

CITY OF JACKSONVILLE, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
December 31, 2010

Table of Contents

Financial Section	
Independent Auditors' Report	1
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Assets	3
Statement of Activities	4
Fund Financial Statements	
Balance Sheet – Governmental Funds	5
Reconciliation of Governmental Fund Balances to the Statement of Net Assets	6
Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds	7
Reconciliation of Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities	8
Balance Sheet – Proprietary Funds	9
Statement of Revenue, Expenses and Changes in Fund Net Assets – Proprietary Funds	10
Statement of Cash Flows – Proprietary Funds	11
Statement of Fiduciary Net Assets – Pension Trust Funds	13
Statement of Changes in Fiduciary Net Assets - Pension Trust Funds	14
Notes to the Financial Statements	15
Required Supplementary Information	
Statement of Revenue, Expenditures and Changes in Fund Balances – General Fund	40
Schedule of Expenditures – General Fund	41
Statement of Revenue, Expenditures and Changes in Fund Balances – Public Library Fund	45
Statement of Revenue, Expenditures and Changes in Fund Balances – Capital Improvement Fund	46
Schedule of Funding Progress:	
Illinois Municipal Retirement Fund	47
Firemen's Pension Fund	48
Police Pension Fund	49
Other Supplementary Information	
Combining Statements	
Combining Balance Sheet – Nonmajor Governmental Funds	50
Combining Statement of Revenue, Expenditures and Changes In Fund Balance – Nonmajor Governmental Funds	53
Combining Statement of Fiduciary Net Assets – Pension Trust Funds	56
Combining Statement of Changes in Plan Net Assets Available for Benefits – Pension Trust Funds	57
Schedule of Equalized Assessed Valuations, Tax Rates, Extensions and Collections	58



ZUMBAHLEN, EYTH, SURRETT, FOOTE & FLYNN, LTD.
Certified Public Accountants

1395 Lincoln Avenue
Jacksonville, Illinois 62650
217-245-5121
Fax: 217-243-3356
E-mail: staff@zescpa.com

• MEMBERS •
ILLINOIS SOCIETY OF CPA
AMERICAN INSTITUTE OF CPA

KENNETH H. ZUMBAHLEN, CPA
JOHN L. EYTH, CPA
NICK SURRETT, CPA
CYNTHIA S. FOOTE, CPA
VALERIE L. FLYNN, CPA

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 aggregate remaining fund information of the City of Jacksonville, Illinois, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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 aggregate remaining fund information of the City of Jacksonville, Illinois, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis which is supplementary information required by the Governmental Accounting Standards Board has not been presented in these financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated June 27, 2011, 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 and should be considered in assessing the results of our audit.

The management's discussion and analysis which is supplementary information required by the Governmental Accounting Standards Board has not been presented in these financial statements.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 40 through 46, and retirement fund historical data on pages 47 through 49 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 the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Jacksonville, Illinois' financial statements as a whole. 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 financial statements. The combining nonmajor fund financial statements and 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

Spencer, Moss, Gammuto, Faltus & Flynn LLP

June 27, 2011

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF NET ASSETS

December 31, 2010

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 15,785,578	\$ 6,036,691	\$ 21,822,269
Investments	1,369,934		1,369,934
Receivables:			
Taxes	5,152,341		5,152,341
Accounts	1,717,610	873,989	2,591,599
Due from Other Governments	2,643,529		2,643,529
Inventory		50,186	50,186
Prepaid Expenses	480		480
Capital Assets (Net of Accumulated Depreciation)	17,307,922	28,345,164	45,653,086
Other Assets		8,343	8,343
	<hr/>	<hr/>	<hr/>
Total Assets	<u>43,977,394</u>	<u>35,314,373</u>	<u>79,291,767</u>
 LIABILITIES			
Accounts payable	615,612	251,357	866,969
Deferred revenue	5,292,577	367,287	5,659,864
Accrued salaries and wages	110,515	42,289	152,804
Long-term liabilities:			
Due within one year	124,781	406,452	531,233
Due in more than one year	993,445	3,262,547	4,255,992
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>7,136,930</u>	<u>4,329,932</u>	<u>11,466,862</u>
 NET ASSETS			
Investments in capital assets, net of related debt	16,693,565	24,765,612	41,459,177
Restricted (Note 14)	2,766,260	64,059	2,830,319
Unrestricted	17,380,639	6,154,770	23,535,409
	<hr/>	<hr/>	<hr/>
Total Net Assets	<u>\$ 36,840,464</u>	<u>\$ 30,984,441</u>	<u>\$ 67,824,905</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF ACTIVITIES

Year Ended December 31, 2010

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Governmental activities:			
General Control and Administration	\$ 2,642,084	\$ 614,177	\$ 96,715
Public Safety	7,348,603	152,471	270,437
Public Works/Transportation	2,426,346		642,960
Health and Welfare	555,574	112,653	
Culture and Recreation	1,824,856	441,199	253,217
	<u>14,797,463</u>	<u>1,320,500</u>	<u>1,263,329</u>
Total Governmental Activities			
Business-type activities:			
Water Sewer	6,282,734	5,654,089	
Golf	446,133	379,398	
	<u>6,728,867</u>	<u>6,033,487</u>	<u>0</u>
Total Business-Type Activities			
Total Primary Government	<u>\$ 21,526,330</u>	<u>\$ 7,353,987</u>	<u>\$ 1,263,329</u>

General Revenues

Taxes

Property Tax

City Sales Tax

Utility and Franchise Tax

Hotel Tax

Intergovernmental

Sales Tax

Income Tax

Replacement Tax

Telecommunications Tax

Investment Income

Transfers

Total General Revenues

Change in Net Assets

Net Assets-Beginning

Net Assets-Ending

Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$	\$	\$	\$
39,350	(1,931,192)		(1,931,192)
1,899,721	(6,886,345)		(6,886,345)
	116,335		116,335
	(442,921)		(442,921)
	<u>(1,130,440)</u>		<u>(1,130,440)</u>
<u>1,939,071</u>	<u>(10,274,563)</u>		<u>(10,274,563)</u>
		(628,645)	(628,645)
		<u>(66,735)</u>	<u>(66,735)</u>
<u>0</u>		<u>(695,380)</u>	<u>(695,380)</u>
\$ <u>1,939,071</u>	<u>(10,274,563)</u>	<u>(695,380)</u>	<u>(10,969,943)</u>
	4,891,211		4,891,211
	1,785,218		1,785,218
	108,781		108,781
	113,606		113,606
	3,527,911		3,527,911
	1,558,956		1,558,956
	334,090		334,090
	413,448		413,448
	309,039	56,498	365,537
	<u>(25,000)</u>	<u>25,000</u>	<u>0</u>
	<u>13,017,260</u>	<u>81,498</u>	<u>13,098,758</u>
	2,742,697	(613,882)	2,128,815
	<u>34,097,767</u>	<u>31,598,323</u>	<u>65,696,090</u>
	\$ <u>36,840,464</u>	\$ <u>30,984,441</u>	\$ <u>67,824,905</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2010

	General Fund	Public Library Fund	Capital Improvement Fund	Total NonMajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 7,902,541	\$ 1,157,609	\$ 164,875	\$ 5,752,781	\$ 14,977,806
Investments				1,344,425	1,344,425
Property Taxes Receivable	3,115,306	477,490		1,559,545	5,152,341
Intergovernmental Receivables	2,234,271		350,770	58,488	2,643,529
Other Receivables	273,615			1,443,995	1,717,610
Prepaid Expenses				480	480
Due from Other Funds			150,770	182,440	333,210
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>13,525,733</u>	\$ <u>1,635,099</u>	\$ <u>666,415</u>	\$ <u>10,342,154</u>	\$ <u>26,169,401</u>
LIABILITIES AND FUND BALANCE					
Accounts Payable	\$ 144,612	\$ 11,861	\$ 190,035	\$ 169,355	\$ 515,863
Accrued Salaries	94,668	6,253		9,594	110,515
Due to Other Funds	325,057			8,153	333,210
Deferred Revenue	3,190,826	477,490		1,542,676	5,210,992
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	3,755,163	495,604	190,035	1,729,778	6,170,580
Fund Balance					
Reserved for:					
Economic Loan				614,543	614,543
Endowment				1,392,662	1,392,662
Perpetual Care				759,055	759,055
Unreserved, Reported In:					
Special Revenue Funds		1,139,495		1,179,980	2,319,475
Permanent Funds				20,000	20,000
Capital Improvement Funds			476,380	4,646,136	5,122,516
General Fund	9,770,570				9,770,570
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balance	9,770,570	1,139,495	476,380	8,612,376	19,998,821
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	\$ <u>13,525,733</u>	\$ <u>1,635,099</u>	\$ <u>666,415</u>	\$ <u>10,342,154</u>	\$ <u>26,169,401</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUND BALANCES TO THE
STATEMENT OF NET ASSETS

Year Ended December 31, 2010

Fund Balances - Total Governmental Funds	\$ 19,998,821
Capital assets used in governmental activities are not financial resources and therefore are not reported in the Funds.	17,307,922
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 Assets.	(1,118,226)
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 Assets.	<u>651,947</u>
Net Assets of Governmental Activities	<u>\$ 36,840,464</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, 2010

