reaching the age of at least 55 years, by 1/12 of 3% annually thereafter of the pension payable at the time of increase. Officers that retire with less than 20 years of service receive an annual 3% increase.

Employees that are hired after January 1, 2011 attaining the age of 55 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the average salary for the last 8 years of service (maximum average salary is \$106,800 if an employee retires in calendar year 2011). The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to a maximum of 75% of such salary. Employees with at least 10 years, but less than 20 years of credited service, may retire and receive a reduced benefit, which begins at age 60. Employees that have attained the age of 50 with at least 10 years of service may retire but their pension is reduced by ½% per year for each year the employee is under age 55. The monthly pension shall be increased annually, following the first anniversary date of retirement, and be paid upon reaching the age of at least 60 years, by the lesser of 1/12 of 3% of the original pension times the number of months the employee has been retired since age 60 (up to a maximum of 15%) or by a factor of the CPI-U, whichever is less. Dependents receive a pension of 2/3 of the officer's pension at their date of death. Dependents receive an annual increase under the same formula as the retired officer.

Contributions

Covered employees are required to contribute 9.91% of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City of Jacksonville is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033, the City's contributions must accumulate to the point where the past service cost for the Plan is fully funded.

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

B. Police Pension Fund (continued)

Net Pension Liability

Fiscal Year Ending	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/15	\$ 34,822,296	\$ 15,037,642	\$ 19,784,654	43%
12/31/14	33,731,528	15,861,621	17,869,907	47%

The following are the methods and assumptions used to determine total pension liability:

Actuarial Assumptions (Economic)

Discount Rate used for the Total Pension Liability	5.91%
Long-Term Expected Rate of Return on Plan Assets	6.75%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.57%
Projected Individual Salary Increases	3.50% - 12.25%
Projected Increase in Total Payroll	3.50%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%

Actuarial Assumptions (Demographic)

Mortality Table	L&A 2016 Illinois Police Mortality Rates
Retirement Rates	L&A 2016 Illinois Police Retirement Rates Capped at age 65
Disability Rates	L&A 2016 Illinois Police Disability Rates
Termination Rates	L&A 2016 Illinois Police Termination Rates
Percent Married	80.0%

Individual Pay Increases

Individual pay increases include provisions for annual cost of living increases, plus any additional increases in pensionable pay provided (step increases, longevity increases, promotions, educations, etc). Sample rates are as follows:

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

B. Police Pension Fund (continued)

Service	Rate	Service	Rate
0	12.25%	8	4.00%
1	10.00%	9	4.00%
2	9.00%	10	4.00%
3	7.75%	15	4.00%
4	7.00%	20	4.00%
5	5.25%	25	3.50%
6	4.75%	30	3.50%
7	4.00%		

Demographic Assumptions

Mortality rates are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

Other demographic assumption rates are based on a review of assumptions in the L&A 2016 study for Illinois Police Officers.

Postemployment Benefit Changes

Eligibility for postemployment benefit increases is determined based on the Illinois Pension code. Tier 1 Police retirees are provided with an annual 3.0% increase in retirement benefits by statute when eligible. Tier 2 Police retirees are provided postemployment benefit increases based on one-half of the Consumer Price Index (Urban) for the prior September.

The CPI-U for September, 1985 was 108.3. The CPI-U for September, 2015 was 237.9. The average increase in the CPI-U for September, 1985 through September, 2015 was 2.66% (on a compounded basis).

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

B. Police Pension Fund (continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return shown below have been provided by the investment professionals that work with the Pension Fund. Long-term Real Rates of Return are shown as the Expected Rate of Return, net of the assumed inflation rate.

The rates provided in the table below are based on an arithmetic average. The Investment Policy Statement will provide more detail regarding the Fund's policies on asset allocation targets and acceptable ranges.

Asset Class	Long-Term Expected Real Rate of Return
Fixed Income	5.82%
Domestic Equities	9.85%
International Equities	2.72%
Real Estate	10.47%
Blended Securities	9.63%
Cash	2.84%

Municipal Bond Rate

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown earlier in the Actuarial Assumption section is the December 30, 2015 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

B. Police Pension Fund (continued)

The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

Discount Rate

The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

Projected benefit payments are determined during the actuarial process based on the assumptions. The expected contributions are based on the funding policy of the plan.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

B. Police Pension Fund (continued)

	Total Pension Liability <u>(A)</u>	Plan Fiduciary Net Position <u>(B)</u>	Net Pension Liability <u>(A) - (B)</u>
Balances at December 31, 2014	\$ 33,731,528	\$ 15,861,621	\$ 17,869,907
Changes for the year:			
Service Cost	745,659	-	745,659
Interest on the Total Pension Liability	1,946,221	-	1,946,221
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	-	-	-
Changes of Assumptions	-	-	-
Contributions – Employer	-	992,848	(992,848)
Contributions – Employees	-	241,315	(241,315)
Net Investment Income	-	(431,732)	431,732
Benefit Payments, including Refunds of Employee Contributions	(1,601,112)	(1,601,112)	-
Administrative Expense	-	(25,298)	25,298
Net Changes	<u>1,090,768</u>	<u>(823,979)</u>	<u>1,914,747</u>
Balances at December 31, 2015	<u>\$ 34,822,296</u>	<u>\$ 15,037,642</u>	<u>\$ 19,784,654</u>

SENSITIVITY OF THE DISCOUNT RATE

The Net Pension Liability has been determined using the discount rate listed in the assumption section. Below is a table illustrating the sensitivity of the Net Pension Liability to the discount rate assumption.

	1% Decrease <u>(4.91%)</u>	Current Discount Rate <u>(5.91%)</u>	1% Increase <u>(6.91%)</u>
Employer Net Pension Liability	\$25,436,335	\$19,784,654	\$15,252,232

The sensitivity of the Net Pension Liability to the discount rate is based primarily on two factors:

1. The duration of the plan's expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

B. Police Pension Fund (continued)

2. The funded percentage of the plan (ratio of the net position to the total pension liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	0	0
Net difference between projected and actual earnings on pension plan investments	1,184,026	0
Changes of assumptions	<u>0</u>	<u>0</u>
Total Deferred Amounts Related to Pensions	1,184,026	0

Amounts reported as deferred outflows of resources related to employer contributions made subsequent to the measurement date will be recognized as a reduction in the net pension liability during the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year ended November 30:	
2016	\$ 296,007
2017	296,007
2018	296,007
2019	296,005
2020	0
Total	\$ 1,184,026

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

C. Fire Pension Fund

Plan Description

The City of Jacksonville, Illinois, Firemen's Pension Fund is a defined benefit single-employer pension plan that covers all sworn firefighting personnel and is administered by the City of Jacksonville, Illinois. Although this is a single-employer plan, the defined benefits and employee and employer contribution levels are governed by "Article 4, Firefighter's Pension Fund – Municipalities 500,000 and Under" of the Illinois Pension Code (Illinois Compiled Statutes, 1992, Chapter 40) and may only be amended by the Illinois legislature. This fund is accounted for and reported as a pension trust fund. Administrative costs are financed through investment earnings.

Plan Membership

At December 31, 2015 and 2014, the pension plan membership consisted of:

	2015	2014
Inactive Plan Members and Beneficiaries Currently Receiving Benefits	40	41
Inactive Plan Members Entitled to but not yet Receiving Benefits	-0-	-0-
Active Plan Members	25	25

Benefits Provided

Following is a summary of the firemen's pension plan as provided for in the Illinois Compiled Statutes:

The firemen's pension plan provides retirement benefits as well as death and disability benefits. There are two tiers or levels of benefits:

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

C. Fire Pension Fund (continued)

Employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held at the date of retirement. The pension shall be increased by one-twelfth of 2.5% of such salary for each month over 20 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years, but less than 20 years of credited service, may retire and receive a reduced benefit which begins at age 60. The monthly pension of a firefighter who retires after January 1, 1977 with 20 or more years of service, shall be increased annually, following the first anniversary date of retirement, and paid upon reaching at least the age of 55, by 0.25% of the original pension times the number of months the employee has been retired since age 50 (up to a maximum of 15%), and 3% annually thereafter of the pension payable at the time of the increase. The monthly pension of a firefighter who retires with less than 20 years of service receives an annual 3% increase.

Employees that are hired after January 1, 2011 attaining the age of 55 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the average salary for the last 8 years of service (maximum average salary is \$106,800 if employee retires in calendar year 2011). The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to a maximum of 75% of such salary. Employees with at least 10 years, but less than 20 years of credited service, may retire and receive a reduced benefit, which begins at age 60. Employees that have attained the age of 50 with at least 10 years of service may retire but their pension is reduced by ½% per year for each year the employee is under age 55. The monthly pension shall be increased annually, following the first anniversary date of retirement, and be paid upon reaching the age of at least 60 years, by the lesser of 1/12 of 3% of the original pension times the number of months the employee has been retired since age 60 (up to a maximum of 15%) or by a factor of the CPI-U, whichever is less. Dependents receive a pension of 2/3 of the member's pension at date of death. Dependents receive an annual increase under the same formula as the retired member.

