

CITY OF JACKSONVILLE, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
December 31, 2012

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Jacksonville, Illinois, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jacksonville, Illinois, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 47-53 and retirement fund historical data on pages 54-57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Jacksonville, Illinois' basic financial statements. The combining nonmajor fund financial statements, combining fiduciary fund financial statements, and schedule of equalized assessed valuations, tax rates, extensions and collections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Anthony J. Santoro, CPA

Jacksonville, Illinois
June 24, 2013

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2012

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 18,275,471	\$ 5,981,820	\$ 24,257,291
Investments	1,429,839		1,429,839
Receivables:			
Taxes	5,519,773		5,519,773
Accounts	1,804,299	1,115,262	2,919,561
Due from Other Governments	2,018,203		2,018,203
Inventory		34,265	34,265
Capital Assets (Net of Accumulated Depreciation)	17,910,972	27,253,232	45,164,204
Other Assets		6,544	6,544
	<u>46,958,557</u>	<u>34,391,123</u>	<u>81,349,680</u>
Total Assets	<u>46,958,557</u>	<u>34,391,123</u>	<u>81,349,680</u>
LIABILITIES			
Accounts payable	985,759	360,926	1,346,685
Deferred revenue	5,661,005	357,110	6,018,115
Accrued salaries and wages	120,869	60,058	180,927
Long-term liabilities:			
Due within one year	185,700	312,961	498,661
Due in more than one year	669,364	2,525,338	3,194,702
	<u>7,622,697</u>	<u>3,616,393</u>	<u>11,239,090</u>
Total Liabilities	<u>7,622,697</u>	<u>3,616,393</u>	<u>11,239,090</u>
NET POSITION			
Investments in capital assets, net of related debt	17,297,245	24,467,920	41,765,165
Restricted for:			
Debt Service		64,059	64,059
Purpose of Grantors/Trustees	2,261,154		2,261,154
Economic Loan	633,859		633,859
Public Safety	146,007		146,007
Public Works/Transportation	429,176		429,176
Health and Welfare	20,000		20,000
Culture and Recreation	1,913,791		1,913,791
Construction of Capital Assets	713,353		713,353
Unrestricted	15,921,275	6,242,751	22,164,026
	<u>15,921,275</u>	<u>6,242,751</u>	<u>22,164,026</u>
Total Net Position	<u>\$ 39,335,860</u>	<u>\$ 30,774,730</u>	<u>\$ 70,110,590</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF ACTIVITIES

Year Ended December 31, 2012

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Governmental activities:			
General Control and Administration	\$ 2,559,695	\$ 599,010	\$
Public Safety	7,861,443	255,571	202,701
Public Works/Transportation	2,263,948		626,967
Health and Welfare	615,819	164,590	
Culture and Recreation	<u>1,980,805</u>	<u>481,309</u>	<u>77,046</u>
Total Governmental Activities	<u>15,281,710</u>	<u>1,500,480</u>	<u>906,714</u>
Business-type activities:			
Water Sewer	6,082,278	6,185,318	
Golf	<u>449,384</u>	<u>377,143</u>	
Total Business-Type Activities	<u>6,531,662</u>	<u>6,562,461</u>	<u>0</u>
Total Primary Government	<u>\$ 21,813,372</u>	<u>\$ 8,062,941</u>	<u>\$ 906,714</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

Gain on Sale of Assets

Transfers

Total General Revenues

Change in Net Position

Net Position-Beginning

Net Position-Ending

Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
\$	\$		\$
	(1,960,685)		(1,960,685)
127,954	(7,275,217)		(7,275,217)
148,000	(1,488,981)		(1,488,981)
	(451,229)		(451,229)
	(1,422,450)		(1,422,450)
<u>275,954</u>	<u>(12,598,562)</u>		<u>(12,598,562)</u>
94,571		197,611	197,611
		(72,241)	(72,241)
<u>94,571</u>		<u>125,370</u>	<u>125,370</u>
\$ <u>370,525</u>	<u>(12,598,562)</u>	<u>125,370</u>	<u>(12,473,192)</u>
	5,383,638		5,383,638
	1,872,013		1,872,013
	109,973		109,973
	140,412		140,412
	3,630,330		3,630,330
	1,567,766		1,567,766
	302,279		302,279
	458,138		458,138
	352,070	51,041	403,111
	12,194		12,194
	(34,951)	34,951	0
	<u>13,793,862</u>	<u>85,992</u>	<u>13,879,854</u>
	1,195,300	211,362	1,406,662
	<u>38,140,560</u>	<u>30,563,368</u>	<u>68,703,928</u>
\$	<u>39,335,860</u>	<u>30,774,730</u>	<u>70,110,590</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2012

	General Fund	Public Library Fund	Capital Improvement Fund	Total NonMajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 9,191,889	\$ 1,282,626	\$ 555,450	\$ 6,396,806	\$ 17,426,771
Investments				1,429,839	1,429,839
Property Taxes Receivable	3,556,493	500,000		1,463,280	5,519,773
Intergovernmental Receivables	1,977,949			40,254	2,018,203
Other Receivables	388,820			1,193,682	1,582,502
Prepaid Expenses	0			0	0
Due from Other Funds				783	783
Total Assets	\$ 15,115,151	\$ 1,782,626	\$ 555,450	\$ 10,524,644	\$ 27,977,871
LIABILITIES AND FUND BALANCE					
Accounts Payable	\$ 380,124	\$ 19,175	\$ 174,360	\$ 217,875	\$ 791,534
Accrued Salaries	114,765	6,104			120,869
Due to Other Funds	783				783
Deferred Revenue	3,622,443	500,000		1,454,472	5,576,915
Total Liabilities	4,118,115	525,279	174,360	1,672,347	6,490,101
Fund Balance					
Nonspendable				2,261,154	2,261,154
Restricted for:					
Economic Loan				633,859	633,859
Public Safety				146,007	146,007
Public Works/Transportation				429,176	429,176
Health and Welfare				20,000	20,000
Culture and Recreation		1,257,347		656,444	1,913,791
Construction of Capital Assets			381,089	332,264	713,353
Committed				4,373,393	4,373,393
Unassigned	10,997,036				10,997,036
Total Fund Balance	10,997,036	1,257,347	381,089	8,852,297	21,487,769
Total Liabilities and Fund Balance	\$ 15,115,151	\$ 1,782,626	\$ 555,449	\$ 10,524,644	\$ 27,977,870

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

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

Year Ended December 31, 2012

Fund Balances - Total Governmental Funds	\$ 21,487,769
Capital assets used in governmental activities are not financial resources and therefore are not reported in the Funds.	17,910,972
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. All liabilities, both current and long-term are reported in the Statement of Net Position.	(855,061)
Internal Service Funds are used by management to charge the cost of self insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities section of the Statement of Net Position.	<u>792,180</u>
Net Position of Governmental Activities	\$ <u><u>39,335,860</u></u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
Year Ended December 31, 2012

