

**CITY OF DU QUOIN, ILLINOIS**  
**GENERAL PURPOSE FINANCIAL STATEMENTS**  
**For The Year Ended December 31, 2015**

# CITY OF DU QUOIN, ILLINOIS

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## INDEPENDENT AUDITOR'S REPORT

To The City Council  
City of Du Quoin, Illinois

### **Report on the Financial Statements**

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 DuQuoin, Illinois, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of DuQuoin, Illinois' 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 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 DuQuoin, Illinois, as of December 31, 2015, and the respective changes

in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Illinois Municipal Retirement Fund Schedules and Budgetary Comparison Information on pages 5–14, 62–65, and 66–69 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 DuQuoin, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements 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 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 and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The computation of legal debt margin and assessed valuation and taxes levied have 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 assurance on them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2016, on our consideration of the City of DuQuoin, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of DuQuoin, Illinois' internal control over financial reporting and compliance.



Emling & Hoffman, P.C.  
Du Quoin, IL 62832

June 16, 2016



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

To the City Council  
City of Du Quoin, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of DuQuoin, Illinois, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of DuQuoin, Illinois' basic financial statements and have issued our report thereon dated June 16, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of DuQuoin, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of DuQuoin, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of DuQuoin, Illinois' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses.[Finding 1: 2015-01]



**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of DuQuoin, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**City of DuQuoin, Illinois' Response to Findings**

City of DuQuoin, Illinois' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of DuQuoin, Illinois' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Emling & Hoffman PC".

Emling & Hoffman, P.C.  
Du Quoin, IL 62832

June 16, 2016



## **Management Discussion and Analysis For the Fiscal Year Ended December 31, 2015**

The City Council of the City of Du Quoin, Illinois offers this overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2015. We encourage readers to consider the information in conjunction with the accompanying accounting information.

### **Financial Structure and Organization**

The City's financial activity happens in two main fund types, Governmental Funds and Proprietary Funds. Both of these funds can be further deduced to Major and Non-Major Funds. Major Funds support general operations of the City, whereas, Non-Major or Restricted Funds support specific purposes. These three fund types are described in detail below.

Major Governmental Funds provide for the Administration, Fire, Police and Street Departments. These departments are mostly funded through collection of local and state taxes. Home Rule and Municipal sales taxes, Real Estate, Income, Local Use, Personal Property Replacement, Phone, and Utility taxes, and Video Gaming income account for roughly 90% of the funding for these departments. There are also smaller sources of revenue collected by the City such as Franchise, Liquor License and Permit fees, and fines.

Major Proprietary Funds support the Water Department and Waste Water Treatment Plant. This division of the City's operations acts like a private business. Consumption of water and discharge of sewage is billed at a rate to generate enough revenue to cover the cost of supplying these services. Leachate Processing and Water Tap charges, and Reconnection fees also compliment Water and Sewer receipts.

Restricted Funds house funds that are only used for specific purposes within the City's operations. These funds can be one-time grants or projects, or continuing activities that have a particular purpose.

The City created two new Restricted Funds in 2015, which are the Pool Restoration and Restricted Building Improvement Funds. The Pool Restoration Fund is a savings fund to be used to renovate the City Pool in fall 2016. Its revenues are from donations, fundraisers, and an annual disbursement from Du Quoin Unit School District #300 of

\$39,029. This disbursement is the result of a renegotiated intergovernmental agreement. As of December 31, 2015 the amount due the City is \$546, 406.82. The Restricted Building Improvement Fund houses loan proceeds of \$225,000 to replace the roof, tuck-point, and paint City Hall.

The Audit, Park, Civil Defense, and Garbage Funds are branches of Major Governmental Funds. These funds provide for the preparation of the City's audit, park and pool operations, Emergency Management Agency, and garbage collection. They are not included in Major Governmental Funds because the City levied Real Estate taxes at one time to fund them.

The Motor Fuel Tax Fund is used to construct and maintain the City's streets. It is funded by a state tax on gasoline. The Drug Abuse Fund supports the Police Department through fines collected from drug and drunken driving arrests. This fund purchases most of the City's Police cars. The Hotel Tax Fund is a pass through to fund activities of the Du Quoin Tourism Commission such as Holiday Lights.