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

C. Fire Pension Fund (continued)

Contributions

Covered employees are required to contribute 9.455% of their salary to the Firemen's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City of Jacksonville is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2033, the City's contributions must accumulate to the point where the past service cost for the Plan is fully funded.

Net Pension Liability

The total pension liability is based on the actuarial valuation completed as of January 1, 2015. The components of the net pension liability at December 31, 2015 and 2014 were as follows:

<i>Fiscal Year Ending</i>	<i>Total Pension Liability</i>	<i>Fiduciary Net Position</i>	<i>Net Pension Liability</i>	<i>Fiduciary Net Position as a Percentage of Total Pension Liability</i>
12/31/15	\$ 32,066,488	\$ 16,241,908	\$ 15,824,580	51%
12/31/14	31,260,444	17,042,531	14,217,913	55%

The following are the methods and assumptions used to determine total pension liability:

Actuarial Assumptions (Economic)

Discount Rate used for the Total Pension Liability	5.45%
Long-Term Expected Rate of Return on Plan Assets	6.75%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.57%
Projected Individual Salary Increases	3.75% - 11.75%
Projected Increase in Total Payroll	3.50%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

C. Fire Pension Fund (continued)

Actuarial Assumptions (Demographic)

Mortality Table	L&A 2016 Illinois Firefighters Mortality Rates
Retirement Rates	L&A 2016 Illinois Firefighters Retirement Rates Capped at age 65
Disability Rates	L&A 2016 Illinois Firefighters Disability Rates
Termination Rates	L&A 2016 Illinois Firefighters Termination Rates
Percent Married	80.0%

Individual Pay Increases

Individual pay increases include provisions for annual cost of living increases, plus any additional increases in pensionable pay provided (step increases, longevity increases, promotions, educations, etc.). Sample rates are as follows:

Service	Rate	Service	Rate
0	11.75%	8	4.25%
1	10.75%	9	4.25%
2	9.25%	10	4.25%
3	8.00%	15	4.25%
4	7.50%	20	4.25%
5	5.00%	25	3.75%
6	4.25%	30	3.75%
7	4.25%		

Demographic Assumptions

Mortality rates are based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of Illinois Firefighters with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

Other demographic assumption rates are based on a review of assumptions in the L&A 2016 study for Illinois Firefighters.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

C. Fire Pension Fund (continued)

Postemployment Benefit Changes

Eligibility for postemployment benefit increases is determined based on the Illinois Pension code. Tier 1 Firefighter retirees are provided with an annual 3.0% increase in retirement benefits by statute when eligible. Tier 2 Firefighter retirees are provided postemployment benefit increases based on one-half of the Consumer Price Index (Utilities) for the prior September.

The CPI-U for September, 1985 was 108.3. The CPI-U for September, 2015 was 237.9. The average increase in the CPI-U for September, 1985 through September, 2015 was 2.66% (on a compounded basis).

Long-Term Expected Rate of Return

The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return on assets shown here is from the State of Illinois Department of Insurance Actuarial Experience Study dated September 26, 2012. The best estimate of future real rates of return are developed for each of the major asset classes. Expected inflation is added back in. Adjustment is made to reflect geometric returns.

A summary of the best estimate of future real rates of returns (annual arithmetic average) are included in the table below.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

C. Fire Pension Fund (continued)

Asset Class	Long-Term Expected Real Rate of Return
Corporate Bonds	1.70%
US Government Fixed Income	0.70%
US Large Cap Equities	5.80%
US Mid Cap Equities	6.80%
US Small Cap Equities	6.80%
Non-US Developed Large Cap	5.90%
Emerging Markets Equity Unhedged	8.00%
Global Real Estate - REITS	5.80%
Commodities - Long Only	2.40%

Municipal Bond Rate

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown earlier in the Actuarial Assumption section is the December 30, 2015 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

C. Fire Pension Fund (continued)

Discount Rate

The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

Projected benefit payments are determined during the actuarial process based on the assumptions. The expected contributions are based on the funding policy of the plan.

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 31,260,444	\$ 17,042,531	\$ 14,217,913
Changes for the year:			
Service Cost	544,392	-	544,392
Interest on the Total Pension Liability	1,665,441	-	1,665,441
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	-	-	-
Changes of Assumptions	-	-	-
Contributions – Employer	-	670,795	(670,795)
Contributions – Employees	-	151,687	(151,687)
Net Investment Income	-	(189,536)	189,536
Benefit Payments, including Refunds of Employee Contributions	(1,403,789)	(1,403,789)	-
Administrative Expense	-	(29,780)	29,780
Net Changes	806,044	(800,623)	1,606,667
Balances at December 31, 2015	\$ 32,066,488	\$ 16,241,908	\$ 15,824,580

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

C. Fire Pension Fund (continued)

Sensitivity of the Discount Rate

The Net Pension Liability has been determined using the discount rate listed in the assumption section. Below is a table illustrating the sensitivity of the Net Pension Liability to the discount rate assumption.

	1% Decrease (4.45%)	Current Discount Rate (5.45%)	1% Increase (6.45%)
Employer Net Pension Liability	\$20,644,354	\$15,824,580	\$11,911,226

The sensitivity of the Net Pension Liability to the discount rate is based primarily on two factors:

1. The duration of the plan's expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The funded percentage of the plan (ratio of the net position to the total pension liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	0	0
Net difference between projected and actual earnings on pension plan investments	1,049,384	0
Changes of assumptions	0	0
Total Deferred Amounts Related to Pensions	1,049,384	0

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015

NOTE 2. Defined Benefit Pension Plan (continued)

C. Fire Pension Fund (continued)

Amounts reported as deferred outflows of resources related to employer contributions made subsequent to the measurement date will be recognized as a reduction in the net pension liability during the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year ended November 30:	
2016	\$ 262,346
2017	262,346
2018	262,346
2019	262,346
2020	0
Total	\$ 1,049,384

Summary of Pension Related Amounts

		Deferred Inflows of Resources		Deferred Outflows of Resources		Net Pension Liability
IMRF	\$	297,779	\$	2,450,292	\$	2,658,935
Police Pension		-		1,184,026		19,784,654
Fire Pension				1,049,384		15,824,580
Total	\$	297,779	\$	4,683,702	\$	38,268,169

NOTE 3. 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 2015 was 2,048,255,400 gallons.
- 2) The billable flow during 2015 was 977,742,396 gallons.
- 3) The debt service of the sewerage system for 2015 is \$140,242.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 3. Illinois Environmental Protection Agency (Continued)

- 4) There were 7,583 users connected to the system in 2015.
- 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 21,000,206 gallons consisting of domestic, non-domestic and industrial waste.

South Jacksonville - Discharge of 380,060,995 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 1,341,354,064.
- 2) The debt service of the water system for 2015 is \$337,432.
- 3) There were 7,829 users connected to the system in 2015.
- 4) There were no "non-metered" users.

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.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 4. Deposits and Investments (Continued)

As of December 31, 2015, the City's deposits totaled \$26,807,681, of which \$2,281,750 is covered by Federal Deposit Insurance, \$24,525,931 is collateralized by securities held by the pledging financial institution in the name of the City.