	General Fund	Public Library Fund	Capital Improvement Fund	Total NonMajor Governmental Funds	Total Governmental Funds
REVENUE					
Taxes	\$ 5,438,320	\$ 493,073	\$	\$ 1,574,643	\$ 7,506,036
Intergovernmental	5,971,259	88,997	275,954	755,373	7,091,583
Licenses and Permits	381,079			0	381,079
Fines and Forfeits	113,838	7,760		36,572	158,170
Revenue from Services	684,272	11,420		24,679	720,371
Investment Income	102,129	7,020	448	242,472	352,069
Other	163,219	57,101	5,157	77,175	302,652
	<u>12,854,116</u>	<u>665,371</u>	<u>281,559</u>	<u>2,710,914</u>	<u>16,511,960</u>
Total Revenue					
EXPENDITURES					
Current:					
General Control and Administration	2,457,349			55,376	2,512,725
Public Safety	6,117,251			1,526,983	7,644,234
Public Works/Transportation	1,352,203			400,450	1,752,653
Health and Welfare	588,610			0	588,610
Culture and Recreation	918,131	632,853		219,817	1,770,801
Debt Service			23,722	115,265	138,987
Capital Outlay	32,778	0	1,409,100	6,289	1,448,167
	<u>11,466,322</u>	<u>632,853</u>	<u>1,432,822</u>	<u>2,324,180</u>	<u>15,856,177</u>
Total Expenditures					
Revenue Over (Under) Expenditures	<u>1,387,794</u>	<u>32,518</u>	<u>(1,151,263)</u>	<u>386,734</u>	<u>655,783</u>
OTHER FINANCING SOURCES (USES)					
Interfund Transfers					
Received	33,954	67,902	762,000	20,108	883,964
Paid	(677,000)	0	(44,951)	(196,964)	(918,915)
Proceeds from Long Term Debt			250,000	0	250,000
	<u>(643,046)</u>	<u>67,902</u>	<u>967,049</u>	<u>(176,856)</u>	<u>215,049</u>
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	744,748	100,420	(184,214)	209,878	870,832
FUND BALANCE, BEGINNING	<u>10,252,288</u>	<u>1,156,927</u>	<u>565,303</u>	<u>8,642,419</u>	<u>20,616,937</u>
FUND BALANCE, ENDING	<u>\$ 10,997,036</u>	<u>\$ 1,257,347</u>	<u>\$ 381,089</u>	<u>\$ 8,852,297</u>	<u>\$ 21,487,769</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

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

Year Ended December 31, 2012

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

Net Changes in Fund Balances - Total Governmental Funds	\$ 870,832
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.	506,320
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	
Change in Compensated absences	83,157
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net assets. This is the net effect of these differences in the treatment of long-term debt.	
Proceeds and Repayment of Principal on Long-Term Debt	(124,151)
The net revenue of certain activities of internal service funds is not reported with governmental funds. However, a portion of this net revenue is allocated to governmental activities on the Statement of Activities. This is the amount that has been included on the Statement of Activities.	<u>(140,858)</u>
Change in Net Position of Governmental Activities	<u>\$ 1,195,300</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2012

	Business-Type Activities-Enterprise Funds			Governmental Activities
	Water & Sewer	Golf	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current Assets				
Cash	\$ 5,951,146	\$ 30,674	\$ 5,981,820	\$ 1,049,537
Receivables:				
Accounts (Net of Allowance for Uncollectibles of \$13,040)	487,332		487,332	274,283
Estimated Unbilled Revenue	533,359		533,359	
Grants	94,571		94,571	
Inventory	34,265		34,265	
Other Assets	6,544		6,544	
Total Current Assets	<u>7,107,217</u>	<u>30,674</u>	<u>7,137,891</u>	<u>1,323,820</u>
Noncurrent Assets				
Property, Plant & Equipment, Net of Accumulated Depreciation	<u>26,099,010</u>	<u>1,154,222</u>	<u>27,253,232</u>	
Total Assets	<u>\$ 33,206,227</u>	<u>\$ 1,184,896</u>	<u>\$ 34,391,123</u>	<u>\$ 1,323,820</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 358,036	\$ 2,890	\$ 360,926	\$ 240,188
Accrued Salaries	59,016	1,042	60,058	
Deferred Revenue	315,459	41,651	357,110	103,990
Bonds, Notes, and Loans Payable	312,961		312,961	
Total Current Liabilities	<u>1,045,472</u>	<u>45,583</u>	<u>1,091,055</u>	<u>344,178</u>
Noncurrent Liabilities:				
Compensated Absences	50,462	2,525	52,987	
Bonds, Notes, and Loans Payable	2,472,351		2,472,351	
Total Noncurrent Liabilities	<u>2,522,813</u>	<u>2,525</u>	<u>2,525,338</u>	<u>0</u>
Total Liabilities	<u>3,568,285</u>	<u>48,108</u>	<u>3,616,393</u>	<u>344,178</u>
NET POSITION				
Investments in Capital Assets, Net of Related Debt	23,313,698	1,154,222	24,467,920	
Restricted for:				
Debt Service	64,059		64,059	
Unrestricted	<u>6,260,185</u>	<u>(17,434)</u>	<u>6,242,751</u>	<u>979,642</u>
Total Net Position	<u>29,637,942</u>	<u>1,136,788</u>	<u>30,774,730</u>	<u>979,642</u>
Total Liabilities and Net Position	<u>\$ 33,206,227</u>	<u>\$ 1,184,896</u>	<u>\$ 34,391,123</u>	<u>\$ 1,323,820</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 Year Ended December 31, 2012

	Business-Type Activities-Enterprise Funds			Governmental
	Water & Sewer	Golf	Total Enterprise Funds	Activities Internal Service Funds
Operating Revenues				
Revenue from Services	\$ 6,185,318	\$ 377,143	\$ 6,562,461	\$ 1,326,536
Investment Income				7,566
Total Operating Revenues	<u>6,185,318</u>	<u>377,143</u>	<u>6,562,461</u>	<u>1,334,102</u>
Operating Expenses:				
Personal Services	2,459,426	203,500	2,662,926	
Contractual Services and Other	1,154,306	140,432	1,294,738	5,934
Supplies	542,689	57,908	600,597	
Heat, Light and Power	675,468	5,347	680,815	
Depreciation	1,170,488	42,197	1,212,685	
Benefit Payments				1,500,342
Total Operating Expenses	<u>6,002,377</u>	<u>449,384</u>	<u>6,451,761</u>	<u>1,506,276</u>
Operating Income (Loss)	<u>182,941</u>	<u>(72,241)</u>	<u>110,700</u>	<u>(172,174)</u>
Nonoperating Revenue (Expenses)				
Investment Income	51,021	20	51,041	
Interest and Fiscal Charges	<u>(79,901)</u>		<u>(79,901)</u>	
Total Nonoperating Revenues (Expenses)	<u>(28,880)</u>	<u>20</u>	<u>(28,860)</u>	<u>0</u>
Income (Loss) Before Contributions and Transfers	154,061	(72,221)	81,840	(172,174)
Capital Contributions	94,571		94,571	
Transfers In		<u>34,951</u>	<u>34,951</u>	
Change in Net Position	248,632	(37,270)	211,362	(172,174)
Total Net Position, Beginning	<u>29,389,310</u>	<u>1,174,058</u>	<u>30,563,368</u>	<u>1,151,816</u>
Total Net Position, Ending	<u>\$ 29,637,942</u>	<u>\$ 1,136,788</u>	<u>\$ 30,774,730</u>	<u>\$ 979,642</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

Year Ended December 31, 2012

	Business Type Activities- Enterprise Funds	
	Water and Sewer	Golf
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Users	\$ 6,106,448	\$ 380,737
Payments to Employees	(2,472,580)	(202,926)
Payments to Suppliers	(2,781,281)	(203,657)
	<u>852,587</u>	<u>(25,846)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Fixed Assets	(873,382)	
Principal Paid on Capital Lease	(13,752)	
Principal Paid on Bonds	(361,080)	
	<u>(1,248,214)</u>	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Investments	52,266	20
Receipt of Interfund Transfer		34,951
Interest Paid on Debt	(79,901)	
	<u>(27,635)</u>	<u>34,971</u>
Net Increase (Decrease) in Cash	(423,262)	9,125
CASH, BEGINNING	<u>6,374,408</u>	<u>21,549</u>
CASH, ENDING	<u>\$ 5,951,146</u>	<u>\$ 30,674</u>

<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 6,487,185	\$ 1,068,195
(2,675,506)	
<u>(2,984,938)</u>	<u>(1,330,388)</u>
826,741	(262,193)
(873,382)	
(13,752)	
<u>(361,080)</u>	<u>0</u>
(1,248,214)	
52,286	
34,951	
<u>(79,901)</u>	<u>0</u>
7,336	
(414,137)	(262,193)
<u>6,395,957</u>	<u>1,311,730</u>
<u>\$ 5,981,820</u>	<u>\$ 1,049,537</u>