	General Fund	Public Library Fund	Capital Improvement Fund	Total NonMajor Governmental Funds	Total Governmental Funds
REVENUE					
Taxes	\$ 4,800,408	\$ 444,658	\$	\$ 1,653,750	\$ 6,898,816
Intergovernmental	5,817,468	82,660	1,571,557	1,221,198	8,692,883
Licenses and Permits	139,064			162,837	301,901
Fines and Forfeits	129,187	8,374		38,271	175,832
Revenue from Services	405,974	11,899		236,853	654,726
Investment Income	42,892	13,961	633	251,553	309,039
Other	54,128	86,213	136,065	255,557	531,963
	<u>11,389,121</u>	<u>647,765</u>	<u>1,708,255</u>	<u>3,820,019</u>	<u>17,565,160</u>
Total Revenue					
EXPENDITURES					
Current:					
General Control and Administration	2,545,509			57,237	2,602,746
Public Safety	5,809,186			1,633,463	7,442,649
Public Works/Transportation	1,342,088			229,513	1,571,601
Health and Welfare	204,432			322,003	526,435
Culture and Recreation	49,372	609,479		1,006,661	1,665,512
Debt Service			53,207	2,841	56,048
Capital Outlay	17,885	16,468	3,100,116	512,044	3,646,513
	<u>9,968,472</u>	<u>625,947</u>	<u>3,153,323</u>	<u>3,763,762</u>	<u>17,511,504</u>
Total Expenditures					
Revenue Over (Under) Expenditures	<u>1,420,649</u>	<u>21,818</u>	<u>(1,445,068)</u>	<u>56,257</u>	<u>53,656</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from Long-Term Debt				520,000	520,000
Interfund Transfers					
Received		34,460	1,848,169	736,432	2,619,061
Paid	(1,391,957)	(33,000)		(1,219,104)	(2,644,061)
	<u>(1,391,957)</u>	<u>1,460</u>	<u>1,848,169</u>	<u>37,328</u>	<u>495,000</u>
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	28,692	23,278	403,101	93,585	548,656
FUND BALANCE, BEGINNING	<u>9,741,878</u>	<u>1,116,217</u>	<u>73,279</u>	<u>8,518,791</u>	<u>19,450,165</u>
FUND BALANCE, ENDING	<u>\$ 9,770,570</u>	<u>\$ 1,139,495</u>	<u>\$ 476,380</u>	<u>\$ 8,612,376</u>	<u>\$ 19,998,821</u>

See accompanying notes to the financial statements

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

Year Ended December 31, 2010

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

Net Changes in Fund Balances - Total Governmental Funds		\$ 548,656
<p>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.</p>		
		2,405,598
<p>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</p>		
Change in Compensated absences		134,930
<p>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 effect on net assets. This is the net effect of these differences in the treatment of long-term debt.</p>		
Long-term Debt Issued	(520,000)	
Repayment of Principal on Long-Term Debt	<u>47,308</u>	(472,692)
<p>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.</p>		
		<u>126,205</u>
Change in Net Assets of Governmental Activities		<u>\$ 2,742,697</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

BALANCE SHEET
PROPRIETARY FUNDS
December 31, 2010

	Business-Type Activities-Enterprise Funds			Governmental
	Water & Sewer	Golf	Total Enterprise Funds	Activities Internal Service Funds
ASSETS				
Cash	\$ 5,995,818	\$ 40,873	\$ 6,036,691	\$ 1,031,250
Receivables:				
Accounts (Net of Allowance for Uncollectibles of \$14,616)	362,684		362,684	
Estimated Unbilled Revenue	511,305		511,305	
Inventory	50,186		50,186	
Property, Plant & Equipment, Net of Accumulated Depreciation	27,104,945	1,240,219	28,345,164	
Other Assets	8,343		8,343	
Total Assets	\$ 34,033,281	\$ 1,281,092	\$ 35,314,373	\$ 1,031,250
LIABILITIES				
Accounts Payable	\$ 248,604	\$ 2,753	\$ 251,357	\$ 123,447
Accrued Salaries	41,498	791	42,289	
Deferred Revenue	323,914	43,373	367,287	100,968
Noncurrent Liabilities:				
Due Within One Year	406,452		406,452	
Due in More than One Year	3,260,949	1,598	3,262,547	
Total Liabilities	4,281,417	48,515	4,329,932	224,415
NET ASSETS				
Investments in Capital Assets, Net of Related Debt	23,525,393	1,240,219	24,765,612	
Restricted for:				
Debt Service	64,059		64,059	
Unrestricted	6,162,412	(7,642)	6,154,770	806,835
Total Net Assets	29,751,864	1,232,577	30,984,441	806,835
Total Liabilities and Net Assets	\$ 34,033,281	\$ 1,281,092	\$ 35,314,373	\$ 1,031,250

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

Year Ended December 31, 2010

	Business-Type Activities-Enterprise Funds			Governmental Activities
	Water & Sewer	Golf	Total Enterprise Funds	Internal Service Funds
Operating Revenues				
Revenue from Services	\$ 5,654,089	\$ 379,398	\$ 6,033,487	\$ 1,180,923
Investment Income				1,216
Total Operating Revenues	<u>5,654,089</u>	<u>379,398</u>	<u>6,033,487</u>	<u>1,182,139</u>
Operating Expenses:				
Personal Services	2,323,310	203,382	2,526,692	
Contractual Services and Other	1,167,761	119,018	1,286,779	10,699
Supplies	458,751	71,520	530,271	
Heat, Light and Power	817,758	7,973	825,731	
Depreciation	1,410,430	44,240	1,454,670	
Benefit Payments				1,013,386
Total Operating Expenses	<u>6,178,010</u>	<u>446,133</u>	<u>6,624,143</u>	<u>1,024,085</u>
Operating Income (Loss)	<u>(523,921)</u>	<u>(66,735)</u>	<u>(590,656)</u>	<u>158,054</u>
Nonoperating Revenue (Expenses)				
Investment Income	56,471	27	56,498	
Interest and Fiscal Charges	<u>(104,724)</u>		<u>(104,724)</u>	
Total Nonoperating Revenues (Expenses)	<u>(48,253)</u>	<u>27</u>	<u>(48,226)</u>	<u>0</u>
Income (Loss) Before Transfers	<u>(572,174)</u>	<u>(66,708)</u>	<u>(638,882)</u>	<u>158,054</u>
Transfers In		<u>25,000</u>	<u>25,000</u>	
Change in Net Assets	<u>(572,174)</u>	<u>(41,708)</u>	<u>(613,882)</u>	<u>158,054</u>
Total Net Assets, Beginning	<u>30,324,038</u>	<u>1,274,285</u>	<u>31,598,323</u>	<u>648,781</u>
Total Net Assets, Ending	<u>\$ 29,751,864</u>	<u>\$ 1,232,577</u>	<u>\$ 30,984,441</u>	<u>\$ 806,835</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year Ended December 31, 2010

	Business Type Activities- Enterprise Funds	
	Water and Sewer	Golf
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Users	\$ 5,576,992	\$ 380,886
Payments to Employees	(2,306,034)	(201,759)
Payments to Suppliers	(2,577,790)	(200,043)
Net Cash Provided (Used) by Operating Activities	<u>693,168</u>	<u>(20,916)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Fixed Assets	(331,176)	
Principal Paid on Capital Lease	(12,354)	
Principal Paid on Bonds	(394,944)	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(738,474)</u>	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Investments	64,353	27
Payment of Interfund Loans	(16,560)	(1,714)
Receipt of Interfund Loans		3,275
Receipt of Interfund Transfer		25,000
Interest Paid on Debt	(104,724)	
Net Cash Provided (Used) by Investing Activities	<u>(56,931)</u>	<u>26,588</u>
Net Increase (Decrease) in Cash	(102,237)	5,672
CASH, BEGINNING	<u>6,098,055</u>	<u>35,201</u>
CASH, ENDING	<u>\$ 5,995,818</u>	<u>\$ 40,873</u>

<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 5,957,878	\$ 1,278,052
(2,507,793)	
<u>(2,777,833)</u>	<u>(986,402)</u>
672,252	291,650
(331,176)	
(12,354)	
<u>(394,944)</u>	<u>0</u>
(738,474)	0
64,380	
(18,274)	
3,275	
25,000	
<u>(104,724)</u>	<u>0</u>
(30,343)	0
(96,565)	291,650
<u>6,133,256</u>	<u>739,600</u>
<u>\$ 6,036,691</u>	<u>\$ 1,031,250</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

Year Ended December 31, 2010

	Business Type Activities- Enterprise Funds	
	Water and Sewer	Golf
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (523,921)	\$ (66,735)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	1,410,430	44,240
(Increase) Decrease in Accounts Receivable	(79,750)	
(Increase) Decrease in Inventory	6,829	
(Increase) Decrease in Prepaid Expenses	17,491	
Increase (Decrease) in Accounts Payable	(157,840)	(1,532)
Increase (Decrease) in Deferred Revenue	2,653	1,488
Increase (Decrease) in Accrued Salaries	13,310	252
Increase (Decrease) in Accrued Vacation	3,966	1,371
Net Cash Provided (Used) by Operating Activities	\$ <u>693,168</u>	\$ <u>(20,916)</u>

<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
\$ (590,656)	\$ 158,054
1,454,670	
(79,750)	7,764
6,829	
17,491	
(159,372)	37,683
4,141	88,149
13,562	
5,337	
<u>672,252</u>	<u>291,650</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS

December 31, 2010

ASSETS

Cash and Short-Term Investments	\$ 5,072,404
Investments	23,457,458
Receivables:	
Accrued Interest	44,327
Employer Contributions	<u>1,379,631</u>
Total Assets	<u>29,953,820</u>

