

CITY OF MONTICELLO, ILLINOIS

ANNUAL FINANCIAL REPORT

For the year ended December 31, 2015

May, Cocagne & King, P.C.

Certified Public Accountants & Consultants

CITY OF MONTICELLO, ILLINOIS

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December 31, 2015

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CITY OF MONTICELLO, ILLINOIS

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Council
City of Monticello, 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 the City of Monticello, Illinois as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion 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 auditor's 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 opinion.

Basis for Qualified Opinion

The City's financial statements do not disclose Governmental Accounting Standards Board Statement 45 *Accounting and Financial Reporting for Post-Employment Benefit Other Than Pensions*. The amount by which this disclosure would affect the financial statements is not reasonably determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position - modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Monticello, Illinois, as of December 31, 2015, and the respective changes in financial position - modified cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Monticello, Illinois' basic financial statements. The schedules presented in the other supplementary section as listed in the table of contents, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

May, Cooney & King, P.C.

Decatur, Illinois
June 9, 2016

CITY OF MONTICELLO, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

December 31, 2015

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 8,025,989	248,214	8,274,203
Investments	1,310,301	473,134	1,783,435
Internal balances	538,403	(538,403)	
Deposit on fire truck	612,662		612,662
Total current assets	10,487,355	182,945	10,670,300
Capital Assets, net:			
Nondepreciable	2,254,960	818,712	3,073,672
Depreciable	8,181,754	1,696,530	9,878,284
TOTAL ASSETS	20,924,069	2,698,187	23,622,256
<u>LIABILITIES</u>			
Current Liabilities:			
Cash drawn in excess of available funds		180,851	180,851
Customer deposits		16,903	16,903
Current portion of unamortized bond premium	1,849		1,849
Payroll and accounts payable	37,928		37,928
Due within one year:			
Long-term debt	397,512	23,041	420,553
Total current liabilities	437,289	220,795	658,084
Long-term Liabilities:			
Unamortized bond premium	14,635		14,635
Due in more than one year:			
Long-term debt	3,543,105	152,613	3,695,718
TOTAL LIABILITIES	3,995,029	373,408	4,368,437
<u>NET POSITION</u>			
Net investment in capital assets	7,128,759	2,339,588	9,468,347
Restricted for:			
Debt service	67,440		67,440
Road construction and improvements	6,549,535		6,549,535
Unrestricted	3,183,306	(14,809)	3,168,497
TOTAL NET POSITION	\$ 16,929,040	2,324,779	19,253,819

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

For the year ended December 31, 2015

	Expenses	Program Revenues Charge for Services	Net (Expense) Revenue and Changes in Net Position		Total
			Governmental Activities	Business-type Activities	
Functions/Programs					
Governmental Activities:					
City administration	\$ 1,172,801	58,107	(1,114,694)		(1,114,694)
Public safety	1,084,236	34,045	(1,050,191)		(1,050,191)
Public works	1,808,137	56,005	(1,752,132)		(1,752,132)
Parks and recreation	570,962	194,407	(376,555)		(376,555)
Interest on long-term debt	182,724		(182,724)		(182,724)
Total governmental activities	4,818,860	342,564	(4,476,296)	-	(4,476,296)
Business-type activities:					
Water	508,176	635,436		127,260	127,260
Sewer	659,410	455,487		(203,923)	(203,923)
Total business-type activities	1,167,586	1,090,923	-	(76,663)	(76,663)
Total government	\$ 5,986,446	1,433,487	(4,476,296)	(76,663)	(4,552,959)
General revenues:					
Taxes:					
Property taxes			1,077,577		1,077,577
Sales taxes			1,080,523		1,080,523
Other local taxes			138,095		138,095
Illinois income tax			585,958		585,958
Motor fuel tax			141,583		141,583
MFT funds transfer			6,044,000		6,044,000
Replacement tax			1,337,179		1,337,179
Investment income			4,345	892	5,237
Refundable tax credit			69,287		69,287
Miscellaneous income				5,000	5,000
Total general revenues			10,478,547	5,892	10,484,439
Change in net position			6,002,251	(70,771)	5,931,480
Net position, beginning			10,926,789	2,395,550	13,322,339
Net position, ending			\$ 16,929,040	2,324,779	19,253,819

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
December 31, 2015**

	General Fund	Special Revenue Funds			Total
		Tax Increment Financing Fund	Motor Fuel Tax Fund	Working Cash Fund	
<u>ASSETS</u>					
Cash	\$ 1,432,796	33,704	6,549,535	9,954	8,025,989
Investments	561,269	207,629		541,403	1,310,301
Due from other funds	32,769			538,866	571,635
Deposit on fire truck	612,662				612,662
TOTAL ASSETS	2,639,496	241,333	6,549,535	1,090,223	10,520,587
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Due to other funds	13,175			20,057	33,232
Payroll withholdings payable	37,928				37,928
Total liabilities	51,103	-	-	20,057	71,160
Fund Balances:					
Restricted	45,172	22,268	6,549,535		6,616,975
Committed	576,163			328,102	904,265
Assigned		219,065		742,064	961,129
Unassigned	1,967,058				1,967,058
Total fund balances	2,588,393	241,333	6,549,535	1,070,166	10,449,427
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,639,496	241,333	6,549,535	1,090,223	10,520,587

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

**RECONCILIATION OF THE STATEMENT OF ASSETS,
LIABILITIES AND FUND BALANCES - MODIFIED
CASH BASIS - GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION - MODIFIED CASH BASIS -
GOVERNMENTAL ACTIVITIES
December 31, 2015**

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

Total fund balance per statement of assets, liabilities and fund balances - modified cash basis	\$ 10,449,427
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	10,436,714
Unamortized premiums on bond issuance are not reported on fund financial statements	(16,484)
Long-term debt not reported on modified cash basis fund financial statements	<u>(3,940,617)</u>
Net position of governmental activities	<u><u>\$ 16,929,040</u></u>

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

STATEMENT OF REVENUES RECEIVED, EXPENDITURES
DISBURSED AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
For the year ended December 31, 2015