See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

Year Ended December 31, 2012

	Business Type Activities- Enterprise Funds	
	Water and Sewer	Golf
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ 182,941	\$ (72,241)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	1,170,488	42,197
(Increase) Decrease in Accounts Receivable	(82,919)	
(Increase) Decrease in Inventory	19,972	
(Increase) Decrease in Prepaid Expenses	17,374	
Increase (Decrease) in Accounts Payable	(446,164)	30
Increase (Decrease) in Deferred Revenue	4,049	3,594
Increase (Decrease) in Accrued Salaries	(1,388)	278
Increase (Decrease) in Accrued Vacation	(11,766)	296
	<u>852,587</u>	<u>(25,846)</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>852,587</u>	\$ <u>(25,846)</u>

<u>Total Enterprise Funds</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 110,700	\$ (172,174)
1,212,685	
(82,919)	(272,484)
19,972	
17,374	
(446,134)	175,888
7,643	6,577
(1,110)	
<u>(11,470)</u>	
<u>\$ 826,741</u>	<u>\$ (262,193)</u>

See accompanying notes to the financial statements

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

December 31, 2012

ASSETS

Cash and Short-Term Investments	\$ 1,272,110
Investments	28,320,029
Receivables:	
Accrued Interest	82,212
Employer Contributions	<u>1,291,930</u>
Total Assets	<u>30,966,281</u>

LIABILITIES

Vouchers Payable	<u>211,283</u>
Total Liabilities	<u>211,283</u>

NET POSITION

Held in Trust for Pension Benefits	<u><u>\$ 30,754,998</u></u>
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See accompanying notes to the financial statements

CITY OF JACKSONVILLE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

Year Ended December 31, 2012

Additions	
Contributions	
Employer Contributions	\$ 1,456,864
Employee Contributions	<u>367,332</u>
Total Contributions	<u>1,824,196</u>
Net Investment Income (Loss)	
Net Appreciation (Depreciation) in Fair Value of Investments	919,658
Interest/Dividends	1,166,746
Realized Gain (Loss) on Sale of Investments	272,458
Investment Expense	<u>(50,006)</u>
Net Investment Income	<u>2,308,856</u>
Total Additions	<u>4,133,052</u>
Deductions	
Benefits	2,544,723
Administrative expenses	<u>47,817</u>
Total Deductions	<u>2,592,540</u>
Change in Net Position	1,540,512
Net Position Held in Trust for Benefits, Beginning of Year	<u>29,214,486</u>
Net Position Held in Trust for Benefits, End of Year	<u>\$ 30,754,998</u>

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 1. Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

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

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

C. Basis of Presentation – Fund Accounting

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

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation – Fund Accounting (Continued)

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

GOVERNMENTAL FUNDS

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

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

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

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

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

PROPRIETARY FUNDS

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

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

FIDUCIARY FUNDS

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

AGENCY FUND

The City has no Agency Funds.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

The City reports the following major governmental funds:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 1. Summary of Significant Accounting Policies (Continued)

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

The City reports the following major proprietary funds:

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

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

The City reports the following major pension funds:

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

E. Recently Issued and Adopted Accounting Pronouncements

In December 2010, the GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement is effective for periods beginning after December 15, 2011. The adoption of GASB 62 does not have any impact on the District's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

E. Recently Issued and Adopted Accounting Pronouncements (Continued)

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components assets, deferred outflows of resources, liabilities and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

Recently Issued Accounting Pronouncements

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

F. Cash and Cash Equivalents

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

G. Cash and Investments

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

H. Receivables

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

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 1. Summary of Significant Accounting Policies (Continued)

I. 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.

J. Capital Assets

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 1. Summary of Significant Accounting Policies (Continued)

K. 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.

L. Compensated Absences

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

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

M. Fund Equity

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 1. Summary of Significant Accounting Policies (Continued)

M. Fund Equity (Continued)

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

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

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

N. Property Tax Revenue

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

O. 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.

P. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 2. Illinois Municipal Retirement Fund

A. City Employees Other Than SLEP

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

Funding Policy. As set by statute, the employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 11.12 percent. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2012 was \$489,711.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
12/31/12	\$	489,711	100%	\$	0
12/31/11		493,435	100%		0
12/31/10		432,842	100%		0

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 2. Illinois Municipal Retirement Fund (Continued)

A. City Employees Other Than SLEP (Continued)

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 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, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 78.04 percent funded. The actuarial accrued liability for benefits was \$14,149,771 and the actuarial value of assets was \$11,041,791, resulting in an underfunded actuarial accrued liability (UAAL) of \$3,107,980. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$4,403,875 and the ratio of the UAAL to the covered payroll was 71 percent.

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

B. Sheriff's Law Enforcement Personnel (SLEP)

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

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 2. Illinois Municipal Retirement Fund (Continued)

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

Funding Policy. As set by statute, the employer Regular plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2012 was 11.55 percent. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2012 was \$10,113.

Three-Year Trend Information for the Regular Plan

Fiscal Year Ending		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
12/31/12	\$	10,113	100%	\$	0
12/31/11		10,524	100%		0
12/31/10		10,383	100%		0

The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 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, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 2. Illinois Municipal Retirement Fund (Continued)

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

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 80.28 percent funded. The actuarial accrued liability for benefits was \$172,788 and the actuarial value of assets was \$138,721, resulting in an underfunded actuarial accrued liability (UAAL) of \$34,067. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$87,560 and the ratio of the UAAL to the covered payroll was 39 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.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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

Funding Policy. Covered employees are required by statute to contribute 9.91 percent of their salary to the pension fund. Present employees' accumulated contributions at December 31, 2012 and 2011 were \$1,674,649 and \$1,463,626. 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, 2012 and 2011:

	2012	2011
Number of Retirees and Beneficiaries Currently Receiving Benefits	39	39
Terminated Members Entitled To But Not Yet Receiving Benefits	4	4
Number of Deferred Beneficiaries	2	2
Current Active Members	38	38

Annual Pension Cost. For 2012, the City's annual pension cost of \$770,316 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
12/31/12	\$	770,316	113%	\$	0
12/31/11		737,856	116%		0
12/31/10		841,255	114%		0

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

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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

The actuarial assumption for year ended December 31, 2011 and after include (a) 6.5 percent investment rate of return, (b) projected salary increases of 4.5% a year, attributable to inflation, and Tier 2 cost of living adjustments of \$1,259. The actuarial value of the plan's assets was determined using fair value of assets with investment gains and losses recognized over a 5 year period. The plan's underfunded actuarial accrued liability period at December 31, 2011 was 90% by the end of fiscal year 2040.

Funded Status and Funding Progress. As of January 1, 2012, the most recent actuarial valuation date, the plan was 64% funded. The actuarial accrued liability for benefits was \$23,851,778 and the actuarial value of assets was \$15,364,476 resulting in an underfunded actuarial accrued liability (UAAL) \$8,487,302. The covered payroll (annual payroll of active employees covered by the plan) was \$2,172,309 and the percentage of the UAAL to the covered payroll is 364%.

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.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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

The Firemen's Pension Fund is administered by state statutes. There is no statutory provision for

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

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

Participant Information at December 31, 2012 and 2011:

	2012	2011
Number of Retirees and Beneficiaries Currently Receiving Benefits	38	36
Terminated Members Entitled To But Not Yet Receiving Benefits	0	0
Current Active Members	25	26

Annual Pension Cost. For 2012, the Plan's annual pension cost of \$610,434 was equal to the required and actual contributions.

Three-Year Trend Information for the Plan

Fiscal Year Ending		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
12/31/12	\$	610,434	112%	\$	0
12/31/11		545,046	116%		0
12/31/10		642,121	113%		0

The required contribution was determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011 included (a) 6.75 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% to 12% a year, attributable to inflation. 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, 2011 was 21.5 years.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the plan was 68% funded. The actuarial accrued liability for benefits was \$22,712,106 and the actuarial value of assets was \$15,371,223, resulting in an underfunded actuarial accrued liability (UAAL) of \$7,340,883. The covered payroll (annual payroll of active employees covered by the plan) was \$1,466,725 and the percentage of the UAAL to the covered payroll is 501%.

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.