LIABILITIES

Vouchers Payable	<u>199,936</u>
Total Liabilities	<u>199,936</u>

NET ASSETS

Held in Trust for Pension Benefits	\$ <u><u>29,753,884</u></u>
------------------------------------	-----------------------------

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS

Year Ended December 31, 2010

Additions	
Contributions	
Employer Contributions	\$ 1,572,098
Employee Contributions	<u>346,386</u>
Total Contributions	<u>1,918,484</u>
Net Investment Income (Loss)	
Net Appreciation (Depreciation) in Fair Value of Investments	1,198,238
Interest/Dividends	1,052,930
Realized Gain (Loss) on Sale of Investments	262,105
Investment Expense	<u>(46,738)</u>
Net Investment Income	<u>2,466,535</u>
Total Additions	<u>4,385,019</u>
Deductions	
Benefits	2,241,295
Administrative expenses	<u>44,606</u>
Total Deductions	<u>2,285,901</u>
Change in Net Assets	2,099,118
Net Assets Held in Trust for Benefits, Beginning of Year	<u>27,654,766</u>
Net Assets Held in Trust for Benefits, End of Year	<u>\$ 29,753,884</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

NOTE 1. Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Basis of Presentation – Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures/expenses. The various funds are summarized by type in the combined financial statements.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

NOTE 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation – Fund Accounting (Continued)

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

GOVERNMENTAL FUNDS

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

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

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

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

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

PROPRIETARY FUNDS

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

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

FIDUCIARY FUNDS

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

AGENCY FUND

The City has no Agency Funds.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

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

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

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

The City reports the following major proprietary funds:

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

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

The City reports the following major pension funds:

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

E. 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.

F. 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.

G. Receivables

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

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

NOTE 1. Summary of Significant Accounting Policies (Continued)

G. Receivables (Continued)

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

H. Capital Assets

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

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

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

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

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

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

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

NOTE 1. Summary of Significant Accounting Policies (Continued)

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.

J. 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.

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

L. 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.

M. 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.

N. 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.

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2010

NOTE 2. Illinois Municipal Retirement Fund

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

Funding Policy. As set by statute, the employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's contribution rate for calendar year 2010 was 10.35 percent of annual covered payroll. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For 2010, the City's annual pension cost of \$432,842 for the Regular plan was equal to the required and actual contributions.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/10	\$ 432,842	100%	\$ 0
12/31/09	264,859	100%	0
12/31/08	248,031	100%	0

The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008 included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the City's plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The City's plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

NOTE 2. Illinois Municipal Retirement Fund (Continued)

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 84.04 percent funded. The actuarial accrued liability for benefits was \$14,021,902 and the actuarial value of assets was \$11,784,007, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,237,895. The covered payroll (annual payroll of active employees covered by the plan) was \$4,182,051 and the ratio of the UAAL to the covered payroll was 54 percent.

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

NOTE 3. Police and Firemen's Pension Funds

Police Pension Fund

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

Service benefits vest after 8 years of credited service. A police officer age 50 or more with 20 or more years of creditable service, who is not a participant in the self-managed plan under Section 3-109.3 and who is no longer in service as a police officer, shall receive a pension of $\frac{1}{2}$ of the salary attached to the rank held by the officer on the police force for one year immediately prior to retirement or, beginning July 1, 1987 for persons terminating service on or after that date, the salary attached to the rank held on the last day of service or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years of service through 30 years of service, to a maximum of 75% of such salary. Employees with 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit.

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

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2010

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

Funding Policy. Covered employees are required by statute to contribute 9 percent of their salary to the pension fund. Effective January 1, 2001, the contribution was changed to 9.91%. Present employees' accumulated contributions at December 31, 2010 and 2009 were \$2,257,050 and \$2,046,545. If an employee leaves covered employment or dies before 8 years of credited service, accumulated employee contributions are refunded to the employee or designated beneficiary.

Participant Information at December 31, 2010 and 2009:

	2010	2009
Number of Retirees and Beneficiaries Currently Receiving Benefits	39	38
Terminated Members Entitled To But Not Yet Receiving Benefits	3	3
Current Active Members	35	39

Annual Pension Cost. For 2010, the City's annual pension cost of \$737,510 for the plan was equal to the required and actual contributions.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
12/31/10	\$	737,510	100%	\$	0
12/31/09		745,194	100%		0
12/31/08		579,215	100%		0

The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 7.0 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 5.5% a year, attributable to inflation. The actuarial value of the plan's assets was determined using fair value of assets. The plan's underfunded actuarial accrued liability period at December 31, 2009 was 23 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was 63% funded. The actuarial accrued liability for benefits was \$22,047,086 and the actuarial value of assets was \$13,838,600 resulting in an underfunded actuarial accrued liability (UAAL) \$8,208,486. The covered payroll (annual payroll of active employees covered by the plan) was \$2,124,172 and the percentage of the UAAL to the covered payroll is 386%.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

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

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

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

Firemen's Pension Fund

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

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

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

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

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

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

Participant Information at December 31, 2010 and 2009:

	2010	2009
Number of Retirees and Beneficiaries Currently Receiving Benefits	36	35
Terminated Members Entitled To But Not Yet Receiving Benefits	0	0
Current Active Members	24	25

Annual Pension Cost. For 2010, the Plan's annual pension cost of \$642,121 was equal to the required and actual contributions.

Three-Year Trend Information for the Plan

Fiscal Year Ending		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
12/31/10	\$	642,121	100%	\$	0
12/31/09		637,337	100%		0
12/31/08		501,437	100%		0

The required contribution was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 7.0 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 5.5% a year, attributable to inflation. The actuarial value of the plan's assets was determined using fair value of assets. The plan's underfunded actuarial accrued liability period at December 31, 2009 was 23.5 years.

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was 66% funded. The actuarial accrued liability for benefits was \$19,954,992 and the actuarial value of assets was \$13,178,308, resulting in an underfunded actuarial accrued liability (UAAL) of \$6,776,684. The covered payroll (annual payroll of active employees covered by the plan) was \$1,445,394 and the percentage of the UAAL to the covered payroll is 469%.

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

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

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2010

NOTE 4. Deposits and Investments

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

Deposits

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

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

As of December 31, 2010 all of the City's deposits were covered by Federal Deposit Insurance or collateralized. Of the City's total deposits of \$23,817,273, \$3,268,729 is covered by Federal Deposit Insurance and \$20,548,544 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, 2010. At December 31, 2010 the City's reporting entity had the following investments:

		Fair Value		Cost	Quality Rating	Weighted Average Months to Maturity
Primary Government						
Non-Pooled Investments						
Corporate Bonds	\$	265,334	\$	250,567	A	48
Mutual Fund Bonds		324,193		322,108	A	74
Common Stock/Equity		754,898		591,420	N/A	N/A
Total Primary Government Investments	\$	<u>1,344,425</u>	\$	<u>1,164,095</u>		

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

NOTE 4. Deposits and Investments (Continued)

		Fair Value		Cost	Quality Rating	Weighted Average Months to Maturity
Fiduciary Funds						
Non-Pooled Investments						
U.S. Treasury Notes	\$	433,305	\$	405,188	AAA	36
U.S. Treasury Bonds		358,043		273,006	AAA	140
U.S. Treasury Strips		244,453		135,084	AAA	59
Federal Agency Notes		4,731,068		4,679,731	AAA	83
Mutual Funds Equity		2,750,733		2,348,613	N/A	N/A
Mutual Funds Index		8,613,282		8,138,152	N/A	N/A
Insurance Contracts		2,333,999		2,333,999	N/A	N/A
Municipal Bond		668,026		426,581	AAA	44
Common Stock		3,060,838		2,629,389	N/A	N/A
Foreign Stock		263,711		198,102	N/A	N/A
Total Fiduciary Funds Investments	\$	23,457,458	\$	21,567,845		
Grand Total Investments	\$	24,801,883	\$	22,731,940		

- (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.

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.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

NOTE 4. Deposits and Investments (Continued)

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.

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.

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2010

NOTE 5. Deferred Compensation Plan (Continued)

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, 2010 is as follows:

Beginning Investment Balance	\$	2,317,758
Contributions		283,242
Investment Income		293,243
Withdrawals		(499,477)
Asset Fees		(13,506)
Life Ins. And Posted Only		(208)
Ending Investment Balance	\$	2,381,052
<hr/>		
Life Insurance Policy Holder Account Value	\$	4,402

NOTE 6. Illinois Environmental Protection Agency

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

- 1) The total wastewater received at the wastewater plant during 2010 was 2,267,352,000 gallons.
- 2) The billable flow during 2010 was 1,111,786,524 gallons.
- 3) The debt service of the sewerage system for 2010 is \$161,355.
- 4) There were 7,466 users connected to the system in 2010.
- 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 14,748,044 gallons consisting of domestic, non-domestic and industrial waste.

South Jacksonville - Discharge of 448,318,370 gallons of domestic, non-domestic and industrial waste.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

NOTE 6. Illinois Environmental Protection Agency (Continued)

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

- 1) The billable flow 1,433,739,262.
- 2) The debt service of the water system for 2010 is \$337,432.
- 3) There were 7,678 users connected to the system in 2010.
- 4) There were no "non-metered" users.