The Public Library Fund provides for the operation of the Du Quoin Public Library. The City accounts for the Library's funds, but does not manage them. The Library Board is responsible for levying their own Real Estate taxes, preparing their own budget, and approving expenditures.

Lastly, there is a subset of funds whose purpose is to support economic development in the City. This subset is referred to as the Economic Development Funds, and is comprised of Tax Increment Financing (TIF) Districts 1, 2, and 3, the Business Development District, and the Revolving Loan Fund. Each TIF District has an established area with a base assessed valuation. As properties develop with TIF assistance, the equalized assessed valuation (EAV) of those properties increases. The difference between the increased EAV and the base generate additional property tax revenues to be used in the TIF District. These revenues can be used to reimburse businesses for redevelopment projects and to fund public infrastructure projects in the TIF District. The Business Development District is established along the Route 51 corridor and generates revenues through the imposition of a half cent sales tax. This revenue is used to create new businesses, expand existing businesses, and to fund public infrastructure projects in the Business District. The Revolving Loan Fund was initially capitalized by the Illinois Department of Commerce and Economic Opportunity, and provides low interest loans to new and existing businesses in the City.

### Financial Highlights

For the year ended December 31, 2015, revenues across all funds totaled \$8,583,406. Expenditures totaled \$8,271,431, resulting in a total net change in fund balance of

\$311,975<sup>1</sup>. An alternative measure of the City's financial position is reported in the Statement of Activities. According to this measure, the total change in net position is \$29,302<sup>2</sup>. The difference between the two measures is due to fund balance reports capital outlays as expenditures, uses bond proceeds as current financial resources, and defers expenditures<sup>3</sup>.

Major Governmental Funds revenues increased from \$4,184,278 in 2014 to \$4,853,815 in 2015 for an increase of \$669,537 or 16.00%. This significant increase is largely accounted for by an increase in Intergovernmental revenues and Grant income of \$276,608 and \$284,370, respectively. These increases are due to an expansion in the local and state tax base, not tax rates, and an energy efficient lighting grant. Expenditures kept pace with revenues, and increased from \$4,285,910 in 2014 to \$4,678,356 in 2015 for an increase of \$392,446 or 9.15%. After total transfers in of \$311,267, the net change in fund balance was \$486,726.

Major Governmental Funds finished in positive territory for 2015. This feat can be attributed to good management, but good fortune should not be dismissed. The financial fragility of this fund is concerning. Wages, pensions, health and workers' compensation insurance absorbed 75.15% of revenues in 2015. This number was 84.57% in 2014. When debt payments, fuel, and utilities are included, there is no margin for bad fortune.

Major Proprietary Funds revenues increased from \$2,498,720 in 2014 to \$2,619,165 in 2015 for an increase of \$120,445 or 4.82%. This modest increase is due to the City raising water and sewer rates by 18% effective January 1, 2015. The City was coerced into raising rates after losing Tamaroa Water District as a wholesale customer in 2011 and absorbing water supply rate increases from Rend Lake Water Conservancy District for years. Expenditures rose from \$2,573,442 in 2014 to \$2,676,270 in 2015 for an increase of \$102,828 or 3.99%. After total transfers in of \$223,577, the net change in fund balance was \$166,472.

Major Proprietary Funds are also too tight. In 2015, the City paid \$594,756 for debt obligations and maintenance contracts. This includes payments for the Waste Water Treatment Plant, Main and Washington Street water lines, Sewer truck, and Water Tower. Furthermore, the City paid roughly \$99,479 for water loss. In total, \$694,235 or 26.51% of revenues were spent before wages, pensions, insurance, fuel, and utilities entered the equation. Again, there is no margin, especially for infrastructure projects to replace depreciated capital.

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<sup>1</sup> See pages 18 and 21

<sup>2</sup> See page 15

<sup>3</sup> See page 19

Restricted Funds continue to be conservative and support the purpose for which they were intended. The Motor Fuel Tax Fund ended 2015 with a large surplus of \$76,364. The Drug Abuse Fund had a small surplus of \$6,073. The Public Library Fund had a small deficit of \$1,979.