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, 2012, all of the City's total deposits of \$24,230,879, \$2,705,817 is covered by Federal Deposit Insurance, \$17,997,101 is collateralized by securities held by the pledging financial institution in the name of the City, and \$360,947 was not covered by Federal Deposit Insurance or collateralized and is subject to the credit risk of the banks.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 4. Deposits and Investments (Continued)

Investments

Fair value of investments is determined based on readily available quoted market prices as of December 31, 2012. At December 31, 2012 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	\$	266,127	\$	250,567	A-	25
Mutual Fund Bonds		357,500		339,148	B	73
Common Stock/Equity		805,415		611,984	N/A	N/A
Total Primary overnment Investments	\$	<u>1,429,042</u>	\$	<u>1,201,699</u>		

		Fair Value		Cost	Quality Rating	Weighted Average Months to Maturity
Fiduciary Funds						
Non-Pooled Investments						
U.S. Treasury Notes	\$	1,035,204	\$	980,462	AAA	67
U.S. Treasury Bonds		395,527		272,686	AAA	118
Federal Agency Notes		1,457,976		1,402,086	AAA	247
Mutual Funds Equity		6,535,556		6,559,808	N/A	N/A
Mutual Funds Index		13,409,284		12,773,987	N/A	N/A
Insurance Contracts		871,627		871,627	N/A	N/A
Municipal Bond		2,124,256		2,067,971	A2	16
Corporate Bonds		310,503		309,160	A1	10
Corporate Bonds		357,918		358,606	A3	33
Corporate Bonds		206,920		205,468	BAA1	8
Corporate Bonds		794,066		793,494	BAA2	58
Corporate Bonds		367,801		354,020	A2	30
Corporate Bonds		150,042		150,056	A2	1
Corporate Bonds		303,350		303,964	BA3	4
Total Fiduciary Funds Investments	\$	<u>28,320,030</u>	\$	<u>27,403,395</u>		
Grand Total Investments	\$	<u>29,749,072</u>	\$	<u>28,605,094</u>		

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 4. Deposits and Investments (Continued)

Investments (Continued)

- (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.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 5. Deferred Compensation Plan

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

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

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

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

The investment activity for the year ended December 31, 2012 is as follows:

Beginning Investment Balance	\$	2,311,649
Contributions		117,405
Investment Income		300,406
Withdrawals		(198,000)
Asset Fees		(11,690)
Life Ins. And Posted Only		(104)
Ending Investment Balance	\$	2,519,666
Life Insurance Policy Holder Account Value	\$	3,336

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 2012 was 2,414,600,200 gallons.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 6. Illinois Environmental Protection Agency (Continued)

- 2) The billable flow during 2012 was 898,080,784 gallons.
- 3) The debt service of the sewerage system for 2012 is \$104,133.
- 4) There were 7,543 users connected to the system in 2012.
- 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 15,583,780 gallons consisting of domestic, non-domestic and industrial waste.

South Jacksonville - Discharge of 171,729,672 gallons of domestic, non-domestic and industrial waste.

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

- 1) The billable flow 1,391,223,662.
- 2) The debt service of the water system for 2012 is \$337,432.
- 3) There were 7,784 users connected to the system in 2012.
- 4) There were no "non-metered" users.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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, 2012, interfund receivables and payables consisted of the following:

		Due From Other Funds		Due To Other Funds
General				
Nonmajor Governmental	\$		\$	783
Total General				783
Nonmajor Governmental				
General	\$	783	\$	
Nonmajor Governmental				
Total Nonmajor Governmental		783		
Total Interfund Balances-All Funds	\$	783	\$	783

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 8. Operating Transfers

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

The following operating transfers were made:

		Operating Transfer In		Operating Transfer Out
General				
Capital Improvement	\$	25,000	\$	662,000
Golf				15,000
Nonmajor Governmental		8,954		
Total General		33,954		677,000
Public Library				
Nonmajor Governmental	\$	67,902	\$	
Total Public Library		67,902		
Capital Improvement				
General	\$	662,000	\$	
Golf				19,951
Nonmajor Governmental		100,000		25,000
Total Capital Improvement		762,000		44,951
Golf				
General	\$	15,000	\$	
Capital Improvement		19,951		
Total Golf		34,951		
Nonmajor Governmental				
Public Library	\$		\$	67,902
General				8,954
Capital Improvement				100,000
Nonmajor Governmental		20,108		20,108
Total Nonmajor Governmental		20,108		196,964
Total Interfund Transfers-All Funds	\$	918,915	\$	918,915

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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, 2012 were as follows:

EMPLOYEE HEALTH INSURANCE		
Claims Payable, Beginning of the Year	\$	60,986
Claims Incurred and Changes in Accrual		1,466,777
Claim Payments		(1,289,495)
Claims Payable, End of the Year	\$	<u>238,268</u>

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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, 2012

	Balance January 1, 2012	Additions	Retirements	Balance December 31, 2012	Due Within One Year
Governmental Activities					
Capital Lease Payable	\$ 44,995	\$	\$ 22,098	\$ 22,897	\$ 22,897
Note Payable	444,581		103,751	340,830	106,824
Compensated Absences	<u>324,492</u>		<u>83,157</u>	<u>241,335</u>	
Total	<u>\$ 814,068</u>	<u>\$ 0</u>	<u>\$ 209,006</u>	<u>\$ 605,062</u>	<u>\$ 129,721</u>
Business-Type Activities					
Water and Sewer					
Alternative Revenue Bonds	\$ 3,146,393	\$	\$ 361,080	\$ 2,785,313	\$ 312,961
Capital Lease Payable	13,676		13,676	0	
Compensated Absences	<u>64,458</u>		<u>11,471</u>	<u>52,987</u>	
Total	<u>\$ 3,224,527</u>	<u>\$ 0</u>	<u>\$ 386,227</u>	<u>\$ 2,838,300</u>	<u>\$ 312,961</u>

Total interest expense of the Governmental activities for the year was \$13,138.

Total interest expense of the Business-type activities for the year was \$79,901.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 10. Long Term Obligations (Continued)

1. Capital Lease

The City has entered into a lease agreement for financing the acquisition of golf carts. This agreement qualifies as a capital lease for accounting purposes and therefore, has been recorded at present value of the future minimum lease payments in the amount of \$23,721.

The future minimum lease obligations and the net present value of the minimum lease payment as of December 31, 2012 is as follows:

Year Ending	Governmental
2013	23,721
Total Minimum Lease Payment	23,721
Less Amount Representation, Interest	(824)
Present Value of Minimum Lease Payments	\$ 22,897

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%.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 10. Long Term Obligations (Continued)

2. Alternative Revenue Bonds (Continued)

- 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%.

Principal and interest payments to maturity are as follows:

Year Ending December 31,		Principal		Interest		Total
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
	\$	2,785,313	\$	335,630	\$	3,120,943

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. 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, 2012, annual principal and interest requirements expected to be paid from the Tax Increment Finance fund are as follows:

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 10. Long Term Obligations (Continued)

3. Note Payable (Continued)

Year Ending December 31,		Principal		Interest		Total
2013	\$	106,824	\$	8,441	\$	115,265
2014		109,953		5,312		115,265
2015		124,053		1,756		125,809
	\$	340,830	\$	15,509	\$	356,339

4. Note Payable

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

Year Ending December 31,		Principal		Interest		Total
2013		81,949		4,325		86,274
2014		83,366		2,908		86,274
2015		84,685		1,589		86,274
	\$	250,000	\$	8,822	\$	258,822

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 Position as a liability of the City, as they are to be repaid by the recipient corporation. The activity for the bonds for the year ended December 31, 2012 follows:

Outstanding 12/31/11	Issued	Retired	Outstanding 12/31/12
\$28,080,000	\$0	\$965,000	\$27,115,000

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 13. Capital Assets.