	General Fund	Special Revenue Funds			Total
		Tax Increment Financing Fund	Motor Fuel Tax Fund	Working Cash Fund	
Revenues received:					
Property taxes	\$ 797,963	279,614			1,077,577
Sales taxes	1,080,523				1,080,523
Other local taxes	138,095				138,095
Illinois income tax	585,958				585,958
Motor fuel tax			141,583		141,583
Jurisdictional transfer of MFT funds			6,044,000		6,044,000
Personal property replacement taxes	1,337,179				1,337,179
Franchise revenue	58,107				58,107
Police revenue	34,045				34,045
Miscellaneous revenue	56,005				56,005
Interest	1,727	196	1,784	638	4,345
Recreation revenue	194,407				194,407
Refundable tax credit	34,333	34,954			69,287
Total revenues received	4,318,342	314,764	6,187,367	638	10,821,111
Expenditures disbursed:					
Current:					
City administration	1,090,739	26,610			1,117,349
Public safety	1,007,111				1,007,111
Public works	1,207,366		151,361		1,358,727
Parks and recreation	372,196				372,196
Debt service:					
Principal	286,575	65,000			351,575
Interest	110,316	71,208			181,524
Bond issuance costs	700	500			1,200
Capital outlay	294,304	136,061			430,365
Total expenditures disbursed	4,369,307	299,379	151,361	-	4,820,047
Excess (deficiency) of revenues received received over (under) expenditures disbursed	(50,965)	15,385	6,036,006	638	6,001,064
Other financing sources (uses):					
Note payable proceeds	632,662				632,662
Transfers in (out)	100,468	(100,468)			
Total other financing sources (uses)	733,130	(100,468)	-	-	632,662
Net change in fund balances	682,165	(85,083)	6,036,006	638	6,633,726
Fund balances, beginning	1,906,228	326,416	513,529	1,069,528	3,815,701
Fund balances, ending	\$ 2,588,393	241,333	6,549,535	1,070,166	10,449,427

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

**RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED,
EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES -
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS WITH THE STATEMENT
OF ACTIVITIES - MODIFIED CASH BASIS - GOVERNMENTAL ACTIVITIES
For the year ended December 31, 2015**

Net change in fund balances - governmental funds \$ 6,633,726

Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues Received, Expenditures Disbursed and Changes in Fund Balances because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Cost of assets capitalized	161,122
Depreciation expense	(513,359)

Proceeds from (repayments of) financing are a revenue (expenditure) in the governmental funds, but the proceeds increase (repayments reduce) long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Proceeds from long-term debt	(632,662)
Principal payments on loans	351,575
Amortization of bond premium	1,849
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Change in net position of governmental activities \$ 6,002,251

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

STATEMENT OF NET POSITION - MODIFIED CASH BASIS -
 PROPRIETARY FUNDS

December 31, 2015

	Waterworks Fund	Water Escrow Fund	Sewerage Operation and Maintenance Plant Fund	Total
<u>ASSETS</u>				
Current Assets:				
Cash	\$ 181,755	6,411	60,048	248,214
Investments	27,762	16,000	429,372	473,134
Due from other funds	3,536		3,639	7,175
Capital Assets, net:				
Nondepreciable	81,574		737,138	818,712
Depreciable	644,641		1,051,889	1,696,530
TOTAL ASSETS	939,268	22,411	2,282,086	3,243,765
<u>LIABILITIES</u>				
Current Liabilities:				
Cash drawn in excess of available funds			180,851	180,851
Customer deposits		16,903		16,903
Due within one year:				
Long-term debt			23,041	23,041
Due to other funds			545,578	545,578
Total current liabilities	-	16,903	749,470	766,373
Due in more than one year:				
Long-term debt			152,613	152,613
TOTAL LIABILITIES	-	16,903	902,083	918,986
<u>NET POSITION</u>				
Net investment in capital assets	726,215		1,613,373	2,339,588
Unrestricted	213,053	5,508	(233,370)	(14,809)
TOTAL NET POSITION	\$ 939,268	5,508	1,380,003	2,324,779

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

**STATEMENT OF REVENUES RECEIVED, EXPENSES
DISBURSED AND CHANGES IN NET POSITION -
- MODIFIED CASH BASIS - PROPRIETARY FUNDS
For the year ended December 31, 2015**

	Waterworks Fund	Water Escrow Fund	Sewerage Operation and Maintenance Plant Fund	Total
Operating revenues received	\$ 635,436		455,487	1,090,923
Operating expenses disbursed:				
Operations, other than employee benefits	234,235		204,007	438,242
Employee benefits	224,097		262,570	486,667
Depreciation	36,258		82,345	118,603
Capital improvements	13,586		104,878	118,464
Total operating expenses disbursed	508,176	-	653,800	1,161,976
Excess (deficiency) of operating revenues received over (under) expenses disbursed	127,260	-	(198,313)	(71,053)
Non-operating revenues received (expenses disbursed):				
Investment earnings	164	25	703	892
Sale of equipment revenue			5,000	5,000
Interest expense			(5,610)	(5,610)
Change in net position	127,424	25	(198,220)	(70,771)
Total net position, beginning	811,844	5,483	1,578,223	2,395,550
Total net position, ending	\$ 939,268	5,508	1,380,003	2,324,779

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

**STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS -
PROPRIETARY FUNDS**

For the year ended December 31, 2015

	Waterworks Fund	Water Escrow Fund	Sewerage Operation and Maintenance Plant Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 635,436	(813)	455,487	1,090,110
Payments to suppliers	(247,821)		(178,890)	(426,711)
Payments to employees	(224,097)		(262,570)	(486,667)
Net cash from operating activities	163,518	(813)	14,027	176,732
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	(3,536)		202,356	198,820
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(55,206)		(193,284)	(248,490)
Proceeds from sale of equipment			5,000	5,000
Principal paid on notes payable			(22,490)	(22,490)
Interest paid			(5,610)	(5,610)
Net cash from capital and related financing activities	(55,206)	-	(216,384)	(271,590)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	164	24	703	891
Net increase (decrease) in cash and cash equivalents	104,940	(789)	702	104,853
Cash and cash equivalents, beginning of year	104,577	7,200	488,718	600,495
Cash and cash equivalents, end of year	\$ 209,517	6,411	489,420	705,348

(Continued)

CITY OF MONTICELLO, ILLINOIS

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS -
 PROPRIETARY FUNDS - Continued
 For the year ended December 31, 2015

	Waterworks Fund	Water Escrow Fund	Sewerage Operation and Maintenance Plant Fund	Total
RECONCILIATION OF EXCESS (DEFICIENCY) OF OPERATING REVENUES RECEIVED OVER OVER (UNDER) EXPENSES DISBURSED				
Excess (deficiency) of operating revenues received over (under) expenses disbursed	\$ 127,260		(198,313)	(71,053)
Adjustments to reconcile excess (deficiency) of operating revenues received over (under) expenses disbursed to net cash from operating activities				
Depreciation	36,258		82,345	118,603
Increase in cash drawn in excess of available funds			129,995	129,995
Increase in customer deposits		(813)		(813)
Net cash from operating activities	\$ 163,518	(813)	14,027	176,732