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, 2010, interfund receivables and payables consisted of the following:

		Due From Other Funds		Due To Other Funds
General				
Capital Improvement	\$		\$	147,449
Nonmajor Governmental				177,608
Total General				325,057
Capital Improvement				
General	\$	147,449	\$	
Nonmajor Governmental		3,321		
Total Capital Improvement		150,770		
Nonmajor Governmental				
General	\$	177,608	\$	
Capital Improvement				3,321
Nonmajor Governmental		4,832		4,832
Total Nonmajor Governmental		182,440		8,153
Total Interfund Balances-All Funds	\$	333,210	\$	333,210

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

NOTE 8. Operating Transfers

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

The following operating transfers were made:

		Operating Transfer In		Operating Transfer Out
General				
Public Library	\$		\$	5,000
Capital Improvement				671,957
Golf				25,000
Nonmajor Governmental				690,000
Total General				1,391,957
Public Library				
General	\$	5,000	\$	
Nonmajor Governmental		29,460		33,000
Total Public Library		34,460		33,000
Capital Improvement				
General	\$	671,957	\$	
Nonmajor Governmental		1,176,212		
Total Capital Improvement		1,848,169		
Golf				
General	\$	25,000	\$	
Nonmajor Governmental				
General	\$	690,000	\$	
Public Library		33,000		29,460
Capital Improvement				1,176,212
Nonmajor Governmental		13,432		13,432
Total Nonmajor Governmental		736,432		1,219,104
Total Interfund Transfers-All Funds	\$	2,644,061	\$	2,644,061

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2010

NOTE 9. Risk Management and Self Insurance

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

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The changes in the aggregate liabilities for claims for the year ended December 31, 2010 were as follows:

EMPLOYEE HEALTH INSURANCE		
Claims Payable, Beginning of the Year	\$	84,449
Claims Incurred and Changes in Accrual		889,329
Claim Payments		(852,567)
Claims Payable, End of the Year	\$	<u>121,211</u>

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

NOTE 10. Long Term Obligations

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2010

	Balance January 1, 2010	Additions	Retirements	Balance December 31, 2010	Due Within One Year
Governmental Activities					
Capital Lease Payable	\$ 141,665	\$	\$ 47,283	\$ 94,382	\$ 49,387
Note Payable		520,000	25	519,975	75,394
Compensated Absences	<u>638,799</u>		<u>134,930</u>	<u>503,869</u>	
Total	<u>\$ 780,464</u>	<u>\$ 520,000</u>	<u>\$ 182,238</u>	<u>\$ 1,118,226</u>	<u>\$ 124,781</u>
Business-Type Activities					
Water and Sewer					
Alternative Revenue Bonds	\$ 3,947,789	\$	\$ 394,944	\$ 3,552,845	\$ 406,452
Capital Lease Payable	39,062		12,353	26,709	
Compensated Absences	<u>84,110</u>	<u>5,299</u>		<u>89,409</u>	
Total	<u>\$ 4,070,961</u>	<u>\$ 5,299</u>	<u>\$ 407,297</u>	<u>\$ 3,668,963</u>	<u>\$ 406,452</u>

Total interest expense of the Governmental activities for the year was \$8,740

Total interest expense of the Business-type activities for the year was \$104,724.

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 10. Long Term Obligations (Continued)

1. Capital Leases

The City has entered into lease agreements for financing the acquisition of a street sweeper, golf carts and a backhoe. These agreements qualify as capital leases for accounting purposes and therefore, have been recorded at present value of the future minimum lease payments in the amount of \$121,091.

The future minimum lease obligations and the net present value of the minimum lease payments as of December 31, 2010 are as follows:

Year Ending		Governmental		Proprietary
2011	\$	53,206	\$	
2012		23,722		14,507
2013		23,721		14,507
Total Minimum Lease Payment		100,649		29,014
Less Amount Representation, Interest		(6,267)		(2,305)
Present Value of Minimum Lease Payments	\$	94,382	\$	26,709

2. Alternative Revenue Bonds

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

- a. \$1,650,000 due to Water Pollution Control Revolving Loan Fund, due in semi-annual installments of \$57,223 through June 30, 2012, interest rate 3.59%.
- b. \$3,129,907 issue of 1998 is due in semi-annual installments of \$103,259 through November 1, 2019, interest rate of 2.625%
- c. \$325,989 issue of 1999 is due in semi-annual installments of \$10,646 through May 1, 2020, interest rate of 2.525%.
- d. \$915,324 issue of 2000 is due in semi-annual installments of \$23,455 through May 1, 2021, including interest of 2.905%.
- e. \$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%.
- f. \$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, 2010

NOTE 10. Long Term Obligations (Continued)

2. Alternative Revenue Bonds (Continued)

Principal and interest payments to maturity are as follows:

Year Ending December 31,		Principal		Interest		Total
2011	\$	406,452	\$	92,335	\$	498,787
2012		361,080		80,484		441,564
2013		312,961		71,381		384,342
2014		321,272		63,070		384,342
2015		329,803		54,539		384,342
2016		338,562		45,780		384,342
2017		347,553		36,789		384,342
2018		356,784		27,558		384,342
2019		366,259		18,083		384,342
2020		154,194		9,750		163,944
2021		127,372		5,705		133,077
2022		106,950		2,672		109,622
2023		23,603		303		23,906
	\$	<u>3,552,845</u>	\$	<u>508,449</u>	\$	<u>4,061,294</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	\$ 64,059

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. As of December 31, 2010, the City has drawn \$519,975 on the note. The agreement calls for monthly interest-only payments through March 2011, with monthly principal and interest payments of \$9,605 beginning April 1, 2011. Based on the outstanding balance as of December 31, 2010, annual principal and interest requirements expected to be paid from the Capital Improvement fund are as follows:

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2010

NOTE 10. Long Term Obligations (Continued)

3. Note Payable (Continued)

Year Ending December 31,		Principal		Interest		Total
2011	\$	75,394	\$	13,483	\$	88,877
2012		103,751		11,514		115,265
2013		106,824		8,441		115,265
2014		109,953		5,312		115,265
2015		124,053		1,756		125,809
	\$	<u>519,975</u>	\$	<u>40,506</u>	\$	<u>560,481</u>

NOTE 11. 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 12. 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 Assets 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, 2010 follows:

Outstanding 12/31/09	Issued	Retired	Outstanding 12/31/10
\$29,880,000	\$0	\$900,000	\$28,980,000

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

NOTE 13. Capital Assets.

The following is a summary of changes in capital assets for the year ended
December 31, 2010

	Beginning Balance January 1, 2010	Additions	Deletions	Ending Balance December 31, 2010
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,157,807	\$	\$	\$ 1,157,807
Infrastructure Land	459,635			459,635
Construction in Progress	<u>1,058,736</u>	<u>2,989,372</u>	<u>27,247</u>	<u>4,020,861</u>
 Total Capital Assets, Not Being Depreciated	 <u>2,676,178</u>	 <u>2,989,372</u>	 <u>27,247</u>	 <u>5,638,303</u>
 Capital Assets, Being Depreciated:				
Buildings	5,384,753			5,384,753
Infrastructure	12,927,623			12,927,623
Machinery and Equipment	2,151,011	39,037		2,190,048
Licensed Vehicles	<u>1,099,564</u>	<u>54,993</u>	<u>61,618</u>	<u>1,092,939</u>
 Total Capital Assets, Being Depreciated	 <u>21,562,951</u>	 <u>94,030</u>	 <u>61,618</u>	 <u>21,595,363</u>
 Less Accumulated Depreciation for:				
Buildings	3,053,017	81,887		3,134,904
Infrastructure	3,599,966	323,191		3,923,157
Machinery and Equipment	1,877,557	86,183		1,963,740
Licensed Vehicles	<u>806,265</u>	<u>159,296</u>	<u>61,618</u>	<u>903,943</u>
 Total Accumulated Depreciation	 <u>9,336,805</u>	 <u>650,557</u>	 <u>61,618</u>	 <u>9,925,744</u>
 Total Capital Assets, Being Depreciated, Net	 <u>12,226,146</u>	 <u>(556,527)</u>	 <u>0</u>	 <u>11,669,619</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 14,902,324</u>	 <u>\$ 2,432,845</u>	 <u>\$ 27,247</u>	 <u>\$ 17,307,922</u>

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

NOTE 13. Capital Assets (Continued)

	Beginning Balance January 1, 2010	Additions	Deletions	Ending Balance December 31, 2010
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 182,037	\$	\$	\$ 182,037
Construction in Progress	<u>568,111</u>	<u> </u>	<u>120,686</u>	<u>447,425</u>
 Total Capital Assets, Not Being Depreciated	 <u>750,148</u>	 <u>0</u>	 <u>120,686</u>	 <u>629,462</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,809,041			1,809,041
Buildings & Infrastructure	56,408,166	451,861		56,860,027
Machinery and Equipment	<u>4,674,692</u>	<u> </u>	<u> </u>	<u>4,674,692</u>
 Total Capital Assets, Being Depreciated	 <u>62,891,899</u>	 <u>451,861</u>	 <u>0</u>	 <u>63,343,760</u>
Less Accumulated Depreciation for:				
Land Improvements	525,959	8,592		534,551
Buildings & Infrastructure	30,344,590	1,317,419		31,662,009
Machinery and Equipment	<u>3,302,839</u>	<u>128,659</u>	<u> </u>	<u>3,431,498</u>
 Total Accumulated Depreciation	 <u>34,173,388</u>	 <u>1,454,670</u>	 <u>0</u>	 <u>35,628,058</u>
 Total Capital Assets, Being Depreciated, Net	 <u>28,718,511</u>	 <u>(1,002,809)</u>	 <u>0</u>	 <u>27,715,702</u>
 Business-Type Activities Capital Assets, Net	 <u>\$ 29,468,659</u>	 <u>\$ (1,002,809)</u>	 <u>\$ 120,686</u>	 <u>\$ 28,345,164</u>