The following is a summary of changes in capital assets for the year ended
December 31, 2012

	Beginning Balance January 1, 2012	Additions	Deletions	Ending Balance December 31, 2012
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,157,807	\$	\$ 812,858	\$ 344,949
Infrastructure Land	459,635			459,635
Construction in Progress	<u>4,525,269</u>	<u>70,906</u>	<u>4,525,269</u>	<u>70,906</u>
Total Capital Assets, Not Being Depreciated	<u>6,142,711</u>	<u>70,906</u>	<u>5,338,127</u>	<u>875,490</u>
Capital Assets, Being Depreciated:				
Buildings	5,384,753	143,159		5,527,912
Infrastructure	12,927,623	5,746,103		18,673,726
Machinery and Equipment	2,253,745	424,750		2,678,495
Licensed Vehicles	<u>1,059,333</u>	<u>158,145</u>		<u>1,217,478</u>
Total Capital Assets, Being Depreciated	<u>21,625,454</u>	<u>6,472,157</u>	<u>0</u>	<u>28,097,611</u>
Less Accumulated Depreciation for:				
Buildings	3,216,791	81,887		3,298,678
Infrastructure	4,246,348	408,115		4,654,463
Machinery and Equipment	2,045,187	110,678		2,155,865
Licensed Vehicles	<u>855,187</u>	<u>97,936</u>		<u>953,123</u>
Total Accumulated Depreciation	<u>10,363,513</u>	<u>698,616</u>	<u>0</u>	<u>11,062,129</u>
Total Capital Assets, Being Depreciated, Net	<u>11,261,941</u>	<u>5,773,541</u>	<u>0</u>	<u>17,035,482</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,404,652</u>	<u>\$ 5,844,447</u>	<u>\$ 5,338,127</u>	<u>\$ 17,910,972</u>

CITY OF JACKSONVILLE, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 13. Capital Assets (Continued)

	Beginning Balance January 1, 2012	Additions	Deletions	Ending Balance December 31, 2012
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 173,813	\$	\$	\$ 173,813
Construction in Progress	<u>816,918</u>	<u>873,383</u>	<u>300,798</u>	<u>1,389,503</u>
 Total Capital Assets, Not Being Depreciated	 <u>990,731</u>	 <u>873,383</u>	 <u>300,798</u>	 <u>1,563,316</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,809,041			1,809,041
Buildings & Infrastructure	57,052,089	300,798		57,352,887
Machinery and Equipment	<u>4,703,692</u>	<u></u>	<u></u>	<u>4,703,692</u>
 Total Capital Assets, Being Depreciated	 <u>63,564,822</u>	 <u>300,798</u>	 <u>0</u>	 <u>63,865,620</u>
Less Accumulated Depreciation for:				
Land Improvements	543,143	8,570		551,713
Buildings & Infrastructure	32,931,265	1,091,746		34,023,011
Machinery and Equipment	<u>3,488,609</u>	<u>112,371</u>	<u></u>	<u>3,600,980</u>
 Total Accumulated Depreciation	 <u>36,963,017</u>	 <u>1,212,687</u>	 <u>0</u>	 <u>38,175,704</u>
 Total Capital Assets, Being Depreciated, Net	 <u>26,601,805</u>	 <u>(911,889)</u>	 <u>0</u>	 <u>25,689,916</u>
 Business-Type Activities Capital Assets, Net	 <u>\$ 27,592,536</u>	 <u>\$ (38,506)</u>	 <u>\$ 300,798</u>	 <u>\$ 27,253,232</u>

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 13. Capital Assets (Continued)

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

Governmental Activities	
General Government	\$ 16,024
Public Safety	131,245
Public Works/Transportation	454,068
Health and Welfare	12,374
Culture and Recreation	<u>84,905</u>
	<u>\$ 698,616</u>
Business-Type Activities	
Water and Sewer	\$ 1,170,488
Golf	<u>42,197</u>
	<u>\$ 1,212,685</u>

NOTE 14. Restricted Fund Balance

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

NOTE 15. Legal Debt Margin

Equalized Assessed Valuation, 2011 Tax Year	\$ <u>235,187,351</u>
Statutory Debt Limitation (5.75% of Equalized Assessed Valuation)	\$ 13,523,273
Less: Bond Indebtedness	
Legal Debt Margin	\$ <u>13,523,273</u>

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE 16. SUBSEQUENT EVENTS

Events that occur after the statement of net assets date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net assets date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net assets date require disclosure in the accompanying notes. Management evaluated the activity of the City through June 24, 2013, the date which the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

CITY OF JACKSONVILLE, ILLINOIS

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

Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Property Taxes	\$ 3,466,002	\$ 3,466,002	\$ 3,456,334	\$ (9,668)
City Sales Tax	1,850,000	1,850,000	1,872,013	22,013
Franchise Tax	112,000	112,000	109,973	(2,027)
Intergovernmental:				
State Income Tax	1,800,000	1,800,000	1,567,766	(232,234)
Replacement Tax	25,000	25,000	67,861	42,861
Sales Tax	3,554,000	3,554,000	3,630,330	76,330
Telecommunications Tax	425,000	425,000	458,138	33,138
Federal Grant	152,000	152,000	48,143	(103,857)
State Expense Reimbursement	126,225	126,225	138,567	12,342
Local Expense Reimbursement	58,900	58,900	60,454	1,554
Licenses and Permits	293,245	293,245	381,079	87,834
Fines and Forfeitures	130,000	130,000	113,838	(16,162)
Revenue from Services	608,450	608,450	684,272	75,822
Rent	46,000	46,000	54,001	8,001
Investment Income	117,000	117,000	102,129	(14,871)
Other	70,203	70,203	109,218	39,015
Total Revenue	<u>12,834,025</u>	<u>12,834,025</u>	<u>12,854,116</u>	<u>20,091</u>
EXPENDITURES				
Current:				
General Control and Administration	2,612,528	2,612,528	2,457,349	155,179
Public Safety	6,212,049	6,212,049	6,117,251	94,798
Public Works/Transportation	1,509,096	1,509,096	1,352,203	156,893
Culture & Recreation	965,182	965,182	918,131	47,051
Health and Welfare	578,294	578,294	588,610	(10,316)
Capital Outlay	38,500	38,500	32,778	5,722
Total Expenditures	<u>11,915,649</u>	<u>11,915,649</u>	<u>11,466,322</u>	<u>449,327</u>
Revenue Over (Under) Expenditures	<u>918,376</u>	<u>918,376</u>	<u>1,387,794</u>	<u>469,418</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers				
Received	12,000	12,000	33,954	21,954
Paid	(1,010,073)	(1,010,073)	(677,000)	333,073
Total Other Financing Sources	<u>(998,073)</u>	<u>(998,073)</u>	<u>(643,046)</u>	<u>355,027</u>
Net Change in Fund Balances	\$ <u>(79,697)</u>	\$ <u>(79,697)</u>	744,748	\$ <u>824,445</u>
FUND BALANCE, BEGINNING			10,252,288	
FUND BALANCE, ENDING			\$ <u>10,997,036</u>	

CITY OF JACKSONVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES

Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CURRENT:				
General Control and Administration:				
Aldermen				
Personal Services	\$ 32,295	\$ 32,295	\$ 29,132	\$ 3,163
Other Services and Charges	9,100	9,100	5,647	3,453
	<u>41,395</u>	<u>41,395</u>	<u>34,779</u>	<u>6,616</u>
Mayor's Office				
Personal Services	287,338	287,338	281,171	6,167
Supplies	2,000	2,000	984	1,016
Other Services and Charges	42,100	42,100	17,493	24,607
	<u>331,438</u>	<u>331,438</u>	<u>299,648</u>	<u>31,790</u>
Revolving Loan				
Personal Services	2,980	2,980	2,688	292
	<u>2,980</u>	<u>2,980</u>	<u>2,688</u>	<u>292</u>
City Clerk's Office				
Personal Services	350,697	350,697	352,373	(1,676)
Supplies	1,600	1,600	1,333	267
Other Services and Charges	9,000	9,000	7,670	1,330
	<u>361,297</u>	<u>361,297</u>	<u>361,376</u>	<u>(79)</u>
City Treasurer's Office				
Personal Services	82,655	82,655	82,549	106
Supplies	1,250	1,250	664	586
Other Services and Charges	3,750	3,750	3,242	508
	<u>87,655</u>	<u>87,655</u>	<u>86,455</u>	<u>1,200</u>
City Attorney's Office				
Personal Services	95,220	95,220	77,187	18,033
Supplies	9,700	9,700	8,004	1,696
Other Services and Charges	87,625	87,625	70,842	16,783
	<u>192,545</u>	<u>192,545</u>	<u>156,033</u>	<u>36,512</u>
Boards and Commissions				
Other Services and Charges	15,546	15,546	19,397	(3,851)
	<u>\$ 15,546</u>	<u>\$ 15,546</u>	<u>\$ 19,397</u>	<u>\$ (3,851)</u>