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

**STATEMENT OF NET POSITION - MODIFIED CASH BASIS -
FIDUCIARY FUNDS**

December 31, 2015

	Police Pension Fund
<hr/>	
<u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 955,925</u>
<u>NET POSITION</u>	
Held in trust for police pension benefits	<u>\$ 955,925</u>

See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
- MODIFIED CASH BASIS - FIDUCIARY FUNDS
For the year ended December 31, 2015**

	Police Pension Fund
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Additions:	
Contributions:	
Employee	\$ 31,444
Employer	222,106
	<hr/>
Total contributions	253,550
Investment income	4,377
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Total additions	257,927
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Deductions:	
Fees	1,155
Disability payments	26,385
Retirement payments	91,451
Death benefit	31,679
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Total deductions	150,670
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Change in net position	107,257
Net position, beginning	848,668
	<hr/>
Net position, ending	\$ 955,925
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See Notes to Financial Statements.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

Note 1 - Summary of Significant Accounting Policies

Reporting Entity: The City of Monticello ("City") is the basic level of government which has financial accountability and control over all municipal activities related to the operations of the City of Monticello, Piatt County, Illinois. The City receives funding from local and state sources and must comply with the requirements of these funding sources. The City is not included in any other governmental "reporting entity" as defined by GASB, as the Mayor and Council members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

Principals Used to Determine the Scope of the Reporting Entity: The City of Monticello has developed criteria used in determining whether a governmental unit should be a part of its reporting entity. The criteria include, but are not limited to, whether the City exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service and special financial relationships.

Based on the above criteria, all governmental components associated with the City of Monticello are included herein.

Basis of Presentation: The City's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements: The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program is self-financing or draws from the general revenues of the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

Fund Financial Statements: During the year, the City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information at this more detailed level. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of governmental financial statements is on major funds. Each major fund is presented in a separate column.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2015

Note 1 - Summary of Significant Accounting Policies, continued

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, cash receipts and disbursements. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds are grouped, in the financial statements in this report, into fund categories as follows:

Governmental Funds: Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund - The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in other funds.

Tax Increment Financing Fund - The Tax Increment Financing Fund is used to account for receipt of property taxes allocated to tax increment financing districts that are restricted for specific purposes by law.

Motor Fuel Tax Fund - The Motor Fuel Tax Fund is used to account for the proceeds of specific revenue sources (other than special assessments, fiduciary, or major capital projects) that are legally restricted to expenses for the purpose of street maintenance and improvement.

Working Cash Fund - The Working Cash Fund is used to account for financial resources held by the City to be used for ordinary and necessary expenditures for all general and specific corporate purposes, including to provide financing for the acquisition, construction and installation of public improvements and infrastructure, and related facilities and costs.

Proprietary Funds: The Waterworks, Water Escrow and Sewerage Operation and Maintenance Plant Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Funds: Fiduciary funds are used to account for assets held by the City as a trustee for individuals, private organizations and/or other governmental units. The City reports the following fiduciary fund:

Police Pension Fund - The Pension Fund accumulates resources to provide pension benefit to qualified City employees.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2015

Note 1 - Summary of Significant Accounting Policies, continued

Measurement Focus:

Government-wide Financial Statements: The government-wide financial statements are prepared using a flow of economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

Fund Financial Statements: All governmental funds are accounted for using a flow of current financial resources measurement focus, as applied to the modified cash basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The proprietary funds utilize an “economic resources” measurement focus, as applied to the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Basis of Accounting: In the government-wide Statement of Net Position and the Statement of Activities and the fund financial statements, governmental and business-type activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenses when they result from cash transactions with a provision for depreciation in the government-wide statements, and proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2015

Note 1 - Summary of Significant Accounting Policies, continued

Budgets and Budgetary Accounting: The City follows these procedures in establishing its budgetary data:

1. City budget officer submits a tentative City budget to the City Council. Open Committee Meeting discussions are held on the annual budget.
2. The Council typically approves the City budget before the beginning of the fiscal year.
3. The Appropriation Ordinance is based on the annual budget. A notice of public hearing for the Appropriation Ordinance is published not less than 10 days prior to such hearing, and a copy of the tentative appropriation ordinance is made available for public inspection. Public hearing is conducted to obtain taxpayer comments.
4. The City certificates of levy are filed with the County Clerk on or before the second Tuesday in December.
5. Budgets for the General Fund, Waterworks Fund, Sanitation Fund, Tax Increment Fund and Motor Fuel Tax Fund are adopted consistently on the cash basis which is not in accordance with U.S. generally accepted accounting principles (GAAP). No budgets were prepared for the Working Cash Fund and Water Escrow Fund this year.
6. The City approved its budget for the year ended December 31, 2015 on December 8, 2014.

Cash and Cash Equivalents: For purposes of the statement of cash flows - modified cash basis for proprietary funds, the City considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

	Waterworks Fund	Water Escrow Fund	Sewerage Operation and Maintenance Plant Fund
Statement of Net Position - Modified Cash Basis amounts:			
Cash	\$ 181,755	6,411	60,048
Investments (money market accounts)	27,762		429,372
Cash and cash equivalents	<u>\$ 209,517</u>	<u>6,411</u>	<u>489,420</u>

Investments: Investments consist of money market accounts and certificates of deposit with maturities of three months or more and are stated at cost, without provision for accrued interest.

Capital Assets: General capital assets are capital assets which are associated with and generally arise from governmental activities and result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2015

Note 1 - Summary of Significant Accounting Policies, continued

Capital Assets, continued: Capital assets purchased or acquired with an original cost of \$ 25,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at their fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The City, which qualifies as a phase 3 government under GASB Statement No. 34, elected not to retroactively report infrastructure assets. However, any infrastructure assets acquired or constructed after July 1, 2003 with an original cost of \$ 100,000 or more will be capitalized.

All capital assets are depreciated, except for land and construction in process. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 years
Buildings	30 - 50 years
Machinery and equipment	5 - 15 years
Infrastructure	50 years

Accumulated Unpaid Vacation, Sick-pay, and Other Employee Benefit Amounts: Accumulated unpaid vacation, sick-pay, and other employee benefit amounts are recognized when the checks are written, in accordance with the cash basis of accounting. The total unpaid vacation pay, sick-pay, personal leave, and comp time accumulated at December 31, 2015, is \$ 24,669, \$ 249,922, \$ 5,294, and \$ 14,992, respectively.