CITY OF JACKSONVILLE, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2010

NOTE 13. Capital Assets (Continued)

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

Governmental Activities		
General Government	\$	8,867
Public Safety		117,617
Public Works/Transportation		414,462
Health and Welfare		15,966
Culture and Recreation		<u>93,645</u>
	\$	<u>650,557</u>
Business-Type Activities		
Water and Sewer	\$	1,410,430
Golf		<u>44,240</u>
	\$	<u>1,454,670</u>

NOTE 14. Reserved Fund Balance/Restricted Net Assets

The City has the following reserved fund balances/restricted net assets:

Non-Major Governmental		
Reserved for Economic Loan	\$	614,543
Reserved for Endowment		1,392,662
Reserved for Perpetual Care		759,055
Total Governmental Activities	\$	<u>2,766,260</u>
Water and Sewer Fund		
Restricted for Debt Service	\$	<u>64,059</u>

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

Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Property Taxes	\$ 2,725,114	\$ 2,725,114	\$ 2,906,409	\$ 181,295
City Sales Tax	1,710,000	1,710,000	1,785,218	75,218
Franchise Tax	112,016	112,016	108,781	(3,235)
Intergovernmental:				
State Income Tax	1,500,000	1,500,000	1,558,956	58,956
Replacement Tax			78,236	78,236
Sales Tax	3,414,400	3,414,400	3,527,911	113,511
Telecommunications Tax	405,000	405,000	413,448	8,448
Federal Grant	1,042,000	1,042,000	58,225	(983,775)
State Expense Reimbursement	126,655	126,655	128,366	1,711
Local Expense Reimbursement	57,082	57,082	52,326	(4,756)
Licenses and Permits	128,770	128,770	139,064	10,294
Fines and Forfeitures	133,000	133,000	129,187	(3,813)
Revenue from Services	353,604	353,604	405,974	52,370
Rent	46,000	46,000	50,500	4,500
Investment Income	122,700	122,700	42,892	(79,808)
Other	7,000	7,000	3,628	(3,372)
	<u>11,883,341</u>	<u>11,883,341</u>	<u>11,389,121</u>	<u>(494,220)</u>
Total Revenue				
EXPENDITURES				
Current:				
General Control and Administration	2,592,548	2,592,548	2,545,509	47,039
Public Safety	5,851,294	5,851,294	5,809,186	42,108
Public Works/Transportation	1,460,360	1,460,360	1,342,088	118,272
Culture & Recreation	48,805	48,805	49,372	(567)
Health and Welfare	227,475	227,475	204,432	23,043
Capital Outlay	18,200	18,200	17,885	315
	<u>10,198,682</u>	<u>10,198,682</u>	<u>9,968,472</u>	<u>230,210</u>
Total Expenditures				
Revenue Over (Under) Expenditures	<u>1,684,659</u>	<u>1,684,659</u>	<u>1,420,649</u>	<u>(264,010)</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers				
Paid	<u>(2,019,508)</u>	<u>(2,019,508)</u>	<u>(1,391,957)</u>	<u>627,551</u>
	<u>(2,019,508)</u>	<u>(2,019,508)</u>	<u>(1,391,957)</u>	<u>627,551</u>
Total Other Financing Sources				
Net Change in Fund Balances	<u>\$ (334,849)</u>	<u>\$ (334,849)</u>	28,692	<u>\$ 363,541</u>
FUND BALANCE, BEGINNING			<u>9,741,878</u>	
FUND BALANCE, ENDING			<u>\$ 9,770,570</u>	

GENERAL FUND
SCHEDULE OF EXPENDITURES

Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CURRENT:				
General Control and Administration:				
Aldermen				
Personal Services	\$ 24,451	\$ 24,451	\$ 24,346	\$ 105
Other Services and Charges	10,600	10,600	10,474	126
	<u>35,051</u>	<u>35,051</u>	<u>34,820</u>	<u>231</u>
Mayor's Office				
Personal Services	205,476	205,476	211,097	(5,621)
Supplies	1,200	1,200	1,173	27
Other Services and Charges	14,500	14,500	13,138	1,362
	<u>221,176</u>	<u>221,176</u>	<u>225,408</u>	<u>(4,232)</u>
Revolving Loan				
Personal Services	2,861	2,861	2,687	174
	<u>2,861</u>	<u>2,861</u>	<u>2,687</u>	<u>174</u>
City Clerk's Office				
Personal Services	327,560	327,560	321,639	5,921
Supplies	1,900	1,900	1,016	884
Other Services and Charges	12,650	12,650	6,485	6,165
	<u>342,110</u>	<u>342,110</u>	<u>329,140</u>	<u>12,970</u>
City Treasurer's Office				
Personal Services	77,782	77,782	77,109	673
Supplies	400	400	0	400
Other Services and Charges	3,700	3,700	4,027	(327)
	<u>81,882</u>	<u>81,882</u>	<u>81,136</u>	<u>746</u>
City Attorney's Office				
Personal Services	90,251	90,251	87,099	3,152
Supplies	7,425	7,425	9,184	(1,759)
Other Services and Charges	67,000	67,000	110,271	(43,271)
	<u>164,676</u>	<u>164,676</u>	<u>206,554</u>	<u>(41,878)</u>
Boards and Commissions				
Other Services and Charges	16,146	16,146	18,745	(2,599)
	<u>\$ 16,146</u>	<u>\$ 16,146</u>	<u>\$ 18,745</u>	<u>\$ (2,599)</u>

CITY OF JACKSONVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES

-continued-

Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Audit				
Other Services and Charges	\$ 35,000	\$ 35,000	\$ 30,256	\$ 4,744
	<u>35,000</u>	<u>35,000</u>	<u>30,256</u>	<u>4,744</u>
Major Departmental Emergency				
Personal Services	47,054	47,054	46,596	458
Supplies	18,000	18,000	13,985	4,015
Other Services and Charges	367,800	367,800	335,502	32,298
	<u>432,854</u>	<u>432,854</u>	<u>396,083</u>	<u>36,771</u>
City Hall and Plaza				
Personal Services	239,033	239,033	202,830	36,203
Supplies	28,500	28,500	24,400	4,100
Other Services and Charges	126,100	126,100	128,086	(1,986)
	<u>393,633</u>	<u>393,633</u>	<u>355,316</u>	<u>38,317</u>
City Insurance				
Other Services and Charges	767,759	767,759	773,640	(5,881)
	<u>767,759</u>	<u>767,759</u>	<u>773,640</u>	<u>(5,881)</u>
Central Supply				
Supplies	20,000	20,000	16,107	3,893
	<u>20,000</u>	<u>20,000</u>	<u>16,107</u>	<u>3,893</u>
Human Resource				
Personal Services	71,050	71,050	70,905	145
Other Services and Charges	8,350	8,350	4,712	3,638
	<u>79,400</u>	<u>79,400</u>	<u>75,617</u>	<u>3,783</u>
Total General Control and Administration	<u>2,592,548</u>	<u>2,592,548</u>	<u>2,545,509</u>	<u>47,039</u>
Public Safety:				
Police Department				
Personal Services	3,214,209	3,214,209	3,217,825	(3,616)
Supplies	18,200	18,200	26,190	(7,990)
Other Services and Charges	115,181	115,181	122,012	(6,831)
	<u>3,347,590</u>	<u>3,347,590</u>	<u>3,366,027</u>	<u>(18,437)</u>
Fire Department				
Personal Services	1,769,278	1,769,278	1,767,741	1,537
Supplies	11,000	11,000	4,664	6,336
Other Services and Charges	78,600	78,600	76,905	1,695
	<u>\$ 1,858,878</u>	<u>\$ 1,858,878</u>	<u>\$ 1,849,310</u>	<u>\$ 9,568</u>

GENERAL FUND
SCHEDULE OF EXPENDITURES
-continued-

Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Inspection/Community Development				
Personal Services	\$ 406,323	\$ 406,323	\$ 385,054	\$ 21,269
Supplies	1,500	1,500	1,027	473
Other Services and Charges	89,100	89,100	59,900	29,200
	<u>496,923</u>	<u>496,923</u>	<u>445,981</u>	<u>50,942</u>
Emergency Services				
Personal Services	127,353	127,353	127,298	55
Supplies	7,050	7,050	7,147	(97)
Other Services and Charges	13,500	13,500	13,423	77
	<u>147,903</u>	<u>147,903</u>	<u>147,868</u>	<u>35</u>
 Total Public Safety	 <u>5,851,294</u>	 <u>5,851,294</u>	 <u>5,809,186</u>	 <u>42,108</u>
Public Works/Transportation:				
Municipal Services				
Personal Services	673,560	673,560	640,753	32,807
Supplies	336,500	336,500	300,132	36,368
Other Services and Charges	144,800	144,800	91,843	52,957
	<u>1,154,860</u>	<u>1,154,860</u>	<u>1,032,728</u>	<u>122,132</u>
Street Lighting				
Other Services and Charges	305,500	305,500	309,360	(3,860)
	<u>305,500</u>	<u>305,500</u>	<u>309,360</u>	<u>(3,860)</u>
 Total Public Works/ Transportation	 <u>1,460,360</u>	 <u>1,460,360</u>	 <u>1,342,088</u>	 <u>118,272</u>
Culture and Recreation:				
Personal Services	48,805	48,805	49,372	(567)
 Total Culture and Recreation	 <u>48,805</u>	 <u>48,805</u>	 <u>49,372</u>	 <u>(567)</u>
Health and Welfare:				
Animal Control				
Other Services and Charges	29,909	29,909	29,910	(1)
	<u>\$ 29,909</u>	<u>\$ 29,909</u>	<u>\$ 29,910</u>	<u>\$ (1)</u>