CITY OF JACKSONVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES
-continued-

Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Audit				
Other Services and Charges	\$ 30,000	\$ 30,000	\$ 36,565	\$ (6,565)
	<u>30,000</u>	<u>30,000</u>	<u>36,565</u>	<u>(6,565)</u>
Major Departmental Emergency				
Personal Services	51,672	51,672	49,368	2,304
Supplies	16,000	16,000	14,734	1,266
Other Services and Charges	353,900	353,900	311,110	42,790
	<u>421,572</u>	<u>421,572</u>	<u>375,212</u>	<u>46,360</u>
City Hall and Plaza				
Personal Services	220,290	220,290	219,960	330
Supplies	31,500	31,500	37,744	(6,244)
Other Services and Charges	119,000	119,000	112,744	6,256
	<u>370,790</u>	<u>370,790</u>	<u>370,448</u>	<u>342</u>
City Insurance				
Other Services and Charges	651,534	651,534	615,330	36,204
	<u>651,534</u>	<u>651,534</u>	<u>615,330</u>	<u>36,204</u>
Central Supply				
Supplies	20,000	20,000	18,669	1,331
	<u>20,000</u>	<u>20,000</u>	<u>18,669</u>	<u>1,331</u>
Human Resource				
Personal Services	78,426	78,426	78,372	54
Other Services and Charges	7,350	7,350	2,377	4,973
	<u>85,776</u>	<u>85,776</u>	<u>80,749</u>	<u>5,027</u>
Total General Control and Administration	<u>2,612,528</u>	<u>2,612,528</u>	<u>2,457,349</u>	<u>155,179</u>
Public Safety:				
Police Department				
Personal Services	3,410,722	3,410,722	3,405,909	4,813
Supplies	27,500	27,500	22,387	5,113
Other Services and Charges	134,433	134,433	117,618	16,815
	<u>3,572,655</u>	<u>3,572,655</u>	<u>3,545,914</u>	<u>26,741</u>
Fire Department				
Personal Services	1,882,127	1,882,127	1,844,014	38,113
Supplies	11,000	11,000	9,970	1,030
Other Services and Charges	77,600	77,600	72,610	4,990
	<u>\$ 1,970,727</u>	<u>\$ 1,970,727</u>	<u>\$ 1,926,594</u>	<u>\$ 44,133</u>

CITY OF JACKSONVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES
-continued-

Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Inspection/Community Development				
Personal Services	\$ 431,516	\$ 431,516	\$ 431,124	\$ 392
Supplies	1,500	1,500	934	566
Other Services and Charges	79,600	79,600	56,455	23,145
	<u>512,616</u>	<u>512,616</u>	<u>488,513</u>	<u>24,103</u>
Emergency Services				
Personal Services	135,501	135,501	135,826	(325)
Supplies	6,550	6,550	7,351	(801)
Other Services and Charges	14,000	14,000	13,053	947
	<u>156,051</u>	<u>156,051</u>	<u>156,230</u>	<u>(179)</u>
Total Public Safety	<u>6,212,049</u>	<u>6,212,049</u>	<u>6,117,251</u>	<u>94,798</u>
Public Works/Transportation:				
Municipal Services				
Personal Services	710,296	710,296	640,528	69,768
Supplies	384,500	384,500	337,756	46,744
Other Services and Charges	176,800	176,800	128,057	48,743
	<u>1,271,596</u>	<u>1,271,596</u>	<u>1,106,341</u>	<u>165,255</u>
Street Lighting				
Other Services and Charges	237,500	237,500	245,862	(8,362)
	<u>237,500</u>	<u>237,500</u>	<u>245,862</u>	<u>(8,362)</u>
Total Public Works/ Transportation	<u>1,509,096</u>	<u>1,509,096</u>	<u>1,352,203</u>	<u>156,893</u>
Culture and Recreation:				
Parks & Lakes	914,722	914,722	866,110	48,612
Personal Services	50,460	50,460	52,021	(1,561)
	<u>965,182</u>	<u>965,182</u>	<u>918,131</u>	<u>47,051</u>
Total Culture and Recreation	<u>965,182</u>	<u>965,182</u>	<u>918,131</u>	<u>47,051</u>
Health and Welfare:				
Animal Control				
Other Services and Charges	38,428	38,428	38,428	-
	<u>\$ 38,428</u>	<u>\$ 38,428</u>	<u>\$ 38,428</u>	<u>\$ -</u>

CITY OF JACKSONVILLE, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES
-continued-

Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Landfill				
Personal Services	\$ 9,947	\$ 9,947	\$ 9,282	\$ 665
Other Services and Charges	178,391	178,391	204,897	(26,506)
	<u>188,338</u>	<u>188,338</u>	<u>214,179</u>	<u>(25,841)</u>
Public Service				
Other Services and Charges	1,200	1,200	700	500
	<u>1,200</u>	<u>1,200</u>	<u>700</u>	<u>500</u>
Cemetery	350,328	350,328	335,303	15,025
	<u>350,328</u>	<u>350,328</u>	<u>335,303</u>	<u>15,025</u>
Total Health and Welfare	<u>578,294</u>	<u>578,294</u>	<u>588,610</u>	<u>(10,316)</u>
Total Current Expenditures	<u>11,877,149</u>	<u>11,877,149</u>	<u>11,433,544</u>	<u>443,605</u>
Capital Outlay:				
General Control and Administration:				
City Attorney's Office	500	500	234	266
Major Departmental Emergency	0	0	0	-
Public Safety:				
Police Department	20,000	20,000	15,627	4,373
Fire Department	1,500	1,500	766	734
Inspection/Community Development	3,000	3,000	2,476	524
Health & Welfare Cemetery	<u>13,500</u>	<u>13,500</u>	<u>13,675</u>	<u>(175)</u>
Total Capital Outlay	<u>38,500</u>	<u>38,500</u>	<u>32,778</u>	<u>5,722</u>
Total General Fund Expenditures	<u>\$ 11,915,649</u>	<u>\$ 11,915,649</u>	<u>\$ 11,466,322</u>	<u>\$ 449,327</u>

CITY OF JACKSONVILLE, ILLINOIS

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

Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Taxes	\$ 500,000	\$ 500,000	\$ 493,073	\$ (6,927)
Intergovernmental				
Replacement Tax	66,000	66,000	69,055	3,055
State Grant			19,942	19,942
Fines and Forfeits	8,000	8,000	7,760	(240)
Revenue from Services	11,000	11,000	11,420	420
Investment Income	70,000	70,000	7,020	(62,980)
Other	28,000	28,000	57,101	29,101
	<u>683,000</u>	<u>683,000</u>	<u>665,371</u>	<u>(17,629)</u>
EXPENSES				
Current:				
Culture and Recreation	679,515	679,515	632,853	46,662
Capital Outlay			0	-
	<u>679,515</u>	<u>679,515</u>	<u>632,853</u>	<u>46,662</u>
Total Expenditures				
	<u>679,515</u>	<u>679,515</u>	<u>632,853</u>	<u>46,662</u>
Revenue Over (Under) Expenditures	<u>3,485</u>	<u>3,485</u>	<u>32,518</u>	<u>29,033</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers				
Received			67,902	67,902
Paid			0	0
			<u>67,902</u>	<u>67,902</u>
Total Other Financing Sources (Uses)			<u>67,902</u>	<u>67,902</u>
Net Change in Fund Balances	\$ <u>3,485</u>	\$ <u>3,485</u>	100,420	\$ <u>96,935</u>
FUND BALANCE, BEGINNING			<u>1,156,927</u>	
FUND BALANCE, ENDING			\$ <u>1,257,347</u>	