Deferred Outflows/Inflows of Resources: In addition to assets, statements of financial position include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not have any of this type of item.

In addition to liabilities, statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City does not have any of this type of item.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2015

Note 1 - Summary of Significant Accounting Policies, continued

Risk Management: The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City joined other governmental units and became a member of the Illinois Municipal League Risk Management Association (IMLRMA), a public entity risk pool currently operating as a common risk management and insurance program for member governmental units. The City pays an annual premium to IMLRMA for its general insurance coverage.

IMLRMA is self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$ 8,000,000 for each insured event. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Use of Estimates: Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Position: Net position are classified into three components - (1) net investment in capital assets, (2) restricted, and (3) unrestricted. These classifications are defined as follows:

- Net investment in capital assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance of this category.
- Restricted net position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - This category represents net position of the entity, not restricted for any project or other purpose.
 - In 2007, the City council approved a motion setting aside funds within the Sewerage Operation and Maintenance Plant Fund for future capital expenditures. It also committed all interest earned on these amounts. As of December 31, 2015, the balance of these designated funds was \$ 473,130.

When both restricted and unrestricted net positions are available, restricted resources are used only after the unrestricted resources are depleted.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2015

Note 1 - Summary of Significant Accounting Policies, continued

Fund Equity: Beginning with fiscal year 2012, the City implemented GASB Statement No, 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The following classifications describe the relative nature, extent and strength of the spending constraints placed on the City's fund balances:

- Nonspendable fund balance - amounts that are in nonspendable form (such as inventory) or are required to be maintained intact (such as perpetual trusts).
- 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 the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.
- Assigned fund balance - amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service or for other purposes).

The City would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2015

Note 2 - Property Tax Rates

The City's property tax is levied each year on all taxable real property located in the City on or before the last Tuesday in December. The 2014 tax levy was passed by the Board on December 8, 2014. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The City receives significant distributions of tax receipts approximately one month after these due dates. These financial statements include property tax revenues collected from the 2014 tax levies.

The following are the tax rates applicable to the various levies per \$ 100.00 of assessed valuation (2014 - \$ 106,852,336; 2013 - \$ 105,903,485):

	Maximum	Actual	
	2014 Levy	2014 Levy	2013 Levy
General Corporate	.2500	.20508	.2043
IMRF		.04586	.0397
Police Protection	.1500	.10908	.1082
Insurance		.06926	.0628
Bond and Interest		.18467	.0643
Social Security		.03838	.0382
Police Pension		.07020	.1859
Total		<u>.72253</u>	<u>.7034</u>

Note 3 - Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2015, \$ 9,944,390 of the City's bank balance of \$ 10,945,084, was covered by FDIC insurance or collateralized by securities held by the pledging financial institution, and \$ 250,694 was exposed to custodial credit risk by being uninsured and uncollateralized.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2015

Note 4 - Capital Assets

Capital asset activities for the year ended December 31, 2015, were as follows;

	Governmental Activities			Ending Balance
	Beginning Balance	Additions	Deletions	
Nondepreciable assets:				
Land	\$ 2,129,528			2,129,528
Construction in process	119,733	5,699		125,432
Total	2,249,261	5,699	-	2,254,960
Depreciable assets:				
Buildings	5,927,499			5,927,499
Vehicles	1,256,769			1,256,769
Land improvements	722,093			722,093
Equipment	1,653,786			1,653,786
Infrastructure	2,240,897	155,422		2,396,319
Total	11,801,044	155,422	-	11,956,466
Total capital assets	14,050,305	161,121	-	14,211,476
Less accumulated depreciation:				
Construction in process				
Buildings	1,033,076	169,581		1,202,657
Vehicles	904,639	107,674		1,012,313
Land improvements	144,283	29,099		173,382
Equipment	1,038,243	136,241		1,174,484
Infrastructure	141,111	70,765		211,876
Total accumulated depreciation	3,261,352	513,360	-	3,774,712
Total governmental activities capital assets, net	\$ 10,788,953	(352,239)	-	10,436,714

Business-type Activities			
Beginning Balance	Additions	Deletions	Ending Balance
194,981			194,981
375,242	248,489		623,731
570,223	248,489	-	818,712
1,592,175			1,592,175
13,905			13,905
965,198			965,198
747,618			747,618
3,318,896	-	-	3,318,896
3,889,119	248,489	-	4,137,608
993,002	29,179		1,022,181
13,673	232		13,905
417,832	73,451		491,283
79,257	15,740		94,997
1,503,764	118,602	-	1,622,366
2,385,355	129,887	-	2,515,242

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2015

Note 4 - Capital Assets, continued

Depreciation expense for the year ended December 31, 2015 was charged to the following:

Governmental activities:	
City administration	\$ 51,447
Public safety	39,904
Public works	249,727
Parks and recreation	172,281
Business-type activities:	
Water fund	36,258
Sewer fund	82,345
	<hr/>
Total depreciation expense	\$ 631,962

Note 5 - Pension Plan

IMRF Plan Description: The City of Monticello, Illinois' defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City of Monticello, Illinois' plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this note. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report is available for download at www.imrf.org.

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

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

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2015

Note 5 - Pension Plan, continued

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

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

Employees Covered by Benefit Terms: As of December 31, 2015, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	26
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	<u>27</u>
Total	<u>63</u>

Contributions: As set by statute, the City's Regular and SLEP plan members are required to contribute 4.50% and 7.50%, respectively, of their annual covered salary. The statutes require 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 2015 for Regular and SLEP was 9.29% and 33.05%, respectively. 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.