GENERAL FUND
SCHEDULE OF EXPENDITURES
-continued-

Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Landfill				
Personal Services	\$ 9,775	\$ 9,775	\$ 9,860	\$ (85)
Other Services and Charges	<u>186,591</u>	<u>186,591</u>	<u>163,402</u>	<u>23,189</u>
	<u>196,366</u>	<u>196,366</u>	<u>173,262</u>	<u>23,104</u>
Public Service				
Other Services and Charges	<u>1,200</u>	<u>1,200</u>	<u>1,260</u>	<u>(60)</u>
	<u>1,200</u>	<u>1,200</u>	<u>1,260</u>	<u>(60)</u>
 Total Health and Welfare	 <u>227,475</u>	 <u>227,475</u>	 <u>204,432</u>	 <u>23,043</u>
Total Current Expenditures	<u>10,180,482</u>	<u>10,180,482</u>	<u>9,950,587</u>	<u>229,894</u>
Capital Outlay:				
General Control and Administration:				
City Attorney's Office	200	200	50	150
Public Safety:				
Police Department	12,000	12,000	13,348	(1,348)
Fire Department	3,000	3,000	1,330	1,670
Inspection/Community Development	<u>3,000</u>	<u>3,000</u>	<u>3,157</u>	<u>(157)</u>
Total Capital Outlay	<u>18,200</u>	<u>18,200</u>	<u>17,885</u>	<u>315</u>
 Total General Fund Expenditures	 <u>\$ 10,198,682</u>	 <u>\$ 10,198,682</u>	 <u>\$ 9,968,472</u>	 <u>\$ 230,209</u>

CITY OF JACKSONVILLE, ILLINOIS

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

Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Taxes	\$ 460,000	\$ 460,000	\$ 444,658	\$ (15,342)
Intergovernmental				
Replacement Tax	65,000	65,000	62,300	(2,700)
State Grant			20,360	20,360
Fines and Forfeits	8,500	8,500	8,374	(126)
Revenue from Services	11,000	11,000	11,899	899
Investment Income	70,000	70,000	13,961	(56,039)
Other	31,000	31,000	86,213	55,213
	<u>645,500</u>	<u>645,500</u>	<u>647,765</u>	<u>2,265</u>
EXPENSES				
Current:				
Culture and Recreation	673,280	673,280	609,479	63,801
Capital Outlay			16,468	(16,468)
	<u>673,280</u>	<u>673,280</u>	<u>625,947</u>	<u>47,333</u>
Total Expenditures				
Revenue Over (Under)				
Expenditures	<u>(27,780)</u>	<u>(27,780)</u>	<u>21,818</u>	<u>49,598</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers				
Received			34,460	34,460
Paid			(33,000)	(33,000)
			<u>1,460</u>	<u>1,460</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	\$ <u>(27,780)</u>	\$ <u>(27,780)</u>	23,278	\$ <u>51,058</u>
FUND BALANCE, BEGINNING			<u>1,116,217</u>	
FUND BALANCE, ENDING			\$ <u>1,139,495</u>	

CITY OF JACKSONVILLE, ILLINOIS

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

Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Intergovernmental				
Federal Grant	\$ 2,256,000	\$ 2,256,000	\$ 1,571,557	\$ (684,443)
State Grant	8,006	8,006		(8,006)
Investment Income	4,000	4,000	633	(3,367)
Other	40,100	40,100	136,065	95,965
	<u>2,308,106</u>	<u>2,308,106</u>	<u>1,708,255</u>	<u>(599,851)</u>
Total Revenue				
EXPENSES				
Debt Service			53,207	(53,207)
Capital Outlay	4,181,614	4,181,614	3,100,116	1,081,498
	<u>4,181,614</u>	<u>4,181,614</u>	<u>3,153,323</u>	<u>1,028,291</u>
Total Expenditures				
Revenue Over (Under)				
Expenditures	<u>(1,873,508)</u>	<u>\$ (1,873,508)</u>	<u>(1,445,068)</u>	<u>\$ 428,440</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers				
Received	1,858,508	1,858,508	1,848,169	(10,339)
	<u>1,858,508</u>	<u>1,858,508</u>	<u>1,848,169</u>	<u>(10,339)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	\$ <u>(15,000)</u>	\$ <u>(15,000)</u>	403,101	\$ <u>418,101</u>
FUND BALANCE, BEGINNING			<u>73,279</u>	
FUND BALANCE, ENDING			\$ <u>476,380</u>	

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/10	11,784	14,022	2,238	84.04	4,182	53.51%
12/31/09	10,696	13,099	2,403	81.65	4,258	56.44%
12/31/08	10,817	12,095	1,278	89.43	4,000	31.95%

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/10	NOT AVAILABLE					
12/31/09	13,178	19,955	6,777	66.04	1,445	469%
12/31/08	12,237	19,306	7,069	63.38	1,316	537%

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/10	NOT AVAILABLE					
12/31/09	13,839	22,047	8,208	62.77	2,124	386%
12/31/08	12,605	21,139	8,534	59.63	2,183	391%

CITY OF JACKSONVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2010

	Total Nonmajor Governmental Funds	Special Revenue Funds	
		Motor Fuel Tax	Parks and Lakes
ASSETS			
Cash	\$ 5,752,781	\$ 279,728	\$ 65,672
Investments	1,344,425		
Receivables:			
Taxes	1,559,545		
Accounts	57,972		17,820
Intergovernmental	58,488	58,488	
Loans	1,360,624		
Accrued Interest	25,399		
Prepaid Expenses	480		480
Due from Other Funds	182,440		
	<u>10,342,154</u>	<u>338,216</u>	<u>83,972</u>
Total Assets	\$ <u>10,342,154</u>	\$ <u>338,216</u>	\$ <u>83,972</u>
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ 169,355	\$ 86,278	\$ 32,872
Accrued Salaries	9,594		6,849
Due to Other Funds	8,153	3,321	
Deferred Revenue	1,542,676		200
	<u>1,729,778</u>	<u>89,599</u>	<u>39,921</u>
Total Liabilities	<u>1,729,778</u>	<u>89,599</u>	<u>39,921</u>
Fund Balance:			
Reserved for:			
Economic Loan	614,543		
Endowment	1,392,662		
Perpetual Care	759,055		
Unreserved, Reported In:			
Special Revenue Funds	1,179,980	248,617	44,051
Permanent Funds	20,000		
Capital Improvement Funds	4,646,136		
	<u>8,612,376</u>	<u>248,617</u>	<u>44,051</u>
Total Fund Balance	<u>8,612,376</u>	<u>248,617</u>	<u>44,051</u>
Total Liabilities and Fund Balance	\$ <u>10,342,154</u>	\$ <u>338,216</u>	\$ <u>83,972</u>

Special Revenue Funds

Cemetery	Economic Loan	Goveia Trust	Drug Enforcement
\$ 99,211	\$ 265,690	\$ 617,700	\$ 60,925
13,852			
	348,853		
		1,853	
<u>3,606</u>			
\$ <u><u>116,669</u></u>	\$ <u><u>614,543</u></u>	\$ <u><u>619,553</u></u>	\$ <u><u>60,925</u></u>
\$ 4,739	\$	\$ 7,553	\$ 4,864
2,745			
1,226			
<u>8,710</u>	<u>0</u>	<u>7,553</u>	<u>4,864</u>
	614,543		
107,959		612,000	56,061
<u>107,959</u>	<u>614,543</u>	<u>612,000</u>	<u>56,061</u>
\$ <u><u>116,669</u></u>	\$ <u><u>614,543</u></u>	\$ <u><u>619,553</u></u>	\$ <u><u>60,925</u></u>

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2010

	Special Revenue Funds		
	Heritage Cultural Center	Tourism	C.D.A.P Grant
ASSETS			
Cash	\$ 47,042	\$ 10,768	\$
Investments			
Receivables:			
Taxes		17,069	
Accounts			
Intergovernmental			
Loans			
Accrued Interest			
Prepaid Expenses			
Due from Other Funds			
Total Assets	\$ 47,042	\$ 27,837	\$ 0
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$	\$ 27,837	\$
Accrued Salaries			
Due to Other Funds			
Deferred Revenue			
Total Liabilities	0	27,837	0
Fund Balance:			
Reserved for:			
Economic Loan			
Endowment			
Perpetual Care			
Unreserved, Reported In:			
Special Revenue Funds	47,042		
Permanent Funds			
Capital Improvement Funds			
Total Fund Balance	47,042	0	0
Total Liabilities and Fund Balance	\$ 47,042	\$ 27,837	\$ 0

Special Revenue Funds

Police and Fire Retirement Funds	Police Department Evidence	Foreign Fire Insurance Tax
\$	\$ 22,209	\$ 47,253
1,379,631		
\$ 1,379,631	\$ 22,209	\$ 47,253
\$	\$ 5,212	\$
1,379,631		
1,379,631	5,212	0
	16,997	47,253
0	16,997	47,253
\$ 1,379,631	\$ 22,209	\$ 47,253