CITY OF JACKSONVILLE, ILLINOIS

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

Year Ended December 31, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUE				
Intergovernmental				
Federal Grant	\$ 323,000	\$ 323,000	\$ 148,000	\$ (175,000)
State Grant	62,600	62,600	127,954	65,354
Investment Income	500	500	448	(52)
Other	300	300	5,157	4,857
	<u>386,400</u>	<u>386,400</u>	<u>281,559</u>	<u>(104,841)</u>
Total Revenue				
EXPENSES				
Debt Service			23,722	(23,722)
Capital Outlay	1,231,000	1,231,000	1,409,100	(178,100)
	<u>1,231,000</u>	<u>1,231,000</u>	<u>1,432,822</u>	<u>(201,822)</u>
Total Expenditures				
Revenue Over (Under)				
Expenditures	<u>(844,600)</u>	<u>\$ (844,600)</u>	<u>(1,151,263)</u>	<u>\$ (306,663)</u>
OTHER FINANCING SOURCES (USES)				
Interfund Transfers				
Received	804,073	804,073	762,000	(42,073)
Paid	(20,000)	(20,000)	(44,951)	(24,951)
Proceeds from Long Term Debt		-	250,000	250,000
	<u>784,073</u>	<u>784,073</u>	<u>967,049</u>	<u>182,976</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	\$ <u>(60,527)</u>	\$ <u>(60,527)</u>	(184,214)	\$ <u>(123,687)</u>
FUND BALANCE, BEGINNING			<u>565,303</u>	
FUND BALANCE, ENDING			\$ <u><u>381,089</u></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)
12/31/12	11,041,791	14,149,771	3,107,980	78.04	4,403,875	70.57%
12/31/11	10,794,902	13,951,719	3,156,817	77.37	4,324,587	73.00%
12/31/10	11,784,007	14,021,902	2,237,895	84.04	4,182,051	53.51%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$11,488,544. On a market basis, the funded ratio would be 81.19%.

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

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	138,721	172,788	34,067	80.28	87,560	38.91%
12/31/11	118,993	144,973	25,980	82.08	85,010	30.56%
12/31/10	91,911	66,719	(25,192)	137.76	82,534	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$141,542.
 On a market basis, the funded ratio would be 81.92%.

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

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	NOT AVAILABLE					
12/31/11	15,371	22,712	7,341	68%	1,466	501%
12/31/10	14,881	20,415	5,534	73%	1,437	385%

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)
12/31/12	NOT AVAILABLE					
12/31/11	15,364	23,852	8,488	64%	2,172	391%
12/31/10	14,873	22,743	7,870	65%	2,161	364%

CITY OF JACKSONVILLE, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

December 31, 2012

	Total Nonmajor Governmental Funds	Special Revenue Funds	
		Motor Fuel Tax	Economic Loan
ASSETS			
Cash	\$ 6,396,806	\$ 580,354	\$ 401,107
Investments	1,429,839		
Receivables:			
Taxes	1,463,280		
Accounts	0		
Intergovernmental	40,254	40,254	
Loans	1,182,459		232,752
Accrued Interest	11,223		
Prepaid Expenses	0		
Due from Other Funds	3,150	0	
	<u>\$ 10,527,011</u>	<u>\$ 620,608</u>	<u>\$ 633,859</u>
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$ 217,875	\$ 191,432	\$
Accrued Salaries	0		
Due to Other Funds	2,367	0	
Deferred Revenue	1,454,472		
	<u>1,674,714</u>	<u>191,432</u>	<u>0</u>
Fund Balance:			
Nonspendable	2,261,154		
Restricted for:			
Economic Loan	633,859		633,859
Public Safety	146,007		
Public Works/Transportation	429,176	429,176	
Health and Welfare	20,000		
Culture and Recreation	656,444		
Construction of Capital Assets	332,264		
Committed	4,373,393		
Unassigned	0		
	<u>8,852,297</u>	<u>429,176</u>	<u>633,859</u>
Total Fund Balance	<u>8,852,297</u>	<u>429,176</u>	<u>633,859</u>
Total Liabilities and Fund Balance	<u>\$ 10,527,011</u>	<u>\$ 620,608</u>	<u>\$ 633,859</u>

Special Revenue Funds

Goveia Trust	Heritage Cultural Center	Tourism	Drug Enforcement
\$ 615,282	\$ 44,444	\$ 12,091	\$ 78,684
		8,808	
1,958			
<u>617,240</u>	<u>44,444</u>	<u>20,899</u>	<u>78,684</u>
\$ 5,240	\$	\$ 20,899	\$ 304
<u>5,240</u>	<u>0</u>	<u>20,899</u>	<u>304</u>
			78,380
612,000	44,444		
<u>612,000</u>	<u>44,444</u>	<u>0</u>	<u>78,380</u>
<u>\$ 617,240</u>	<u>\$ 44,444</u>	<u>\$ 20,899</u>	<u>\$ 78,684</u>

CITY OF JACKSONVILLE, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

December 31, 2012

	Special Revenue Funds		
	Police and Fire Retirement Funds	Police Department Evidence	Foreign Fire Insurance Tax
ASSETS			
Cash	\$	\$ 21,649	\$ 45,978
Investments			
Receivables:			
Taxes	1,291,930		
Accounts			
Intergovernmental			
Loans			
Accrued Interest			
Prepaid Expenses			
Due from Other Funds			
Total Assets	\$ 1,291,930	\$ 21,649	\$ 45,978
LIABILITIES AND FUND BALANCE			
Accounts Payable	\$	\$	\$
Accrued Salaries			
Due to Other Funds			
Deferred Revenue	1,291,930		
Total Liabilities	1,291,930	0	0
Fund Balance:			
Nonspendable			
Restricted for:			
Economic Loan			
Public Safety		21,649	45,978
Public Works/Transportation			
Health and Welfare			
Culture and Recreation			
Construction of Capital Assets			
Committed			
Unassigned			
Total Fund Balance	0	21,649	45,978
Total Liabilities and Fund Balance	\$ 1,291,930	\$ 21,649	\$ 45,978

Capital Improvement Funds			Permanent Funds	
Lake Reclamation	Securities Investment	Tax Increment Finance	Public Library Endowment Trust	Cemetery Perpetual Care
\$ 1,803,184	\$ 1,687,451	\$ 254,451	\$ 22,383 1,429,839	\$ 829,748
0		162,542		
1,696	873,493 7,569	76,214		
		1,599		1,551
<u>\$ 1,804,880</u>	<u>\$ 2,568,513</u>	<u>\$ 494,806</u>	<u>\$ 1,452,222</u>	<u>\$ 831,299</u>
\$	\$	\$	\$	\$
				2,367
		162,542		
<u>0</u>	<u>0</u>	<u>162,542</u>	<u>0</u>	<u>2,367</u>
			1,452,222	808,932
				20,000
1,804,880	2,568,513	332,264		
<u>1,804,880</u>	<u>2,568,513</u>	<u>332,264</u>	<u>1,452,222</u>	<u>828,932</u>
<u>\$ 1,804,880</u>	<u>\$ 2,568,513</u>	<u>\$ 494,806</u>	<u>\$ 1,452,222</u>	<u>\$ 831,299</u>

CITY OF JACKSONVILLE, ILLINOIS

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

Year Ended December 31, 2012

	Total Nonmajor Governmental Funds	Special Revenue Funds	
		Motor Fuel Tax	Economic Loan
REVENUE			
Taxes	\$ 1,574,643	\$	\$
Intergovernmental	755,373	558,131	
Licenses and Permits	0		
Fines and Forfeitures	36,572		
Revenue from Services	24,679		
Investment Income	242,472	509	9,618
Other	77,175		
	<u>2,710,914</u>	<u>558,640</u>	<u>9,618</u>
Total Revenue			
EXPENDITURES			
Current:			
General Control and Administration	55,376		
Public Safety	1,526,983		
Public Works/Transportation	400,450	400,450	
Health and Welfare	0		
Culture and Recreation	219,817		
Debt Service	115,265		
Capital Outlay	6,289	6,289	
	<u>2,324,180</u>	<u>406,739</u>	<u>0</u>
Total Expenditures			
Revenue Over (Under) Expenditures	<u>386,734</u>	<u>151,901</u>	<u>9,618</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers			
Received	20,108		
Paid	(196,964)	(100,000)	
	<u>(176,856)</u>	<u>(100,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	209,878	51,901	9,618
FUND BALANCE, BEGINNING	<u>8,642,419</u>	<u>377,275</u>	<u>624,241</u>
FUND BALANCE, ENDING	<u>\$ 8,852,297</u>	<u>\$ 429,176</u>	<u>\$ 633,859</u>