The Economic Development Funds continue to assist businesses, provide for public projects, and perpetually grow. In 2015, these funds fulfilled over a dozen redevelopment agreement obligations. Moreover, they assisted in the resurfacing and installation of crosswalks on Main Street, resurfacing of a public parking lot on Oak Street, and construction of a wall and landscaping at the Central Plaza. The TIF District Funds combined revenues increased 8.97% year over year to \$149,514. These funds had a surplus of \$36,483. The Business Development District Fund revenues increased 10.54% year over year to \$176,131 for a surplus of \$31,130. Lastly, the Revolving Loan Fund had a large deficit of \$28,462.

## **2016 Budget**

The 2016 Budget has budgeted revenues and expenditures of \$8,165,004 and \$8,106,039, respectively for a budgeted surplus of \$58,965. This is a decrease in budgeted revenues and expenditures of \$258,173 and \$268,782, respectively from 2015. It is ambitious, but attainable.

It is expected that Home Rule and Municipal sales taxes will stay stable. This is in spite of the School's additional 1% sales tax imposed that may push families to shop elsewhere. In regards to expenditures, it is expected that health insurance costs will increase, fuel and utility costs will stay stable, and workers' compensation insurance costs will decrease.

The 2016 Budget does not contain any large capital expenditures. However, it does contain some small capital expenditures such as \$8,000 to replace the Jackson Street fence, \$10,000 to replace the mosquito sprayer, \$32,000 to purchase a Police car, \$7,500 to replace a snow plow, \$11,000 to replace the undercover Police car, \$15,000 to purchase a Police canine, and \$15,000 to replace the Waste Water Treatment Plant operating system. The Police canine and undercover car will be purchased from the restricted Drug Abuse Fund. Planned capital expenditures total \$98,500.

## **Future Financial Strategies**

### **Governmental Funds**

As mentioned, Major Governmental Funds is not stable. From 2000 to 2015, insurance and pension expenditures had an alarming average annual growth rate of 10.05% and 13.32%, respectively. When these expenditures are combined with wages, the growth

rate is 5.38%. This exceeds revenues growth rate of 5.12%, which is partly attributed to Real Estate tax revenues growth rate of 11.40%. In the medium term, the City must seriously consider whether to reduce or retain the level of services it provides. If the City decides to retain services, it must levy more Real Estate taxes.

Second, Department Supervisors must analyze their vendor reports to see what was purchased and the cost. Next, there must be a determination as to whether that purchase was necessary or not. If the purchase was necessary, there must be an investigation to determine if there is a cheaper substitute or if it can be purchased elsewhere at a cheaper price.

Third, Department Supervisors must analyze their shift schedules and distribute employees evenly across shifts to maximize productivity and minimize overtime. Furthermore, part time employees must be substituted for overtime if labor contracts allow. This measure will partly mitigate the financial burden.

Fourth, any surpluses must be used aggressively to make debt payments without putting a burden on cash flow. For 2016, Major Governmental Funds debt payments will total \$92,945. These payments are for a Back Hoe, Fire truck, and the City Hall roof. However, the Back Hoe will be paid in full in July 2016.

Lastly, the City must create a long term capital replacement plan. This plan will identify when capital assets will be fully depreciated and their replacement costs. These costs must be incorporated into future budgets.

### **Proprietary Funds**

Major Proprietary Funds must get savings through investments. The City loses 4.53 million gallons of water per month on average. If the City can cut this loss in half through investment in water meters, it would generate marginal revenues of roughly \$27,500 per month or \$330,000 per year. These marginal revenues could then be used to replace depreciated capital assets in the water and sewer system, and at the Waste Water Treatment Plant.

Second, the City must raise water rates as Rend Lake Water Conservancy District raises water supply rates. This will ensure that the City's budget and its customers' budgets are not jolted. Furthermore, the City should funnel a portion of water and sewer receipts into a restricted Capital Improvement Fund. This fund would support large water and sewer capital projects. All expenditures from this fund would require approval by the City Council. The two aforementioned measures are being addressed.

## Requests for Information

This financial report was created to provide a basic overview of the City of Du Quoin's for those interested. Any questions concerning the information provided in this report or requests for additional financial information should be addressed to the City Clerk's Office at 302 East Poplar Street, Du Quoin, Illinois 62832.