Investments

Fair value of investments is determined based on readily available quoted market prices as of December 31, 2015. At December 31, 2015 the City's reporting entity had the following investments:

	Fair Value	Cost	Quality Rating	Weighted Average Months to Maturity
Primary Government				
Non-Pooled Investments				
Federal Agency Notes	\$ 243,966	\$ 247,922	AAA	98
Corporate Bonds	52,462	49,911	BBB+	16
Mutual Fund Bonds	717,064	739,590	BBB	76
Mutual Fund Equities	225,918	244,048	N/A	N/A
Common Stock/Equity	<u>1,096,646</u>	<u>860,243</u>	N/A	N/A
Total Primary Government Investments	<u>\$ 2,336,056</u>	<u>\$ 2,141,714</u>		

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

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	\$ 336,524	\$ 321,414	AAA	61
U.S. Treasury Bonds	275,051	304,648	AAA	284
Common Stock	203,026	186,644	N/A	N/A
Mutual Funds Equity	8,179,327	9,358,938	N/A	N/A
Mutual Funds Index	9,617,046	9,558,165	N/A	N/A
Insurance Contracts	153,525	153,525	N/A	N/A
Corporate Bonds	225,138	224,994	Aaa	64
Corporate Bonds	125,288	124,154	Aa1	78
Corporate Bonds	123,117	123,213	Aa2	87
Corporate Bonds	267,131	274,283	A1	24
Corporate Bonds	150,012	150,554	Baa1	1
Corporate Bonds	129,000	221,405	Baa3	60
Corporate Bonds	225,863	241,589	Aaa	24
Federal Home Loan Banks	315,492	316,589	AAA	87
Gov. Natl. Mort. Assoc.	16,284	13,630	AAA	77
Gov. Natl. Mort. Assoc.	520,808	520,477	AAA	313
Federal Farm Credit Banks	149,430	149,852	AAA	84
Federal Natl. Mort. Assoc.	177,223	180,560	AAA	317
State of Illinois Bonds	873,514	916,521	Baa1	5
Certificates of Deposit	646,611	643,024	N/A	N/A
Certificates of Deposit	3,650,347	3,650,347	N/A	N/A
Total Fiduciary Funds Investments	<u>\$ 26,359,757</u>	<u>\$ 27,634,526</u>		
Grand Total Investments	<u>\$ 28,695,813</u>	<u>\$ 29,776,240</u>		

(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.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

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.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

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, 2015 is as follows:

Beginning Investment Balance	\$	2,938,600
Contributions		115,919
Investment Income		11,319
Transfers		(13,131)
Withdrawals		(372,498)
Asset Fees		(12,418)
Life Ins. And Posted Only		0
Ending Investment Balance	\$	<u><u>2,667,791</u></u>
 Life Insurance Policy Holder Account Value	 \$	 <u><u>2,872</u></u>

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 6. 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	\$	\$ 1,212,605
Golf		50,000
Nonmajor Governmental	5,805	
Total General	<u>5,805</u>	<u>1,262,605</u>
Capital Improvements		
General	\$ 1,212,605	\$
Golf		264,887
Nonmajor Governmental	218,506	
Total Capital Improvements	<u>1,431,111</u>	<u>264,887</u>
Golf		
General	\$ 50,000	\$
Capital Improvements	264,887	
Total Golf	<u>314,887</u>	
Nonmajor Governmental		
General	\$	\$ 5,805
Capital Improvements		218,506
Nonmajor Governmental	97,108	97,108
Total Nonmajor Governmental	<u>97,108</u>	<u>321,419</u>
Total Interfund Transfers		
All Funds	<u>\$ 1,848,911</u>	<u>\$ 1,848,911</u>

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015

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, 2015, interfund receivables and payables consisted of the following:

	Due From Other Funds	Due To Other Funds
General		
Nonmajor Governmental	\$ _____	\$ 1,599
Total General		1,599
 Nonmajor Governmental		
General	\$ 1,599	\$ _____
Total Nonmajor Governmental	1,599	
 Total Interfund Balances		
All Funds	\$ 1,599	\$ 1,599

NOTE 8. 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 \$70,000 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, 2015 were as follows:

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015

NOTE 8. Risk Management and Self Insurance (Continued)

EMPLOYEE HEALTH INSURANCE

Claims Payable, Beginning of the Year	\$	66,168
Claims Incurred and Changes in Accrual		1,494,819
Claim Payments		<u>(1,437,118)</u>
Claims Payable, End of the Year	\$	<u><u>123,869</u></u>

NOTE 9. 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, 2015 follows:

Outstanding 12/31/14	Issued	Retired	Outstanding 12/31/15
\$25,035,000	\$0	\$1,080,000	\$23,955,000

NOTE 10. 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.

NOTE 11. 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.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 12. Long Term Obligations

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2015

	Balance January 1, 2015	Additions	Retirements	Balance December 31, 2015	Due Within One Year
Governmental Activities					
Capital Lease Payable	\$ 91,259	\$	\$ 47,692	\$ 43,567	\$ 43,567
Note Payable	208,345		208,345	-	
Compensated Absences	<u>192,976</u>	<u>17,180</u>		<u>210,156</u>	
Total	<u>\$ 492,580</u>	<u>\$ 17,180</u>	<u>\$ 256,037</u>	<u>\$ 253,723</u>	<u>\$ 43,567</u>
Business-Type Activities					
Water and Sewer					
Alternative Revenue Bonds	\$ 4,484,302	\$ 1,299,324	\$ 393,859	\$ 5,389,767	\$ 438,496
Compensated Absences	<u>47,558</u>	<u>4,136</u>		<u>51,694</u>	
Total	<u>\$ 4,531,860</u>	<u>\$ 1,303,460</u>	<u>\$ 393,859</u>	<u>\$ 5,441,461</u>	<u>\$ 438,496</u>

Total interest expense of the Governmental activities for the year was \$2,966.

Total interest expense of the Business-type activities for the year was \$88,982.

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015

NOTE 12. Long Term Obligations (Continued)

1. Capital Lease

The City has entered into a lease agreement for financing the acquisition of a new phone system in the Municipal Building which is included in Capital Assets in the amount of \$165,226. 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.

The future minimum lease obligations and the net present value of the minimum lease payment as of December 31, 2015 is as follows:

Year Ending 2016	Governmental
	\$ <u>47,692</u>
Total Minimum Lease Payment	47,692
Less Amount Representation, Interest	<u>(4,125)</u>
Present Value of Minimum Lease Payments	\$ <u><u>43,567</u></u>

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%.
- 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%.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 12. Long Term Obligations (Continued)

2. Alternative Revenue Bonds (Continued)

- f. \$2,333,623 issue of 2013 is due in semi-annual installments of \$71,628 through August 18, 2034, including interest of 1.9300%.

Principal and interest payments to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2016	\$ 438,496	\$ 89,102	\$ 527,598
2017	449,425	78,173	527,598
2018	460,631	66,967	527,598
2019	472,121	55,477	527,598
2020	262,109	45,092	307,201
2021	237,380	38,954	276,334
2022	219,090	33,788	252,878
2023	137,918	29,245	167,163
2024	116,532	26,725	143,257
2025	118,792	24,465	143,257
2026	121,096	22,161	143,257
2027	123,445	19,812	143,257
2028	125,839	17,418	143,257
2029	128,279	14,978	143,257
2030	130,767	12,490	143,257
2031	133,303	9,954	143,257
2032	135,888	7,369	143,257
2033	138,523	4,734	143,257
2034	141,209	2,048	143,257
	<u>\$ 4,090,843</u>	<u>\$ 598,952</u>	<u>\$ 4,689,795</u>

- f. In addition to the above loans, the City has drawn \$1,298,924 from the Illinois Environmental Protection Agency Drinking Water Revolving Loan Fund as of December 31, 2015. The loan is being used to fund the construction of a new water treatment plant. The loan has been executed for an amount up to \$34,742,972 and is to be repaid semi-annually at a rate of 2.210% interest. Repayment is estimated to commence in the spring of 2018, with maturity in the fall of 2037.

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:

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 12. Long Term Obligations (Continued)

2. Alternative Revenue Bonds (Continued)

Year Ending December 31,	Principal	Interest	Total
2018	\$ 1,398,539	\$ 760,136	\$ 2,158,675
2019	1,429,618	729,057	2,158,675
2020	1,461,387	697,288	2,158,675
2021	1,493,862	664,813	2,158,675
2022	1,527,059	631,616	2,158,675
2023	1,560,993	597,682	2,158,675
2024	1,595,682	562,993	2,158,675
2025	1,631,141	527,534	2,158,675
2026	1,667,389	491,286	2,158,675
2027	1,704,442	454,233	2,158,675
2028	1,742,318	416,357	2,158,675
2029	1,781,036	377,639	2,158,675
2030	1,820,614	338,061	2,158,675
2031	1,861,072	297,603	2,158,675
2032	1,902,429	256,246	2,158,675
2033	1,944,705	213,970	2,158,675
2034	1,987,921	170,754	2,158,675
2035	2,032,096	126,579	2,158,675
2036	2,077,254	81,421	2,158,675
2037	2,123,415	35,260	2,158,675
	<u>\$ 34,742,972</u>	<u>\$ 8,430,528</u>	<u>\$ 43,173,500</u>

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	\$ 81,333

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 12. 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. As of December 31, 2015, this loan was paid in full.

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. As of December 31, 2015, this loan was paid in full.

NOTE 13. Legal Debt Margin

Equalized Assessed Valuation, 2015 Tax Year	\$ <u>234,672,594</u>
Statutory Debt Limitation (5.75% of Equalized Assessed Valuation)	\$ 13,493,674
Less: Bond Indebtedness	
Legal Debt Margin	\$ <u>13,493,674</u>

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 14. Capital Assets.