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2010

	<u>Debt Service Fund</u>	<u>Permanent Funds</u>	
	Library Lease	Public Library Endowment Trust	Cemetery Perpetual Care
ASSETS			
Cash	\$	\$ 48,237	\$ 781,435
Investments		1,344,425	
Receivables:			
Taxes			
Accounts			
Intergovernmental			
Loans			
Accrued Interest			
Prepaid Expenses			
Due from Other Funds			1,226
Total Assets	\$ <u>0</u>	\$ <u>1,392,662</u>	\$ <u>782,661</u>
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$	\$	\$
Accrued Salaries			
Due to Other Funds			3,606
Deferred Revenue			
Total Liabilities	<u>0</u>	<u>0</u>	<u>3,606</u>
Fund Balance:			
Reserved for:			
Economic Loan			
Endowment		1,392,662	
Perpetual Care			759,055
Unreserved, Reported In:			
Special Revenue Funds			
Permanent Funds			20,000
Capital Improvement Funds			
Total Fund Balance	<u>0</u>	<u>1,392,662</u>	<u>779,055</u>
Total Liabilities and Fund Balance	\$ <u>0</u>	\$ <u>1,392,662</u>	\$ <u>782,661</u>

Capital Improvement Funds

Lake Reclamation	Securities Investment	Tax Increment Finance
\$ 1,740,752	\$ 1,404,991	\$ 261,168
		162,845
26,300		
	932,977	78,794
6,732	16,814	
<u> </u>	<u>176,009</u>	<u>1,599</u>
<u>\$ 1,773,784</u>	<u>\$ 2,530,791</u>	<u>\$ 504,406</u>
\$	\$	\$
<u> </u>	<u> </u>	<u>162,845</u>
<u> 0</u>	<u> 0</u>	<u>162,845</u>
<u>1,773,784</u>	<u>2,530,791</u>	<u>341,561</u>
<u>1,773,784</u>	<u>2,530,791</u>	<u>341,561</u>
<u>\$ 1,773,784</u>	<u>\$ 2,530,791</u>	<u>\$ 504,406</u>

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

Year Ended December 31, 2010

	Total Nonmajor Governmental Funds	Special Revenue Funds	
		Motor Fuel Tax	Parks and Lakes
REVENUE			
Taxes	\$ 1,653,750	\$	\$
Intergovernmental	1,221,198	946,038	
Licenses and Permits	162,837		162,837
Fines and Forfeitures	38,271		
Revenue from Services	236,853		134,250
Investment Income	251,553	1,383	214
Other	255,557		55,613
	<u>3,820,019</u>	<u>947,421</u>	<u>352,914</u>
Total Revenue			
EXPENDITURES			
Current:			
General Control and Administration	57,237		
Public Safety	1,633,463		
Public Works/Transportation	229,513	179,427	
Health and Welfare	322,003		
Culture and Recreation	1,006,661		856,793
Debt Service	2,841		
Capital Outlay	512,044	500,126	
	<u>3,763,762</u>	<u>679,553</u>	<u>856,793</u>
Total Expenditures			
Revenue Over (Under) Expenditures	<u>56,257</u>	<u>267,868</u>	<u>(503,879)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Long-Term Debt	520,000		
Interfund Transfers			
Received	736,432		513,432
Paid	(1,219,104)		
	<u>37,328</u>	<u>0</u>	<u>513,432</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	93,585	267,868	9,553
FUND BALANCE, BEGINNING	<u>8,518,791</u>	<u>(19,251)</u>	<u>34,498</u>
FUND BALANCE, ENDING	<u>\$ 8,612,376</u>	<u>\$ 248,617</u>	<u>\$ 44,051</u>

Special Revenue Funds

Cemetery	Economic Loan	Goveia Trust	Drug Enforcement
\$	\$	\$	\$
			13,376
84,859			
25,389	12,625	13,433	857
10,050			
<u>120,298</u>	<u>12,625</u>	<u>13,433</u>	<u>14,233</u>
	31,022		
			23,335
322,003			
11,918			
<u>333,921</u>	<u>31,022</u>	<u>0</u>	<u>23,335</u>
<u>(213,623)</u>	<u>(18,397)</u>	<u>13,433</u>	<u>(9,102)</u>
190,000			
	(410,800)	(13,433)	
<u>190,000</u>	<u>(410,800)</u>	<u>(13,433)</u>	<u>0</u>
(23,623)	(429,197)	0	(9,102)
<u>131,582</u>	<u>1,043,740</u>	<u>612,000</u>	<u>65,163</u>
<u>\$ 107,959</u>	<u>\$ 614,543</u>	<u>\$ 612,000</u>	<u>\$ 56,061</u>

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

Year Ended December 31, 2010

	Special Revenue Funds		
	Heritage Cultural Center	Tourism	C.D.A.P Grant
REVENUE			
Taxes	\$	\$ 113,606	\$
Intergovernmental			50,086
Licenses and Permits			
Fines and Forfeitures			
Revenue from Services			
Investment Income	604		
Other			
	604	113,606	50,086
Total Revenue	604	113,606	50,086
EXPENDITURES			
Current:			
General Control and Administration			
Public Safety			
Public Works/Transportation			50,086
Health and Welfare			
Culture and Recreation	2,147	113,606	
Debt Service			
Capital Outlay			
	2,147	113,606	50,086
Total Expenditures	2,147	113,606	50,086
Revenue Over (Under)			
Expenditures	(1,543)	0	0
OTHER FINANCING SOURCES (USES)			
Proceeds from Long-Term Debt			
Interfund Transfers			
Received			
Paid			
	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balances	(1,543)	0	0
FUND BALANCE, BEGINNING	48,585	0	0
FUND BALANCE, ENDING	\$ 47,042	\$ 0	\$ 0

Special Revenue Funds

Police and Fire Retirement Funds	Police Department Evidence	Foreign Fire Insurance Tax
\$ 1,378,544	\$	\$
193,554		31,520
	24,895	
	71	72
		24
<u>1,572,098</u>	<u>24,966</u>	<u>31,616</u>
1,572,098	20,201	17,829
<u>1,572,098</u>	<u>20,201</u>	<u>17,829</u>
<u>0</u>	<u>4,765</u>	<u>13,787</u>
<u>0</u>	<u>0</u>	<u>0</u>
0	4,765	13,787
<u>0</u>	<u>12,232</u>	<u>33,466</u>
<u>\$ 0</u>	<u>\$ 16,997</u>	<u>\$ 47,253</u>

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

Year Ended December 31, 2010

	Debt Service Fund	Permanent Funds	
	Library Lease	Public Library Endowment Trust	Cemetery Perpetual Care
REVENUE			
Taxes	\$	\$	\$
Intergovernmental			
Licenses and Permits			
Fines and Forfeitures			
Revenue from Services			17,744
Investment Income	1	126,523	33
Other		121,644	
	<u>1</u>	<u>248,167</u>	<u>17,777</u>
Total Revenue			
EXPENDITURES			
Current:			
General Control and Administration			
Public Safety			
Public Works/Transportation			
Health and Welfare			
Culture and Recreation		9,336	
Debt Service			
Capital Outlay			
	<u>0</u>	<u>9,336</u>	<u>0</u>
Total Expenditures			
Revenue Over (Under)	1	238,831	17,777
Expenditures			
OTHER FINANCING SOURCES (USES)			
Proceeds from Long-Term Debt			
Interfund Transfers			
Received		33,000	
Paid	(411)	(29,460)	
	<u>(411)</u>	<u>3,540</u>	<u>0</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	(410)	242,371	17,777
FUND BALANCE, BEGINNING	<u>410</u>	<u>1,150,291</u>	<u>761,278</u>
FUND BALANCE, ENDING	\$ <u>0</u>	\$ <u>1,392,662</u>	\$ <u>779,055</u>

Capital Improvement Funds

Lake Reclamation	Securities Investment	Tax Increment Finance
\$	\$	\$ 161,600
27,863	36,417	6,068
<u>68,226</u>	<u> </u>	<u> </u>
<u>96,089</u>	<u>36,417</u>	<u>167,668</u>
		26,215
24,779		2,841
<u>24,779</u>	<u>0</u>	<u>29,056</u>
<u>71,310</u>	<u>36,417</u>	<u>138,612</u>
		520,000
	<u>(45,000)</u>	<u>(720,000)</u>
<u>0</u>	<u>(45,000)</u>	<u>(200,000)</u>
71,310	(8,583)	(61,388)
<u>1,702,474</u>	<u>2,539,374</u>	<u>402,949</u>
<u>\$ 1,773,784</u>	<u>\$ 2,530,791</u>	<u>\$ 341,561</u>

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS

December 31, 2010

ASSETS	Firemen's Pension Trust Fund	Policemen's Pension Trust Fund	Total
Cash and Short-Term Investments	\$ 1,696,628	\$ 3,375,776	\$ 5,072,404
Investments	12,635,156	10,822,302	23,457,458
Receivables:			
Accrued Interest	5,705	38,622	44,327
Employer Contributions	<u>642,121</u>	<u>737,510</u>	<u>1,379,631</u>
Total Assets	<u>14,979,610</u>	<u>14,974,210</u>	<u>29,953,820</u>
LIABILITIES			
Vouchers Payable	<u>98,363</u>	<u>101,573</u>	<u>199,936</u>
Total Liabilities	<u>98,363</u>	<u>101,573</u>	<u>199,936</u>
NET ASSETS			
Held in Trust for Pension Benefits	<u>\$ 14,881,247</u>	<u>\$ 14,872,637</u>	<u>\$ 29,753,884</u>