Management's Discussion and Analysis for the City of Du Quoin for the fiscal year ended December 31, 2015 was compiled by City Clerk Andrew Croessman.

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Andrew Croessman, Budget and Finance Director

## FINANCIAL ANALYSIS OF THE GOVERNMENTAL ACTIVITIES

December 31, 2015 and December 31, 2014 Comparison

	<b>Governmental Activities</b>		
	<b>2015</b>	<b>2014</b>	<b>% Change</b>
<b>Assets</b>			
Current Assets	\$ 2,700,770	\$ 2,149,201	25.66%
Non-Current Assets			
Capital Assets, Net of Depreciation	3,946,007	3,755,930	5.06%
<b>Total Assets</b>	<b>6,646,777</b>	<b>5,905,131</b>	<b>12.56%</b>
<b>Deferred Outflows of Resources</b>			
Pension Liability	784,154	-	NA
<b>Liabilities</b>			
Current Liabilities	230,308	518,644	-55.59%
Long-Term Liabilities	1,754,203	439,000	299.59%
<b>Total Liabilities</b>	<b>1,984,511</b>	<b>957,644</b>	<b>107.23%</b>
<b>Deferred Inflows of Resources</b>			
None	-	-	NA
<b>Net Position</b>			
Net Investment in Capital Assets	2,874,695	3,204,767	-10.30%
Restricted	1,773,368	1,402,127	26.48%
Unrestricted (Deficit)	798,357	340,593	134.40%
<b>Total Net Position</b>	<b>\$ 5,446,420</b>	<b>\$ 4,947,487</b>	<b>10.08%</b>



## FINANCIAL ANALYSIS OF THE GOVERNMENTAL ACTIVITIES

December 31, 2015 and December 31, 2014 Comparison

	<b>Governmental Activities</b>		
	<b>2015</b>	<b>2014</b>	<b>% Change</b>
<b>Revenue</b>			
Program Revenue:			
Charges for Services	\$ 245,186	\$ 264,988	-7.47%
Operating Grants	133,963	268,117	-50.04%
Capital Grants	316,236	49,796	535.06%
General Revenue:			
Taxes	329,976	299,239	10.27%
Intergovernmental	4,611,265	4,304,393	7.13%
Investment Interest	5,547	5,594	-0.84%
Miscellaneous	86,474	61,679	40.20%
<b>Total Revenue</b>	<b>5,728,647</b>	<b>5,253,806</b>	<b>9.04%</b>
<b>Expenses</b>			
General Government	1,502,616	1,560,914	-3.73%
Projects	-	-	NA
Public Safety	2,395,290	2,388,097	0.30%
Public Welfare	21,697	13,383	62.12%
Services	239,639	245,705	-2.47%
Transportation	826,590	909,153	-9.08%
Other	296,520	237,468	24.87%
Interest on Long-term Debt	11,611	21,180	-45.18%
Pension Expense	347,155	-	NA
<b>Total Expenses</b>	<b>5,641,118</b>	<b>5,375,900</b>	<b>4.93%</b>
Operating Transfers, Net	(126,633)	(247,858)	48.91%
Change in Net Position	(39,104)	(369,952)	89.43%
Beginning Net Position	4,947,487	5,317,439	-6.96%
Prior Period Adjustment-See Note Q	538,037	-	NA
Ending Net Position	<b>\$ 5,446,420</b>	<b>\$ 4,947,487</b>	<b>10.08%</b>

## FINANCIAL ANALYSIS OF THE BUSINESS-TYPE ACTIVITIES

December 31, 2015 and December 31, 2014 Comparison

	<b>Business-Type Activities</b>		
	<b>2015</b>	<b>2014</b>	<b>% Change</b>
<b>Assets</b>			
Current Assets	\$ 299,150	\$ 190,279	57.22%
Non-Current Assets			
Capital Assets, Net of Depreciation	8,173,032	8,599,614	-4.96%
<b>Total Assets</b>	<b>8,472,182</b>	<b>8,789,893</b>	<b>-3.61%</b>
<b>Deferred Outflows of Resources</b>			
None	-	-	NA
<b>Liabilities</b>			
Current Liabilities	512,526	492,530	4.06%
Long-Term Liabilities	4,488,494	4,894,607	-8.30%
<b>Total Liabilities</b>	<b>5,001,020</b>	<b>5,387,137</b>	<b>-7.17%</b>
<b>Deferred Inflows of Resources</b>			
None	-	-	NA
<b>Net Position</b>			
Net Investment in Capital Assets	3,312,735	3,341,767	-0.87%
Restricted	-	-	NA
Unrestricted (Deficit)	158,427	60,989	159.76%
<b>Total Net Position</b>	<b>\$ 3,471,162</b>	<b>\$ 3,402,756</b>	<b>2.01%</b>