Net Pension Liability: The City's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.75%.
- **Salary Increases** were expected to be 3.75% to 14.50%

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2015

Note 5 - Pension Plan, continued

Actuarial Assumptions, continued:

- The **Investment Rate of Return** was assumed to be 7.49%.
- **Projected Retirement Age** was from the experience-based table of rates, specific to the type of eligibility condition, last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
- For **Non-Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class as of December 31, 2015 are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	5.25-8.15%
Cash Equivalents	1%	2.25%
Total	100%	

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2015

Note 5 - Pension Plan, continued

Single Discount Rate: A Single Discount Rate of 7.49% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

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

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

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2014	\$ 7,789,801	7,747,538	42,263
Changes for the year:			
Service cost	166,758		166,758
Interest on the total pension liability	575,612		575,612
Changes of benefit terms			
Differences between expected and actual experience of the total pension liability	163,612		163,612
Changes of assumptions	9,669		9,669
Contributions - employer		153,441	(153,441)
Contributions - employees		68,500	(68,500)
Net investment income		38,317	(38,317)
Benefit payments, including refunds of employee contributions	(390,109)	(390,109)	
Other (net transfers)		44,442	(44,442)
Net changes	525,542	(85,409)	610,951
Balances at December 31, 2015	\$ 8,315,343	7,662,129	653,214

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2015

Note 5 - Pension Plan, continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.49%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.49%)	Current (7.49%)	1% Higher (8.49%)
Net Pension Liability	\$ 1,704,334	653,214	(199,740)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: For the year ended December 31, 2015, the City recognized pension expense of \$ 195,124. At December 31, 2015, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Amounts Related to Pensions</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods:</i>		
Differences between expected and actual experience	\$ 131,062	
Changes of assumptions	7,719	
Net difference between projected and actual earnings on pension plan investments	430,487	
Total deferred amounts to be recognized in pension expense in future periods	569,268	-
<i>Pension Contributions made subsequent to the Measurement Date</i>	-	-
Total Deferred Amounts Related to Pensions	\$ 569,268	-

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2015

Note 5 - Pension Plan, continued

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2016	\$ 142,122
2017	142,122
2018	142,122
2019	140,634
2020	2,268
Thereafter	-
Total	<u>\$ 569,268</u>

Note 6 - Police Pension Fund

The City of Monticello created and established a police pension fund by ordinance on April 12, 1999, in accordance with Article 3 of the Illinois Pension Code for the purpose of providing pension benefits to all full-time police officers entitled to participate in the benefits of the pension fund, as provided by Article 3 of the Illinois Pension Code and the Board of Trustees of the Pension Fund.

Subsequent to year end, the State of Illinois Department of Insurance performs actuarial calculations on the fund and computes the amount the City is to provide to fund this pension fund for the next year. The amount provided to fund this pension fund includes the employer's portion of the normal cost, and the amount necessary to amortize the unfunded accrued liabilities over a specified number of years. The results, actuarial assumptions and other pertinent disclosure information have been provided the City of Monticello as of the report date for the year ended December 31, 2015. The employee contributions to the fund are 9.91% of the police officer's salary.

Funds for the City of Monticello Police Pension Fund have been invested in a certificate of deposit, various money market accounts, and a NOW checking account at Central Illinois Bank and First Mid-Illinois Bank & Trust summarized as follows as of December 31, 2015:

Certificate of deposit	\$ 312,827
Money market accounts	642,063
NOW account	<u>1,035</u>
Total	<u>\$ 955,925</u>

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2015

Note 6 - Police Pension Fund, continued

The results, actuarial assumptions and other pertinent disclosure information provided by the State of Illinois Department of Insurance for the year ended December 31, 2015 has been received and is as follows:

Actuarial value of assets	\$ 1,041,660
Deferred asset (unfunded accrued liability)	2,017,382
Present value of service retirement annuities (7)	<u>(2,577,498)</u>
Accrued liabilities for active participants (6)	<u>\$ 481,544</u>

Based on the above figures, the actuarially-determined employer contribution the City should make for 2016 to arrive at the annual requirements of the fund as prescribed by Section 3-125 of the Illinois Pension Code is \$ 157,417 (2015 - \$ 145,017). For 2015, total City contributions were \$ 222,106.

Note 7 - Contingencies

The City has pending litigation arising in the ordinary course of its operations. The City and its attorney believe that the ultimate liability, if any, in connection with these matters will not have a material effect on the City's financial condition or results of operations. In addition, certain matters may fall under the City's risk management coverage (see Note 1).

Note 8 - Long-Term Liabilities

A summary of long-term liability activity for the year ended December 31, 2015 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation debt certificates	\$ 1,970,000		(150,000)	1,820,000	155,000
General obligation bonds	1,505,000		(125,000)	1,380,000	135,000
Notes payable	184,531	632,662	(76,576)	740,617	107,512
	<u>3,659,531</u>	<u>632,662</u>	<u>(351,576)</u>	<u>3,940,617</u>	<u>397,512</u>
Business-type activities:					
Notes payable	\$ 198,144	-	(22,490)	175,654	23,041

Additional detailed information on long-term liabilities follows:

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2015

Note 8 - Long-Term Liabilities, continued

Governmental Activities:

GENERAL OBLIGATION DEBT

During the 2011 fiscal year, the City issued \$ 1,550,000 of general obligation (limited tax) debt certificates, Series 2010, the proceeds of which were used to help finance the construction of an approximate 550,000 gallon elevated water tower.

Interest payments on the Series 2010 debt certificate began May 1, 2011, and principal payments began November 1, 2011. The debt certificate matures on November 1, 2030. Interest rates payable on the debt certificate ranges from 2.25% to 6.50%.

During the 2010 fiscal year, the City issued \$ 1,075,000 of general obligation (limited tax) debt certificates, Series 2009, and \$ 2,000,000 of general obligation bonds, Series 2009, the proceeds of which were used to help finance the construction of a new pool and bath house.

Interest payments on the Series 2009 debt certificates began on June 1, 2010, and principal payments began on December 1, 2010. The debt certificates mature on December 1, 2021. Interest rates payable on the debt certificates ranges from 2.35% to 5.20%.

Principal and interest payments on the Series 2009 bonds began on December 1, 2010. The bonds mature on December 1, 2023. Interest rates payable on the bonds ranges from 2.35% to 5.50%.

The debt certificates and the bonds have been issued as Build America Bonds (BAB) as provided for under the American Recovery and Reinvestment Act of 2009 (ARRA.) As such, the City is eligible to receive a refundable tax credit equal to 35% of the total coupon interest payments made.

NOTES PAYABLE

On September 18, 2012, the City entered into a note payable with First Mid-Illinois Bank & Trust for the purchase of a 2012 International dump truck. The note is payable in annual installments of \$ 25,187, including interest at 2.675%, due July 1, 2015. The note is unsecured. The remainder of this note was paid in full during 2015 and had a zero balance as of December 31, 2015.

On June 20, 2014, the City entered into a note payable with First Mid-Illinois Bank & Trust for the purchase of two police squad cars and a dump truck. The note is payable in annual installments of \$ 56,100, including interest at 2.57%, due June 20, 2017. The note is unsecured.