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
AVAILABLE FOR BENEFITS
PENSION TRUST FUNDS

Year Ended December 31, 2010

	Firemen's Pension	Police Pension	Total
ADDITIONS			
Contributions:			
Employer Contributions	\$ 730,844	\$ 841,254	\$ 1,572,098
Employee Contributions	<u>135,881</u>	<u>210,505</u>	<u>346,386</u>
Total Contributions	<u>866,725</u>	<u>1,051,759</u>	<u>1,918,484</u>
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	385,934	812,304	1,198,238
Interest/Dividends	685,586	367,344	1,052,930
Realized Gain (Loss) on Sale of Investments	339,940	(77,835)	262,105
Investment Expense	<u>(21,323)</u>	<u>(25,415)</u>	<u>(46,738)</u>
Net Investment Income	<u>1,390,137</u>	<u>1,076,398</u>	<u>2,466,535</u>
Total Additions	<u>2,256,862</u>	<u>2,128,157</u>	<u>4,385,019</u>
DEDUCTIONS			
Benefits	1,098,172	1,143,123	2,241,295
Administration Expenses	<u>7,854</u>	<u>36,752</u>	<u>44,606</u>
Total Deductions	<u>1,106,026</u>	<u>1,179,875</u>	<u>2,285,901</u>
Net Increase (Decrease)	1,150,836	948,282	2,099,118
NET ASSETS, BEGINNING OF YEAR	<u>13,730,411</u>	<u>13,924,355</u>	<u>27,654,766</u>
NET ASSETS, END OF YEAR	<u>\$ 14,881,247</u>	<u>\$ 14,872,637</u>	<u>\$ 29,753,884</u>

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

	2010	Tax Year 2009	2008
EQUALIZED ASSESSED VALUATIONS	\$ <u>238,512,365</u>	\$ <u>236,133,169</u>	\$ <u>229,824,892</u>
TAX LEVY			
General	\$ 2,888,299	\$ 2,691,851	\$ 2,773,198
Library Lease			126,710
Firemen's Pension	642,121	637,337	501,437
Police Pension	737,510	745,194	579,215
Library	477,490	445,000	445,000
Road District No. 14	<u>227,007</u>	<u>216,918</u>	<u>206,584</u>
	\$ <u>4,972,427</u>	\$ <u>4,736,300</u>	\$ <u>4,632,144</u>
TAX LEVY RATES			
General	1.21097	1.13998	1.20666
Library Lease			0.05514
Firemen's Pension	0.26922	0.26991	0.21819
Police Pension	0.30922	0.31559	0.25203
Library	0.20020	0.18846	0.19363
Road District No. 14	<u>0.09518</u>	<u>0.09186</u>	<u>0.08989</u>
	<u>2.08479</u>	<u>2.00580</u>	<u>2.01554</u>
TAX EXTENSIONS			
General	\$ 2,888,313	\$ 2,691,871	\$ 2,773,205
Library Lease			126,725
Firemen's Pension	642,123	637,347	501,454
Police Pension	737,528	745,213	579,227
Library	477,502	445,017	445,010
Road District No. 14	<u>227,016</u>	<u>216,198</u>	<u>206,589</u>
	\$ <u>4,972,482</u>	\$ <u>4,735,646</u>	\$ <u>4,632,210</u>
TAX COLLECTIONS			
General		\$ 2,636,793	\$ 2,774,054
Library Lease			126,764
Firemen's Pension		624,306	501,608
Police Pension		729,965	549,404
Library		435,912	445,146
Road District No. 14		216,896	206,796
Tax Increment Finance		<u>161,600</u>	<u>168,343</u>
		\$ <u>4,805,472</u>	\$ <u>4,772,115</u>

CITY OF JACKSONVILLE, ILLINOIS

FEDERAL SINGLE AUDIT REPORT

December 31, 2010

INDEX

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.	1
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	6
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.	7
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.	8



ZUMBAHLEN, EYTH, SURRATT, FOOTE & FLYNN, LTD.
Certified Public Accountants

1395 Lincoln Avenue
Jacksonville, Illinois 62650
217-245-5121
Fax: 217-243-3356
E-mail: staff@zescpa.com

• MEMBERS •
ILLINOIS SOCIETY OF CPA
AMERICAN INSTITUTE OF CPA

KENNETH H. ZUMBAHLEN, CPA
JOHN L. EYTH, CPA
NICK SURRATT, CPA
CYNTHIA S. FOOTE, CPA
VALERIE L. FLYNN, CPA

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

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

We have audited the financial statements 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 and for the year ended December 31, 2010, which collectively comprise the City of Jacksonville, Illinois' basic financial statements and have issued our report thereon dated June 27, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Jacksonville, Illinois' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Jacksonville, Illinois' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Jacksonville, Illinois' internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.



ZUMBAHLEN, EYTH, SURRETT, FOOTE & FLYNN, LTD.
Certified Public Accountants

1395 Lincoln Avenue
Jacksonville, Illinois 62650
217-245-5121
Fax: 217-243-3356

KENNETH H. ZUMBAHLEN, CPA
JOHN L. EYTH, CPA
NICK SURRETT, CPA
CYNTHIA S. FOOTE, CPA
VALERIE L. FLYNN, CPA

• MEMBERS •
ILLINOIS SOCIETY OF CPA
AMERICAN INSTITUTE OF CPA

E-mail: staff@zescpa.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the City of Jacksonville, Illinois' compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the City of Jacksonville, Illinois' major federal programs for the year ended December 31, 2010. The City of Jacksonville, Illinois' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Jacksonville, Illinois' management. Our responsibility is to express an opinion on the City of Jacksonville, Illinois' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Jacksonville, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Jacksonville, Illinois' compliance with those requirements.

In our opinion, the City of Jacksonville, Illinois complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

Management of the City of Jacksonville, Illinois is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Jacksonville, Illinois' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Jacksonville, Illinois' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements 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 and for the year ended December 31, 2010, and have issued our report thereon dated June 27, 2011, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements taken as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information of the Honorable Mayor, members of the City Council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hubert, the Sauris, Fatt H/yarts

CITY OF JACKSONVILLE, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the general purpose financial statements of the City of Jacksonville, Illinois.
2. No reportable conditions relating to the audit of the general purpose financial statements are reported in the *Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the general purpose financial statements of the City of Jacksonville, Illinois were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs is reported in the *Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the City of Jacksonville, Illinois expresses an unqualified opinion.
6. The audit of the major federal award programs of the City of Jacksonville, Illinois did not disclose any audit findings relating to major programs that are required to be reported.
7. The program tested as a major program included: Department of Housing and Urban Development, Community Development Block Grants/Entitlement Grants CFDA #14.218.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. City of Jacksonville, Illinois, was not determined to be a low-risk auditee.
10. City of Jacksonville, Illinois had no audit findings from prior year.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT REPORTABLE CONDITIONS

NONE

C. FINDINGS AND QUESTIONED COSTS - Major Federal Award Programs Audit

NONE

CITY OF JACKSONVILLE, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2010

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Pass-Through Grantors Numbers
FEDERAL FUNDS PASSED THROUGH ILLINOIS		
DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY		
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	06-242070
Community Development Block Grants/ Entitlement Grants (M)	14.218	
FEDERAL FUNDS PASSED THROUGH ILLINOIS		
EMERGENCY MANAGEMENT AGENCY		
DEPARTMENT OF HOMELAND SECURITY		
Emergency Management Performance Grant	97.042	
FEDERAL FUNDS PASSED THROUGH ILLINOIS		
DEPARTMENT OF TRANSPORTATION		
DEPARTMENT OF TRANSPORTATION		
Highway Planning and Construction	20.205	6-10260-000
Highway Planning and Construction	20.205	6-10408-001
Subtotal CFDA #20.205		

TOTAL

Revenue
Recognized Expenditures

\$ 50,086 \$ 50,086

\$ 0 \$ 410,000

\$ 28,667 \$ 28,667

\$ 16,437 \$ 16,437
 35,102 35,102

 51,539 51,539

\$ 130,292 \$ 540,292

CITY OF JACKSONVILLE, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2010

Note 1 – Summary of Significant Accounting Policies

General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City of Jacksonville, Illinois. The City's reporting entity is defined in Note 1 to the City's financial statements. Federal awards passed through other government agencies are included on the schedule.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.

Relationship to Basic Financial Statements

Federal awards received are reflected in the City's financial statements as revenue from federal sources.

Note 2 – Amounts Provided to Sub-recipients

The City did not provide any Federal assistance to sub-recipients during the year ended December 31, 2010

Note 3 – Non-Cash Assistance, Federal Insurance, Loans or Loan Guarantees

The City of Jacksonville, Illinois did not receive or disburse any Federal non-cash assistance during the year ended December 31, 2010. In addition, the City did not have any Federal insurance in effect during the year and there were no Federal loans or loan guarantees outstanding at year end.

Note 4 – Reconciliation of Financial Statements to Schedule of Expenditures of Federal Awards

Federal Expenditures Reflected in the City's Financial Statements	\$1,736,849
Less Amounts Paid on Behalf of the City, Reported at the State Level	<u>(1,196,557)</u>
Federal Expenditures Per Schedule of Expenditures of Federal Awards	<u>\$ 540,292</u>