## FINANCIAL ANALYSIS OF THE BUSINESS-TYPE ACTIVITIES

December 31, 2015 and December 31, 2014 Comparison

	<b>Business-Type Activities</b>		
	<b>2015</b>	<b>2014</b>	<b>% Change</b>
<b>Revenue</b>			
Program Revenue:			
Charges for Services	\$ 2,595,876	\$ 2,291,926	13.26%
Capital Grants	-	209,515	-100.00%
General Revenue:			
Investment Interest	9	10	-10.00%
Other	33,874	7,132	374.96%
<b>Total Revenue</b>	<u>2,629,759</u>	<u>2,508,583</u>	4.83%
<b>Expenses</b>			
Waterworks & Sewage Fund	11,125	11,125	0.00%
Water Meter Deposit Fund	11,716	11,384	2.92%
Capital Improvements Fund	498,036	509,257	-2.20%
Operation & Maintenance Fund	2,167,109	2,053,060	5.56%
Depreciation Fund	-	-	NA
<b>Total Expenses</b>	<u>2,687,986</u>	<u>2,584,826</u>	3.99%
Operating Transfers, Net	<u>126,633</u>	<u>187,858</u>	-32.59%
Change in Net Position	68,406	111,615	-38.71%
Beginning Net Position	<u>3,402,756</u>	<u>3,291,141</u>	3.39%
Ending Net Position	<u>\$ 3,471,162</u>	<u>\$ 3,402,756</u>	2.01%

## **BASIC FINANCIAL STATEMENTS**

**CITY OF DU QUOIN, ILLINOIS**

Statement of Net Position

December 31, 2015

	<b>Primary Government</b>		
	Governmental	Business-Type	
	Activities	Activities	Total
<b>Assets</b>			
<b>Current Assets</b>			
Cash	\$ 298,853	\$ 274,016	\$ 572,869
Cash (Restricted)	1,033,709	-	1,033,709
Due from State of Illinois	702,542	-	702,542
Due from Other Governments	546,407	-	546,407
Due From Other Funds	-	25,134	25,134
Notes Receivable	119,259	-	119,259
<b>Total Current Assets</b>	<b>2,700,770</b>	<b>299,150</b>	<b>2,999,920</b>
<b>Non-Current Assets</b>			
Property, Plant, and Equipment			
Non-Depreciable	50,500	-	50,500
Depreciable (Net)	3,895,507	8,173,032	12,068,539
<b>Total Non-Current Assets</b>	<b>3,946,007</b>	<b>8,173,032</b>	<b>12,119,039</b>
<b>Total Assets</b>	<b>6,646,777</b>	<b>8,472,182</b>	<b>15,118,959</b>
<b>Deferred Outflows of Resources</b>			
Pension Liability	784,154	-	784,154
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Cash Overdraft	30,440	-	30,440
Accounts Payable	30,050	50,402	80,452
Due To Other Funds	25,134	-	25,134
Other Payables	43,421	48,100	91,521
Accrued Absences	24,597	5,277	29,874
Loans and Leases Payable	76,666	408,747	485,413
<b>Total Current Liabilities</b>	<b>230,308</b>	<b>512,526</b>	<b>742,834</b>
<b>Non-Current Liabilities</b>			
Accrued Absences	172,182	36,944	209,126
Loans and Leases Payable	403,313	4,451,550	4,854,863
Net Pension Liability	1,178,708	-	1,178,708
<b>Total Non-Current Liabilities</b>	<b>1,754,203</b>	<b>4,488,494</b>	<b>6,242,697</b>
<b>Total Liabilities</b>	<b>1,984,511</b>	<b>5,001,020</b>	<b>6,985,531</b>
<b>Deferred Inflows of Resources</b>			
None	-	-	-
<b>Net Position</b>			
Net Investment in Capital Assets	2,874,695	3,312,735	6,187,430
Restricted	1,773,368	-	1,773,368
Unrestricted (Deficit)	798,357	158,427	956,784
<b>Total Net Position</b>	<b>\$ 5,446,420</b>	<b>\$ 3,471,162</b>	<b>\$ 8,917,582</b>

The accompanying notes to the basic financial statements are an integral part of this statement.