The following is a summary of changes in capital assets for the year ended
December 31, 2015

	Beginning Balance January 1, 2015	Additions	Deletions	Ending Balance December 31, 2015
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 344,949	\$ 64,215	\$ -	\$ 409,164
Infrastructure Land	459,635			459,635
Construction in Progress	<u>1,710,044</u>	<u>2,408,960</u>	<u>-</u>	<u>4,119,004</u>
Total Capital Assets, Not Being Depreciated	<u>2,514,628</u>	<u>2,473,175</u>	<u>-</u>	<u>4,987,803</u>
Capital Assets, Being Depreciated:				
Buildings	5,873,733			5,873,733
Infrastructure	19,726,233			19,726,233
Machinery and Equipment	3,253,560			3,253,560
Licensed Vehicles	<u>1,366,153</u>	<u>46,530</u>	<u>-</u>	<u>1,412,683</u>
Total Capital Assets, Being Depreciated	<u>30,219,679</u>	<u>46,530</u>	<u>-</u>	<u>30,266,209</u>
Less Accumulated Depreciation for:				
Buildings	3,490,456	96,836		3,587,292
Infrastructure	5,601,306	493,156		6,094,462
Machinery and Equipment	2,464,263	165,513		2,629,776
Licensed Vehicles	<u>1,154,426</u>	<u>100,728</u>	<u>-</u>	<u>1,255,154</u>
Total Accumulated Depreciation	<u>12,710,451</u>	<u>856,233</u>	<u>-</u>	<u>13,566,684</u>
Total Capital Assets, Being Depreciated, Net	<u>17,509,228</u>	<u>(809,703)</u>	<u>-</u>	<u>16,699,525</u>
Governmental Activities Capital Assets, Net	<u>\$ 20,023,856</u>	<u>\$ 1,663,472</u>	<u>\$ -</u>	<u>\$ 21,687,328</u>

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 14. Capital Assets (Continued)

	Beginning Balance January 1, 2015	Additions	Deletions	Ending Balance December 31, 2015
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 173,813	\$	\$	\$ 173,813
Construction in Progress	<u>8,852,567</u>	<u>2,800,403</u>	<u>1,846,561</u>	<u>9,806,409</u>
Total Capital Assets, Not Being Depreciated	<u>9,026,380</u>	<u>2,800,403</u>	<u>1,846,561</u>	<u>9,980,222</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,809,041			1,809,041
Buildings & Infrastructure	59,759,047	1,846,561		61,605,608
Machinery and Equipment	<u>5,011,125</u>	<u>237,531</u>		<u>5,248,656</u>
Total Capital Assets, Being Depreciated	<u>66,579,213</u>	<u>2,084,092</u>	<u>-</u>	<u>68,663,305</u>
Less Accumulated Depreciation for:				
Land Improvements	565,137	6,712		571,849
Buildings & Infrastructure	36,217,342	1,192,043		37,409,385
Machinery and Equipment	<u>3,791,599</u>	<u>115,322</u>		<u>3,906,921</u>
Total Accumulated Depreciation	<u>40,574,078</u>	<u>1,314,077</u>	<u>-</u>	<u>41,888,155</u>
Total Capital Assets, Being Depreciated, Net	<u>26,005,135</u>	<u>770,015</u>	<u>-</u>	<u>26,775,150</u>
Business-Type Activities Capital Assets, Net	<u>\$ 35,031,515</u>	<u>\$ 3,570,418</u>	<u>\$ 1,846,561</u>	<u>\$ 36,755,372</u>

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 14. Capital Assets (Continued)

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

Governmental Activities	
General Government	\$ 74,118
Public Safety	128,239
Public Works/Transportation	541,133
Health and Welfare	7,350
Culture and Recreation	105,393
	<u>\$ 856,233</u>
 Business-Type Activities	
Water and Sewer	\$ 1,258,982
Golf	55,095
	<u>\$ 1,314,077</u>

Included in Construction in Progress for Business-Type Activities is \$16,758 in capitalized interest.

NOTE 15. Subsequent Events

Events that occur after the statement of net position 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 position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the City through June 13, 2016, 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 16. Construction In Progress

The City has multiple construction projects in process as of December 31, 2015. The most significant projects include the dredging of Lake Mauvaisterre and the construction of a new water treatment plant. As of December 31, 2015 the City has spent \$3,614,252 on the dredging project. The water treatment plant has an estimated total cost of \$35,000,000 that is being funded by the State Revolving Loan Fund as discussed in Note 10(2)(f). The new water treatment plant is in the early stages of the project, with \$5,178,527 expended as of December 31, 2015. Construction on the water plant is estimated to be completed in the fall of 2017. Both of these projects are being paid for through the Water and Sewer Fund.

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015

NOTE 16. Construction In Progress (Continued)

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 2016. As of December 31, 2015, \$3,891,122 has been expended. Funding for the project will come from a \$2,000,000 grant and the rest will come from City funds. This project is basically complete as of December 31, 2015 and the City is awaiting a final billing from the State of Illinois.

The Nichols Park Pavilion project is also included in construction in progress. This project is expected to have a total estimated cost of between \$300,000 and \$400,000. As of December 31, 2015, \$152,706 has been expended.

The Lake Restroom project is included in construction in progress. This project is expected to have a total estimated cost of \$189,000. As of December 31, 2015, \$50,175 has been expended.

Construction in progress also includes the purchase of playground equipment, which is expected to cost a total of \$49,000. As of December 31, 2015, \$25,000 has been expended.

NOTE 17. Prior Period Adjustment

Net position of the governmental activities has been restated as of December 31, 2015 as required for the adoption of GASB Statements 68 and 71 relating to defined benefit pensions, as discussed in note 1F. The restatement of net position was calculated as follows:

Net Position, Beginning, before restatement	\$ 48,947,669
Inclusion of Net Pension Liability as of 12/31/14	(32,599,980)
Inclusion of Deferred Outflows as of 12/31/14	2,791,763
Net Position, Beginning, as restated	\$ 19,139,452

Net position of the business-type activities has been restated as of December 31, 2015 as required for the adoption of GASB Statements 68 and 71 relating to defined benefit pensions, as discussed in note 1F. The restatement of net position was calculated as follows:

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2015

NOTE 17. Prior Period Adjustment (continued)

		Total Business Type		Total Utilities
Net Position, Beginning, before restatement	\$	35,231,713	\$	34,069,397
Inclusion of Net Pension Liability as of 12/31/14		(279,260)		(279,260)
Net Position, Beginning, as restated	\$	34,952,453	\$	33,790,137

NOTE 18. Interest Expense

The following amounts of interest expense have been included as a direct expense of the corresponding function on the Statement of Activities:

General Government	\$ 2,966
Business-Type Activities	\$ 88,982

CITY OF JACKSONVILLE, ILLINOIS

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

Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Property Taxes	\$ 3,900,000	\$ 3,900,000	\$ 3,868,119	\$ (31,881)
City Sales Tax	1,900,000	1,900,000	1,976,211	76,211
Franchise Tax	112,000	112,000	101,435	(10,565)
Intergovernmental:				
State Income Tax	1,900,000	1,900,000	2,069,116	169,116
Replacement Tax	50,000	50,000	90,431	40,431
Sales Tax	3,804,000	3,804,000	3,950,726	146,726
Video Gaming Tax	160,000	160,000	261,272	101,272
Telecommunications Tax	477,000	477,000	550,679	73,679
Federal Grant	64,500	64,500	24,171	(40,329)
State Grant			0	-
State Expense Reimbursement	139,000	139,000	184,054	45,054
Local Expense Reimbursement	66,000	66,000	61,988	(4,012)
Licenses and Permits	328,795	328,795	340,573	11,778
Fines and Forfeitures	82,000	82,000	112,123	30,123
Revenue from Services	701,300	701,300	736,717	35,417
Rent	46,000	46,000	43,800	(2,200)
Investment Income	74,650	74,650	60,563	(14,087)
Other	133,452	133,452	146,840	13,388
Total Revenue	<u>13,938,697</u>	<u>13,938,697</u>	<u>14,578,818</u>	<u>640,121</u>
EXPENDITURES				
Current:				
General Control and Administration	2,761,320	2,761,320	2,697,112	64,208
Public Safety	6,934,000	6,934,000	6,786,549	147,451
Public Works/Transportation	1,681,585	1,681,585	1,341,730	339,855
Culture & Recreation	1,085,429	1,085,429	944,456	140,973
Health and Welfare	569,002	569,002	558,989	10,013
Capital Outlay	29,500	29,500	85,642	(56,142)
Total Expenditures	<u>13,060,836</u>	<u>13,060,836</u>	<u>12,414,478</u>	<u>646,358</u>
Revenue Over (Under) Expenditures	<u>877,861</u>	<u>877,861</u>	<u>2,164,340</u>	<u>1,286,479</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers				
Received	7,500	7,500	30,805	23,305
Paid	(1,008,142)	(1,008,142)	(1,287,605)	(279,463)
Total Other Financing Sources	<u>(1,000,642)</u>	<u>(1,000,642)</u>	<u>(1,256,800)</u>	<u>(256,158)</u>
Net Change in Fund Balances	<u>\$ (122,781)</u>	<u>\$ (122,781)</u>	<u>907,540</u>	<u>\$ 1,030,321</u>
FUND BALANCE, BEGINNING			<u>12,086,898</u>	
FUND BALANCE, ENDING			<u>\$ 12,994,438</u>	