On April 23, 2015, the City entered into a note payable with First Mid-Illinois Bank & Trust for the purchase of a fire truck. The note is payable in annual installments of \$ 75,605, including interest at 3.375%, due April 23, 2025. The note is unsecured.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2015

Note 8 - Long-Term Liabilities, continued

Governmental Activities, continued:

PRINCIPAL AND INTEREST PAYMENTS IN SUBSEQUENT YEARS

Year	Debt Certificates		Bonds		Note Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 155,000	96,568	135,000	70,038	107,512	24,195
2017	160,000	90,007	145,000	64,098	110,720	20,985
2018	165,000	83,248	155,000	57,718	57,975	17,631
2019	170,000	76,268	165,000	50,354	59,931	15,674
2020	175,000	67,533	175,000	42,352	61,917	13,689
2021-2025	510,000	228,819	605,000	67,640	342,562	35,464
2026-2030	485,000	95,450				
	<u>\$ 1,820,000</u>	<u>737,893</u>	<u>1,380,000</u>	<u>352,200</u>	<u>740,617</u>	<u>127,638</u>

Business-Type Activities:

NOTES PAYABLE

On June 10, 2013, the City entered into a note payable with First Mid-Illinois Bank & Trust for the purchase of a new jet vactor machine. The note is payable in annual installments of \$ 28,027, including interest at 2.83%, due June 10, 2022. The note is unsecured.

Year	Note Payable	
	Principal	Interest
2016	\$ 23,041	4,987
2017	23,706	4,321
2018	24,377	3,650
2019	25,067	2,960
2020	25,770	2,257
2021-2022	53,693	2,293
	<u>\$ 175,654</u>	<u>20,468</u>

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2015

Note 9 - Required Individual Fund Disclosures

At December 31, 2015, interfund receivables and payables consisted of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund:		
Due to Working Cash Fund	\$	6,000
Due from Working Cash Fund	20,057	
Due from Sewerage Fund	12,712	
Due to Sewerage Fund		3,639
Due to Waterworks Fund		3,536
Waterworks Fund:		
Due from General Fund	3,536	
Sewerage Fund:		
Due to Working Cash Fund		532,866
Due to General Fund		12,712
Due from General Fund	3,639	
Working Cash Fund:		
Due to General Fund		20,057
Due from General Fund	6,000	
Due from Sewerage Fund	532,866	
	<u>\$ 578,810</u>	<u>578,810</u>

The \$ 6,000 interfund amounts represent the initial \$ 1,000 deposit made to open the City's accounts payable checking account during the 2007 fiscal year, plus a \$ 5,000 deposit made for the HRA during fiscal year 2012. The \$ 532,866 amounts represent expenses paid by the Working Cash Fund on behalf of the Sewerage Fund for engineering and planning costs for a new Waste Water Treatment Plant. The City intends to repay this interfund loan with EPA loan proceeds once the project approval process is complete. The \$ 20,057 was a payment to Fehr-Graham for Waste Water Treatment Plant work. The Working Cash Fund did not have enough cash to cover the payment, and thus the General Fund paid it. The \$ 12,712 are costs related to the Viobin San/Sewer replacement project that were paid out of the General Fund. The remaining amounts are payroll related.

Balances due among the governmental activities are eliminated on the government-wide Statement of Net Position. Balances due to the enterprise funds from the governmental activities are reported on the Statement of Net Position as internal balances.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2015

Note 9 - Required Individual Fund Disclosures, continued

Interfund Transfers

Operating transfers in/out to other funds consists of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
TIF Fund	\$	100,468
General Fund	<u>100,468</u>	
	<u>\$ 100,468</u>	<u>100,468</u>

The \$ 100,468 of transfers represent interest (\$ 15,468) and principal (\$ 85,000) payments made out of the TIF Fund on the Series 2009 general obligation (limited tax) debt certificates.

Note 10 - Fund Balances

Committed Fund Balance: In 2007, the City Council approved a motion committing funds for future capital expenditures. It also committed all interest earned on these amounts. During the 2013-14 reporting period, the City Council approved committing video gaming revenue to support Habitat for Humanity and parks and playground repair, maintenance and replacement. They also approved committing \$ 100,000 of general funds per year from 2014 to 2017 for future recreation grants. Any farming revenues generated from the recreation park land will also be committed for this purpose.

Below is a summary of committed amounts, current and prior year committed earnings, current and prior year expenditures, and ending committed balances.

	<u>General Fund</u>	<u>Working Cash Fund</u>	<u>Total</u>
Board committed amounts	\$ 566,821	300,000	866,821
Prior earnings	33,691	27,610	61,301
Current period earnings	651	492	1,143
Current period expenditures	<u>(25,000)</u>		<u>(25,000)</u>
Committed balances, December 31, 2015	<u>\$ 576,163</u>	<u>328,102</u>	<u>904,265</u>

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2015

Note 10 - Fund Balances, continued

Restricted Fund Balances:

	General Fund	Tax Increment Financing Fund	Motor Fuel Tax Fund	Total
Restricted for:				
Levied funds to be used for bond principal and interest repayment	\$ 35,342			35,342
Debt sinking fund compliance	9,830	22,268		32,098
Allotted funds to be used for road construction and improvements			505,535	505,535
Jurisdictional transfer of funds to Be used for bridge improvements			6,044,000	6,044,000
Restricted fund balance	\$ 45,172	22,268	6,549,535	6,616,975

Note 11 - Other Post-Employment Benefits Plan

The City has an ordinance under which it covers post-employment insurance continuation benefits for those who qualify. If a full-time employee retires with at least 15 years of IMRF qualified service with the City, and such retired employee immediately receives his or her IMRF pension, then the City will pay on behalf of such retired employee the full expense of employee-only continued health insurance for the lesser of the period of five years, or until such retired employee reaches the age of Medicare eligibility. Total premiums paid for qualifying retirees (3) for the year ended December 31, 2015 were \$ 19,305, all of which were paid by the City.

The City is also paying health insurance benefits for a former police officer injured in the line of duty as required by Illinois Statute 820 ILCS 320/10. Under this statute, the City is required to pay health insurance premiums for the former officer and his spouse for the remainder of their lives (with benefits from any other source reducing the benefit). Total premiums paid for the year ended December 31, 2015 were \$ 14,736.

Note 12 - Commitment

For many years now, the City has been considering improving or replacing its wastewater treatment plant (WWTP), including conducting feasibility and engineering studies. In May 2014, the City entered into an agreement with an engineering firm to design improvement options for the WWTP. In October 2015, the City Council passed a resolution approving a proposed limited-scope improvement plan. Then on January 25, 2016, the City Council rescinded the limited-scope plan and approved the full-scope improvement plan. As of the date of this report, the City has an engineering agreement in place for \$ 1,206,492 for this project, and is beginning the process of bidding the rest of the project soon. Total costs of this improvement plan are currently estimated to be \$ 13 million.