# CITY OF DU QUOIN, ILLINOIS

## Statement of Activities

For the Year Ended December 31, 2015

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		Total Reporting Entity
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Business-Type Activities	
<b>Functions/Programs</b>							
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General Government	\$ 1,502,616	\$ 110,407	\$ 98,944	\$ 75,000	\$ (1,218,265)	\$ -	\$ (1,218,265)
Projects	-	-	-	-	-	-	-
Public Safety	2,395,290	42,088	26,407	241,236	(2,085,559)	-	(2,085,559)
Public Welfare	21,697	45,381	-	-	23,684	-	23,684
Services	239,639	26,310	8,612	-	(204,717)	-	(204,717)
Transportation	826,590	21,000	-	-	(805,590)	-	(805,590)
Other	296,520	-	-	-	(296,520)	-	(296,520)
Interest on Long-Term Debt	11,611	-	-	-	(11,611)	-	(11,611)
Pension Expense	347,155	-	-	-	(347,155)	-	(347,155)
<b>Total Governmental Activities</b>	<u>5,641,118</u>	<u>245,186</u>	<u>133,963</u>	<u>316,236</u>	<u>(4,945,733)</u>	<u>-</u>	<u>(4,945,733)</u>
<b>Business-Type Activities</b>							
Waterworks & Sewage Fund	11,125	2,585,291	-	-	-	2,574,166	2,574,166
Water Meter Deposit Fund	11,716	10,585	-	-	-	(1,131)	(1,131)
Capital Improvements Fund	498,036	-	-	-	-	(498,036)	(498,036)
Operation & Maintenance Fund	2,167,109	-	-	-	-	(2,167,109)	(2,167,109)
Depreciation Fund	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<u>2,687,986</u>	<u>2,595,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,110)</u>	<u>(92,110)</u>
<b>Total Primary Government</b>	<u>\$ 8,329,104</u>	<u>\$ 2,841,062</u>	<u>\$ 133,963</u>	<u>\$ 316,236</u>	<u>\$ (4,945,733)</u>	<u>\$ (92,110)</u>	<u>\$ (5,037,843)</u>
General Revenues:							
Taxes:							
Property Tax					\$ 292,350	\$ -	\$ 292,350
Hotel Tax					37,626	-	37,626
Intergovernmental:							
Utility Tax					408,578	-	408,578
Replacement Tax					54,522	-	54,522
Retailers' Occupation Tax					2,795,555	-	2,795,555
Local Use Tax					134,904	-	134,904
Allotments					149,349	-	149,349
State Income Tax					660,561	-	660,561
Other					407,796	-	407,796
Investment Earnings					5,547	9	5,556
Miscellaneous					86,474	33,874	120,348
Operating Transfers, Net					(126,633)	126,633	-
Total General Revenues and Transfers					<u>4,906,629</u>	<u>160,516</u>	<u>5,067,145</u>
Change in Net Position					(39,104)	68,406	29,302
Beginning Net Position					4,947,487	3,402,756	8,350,243
Prior Period Adjustment-See Note Q					538,037	-	538,037
Ending Net Position					<u>\$ 5,446,420</u>	<u>\$ 3,471,162</u>	<u>\$ 8,917,582</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**CITY OF DU QUOIN, ILLINOIS**