CITY OF JACKSONVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES

Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CURRENT:				
General Control and Administration:				
Aldermen				
Personal Services	\$ 32,295	\$ 32,295	\$ 31,622	\$ 673
Other Services and Charges	13,100	13,100	6,529	6,571
	<u>45,395</u>	<u>45,395</u>	<u>38,151</u>	<u>7,244</u>
Mayor's Office				
Personal Services	302,885	302,885	295,433	7,452
Supplies	3,000	3,000	2,365	635
Other Services and Charges	55,275	55,275	48,866	6,409
	<u>361,160</u>	<u>361,160</u>	<u>346,664</u>	<u>14,496</u>
Revolving Loan				
Personal Services	3,095	3,095	2,684	411
	<u>3,095</u>	<u>3,095</u>	<u>2,684</u>	<u>411</u>
City Clerk's Office				
Personal Services	382,775	382,775	374,248	8,527
Supplies	1,600	1,600	960	640
Other Services and Charges	10,000	10,000	9,150	850
	<u>394,375</u>	<u>394,375</u>	<u>384,358</u>	<u>10,017</u>
City Treasurer's Office				
Personal Services	86,245	86,245	85,740	505
Supplies	1,250	1,250	955	295
Other Services and Charges	3,550	3,550	2,885	665
	<u>91,045</u>	<u>91,045</u>	<u>89,580</u>	<u>1,465</u>
City Attorney's Office				
Personal Services	97,630	97,630	97,344	286
Supplies	5,750	5,750	2,921	2,829
Other Services and Charges	92,300	92,300	118,698	(26,398)
	<u>195,680</u>	<u>195,680</u>	<u>218,963</u>	<u>(23,283)</u>
Boards and Commissions				
Other Services and Charges	13,620	13,620	15,857	(2,237)
	<u>\$ 13,620</u>	<u>\$ 13,620</u>	<u>\$ 15,857</u>	<u>\$ (2,237)</u>

CITY OF JACKSONVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES
-continued-

Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Audit				
Other Services and Charges	\$ 35,000	\$ 35,000	\$ 33,728	\$ 1,272
	<u>35,000</u>	<u>35,000</u>	<u>33,728</u>	<u>1,272</u>
Major Departmental Emergency				
Personal Services	50,855	50,855	49,576	1,279
Supplies	16,000	16,000	12,856	3,144
Other Services and Charges	347,100	347,100	280,740	66,360
	<u>413,955</u>	<u>413,955</u>	<u>343,172</u>	<u>70,783</u>
City Hall and Plaza				
Personal Services	245,570	245,570	242,590	2,980
Supplies	37,000	37,000	46,641	(9,641)
Other Services and Charges	108,200	108,200	109,647	(1,447)
	<u>390,770</u>	<u>390,770</u>	<u>398,878</u>	<u>(8,108)</u>
City Insurance				
Other Services and Charges	708,285	708,285	710,422	(2,137)
	<u>708,285</u>	<u>708,285</u>	<u>710,422</u>	<u>(2,137)</u>
Central Supply				
Supplies	10,000	10,000	19,609	(9,609)
	<u>10,000</u>	<u>10,000</u>	<u>19,609</u>	<u>(9,609)</u>
Human Resource				
Personal Services	91,640	91,640	90,860	780
Other Services and Charges	7,300	7,300	4,186	3,114
	<u>98,940</u>	<u>98,940</u>	<u>95,046</u>	<u>3,894</u>
Total General Control and Administration	<u>2,761,320</u>	<u>2,761,320</u>	<u>2,697,112</u>	<u>64,208</u>
Public Safety:				
Police Department				
Personal Services	3,918,255	3,918,255	3,836,509	81,746
Supplies	31,500	31,500	27,753	3,747
Other Services and Charges	148,081	148,081	141,331	6,750
	<u>4,097,836</u>	<u>4,097,836</u>	<u>4,005,593</u>	<u>92,243</u>
Fire Department				
Personal Services	2,014,026	2,014,026	1,978,635	35,391
Supplies	11,000	11,000	9,142	1,858
Other Services and Charges	79,300	79,300	70,630	8,670
	<u>\$ 2,104,326</u>	<u>\$ 2,104,326</u>	<u>\$ 2,058,407</u>	<u>\$ 45,919</u>

CITY OF JACKSONVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES
-continued-

Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Inspection/Community Development				
Personal Services	\$ 479,995	\$ 479,995	\$ 482,943	\$ (2,948)
Supplies	1,500	1,500	1,453	47
Other Services and Charges	86,600	86,600	81,775	4,825
	<u>568,095</u>	<u>568,095</u>	<u>566,171</u>	<u>1,924</u>
Emergency Services				
Personal Services	142,193	142,193	137,402	4,791
Supplies	7,550	7,550	5,939	1,611
Other Services and Charges	14,000	14,000	13,037	963
	<u>163,743</u>	<u>163,743</u>	<u>156,378</u>	<u>7,365</u>
 Total Public Safety	 <u>6,934,000</u>	 <u>6,934,000</u>	 <u>6,786,549</u>	 <u>147,451</u>
Public Works/Transportation:				
Municipal Services				
Personal Services	755,685	755,685	623,286	132,399
Supplies	494,500	494,500	324,493	170,007
Other Services and Charges	188,900	188,900	139,771	49,129
	<u>1,439,085</u>	<u>1,439,085</u>	<u>1,087,550</u>	<u>351,535</u>
Street Lighting				
Other Services and Charges	242,500	242,500	254,180	(11,680)
	<u>242,500</u>	<u>242,500</u>	<u>254,180</u>	<u>(11,680)</u>
 Total Public Works/ Transportation	 <u>1,681,585</u>	 <u>1,681,585</u>	 <u>1,341,730</u>	 <u>339,855</u>
Culture and Recreation:				
Parks & Lakes	1,031,224	1,031,224	885,310	145,914
Personal Services	54,205	54,205	59,146	(4,941)
 Total Culture and Recreation	 <u>1,085,429</u>	 <u>1,085,429</u>	 <u>944,456</u>	 <u>140,973</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>

CITY OF JACKSONVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES
-continued-

Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Landfill				
Personal Services	\$ 9,315	\$ 9,315	\$ 9,060	\$ 255
Other Services and Charges	135,000	135,000	164,513	(29,513)
	<u>144,315</u>	<u>144,315</u>	<u>173,573</u>	<u>(29,258)</u>
Public Service				
Other Services and Charges	1,000	1,000	650	350
	<u>1,000</u>	<u>1,000</u>	<u>650</u>	<u>350</u>
Cemetery	385,259	385,259	346,338	38,921
	<u>385,259</u>	<u>385,259</u>	<u>346,338</u>	<u>38,921</u>
Total Health and Welfare	<u>569,002</u>	<u>569,002</u>	<u>558,989</u>	<u>10,013</u>
Total Current Expenditures	<u>13,031,336</u>	<u>13,031,336</u>	<u>12,328,836</u>	<u>702,500</u>
Capital Outlay:				
General Control and Administration:				
Other Major Departmental	-	-	64,215	(64,215)
Public Safety:				
Police Department	25,000	25,000	18,682	6,318
Fire Department	1,500	1,500	522	978
Inspection/Community Development	3,000	3,000	2,223	777
Total Capital Outlay	<u>29,500</u>	<u>29,500</u>	<u>85,642</u>	<u>(56,142)</u>
Total General Fund Expenditures	<u>\$ 13,060,836</u>	<u>\$ 13,060,836</u>	<u>\$ 12,414,478</u>	<u>\$ 646,358</u>