Special Revenue Funds

Goveia Trust	Heritage Cultural Center	Tourism	Drug Enforcement
\$	\$	\$ 140,412	\$
			36,572
8,954	19		678
			10,215
8,954	19	140,412	47,465
			30,612
	1,181	140,412	
0	1,181	140,412	30,612
8,954	(1,162)	0	16,853
			20,108
(8,954)			
(8,954)	0	0	20,108
0	(1,162)	0	36,961
612,000	45,606	0	41,419
\$ 612,000	\$ 44,444	\$ 0	\$ 78,380

CITY OF JACKSONVILLE, ILLINOIS

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

Year Ended December 31, 2012

	Special Revenue Funds		
	Police and Fire Retirement Funds	Police Department Evidence	Foreign Fire Insurance Tax
REVENUE			
Taxes	\$ 1,291,501	\$	\$
Intergovernmental	165,363		31,879
Licenses and Permits		0	
Fines and Forfeitures			
Revenue from Services		87	65
Investment Income			0
Other			
Total Revenue	<u>1,456,864</u>	<u>87</u>	<u>31,944</u>
EXPENDITURES			
Current:			
General Control and Administration			
Public Safety	1,456,864	0	39,507
Public Works/Transportation			
Health and Welfare			
Culture and Recreation			
Debt Service			
Capital Outlay			
Total Expenditures	<u>1,456,864</u>	<u>0</u>	<u>39,507</u>
Revenue Over (Under) Expenditures	<u>0</u>	<u>87</u>	<u>(7,563)</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers			
Received			
Paid		(20,108)	
Total Other Financing Sources (Uses)	<u>0</u>	<u>(20,108)</u>	<u>0</u>
Net Change in Fund Balances	0	(20,021)	(7,563)
FUND BALANCE, BEGINNING	<u>0</u>	<u>41,670</u>	<u>53,541</u>
FUND BALANCE, ENDING	<u>\$ 0</u>	<u>\$ 21,649</u>	<u>\$ 45,978</u>

Capital Improvement Funds			Permanent Funds	
Lake Reclamation	Securities Investment	Tax Increment Finance	Public Library Endowment Trust	Cemetery Perpetual Care
\$	\$	\$ 142,730	\$	\$
8,798	36,958	5,143	171,584	24,679
66,957			3	59
<u>75,755</u>	<u>36,958</u>	<u>147,873</u>	<u>171,587</u>	<u>24,738</u>
		55,376		
67,793		115,265	10,431	
<u>67,793</u>	<u>0</u>	<u>170,641</u>	<u>10,431</u>	<u>0</u>
7,962	36,958	(22,768)	161,156	24,738
	0	0	0	
<u>0</u>	<u>0</u>	<u>0</u>	<u>(67,902)</u>	<u>0</u>
7,962	36,958	(22,768)	93,254	24,738
<u>1,796,918</u>	<u>2,531,555</u>	<u>355,032</u>	<u>1,358,968</u>	<u>804,194</u>
\$ <u>1,804,880</u>	\$ <u>2,568,513</u>	\$ <u>332,264</u>	\$ <u>1,452,222</u>	\$ <u>828,932</u>

CITY OF JACKSONVILLE, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

December 31, 2012

ASSETS	Firemen's Pension Trust Fund	Policemen's Pension Trust Fund	Total
Cash and Short-Term Investments	\$ 584,856	\$ 687,254	\$ 1,272,110
Investments	14,656,144	13,663,885	28,320,029
Receivables:			
Accrued Interest	2,175	80,037	82,212
Employer Contributions	<u>610,434</u>	<u>681,496</u>	<u>1,291,930</u>
 Total Assets	 <u>15,853,609</u>	 <u>15,112,672</u>	 <u>30,966,281</u>
LIABILITIES			
Vouchers Payable	<u>101,344</u>	<u>109,939</u>	<u>211,283</u>
 Total Liabilities	 <u>101,344</u>	 <u>109,939</u>	 <u>211,283</u>
NET POSITION			
Held in Trust for Pension Benefits	<u>\$ 15,752,265</u>	<u>\$ 15,002,733</u>	<u>\$ 30,754,998</u>

CITY OF JACKSONVILLE, ILLINOIS

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

Year Ended December 31, 2012

	Firemen's Pension	Police Pension	Total
ADDITIONS			
Contributions:			
Employer Contributions	\$ 686,548	\$ 770,316	\$ 1,456,864
Employee Contributions	<u>143,919</u>	<u>223,413</u>	<u>367,332</u>
Total Contributions	<u>830,467</u>	<u>993,729</u>	<u>1,824,196</u>
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	588,345	331,313	919,658
Interest/Dividends	705,087	461,659	1,166,746
Realized Gain (Loss) on Sale of Investments	172,529	99,929	272,458
Investment Expense	<u>(23,664)</u>	<u>(26,342)</u>	<u>(50,006)</u>
Net Investment Income	<u>1,442,297</u>	<u>866,559</u>	<u>2,308,856</u>
Total Additions	<u>2,272,764</u>	<u>1,860,288</u>	<u>4,133,052</u>
DEDUCTIONS			
Benefits	1,238,952	1,305,771	2,544,723
Administration Expenses	<u>13,019</u>	<u>34,798</u>	<u>47,817</u>
Total Deductions	<u>1,251,971</u>	<u>1,340,569</u>	<u>2,592,540</u>
Net Increase (Decrease)	1,020,793	519,719	1,540,512
NET POSITION, BEGINNING OF YEAR	<u>14,731,472</u>	<u>14,483,014</u>	<u>29,214,486</u>
NET POSITION, END OF YEAR	<u>\$ 15,752,265</u>	<u>\$ 15,002,733</u>	<u>\$ 30,754,998</u>

CITY OF JACKSONVILLE, ILLINOIS

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

	2012	Tax Year 2011	2010
EQUALIZED ASSESSED VALUATIONS	\$ <u>235,187,351</u>	\$ <u>236,091,279</u>	\$ <u>238,512,365</u>
TAX LEVY			
General	\$ 3,306,219	\$ 3,227,645	\$ 2,888,299
Firemen's Pension	610,434	545,046	642,121
Police Pension	681,496	636,115	737,510
Library	500,000	493,260	477,490
Road District No. 14	<u>250,274</u>	<u>238,357</u>	<u>227,007</u>
	\$ <u>5,348,423</u>	\$ <u>5,140,423</u>	\$ <u>4,972,427</u>
TAX LEVY RATES			
General	1.40579	1.36712	1.21097
Firemen's Pension	0.25956	0.23087	0.26922
Police Pension	0.28977	0.26944	0.30922
Library	0.21260	0.20893	0.20020
Road District No. 14	<u>0.10642</u>	<u>0.09744</u>	<u>0.09518</u>
	<u>2.27413</u>	<u>2.17380</u>	<u>2.08479</u>
TAX EXTENSIONS			
General	\$ 3,306,240	\$ 3,227,651	\$ 2,888,313
Firemen's Pension	610,452	545,064	642,123
Police Pension	681,503	636,124	737,528
Library	500,008	493,266	477,502
Road District No. 14	<u>238,339</u>	<u>230,047</u>	<u>227,016</u>
	\$ <u>5,336,542</u>	\$ <u>5,132,152</u>	\$ <u>4,972,482</u>
TAX COLLECTIONS			
General		\$ 3,226,322	\$ 2,882,265
Firemen's Pension		544,840	640,779
Police Pension		635,862	735,984
Library		493,063	476,502
Road District No. 14		229,923	223,728
Tax Increment Finance		<u>154,297</u>	<u>154,297</u>
		\$ <u>5,284,306</u>	\$ <u>5,113,555</u>