Balance Sheet

**GOVERNMENTAL FUNDS**

December 31, 2015

	<u>Major Funds</u>		Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Motor Fuel Tax Fund		
<b>Assets and Deferred Outflows of Resources</b>				
<b>Assets</b>				
Cash	\$ 298,853	\$ -	\$ -	\$ 298,853
Cash (Restricted)	-	297,252	736,457	1,033,709
Due From State of Illinois	657,102	13,787	31,653	702,542
Due from other Governments	546,407	-	-	546,407
Due From Other Funds	7,315	7,845	28,810	43,970
Notes Receivable	-	-	119,259	119,259
<b>Total Assets</b>	<u>1,509,677</u>	<u>318,884</u>	<u>916,179</u>	<u>2,744,740</u>
<b>Deferred Outflows of Resources</b>				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 1,509,677</u>	<u>\$ 318,884</u>	<u>\$ 916,179</u>	<u>\$ 2,744,740</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>				
<b>Liabilities</b>				
Cash Overdraft	\$ 30,277	\$ -	\$ 163	\$ 30,440
Accounts Payable	16,992	-	13,058	30,050
Due To Other Funds	66,699	-	2,405	69,104
Other Payables	42,945	-	476	43,421
<b>Total Liabilities</b>	<u>156,913</u>	<u>-</u>	<u>16,102</u>	<u>173,015</u>
<b>Deferred Inflows of Resources</b>				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>				
Nonspendable	546,407	-	119,171	665,578
Restricted	-	318,884	350,888	669,772
Committed	-	-	130,938	130,938
Assigned	-	-	307,080	307,080
Unassigned	806,357	-	(8,000)	798,357
<b>Total Fund Balance</b>	<u>1,352,764</u>	<u>318,884</u>	<u>900,077</u>	<u>2,571,725</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<u>\$ 1,509,677</u>	<u>\$ 318,884</u>	<u>\$ 916,179</u>	<u>\$ 2,744,740</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**CITY OF DU QUOIN, ILLINOIS**  
Reconciliation of Fund Balances of Governmental Funds  
to the Governmental Activities in the Statement of Net Position  
December 31, 2015

Fund Balances of Governmental Funds	\$ 2,571,725
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Amounts reported for governmental activities in the statement of net assets differ because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,946,007
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	587,375
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Due to or due from other funds	-
--------------------------------	---

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,658,687)</u>
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Net Position of Governmental Activities	<u><u>\$ 5,446,420</u></u>
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The accompanying notes to the basic financial statements are an integral part of this statement.



**CITY OF DU QUOIN, ILLINOIS**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
**GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2015

	<u>Major Funds</u>		Non-Major	Total
	General	Motor Fuel Tax	Governmental	Governmental
	Fund	Fund	Funds	Funds
<b>Revenues</b>				
Taxes	\$ 33,846	\$ -	\$ 296,130	\$ 329,976
Intergovernmental	4,092,864	149,349	369,052	4,611,265
Grant Income	340,180	-	110,019	450,199
Licenses and Permits	91,052	-	-	91,052
Fines and Penalties	35,993	-	47,461	83,454
Revenues from Services	46,450	-	24,230	70,680
Interest on Investments	202	111	5,234	5,547
Other	50,578	13,190	22,706	86,474
<b>Total Revenues</b>	<u>4,691,165</u>	<u>162,650</u>	<u>874,832</u>	<u>5,728,647</u>
<b>Expenditures</b>				
<i>Current</i>				
General Government	1,233,946	-	135,209	1,369,155
Projects	-	-	-	-
Public Safety	2,184,370	-	45,466	2,229,836
Public Welfare	-	-	12,852	12,852
Services	-	-	208,608	208,608
Transportation	678,696	86,286	-	764,982
Other	1,233	-	295,287	296,520
<i>Capital Outlay</i>	393,661	-	199,194	592,855
<i>Debt Service</i>	100,164	-	8,473	108,637
<b>Total Expenditures</b>	<u>4,592,070</u>	<u>86,286</u>	<u>905,089</u>	<u>5,583,445</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>99,095</u>	<u>76,364</u>	<u>(30,257)</u>	<u>145,202</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	712,781	-	229,881	942,662
Operating Transfers Out	(401,514)	-	(667,781)	(1,069,295)
Loan Proceeds	-	-	225,000	225,000
<b>Total Other Financing Sources (Uses)</b>	<u>311,267</u>	<u>-</u>	<u>(212,900)</u>	<u>98,367</u>
Net Change in Fund Balance	410,362	76,364	(243,157)	243,569
<b>Beginning Fund Balance</b>	356,966	242,520	1,143,234	1,742,720
<b>Prior Period Adjustment</b>	<u>585,436</u>	<u>-</u>	<u>-</u>	<u>585,436</u>
<b>Ending Fund Balance</b>	<u>\$ 1,352,764</u>	<u>\$ 318,884</u>	<u>\$ 900,077</u>	<u>\$ 2,571,725</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**CITY OF DU QUOIN, ILLINOIS**  
Reconciliation of the Governmental Funds Statement of Revenues,  
Expenditures and Changes in Fund Balances to the Governmental  
Activities in the Statement of Activities  
For the Year Ended December 31, 2015