CITY OF JACKSONVILLE, ILLINOIS

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

Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Intergovernmental				
Federal Grant	\$ -	\$ -	\$ 1,240,721	\$ 1,240,721
State Grant	55,511	55,511	104,614	49,103
Investment Income	200	200	17,802	17,602
Other	5,000	5,000	9,257	4,257
Total Revenue	<u>60,711</u>	<u>60,711</u>	<u>1,372,394</u>	<u>1,311,683</u>
EXPENSES				
Debt Service			133,979	(133,979)
Capital Outlay	1,908,911	1,908,911	2,538,705	(629,794)
Total Expenditures	<u>1,908,911</u>	<u>1,908,911</u>	<u>2,672,684</u>	<u>(763,773)</u>
Revenue Over (Under) Expenditures	<u>(1,848,200)</u>	<u>\$ (1,848,200)</u>	<u>(1,300,290)</u>	<u>\$ 547,910</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers				
Received	1,118,142	1,118,142	1,456,111	337,969
Paid	(25,000)	(25,000)	(289,887)	(264,887)
Proceeds from Long Term Debt	1,600,000	1,600,000	-	(1,600,000)
Total Other Financing Sources (Uses)	<u>2,693,142</u>	<u>2,693,142</u>	<u>1,166,224</u>	<u>(1,526,918)</u>
Net Change in Fund Balances	<u>\$ 844,942</u>	<u>\$ 844,942</u>	<u>(134,066)</u>	<u>\$ (979,008)</u>
FUND BALANCE, BEGINNING			<u>771,037</u>	
FUND BALANCE, ENDING			<u>\$ 636,971</u>	

CITY OF JACKSONVILLE, ILLINOIS
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 ILLINOIS MUNICIPAL RETIREMENT FUND - SLEP PLAN

LAST 10 CALENDAR YEARS (To be built prospectively from 2014)

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 13,993	\$ 13,992	\$ 1	\$ 91,098	15.36%
2015	15,089	15,088	1	92,455	16.32%

CITY OF JACKSONVILLE, ILLINOIS
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 ILLINOIS MUNICIPAL RETIREMENT FUND - ECO PLAN

LAST 10 CALENDAR YEARS (To be built prospectively from 2014)

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ -	\$ -	\$ -	\$ -	0.00%
2015	-	-	-	-	0.00%

CITY OF JACKSONVILLE, ILLINOIS
 MULTIYEAR SCHEDULE OF CONTRIBUTIONS
 ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR PLAN

LAST 10 CALENDAR YEARS (To be built prospectively from 2014)

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 526,369	\$ 541,880	\$ (15,511)	\$ 4,553,368	11.90%
2015	534,588	534,588	-	4,829,160	11.07%

CITY OF JACKSONVILLE, ILLINOIS
POLICE PENSION FUND
SCHEDULE OF CONTRIBUTIONS

LAST 10 CALENDAR YEARS (To be built prospectively from 2015)

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 835,762	\$ 992,848	\$ (157,086)	\$ 2,607,909	38.07%

Notes to Schedule of Contributions

The actuarially determined contribution shown for the current year is from the December 31, 2013 actuary's report completed by the Illinois Department of Insurance for the tax levy recommendation for the December, 2014 tax levy.

CITY OF JACKSONVILLE, ILLINOIS
 FIREMEN'S PENSION FUND
 SCHEDULE OF CONTRIBUTIONS

LAST 10 CALENDAR YEARS (To be built prospectively from 2015)

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ 601,406	\$ 670,795	\$ (69,389)	\$ 1,718,854	39.03%

Notes to Schedule of Contributions

The actuarially determined contribution shown for the current year is from the December 31, 2013 actuary's report completed by the Illinois Department of Insurance for the tax levy recommendation for the December, 2014 tax levy.

CITY OF JACKSONVILLE, ILLINOIS
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 ILLINOIS MUNICIPAL RETIREMENT FUND - SLEP PLAN

LAST 10 CALENDAR YEARS (to be built prospectively from 2014)

Calendar Year Ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service Cost	\$ 15,911	17,088								
Interest on the Total Pension Liability	18,876	16,117								
Benefit Changes										
Difference Between Expected and Actual Experience	(7,664)	(4,548)								
Assumption Changes	289	10,390								
Benefit Payments and Refunds										
Net Change in Total Pension Liability	27,412	39,047								
Total Pension Liability - Beginning	247,131	208,084								
Total Pension Liability - Ending (a)	274,543	247,131								

Plan Fiduciary Net Position										
Employer Contributions	\$ 15,088	13,992								
Employee Contributions	6,934	6,832								
Pension Plan Net Investment Income	1,099	11,435								
Benefit Payments and Refunds										
Other	339	(439)								
Net Change in Plan Fiduciary Net Position	23,460	31,820								
Plan Fiduciary Net Position - Beginning	208,873	177,053								
Plan Fiduciary Net Position - Ending (b)	232,333	208,873								
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 42,210	38,258								

Plan Fiduciary Net Position as a Percentage of Total Pension Liability

	84.63%	84.52%								
--	--------	--------	--	--	--	--	--	--	--	--

Covered Valuation Payroll

	\$ 92,455	91,098								
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Net Pension Liability as a Percentage of Covered Valuation Payroll

	45.65%	42.00%								
--	--------	--------	--	--	--	--	--	--	--	--

Notes to Schedule:
 This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF JACKSONVILLE, ILLINOIS
 MULTITYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 ILLINOIS MUNICIPAL RETIREMENT FUND - ECO PLAN

LAST 10 CALENDAR YEARS (to be built prospectively from 2014)

Calendar Year Ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service Cost	\$ -	-	-	-	-	-	-	-	-	-
Interest on the Total Pension Liability	3,259	3,120	-	-	-	-	-	-	-	-
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	33,867	(3,253)	-	-	-	-	-	-	-	-
Assumption Changes	-	1,995	-	-	-	-	-	-	-	-
Benefit Payments and Refunds	-	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	37,126	1,862	-							
Total Pension Liability - Beginning	43,458	41,596	-							
Total Pension Liability - Ending (a)	80,584	43,458	-							
Plan Fiduciary Net Position										
Employer Contributions	\$ -	-	-	-	-	-	-	-	-	-
Employee Contributions	-	-	-	-	-	-	-	-	-	-
Pension Plan Net Investment Income	206	2,537	-	-	-	-	-	-	-	-
Benefit Payments and Refunds	-	-	-	-	-	-	-	-	-	-
Other	39,234	(2,976)	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	39,440	(439)	-							
Plan Fiduciary Net Position - Beginning	41,157	41,596	-							
Plan Fiduciary Net Position - Ending (b)	80,597	41,157	-							
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ (13)	2,301	-							
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.02%	94.71%	-							
Covered Valuation Payroll	\$ -	-	-	-	-	-	-	-	-	-
Net Pension Liability as a Percentage of Covered Valuation Payroll	0.00%	0.00%	-							

Notes to Schedule:

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF JACKSONVILLE, ILLINOIS
 MULTITYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR PLAN

Calendar Year Ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
LAST 10 CALENDAR YEARS (to be built prospectively from 2014)										
Total Pension Liability										
Service Cost	\$ 506,454	551,511								
Interest on the Total Pension Liability	2,082,829	1,970,281								
Benefit Changes										
Difference Between Expected and Actual Experience	209,053	(521,368)								
Assumption Changes	34,881	893,787								
Benefit Payments and Refunds	(1,402,471)	(1,339,034)								
Net Change in Total Pension Liability	1,430,746	1,555,157								
Total Pension Liability - Beginning	28,219,066	26,663,909								
Total Pension Liability - Ending (a)	\$ 29,649,812	28,219,066								
Plan Fiduciary Net Position										
Employer Contributions	\$ 534,588	541,880								
Employee Contributions	217,313	210,939								
Pension Plan Net Investment Income	135,715	1,604,631								
Benefit Payments and Refunds	(1,402,471)	(1,339,034)								
Other	79,724	(148,746)								
Net Change in Plan Fiduciary Net Position	(435,131)	869,670								
Plan Fiduciary Net Position - Beginning	27,468,205	26,598,535								
Plan Fiduciary Net Position - Ending (b)	\$ 27,033,074	27,468,205								
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 2,616,738	750,861								
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		91.17%								97.34%
Covered Valuation Payroll	\$ 4,829,160	4,553,368								
Net Pension Liability as a Percentage of Covered Valuation Payroll		54.19%								16.49%

Notes to Schedule:
 This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF JACKSONVILLE, ILLINOIS
POLICE PENSION FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

LAST 10 CALENDAR YEARS (to be built prospectively from 2015)

Calendar Year Ending December 31,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Pension Liability										
Service Cost	\$ 745,659									
Interest on the Total Pension Liability	1,946,220									
Benefit Changes										
Difference Between Expected and Actual Experience										
Assumption Changes										
Benefit Payments and Refunds	(1,601,112)									
Net Change in Total Pension Liability	1,090,767									
Total Pension Liability - Beginning	33,731,528									
Total Pension Liability - Ending (a)	\$ 34,822,295									
Plan Fiduciary Net Position										
Employer Contributions	\$ 992,848									
Employee Contributions	241,315									
Pension Plan Net Investment Income	(431,732)									
Benefit Payments and Refunds	(1,601,112)									
Administrative Expense	(25,298)									
Other										
Net Change in Plan Fiduciary Net Position	(823,979)									
Plan Fiduciary Net Position - Beginning	15,861,621									
Plan Fiduciary Net Position - Ending (b)	\$ 15,037,642									
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 19,784,653									
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	43.18%									
Covered Valuation Payroll	\$ 2,607,909									
Net Pension Liability as a Percentage of Covered Valuation Payroll	758.64%									