CITY OF MONTICELLO, ILLINOIS

NOTES TO FINANCIAL STATEMENTS (Continued)

December 31, 2015

Note 13 - Subsequent Events

The City has evaluated events occurring after the statement of financial position date through June 9, 2016, in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

OTHER SUPPLEMENTARY INFORMATION

CITY OF MONTICELLO, ILLINOIS

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the year ended December 31, 2015

	Budget - Original and Final	Actual	Variance
Revenues received:			
Property taxes	\$ 778,262	797,963	19,701
Sales taxes	1,000,000	1,080,523	80,523
Other local taxes	175,000	138,095	(36,905)
Illinois income tax	550,000	585,958	35,958
Personal property replacement taxes	1,200,000	1,337,179	137,179
Franchise revenue	50,000	58,107	8,107
Police revenue	30,000	34,045	4,045
Miscellaneous revenue	201,500	56,005	(145,495)
Interest	1,500	1,727	227
Recreation revenue	223,650	194,407	(29,243)
Refundable tax credit	23,838	34,333	10,495
Total revenues received	4,233,750	4,318,342	84,592
Expenditures disbursed:			
Current:			
City administration	1,111,900	1,090,739	21,161
Public safety	1,222,012	1,007,111	214,901
Public works	1,212,437	1,207,366	5,071
Parks and recreation	436,450	372,196	64,254
Debt service:			
Principal	210,000	286,575	(76,575)
Interest	95,650	110,316	(14,666)
Bond issuance costs		700	(700)
Capital improvements	394,000	294,304	99,696
Total expenditures disbursed	4,682,449	4,369,307	313,142
Excess (deficiency) of revenues received over (under) expenditures disbursed	(448,699)	(50,965)	397,734
Other financing sources (uses):			
Note payable proceeds		632,662	632,662
Transfer in (out)	106,050	100,468	(5,582)
Total other financing sources (uses)	106,050	733,130	627,080
Net change in fund balance	\$ (342,649)	682,165	1,024,814
Fund balance, beginning		1,906,228	
Fund balance, ending		\$ 2,588,393	

CITY OF MONTICELLO, ILLINOIS

**BUDGETARY COMPARISON SCHEDULE -
MOTOR FUEL TAX FUND**

For the year ended December 31, 2015

	Budget - Original and Final	Actual	Variance
Revenues received:			
Motor fuel tax	\$ 207,650	141,583	(66,067)
Jurisdictional transfer of MFT funds		6,044,000	6,044,000
Interest income	500	1,784	1,284
Total revenues received	<u>208,150</u>	<u>6,187,367</u>	<u>5,979,217</u>
Expenditures disbursed:			
Motor fuel tax projects	<u>222,611</u>	<u>151,361</u>	<u>71,250</u>
Total expenditures disbursed	<u>222,611</u>	<u>151,361</u>	<u>71,250</u>
Excess (deficiency) of revenues received over (under) expenditures disbursed	<u>(14,461)</u>	<u>6,036,006</u>	<u>6,050,467</u>
Net change in fund balance	<u>\$ (14,461)</u>	<u>6,036,006</u>	<u>6,050,467</u>
Fund balance, beginning		<u>513,529</u>	
Fund balance, ending		<u>\$ 6,549,535</u>	

CITY OF MONTICELLO, ILLINOIS

**BUDGETARY COMPARISON SCHEDULE -
TAX INCREMENT FINANCING FUND
For the year ended December 31, 2015**

	Budget - Original and Final	Actual	Variance
Revenues received:			
TIF District revenue	\$ 288,000	279,614	(8,386)
Interest income	100	196	96
Refundable tax credit	22,339	34,954	12,615
Total revenues received	<u>310,439</u>	<u>314,764</u>	<u>4,325</u>
Expenditures disbursed:			
Current:			
City administration	32,000	26,610	5,390
Debt service:			
Interest	69,908	71,208	(1,300)
Principal	65,000	65,000	
Bond issuance costs		500	(500)
Capital improvement	119,500	136,061	(16,561)
Total expenditures disbursed	<u>286,408</u>	<u>299,379</u>	<u>(12,971)</u>
Excess of revenues received over expenditures disbursed	<u>24,031</u>	<u>15,385</u>	<u>(8,646)</u>
Other financing sources (uses):			
Transfers out	<u>(106,050)</u>	<u>(100,468)</u>	<u>5,582</u>
Total other financing sources (uses)	<u>(106,050)</u>	<u>(100,468)</u>	<u>5,582</u>
Net change in fund balance	<u>\$ (82,019)</u>	<u>(85,083)</u>	<u>(3,064)</u>
Fund balance, beginning		<u>326,416</u>	
Fund balance, ending		<u>\$ 241,333</u>	

CITY OF MONTICELLO, ILLINOIS

**BUDGETARY COMPARISON SCHEDULE -
WATERWORKS FUND**

For the year ended December 31, 2015

	Budget - Original and Final	Actual	Variance
Operating revenues received	\$ 665,000	635,436	(29,564)
Operating expenditures disbursed:			
Operations, other than payroll and employee benefits	282,400	234,235	48,165
Payroll and employee benefits	273,500	224,097	49,403
Depreciation		36,258	(36,258)
Capital improvements *	576,000	13,586	562,414
Total operating expenditures disbursed	1,131,900	508,176	623,724
Excess (deficiency) of operating revenues received over (under) expenditures disbursed	(466,900)	127,260	594,160
Non-operating revenues received (expenditures disbursed):			
Investment earnings	100	164	64
Change in net position	<u>\$ (466,800)</u>	127,424	<u>594,224</u>
Net position, beginning		<u>811,844</u>	
Net position, ending		<u>\$ 939,268</u>	

* Budget amount represents all capital improvements for the fiscal year. The actual amount shows the sum of all improvements less those capitalized. Capital improvements plus capitalized expenditures totaled \$ 68,791.