Notes to Schedule:

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF JACKSONVILLE, ILLINOIS
FIREMEN'S PENSION FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Calendar Year Ending December 31,										
LAST 10 CALENDAR YEARS (to be built prospectively from 2015)										
Total Pension Liability										
Service Cost	\$ 544,392									
Interest on the Total Pension Liability	1,665,441									
Benefit Changes	-									
Difference Between Expected and Actual Experience Assumption Changes	-									
Benefit Payments and Refunds	(1,403,789)									
Net Change in Total Pension Liability	806,044									
Total Pension Liability - Beginning	31,260,444									
Total Pension Liability - Ending (a)	\$ 32,066,488									
Plan Fiduciary Net Position										
Employer Contributions	\$ 670,795									
Employee Contributions	151,687									
Pension Plan Net Investment Income	(189,536)									
Benefit Payments and Refunds	(1,403,789)									
Administrative Expense	(29,780)									
Other	-									
Net Change in Plan Fiduciary Net Position	(800,623)									
Plan Fiduciary Net Position - Beginning	17,042,531									
Plan Fiduciary Net Position - Ending (b)	\$ 16,241,908									
Net Pension Liability/(Asset) - Ending (a) - (b)	\$ 15,824,580									
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	50.65%									
Covered Valuation Payroll	\$ 1,718,854									
Net Pension Liability as a Percentage of Covered Valuation Payroll	920.65%									

Notes to Schedule:
This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2015

Illinois Municipal Retirement Fund
Regular Plan (RP)
(Unaudited)

NOTE 1. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2015 CONTRIBUTION RATE*

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	28-year closed period
Asset Valuation Method:	5-year smoothed market, 20% corridor
Wage Growth:	4.00%
Price Inflation:	3.00%, approximate; No explicit price inflation assumption is used in this valuation
Salary Increases:	4.40% to 16.00%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year

* Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2015

Illinois Municipal Retirement Fund
Sheriff's Law Enforcement Personnel (SLEP)
(Unaudited)

NOTE 1. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2015 CONTRIBUTION RATE* (Continued)

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	28-year closed period
Asset Valuation Method:	5-year smoothed market, 20% corridor
Wage Growth:	4.00%
Price Inflation:	3.00%, approximate; No explicit price inflation assumption is used in this valuation
Salary Increases:	4.40% to 16.00%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year

* Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2015

Illinois Municipal Retirement Fund
Elected County Official (ECO)
(Unaudited)

NOTE 1. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2015 CONTRIBUTION RATE* (Continued)

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2015 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	28-year closed period
Asset Valuation Method:	5-year smoothed market, 20% corridor
Wage Growth:	4.00%
Price Inflation:	3.00%, approximate; No explicit price inflation assumption is used in this valuation
Salary Increases:	4.40% to 16.00%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year

* Based on Valuation Assumptions used in the December 31, 2013 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

CITY OF JACKSONVILLE, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

December 31, 2015

	Total Nonmajor Governmental Funds	Special Revenue Funds	
		Motor Fuel Tax	Economic Loan
ASSETS			
Cash	\$ 5,402,232	\$ 432,547	\$ 207,834
Investments	2,336,056		
Receivables:	-		
Taxes	2,179,445		
Intergovernmental	43,888	43,888	
Loans	1,462,224		465,414
Accrued Interest	6,003		
Due from Other Funds	1,599		
Total Assets	\$ 11,431,447	\$ 476,435	\$ 673,248
LIABILITIES			
Accounts Payable	\$ 52,320	\$	\$
Accrued Salaries	6,104		
Due to Other Funds	-		
Unearned Revenue	-		
Total Liabilities	58,424	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Taxes	2,169,260		
Total Deferred Inflows of Resources	2,169,260	-	-
Fund Balance:			
Nonspendable	2,791,700		
Restricted for:			
Economic Loan	673,248		673,248
Public Safety	153,910		
Public Works/Transportation	476,435	476,435	
Health and Welfare	20,000		
Culture and Recreation	1,846,612		
Construction of Capital Assets	325,198		
Committed	2,916,660		
Unassigned	-		
Total Fund Balance	9,203,763	476,435	673,248
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 11,431,447	\$ 476,435	\$ 673,248

Special Revenue Funds

Goveia Trust	Heritage Cultural Center	Tourism	Drug Enforcement	Public Library Fund
\$ 616,489	\$ 42,719	\$ 14,230	\$ 117,045	1,216,941
		10,185		515,012
4,390				
<u>\$ 620,879</u>	<u>\$ 42,719</u>	<u>\$ 24,415</u>	<u>\$ 117,045</u>	<u>1,731,953</u>
\$ 8,879		\$ 24,415	\$ 82	\$ 18,944 6,104
<u>8,879</u>		<u>24,415</u>	<u>82</u>	<u>25,048</u>
				515,012
				515,012
			116,963	
612,000	42,719			1,191,893
<u>612,000</u>	<u>42,719</u>	<u>-</u>	<u>116,963</u>	<u>1,191,893</u>
<u>\$ 620,879</u>	<u>\$ 42,719</u>	<u>\$ 24,415</u>	<u>\$ 117,045</u>	<u>1,731,953</u>

CITY OF JACKSONVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2015

	<u>Special Revenue Funds</u>		
	Police and Fire Retirement Funds	Police Department Evidence	Foreign Fire Insurance Tax
ASSETS			
Cash	\$	\$ 5,572	\$ 31,375
Investments			
Receivables:			
Taxes	1,466,736		
Intergovernmental Loans			
Accrued Interest			
Due from Other Funds			
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>1,466,736</u>	\$ <u>5,572</u>	\$ <u>31,375</u>
LIABILITIES			
Accounts Payable	\$	\$	\$
Accrued Salaries			
Due to Other Funds			
Deferred Revenue			
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u> </u>	<u> </u>	<u> </u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Taxes	<u>1,466,736</u>		
	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>1,466,736</u>	<u> </u>	<u> </u>
Fund Balance:			
Nonspendable			
Restricted for:			
Economic Loan			
Public Safety		5,572	31,375
Public Works/Transportation			
Health and Welfare			
Culture and Recreation			
Construction of Capital Assets			
Committed			
Unassigned			
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	<u> </u>	<u>5,572</u>	<u>31,375</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ <u>1,466,736</u>	\$ <u>5,572</u>	\$ <u>31,375</u>

Capital Improvement Funds			Permanent Funds	
Lake Reclamation	Securities Investment	Tax Increment Finance	Public Library Endowment Trust	Cemetery Perpetual Care
\$ 498,191	\$ 1,480,866	\$ 262,779	\$ 60,300	\$ 415,344
			1,866,172	469,884
		187,512		
	935,990	60,820		
	1,613			
		1,599		
<u>\$ 498,191</u>	<u>\$ 2,418,469</u>	<u>\$ 512,710</u>	<u>\$ 1,926,472</u>	<u>\$ 885,228</u>
\$	\$	\$	\$	\$
		187,512		
		187,512		
			1,926,472	865,228
				20,000
498,191	2,418,469	325,198		
<u>498,191</u>	<u>2,418,469</u>	<u>325,198</u>	<u>1,926,472</u>	<u>885,228</u>
<u>\$ 498,191</u>	<u>\$ 2,418,469</u>	<u>\$ 512,710</u>	<u>\$ 1,926,472</u>	<u>\$ 885,228</u>

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

Year Ended December 31, 2015

	Total Nonmajor Governmental Funds	Special Revenue Funds	
		Motor Fuel Tax	Economic Loan
REVENUE			
Taxes	\$ 2,300,608	\$	\$
Intergovernmental	805,975	475,404	
Licenses and Permits			
Fines and Forfeitures	56,163		
Revenue from Services	30,130		
Investment Income	49,714	313	9,698
Other	18,072		4,577
	<u>3,260,662</u>	<u>475,717</u>	<u>14,275</u>
Total Revenue			
	<u>3,260,662</u>	<u>475,717</u>	<u>14,275</u>
EXPENDITURES			
Current:			
General Control and Administration	21,802		
Public Safety	1,733,918		
Public Works/Transportation	454,063	454,063	
Health and Welfare	-		
Culture and Recreation	824,811		
Debt Service	125,024		
Capital Outlay	183,721	166,351	
	<u>3,343,339</u>	<u>620,414</u>	<u>-</u>
Total Expenditures			
	<u>3,343,339</u>	<u>620,414</u>	<u>-</u>
Revenue Over (Under) Expenditures	<u>(82,677)</u>	<u>(144,697)</u>	<u>14,275</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers			
Received	111,173		
Paid	(335,484)	(100,000)	
	<u>(224,311)</u>	<u>(100,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)			
	<u>(224,311)</u>	<u>(100,000)</u>	<u>-</u>
Net Change in Fund Balances	<u>(306,988)</u>	<u>(244,697)</u>	<u>14,275</u>
FUND BALANCE, BEGINNING	<u>9,510,751</u>	<u>721,132</u>	<u>658,973</u>
FUND BALANCE, ENDING	<u>\$ 9,203,763</u>	<u>\$ 476,435</u>	<u>\$ 673,248</u>

Special Revenue Funds

Goveia Trust	Heritage Cultural Center	Tourism	Drug Enforcement	Public Library Fund
\$	\$	\$ 171,265	\$	513,470
				97,488
			47,881	6,781
5,805	871		1,022	11,402
			300	2,192
<u>5,805</u>	<u>871</u>	<u>171,265</u>	<u>49,203</u>	<u>640,507</u>
			28,696	
	5,045	171,265		630,466
				17,370
<u>-</u>	<u>5,045</u>	<u>171,265</u>	<u>28,696</u>	<u>647,836</u>
5,805	(4,174)	-	20,507	(7,329)
<u>(5,805)</u>			14,065	97,108
<u>(5,805)</u>	<u>-</u>	<u>-</u>	<u>14,065</u>	<u>97,108</u>
<u>-</u>	<u>(4,174)</u>	<u>-</u>	<u>34,572</u>	<u>89,779</u>
612,000	46,893	-	82,391	1,102,114
<u>\$ 612,000</u>	<u>\$ 42,719</u>	<u>\$ -</u>	<u>\$ 116,963</u>	<u>1,191,893</u>

CITY OF JACKSONVILLE, ILLINOIS

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

Year Ended December 31, 2015

	Special Revenue Funds		
	Police and Fire Retirement Funds	Police Department Evidence	Foreign Fire Insurance Tax
REVENUE			
Taxes	\$ 1,462,440	\$	\$
Intergovernmental	201,203		31,880
Licenses and Permits			
Fines and Forfeitures		1,501	
Revenue from Services			
Investment Income		29	24
Other			-
Total Revenue	<u>1,663,643</u>	<u>1,530</u>	<u>31,904</u>
EXPENDITURES			
Current:			
General Control and Administration			
Public Safety	1,663,643	7,742	33,837
Public Works/Transportation			
Health and Welfare			
Culture and Recreation			
Debt Service			
Capital Outlay			
Total Expenditures	<u>1,663,643</u>	<u>7,742</u>	<u>33,837</u>
Revenue Over (Under) Expenditures	<u>-</u>	<u>(6,212)</u>	<u>(1,933)</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers			
Received			
Paid		(14,065)	
Total Other Financing Sources (Uses)	<u>-</u>	<u>(14,065)</u>	<u>-</u>
Net Change in Fund Balances	-	(20,277)	(1,933)
FUND BALANCE, BEGINNING	<u>-</u>	<u>25,849</u>	<u>33,308</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ 5,572</u>	<u>\$ 31,375</u>

Capital Improvement Funds			Permanent Funds	
Lake Reclamation	Securities Investment	Tax Increment Finance	Public Library Endowment Trust	Cemetery Perpetual Care
\$	\$	\$ 153,433	\$	\$
1,522	31,730	4,139	2,883	18,728
3,820			201	(10,514)
<u>5,342</u>	<u>31,730</u>	<u>157,572</u>	<u>3,084</u>	<u>8,214</u>
		21,802		
3,021		125,024	15,014	0
<u>3,021</u>	<u>-</u>	<u>146,826</u>	<u>15,014</u>	<u>-</u>
<u>2,321</u>	<u>31,730</u>	<u>10,746</u>	<u>(11,930)</u>	<u>8,214</u>
<u>0</u>	<u>(118,506)</u>	<u>-</u>	<u>(97,108)</u>	<u>-</u>
<u>-</u>	<u>(118,506)</u>	<u>-</u>	<u>(97,108)</u>	<u>-</u>
2,321	(86,776)	10,746	(109,038)	8,214
<u>495,870</u>	<u>2,505,245</u>	<u>314,452</u>	<u>2,035,510</u>	<u>877,014</u>
<u>\$ 498,191</u>	<u>\$ 2,418,469</u>	<u>\$ 325,198</u>	<u>\$ 1,926,472</u>	<u>\$ 885,228</u>

CITY OF JACKSONVILLE, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

December 31, 2015

ASSETS	Firemen's Pension Trust Fund	Policemen's Pension Trust Fund	Total
Cash and Short-Term Investments	\$ 1,887,731	\$ 1,769,798	\$ 3,657,529
Investments	13,866,091	12,493,666	26,359,757
Receivables:			
Accrued Interest	10,557	27,586	38,143
Other	4,034		4,034
Employer Contributions	<u>588,401</u>	<u>878,335</u>	<u>1,466,736</u>
Total Assets	<u>16,356,814</u>	<u>15,169,385</u>	<u>31,526,199</u>
LIABILITIES			
Vouchers Payable	<u>114,906</u>	<u>131,743</u>	<u>246,649</u>
Total Liabilities	<u>114,906</u>	<u>131,743</u>	<u>246,649</u>
NET POSITION			
Held in Trust for Pension Benefits	<u>\$ 16,241,908</u>	<u>\$ 15,037,642</u>	<u>\$ 31,279,550</u>

CITY OF JACKSONVILLE, ILLINOIS

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

Year Ended December 31, 2015

	Firemen's Pension	Police Pension	Total
ADDITIONS			
Contributions:			
Employer Contributions	\$ 670,795	\$ 992,848	\$ 1,663,643
Employee Contributions	151,687	241,315	393,002
Total Contributions	822,482	1,234,163	2,056,645
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	(872,051)	(1,830,568)	(2,702,619)
Interest/Dividends	547,390	772,444	1,319,834
Realized Gain (Loss) on Sale of Investments	154,100	648,476	802,576
Investment Expense	(19,000)	(22,498)	(41,498)
Net Investment Income	(189,561)	(432,146)	(621,707)
Other Income:			
Miscellaneous Income	25	414	439
Total Other Income	25	414	439
Total Additions	632,946	802,431	1,435,377
DEDUCTIONS			
Benefits	1,403,789	1,601,112	3,004,901
Administration Expenses	29,780	25,298	55,078
Total Deductions	1,433,569	1,626,410	3,059,979
Net Increase (Decrease)	(800,623)	(823,979)	(1,624,602)
NET POSITION, BEGINNING OF YEAR	17,042,531	15,861,621	32,904,152
NET POSITION, END OF YEAR	\$ 16,241,908	\$ 15,037,642	\$ 31,279,550

CITY OF JACKSONVILLE, ILLINOIS

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

	2015	Tax Year 2014	2013
EQUALIZED ASSESSED VALUATIONS	\$ <u>234,672,594</u>	\$ <u>232,368,413</u>	\$ <u>235,584,018</u>
TAX LEVY			
General	\$ 3,880,347	\$ 3,628,393	\$ 3,467,659
Firemen's Pension	588,401	601,406	584,336
Police Pension	875,841	835,762	747,825
Library	515,000	515,000	515,000
Road District No. 14	<u>289,722</u>	<u>275,926</u>	<u>262,787</u>
	\$ <u>6,149,311</u>	\$ <u>5,856,487</u>	\$ <u>5,577,607</u>
TAX LEVY RATES			
General	1.65352	1.56149	1.47195
Firemen's Pension	0.25074	0.25882	0.24804
Police Pension	0.37322	0.35968	0.31744
Library	0.21946	0.22164	0.21861
Road District No. 14	<u>0.12346</u>	<u>0.11875</u>	<u>0.11155</u>
	<u>2.62040</u>	<u>2.52038</u>	<u>2.36759</u>
TAX EXTENSIONS			
General	\$ 3,880,358	\$ 3,628,410	\$ 3,467,679
Firemen's Pension	588,418	601,416	584,343
Police Pension	875,845	835,783	747,838
Library	515,012	515,021	515,010
Road District No. 14	<u>258,895</u>	<u>251,399</u>	<u>245,384</u>
	\$ <u>6,118,528</u>	\$ <u>5,832,029</u>	\$ <u>5,560,254</u>
TAX COLLECTIONS			
General		\$ 3,617,054	\$ 3,421,874
Firemen's Pension		599,530	576,625
Police Pension		833,166	737,961
Library		513,407	508,209
Road District No. 14		125,150	242,095
Tax Increment Finance		<u>153,433</u>	<u>155,228</u>
		\$ <u>5,841,740</u>	\$ <u>5,641,992</u>