CITY OF MONTICELLO, ILLINOIS

**BUDGETARY COMPARISON SCHEDULE -
SEWERAGE, OPERATION AND MAINTENANCE PLANT FUND
For the year ended December 31, 2015**

	Budget - Original and Final	Actual	Variance
Operating revenues received	\$ 504,500	455,487	(49,013)
Operating expenditures disbursed:			
Operations, other than payroll and employee benefits	352,100	204,007	148,093
Payroll and employee benefits	278,500	262,570	15,930
Depreciation		82,345	(82,345)
Capital improvements *	117,500	104,878	12,622
Total operating expenditures disbursed	748,100	653,800	94,300
Excess (deficiency) of operating revenues received over (under) expenditures disbursed	(243,600)	(198,313)	45,287
Non-operating revenues received (expenses disbursed):			
Investment earnings	1,000	703	(297)
Miscellaneous income		5,000	5,000
Interest expense		(5,610)	(5,610)
Change in net position	<u>\$ (242,600)</u>	<u>(198,220)</u>	<u>44,380</u>
Net position, beginning		<u>1,578,223</u>	
Net position, ending		<u>\$ 1,380,003</u>	

* Budget amount represents all capital improvements for the fiscal year. The actual amount is the sum of all improvements less those capitalized. Capital improvements plus capitalized expenditures totaled \$ 298,162.

CITY OF MONTICELLO, ILLINOIS

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS**

December 31, 2015

Total Pension Liability:	
Service cost	\$ 166,758
Interest on the total pension liability	575,612
Changes of benefit terms	
Differences between expected and actual experience of the total pension liability	163,612
Changes of assumptions	9,669
Benefit payments, including refunds of employee contributions	<u>(390,109)</u>
Net Change in Total Pension Liability	525,542
Total Pension Liability - Beginning	<u>7,789,801</u>
Total Pension Liability - Ending (A)	<u><u>\$ 8,315,343</u></u>
Plan Fiduciary Net Position:	
Contributions - employer	\$ 153,441
Contributions - employees	68,500
Net investment income	38,317
Benefit payments, including refunds of employee contributions	(390,109)
Other (net transfers)	<u>44,442</u>
Net Change in Plan Fiduciary Net Position	(85,409)
Plan Fiduciary Net Position - Beginning	<u>7,747,538</u>
Plan Fiduciary Net Position - Ending (B)	<u><u>\$ 7,662,129</u></u>
Net Position Liability - Ending (A)-(B)	<u><u>\$ 653,214</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.14%
Covered Valuation Payroll	\$ 1,476,590
Net Pension Liability as a Percentage of Covered Valuation Payroll	44.24%

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

CITY OF MONTICELLO, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS

December 31, 2015

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contributions as a Percentage Of Covered Valuation Payroll
2015	\$ 153,444	153,441	3	1,476,590	10.39%

CITY OF MONTICELLO, ILLINOIS

**SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED
IN THE CALCULATION OF THE 2015 CONTRIBUTION RATE*
December 31, 2015**

Valuation Date:

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

Methods and Assumptions Used to Determine 2015 Contribution Rates:

<i>Actuarial Cost Method:</i>	Aggregate Entry Age Normal
<i>Amortization Method:</i>	Level Percentage of Payroll, Closed
<i>Remaining Amortization Period:</i>	28-year closed period until remaining period reaches 15 years (then 15-year rolling period)
<i>Asset Valuation Method:</i>	5-year smoothed market; 20% corridor
<i>Wage Growth:</i>	4%
<i>Price Inflation:</i>	3%, approximate; No explicit price inflation assumption is used in this valuation.
<i>Salary Increases:</i>	4.40% to 16%, including inflation
<i>Investment Rate of Return:</i>	7.50%
<i>Retirement Age:</i>	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010.
<i>Mortality:</i>	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes: There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2013, actuarial valuation

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

CITY OF MONTICELLO, ILLINOIS

**SCHEDULE OF ASSESSED VALUATIONS AND TAXES
EXTENDED AND COLLECTED
December 31, 2015**

	Tax Year			
	2014	2013	2012	2011
Equalized assessed valuation	\$ 106,852,336	105,903,485	106,298,925	106,043,711
Tax Rates:				
General Corporate Fund	0.20508	0.2043	0.2036	0.2041
IMRF	0.04586	0.0397	0.0396	0.0414
Police Protection Fund	0.10908	0.1082	0.1078	0.1081
Insurance	0.06926	0.0628	0.0640	0.0649
Bond and Interest	0.18467	0.0643	0.1797	0.1785
Social Security	0.03838	0.0382	0.0381	0.0406
Police Pension	0.07020	0.1859	0.0626	0.0679
Total	0.72253	0.7034	0.6954	0.7055
Tax Extensions:				
General Corporate Fund	219,133	216,361	216,425	216,435
IMRF	49,002	42,044	42,094	43,902
Police Protection Fund	116,555	114,588	114,590	114,633
Insurance	74,006	68,096	68,031	68,823
Bond and Interest	197,324	196,875	191,019	189,288
Social Security	41,010	40,455	40,500	43,054
Police Pension	75,010	66,507	66,543	72,004
Total	\$ 772,040	744,926	739,202	748,139
Collections:				
General Corporate Fund	219,143	215,860	213,345	215,424
IMRF	49,004	42,044	42,094	43,902
Police Protection Fund	116,561	114,588	114,590	114,633
Insurance	74,010	68,096	68,031	68,822
Bond and Interest	197,334	196,875	191,019	189,288
Social Security	41,012	40,455	40,500	43,054
Police Pension	75,014	66,507	66,543	72,004
Total	\$ 772,078	744,425	736,122	747,127
Percent of extensions collected	100.00%	99.93%	99.58%	99.86%

Note: The above collections do not include tax increment financing and special service revenues received for the periods which amounted to \$ 279,614 and \$ 25,804 for the 2014 tax year, respectively.

CITY OF MONTICELLO, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN
December 31, 2015

Assessed valuation - 2014 tax year	<u>\$ 106,852,336</u>
Statutory debt limitation (8.625% of assessed valuation)	<u>9,216,014</u>
Total debt:	
Sewer note payable	175,654
General obligation debt certificates	1,820,000
General obligation bonds	1,380,000
Note payable	<u>740,617</u>
Total outstanding debt	4,116,271
Less debt not applicable to debt margin	<u>(175,654)</u>
Total applicable debt	<u>3,940,617</u>
Legal debt margin	<u>\$ 5,275,397</u>

CITY OF MONTICELLO, ILLINOIS

**SCHEDULE OF CONSTRUCTION IN PROGRESS AND
CAPITAL ASSET ADDITIONS**

Year ended December 31, 2015

Construction in progress:

Outdoor Rec Facility	\$ 904
Nick's Park Replacement	4,795
Rt 47 Water Main Looping	55,205
WWTP Costs	<u>193,284</u>

Construction in progress at December 31, 2015 254,188

Capital asset additions:

Turtle Creek Street	<u>155,422</u>
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Total capital asset additions \$ 409,610