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

Net Change in Fund Balances - Total Governmental Funds	\$ 243,569
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	190,076
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The net effect of various miscellaneous transactions involving capital assets to increase net assets.	-
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	-
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments.	(127,974)
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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.	<u>(344,775)</u>
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Change in Net Position of Governmental Activities	<u>\$ (39,104)</u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

**CITY OF DU QUOIN, ILLINOIS**

Statement of Net Position

PROPRIETARY FUNDS

December 31, 2015

	<b>Major Funds</b>			<b>Non-Major Funds</b>		
	Waterworks & Sewage Fund	Capital Improvements Fund	Operation & Maintenance Fund	Water Meter Deposit Fund	Depreciation Reserve Fund	Total Proprietary Funds
<b>Assets</b>						
<b>Current Assets</b>						
Cash	\$ 229,651	\$ -	\$ -	\$ 44,365	\$ -	\$ 274,016
Due From Other Funds	5,315	-	19,744	75	-	25,134
Prepaid Taxes	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>234,966</b>	<b>-</b>	<b>19,744</b>	<b>44,440</b>	<b>-</b>	<b>299,150</b>
<b>Non-Current Assets</b>						
Property, Plant, and Equipment:						
Non-Depreciable	-	-	-	-	-	-
Depreciable (Net)	133,597	7,697,301	342,134	-	-	8,173,032
<b>Total Non-Current Assets</b>	<b>133,597</b>	<b>7,697,301</b>	<b>342,134</b>	<b>-</b>	<b>-</b>	<b>8,173,032</b>
<b>Total Assets</b>	<b>368,563</b>	<b>7,697,301</b>	<b>361,878</b>	<b>44,440</b>	<b>-</b>	<b>8,472,182</b>
<b>Deferred Outflows of Resources</b>						
None	-	-	-	-	-	-
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Cash Overdraft	-	-	-	-	-	-
Accounts Payable	-	-	50,402	-	-	50,402
Due To Other Funds	-	-	-	-	-	-
Other Payables	-	-	7,200	40,900	-	48,100
Accrued Absences	-	-	5,277	-	-	5,277
Loans and Leases Payable	-	349,238	59,509	-	-	408,747
<b>Total Current Liabilities</b>	<b>-</b>	<b>349,238</b>	<b>122,388</b>	<b>40,900</b>	<b>-</b>	<b>512,526</b>
<b>Non-Current Liabilities</b>						
Accrued Absences	-	-	36,944	-	-	36,944
Loans and Leases Payable	-	4,278,042	173,508	-	-	4,451,550
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>4,278,042</b>	<b>210,452</b>	<b>-</b>	<b>-</b>	<b>4,488,494</b>
<b>Total Liabilities</b>	<b>-</b>	<b>4,627,280</b>	<b>332,840</b>	<b>40,900</b>	<b>-</b>	<b>5,001,020</b>
<b>Deferred Inflows of Resources</b>						
None	-	-	-	-	-	-
<b>Net Position</b>						
Net Investment in Capital Assets	133,597	3,070,021	109,117	-	-	3,312,735
Restricted	-	-	-	-	-	-
Unrestricted (Deficit)	234,966	-	(80,079)	3,540	-	158,427
<b>Total Net Position</b>	<b>\$ 368,563</b>	<b>\$ 3,070,021</b>	<b>\$ 29,038</b>	<b>\$ 3,540</b>	<b>\$ -</b>	<b>\$ 3,471,162</b>

The accompanying notes to the basic financial statements are an integral part of this statement.

**CITY OF DU QUOIN, ILLINOIS**  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2015

	<b>Major Funds</b>			<b>Non-Major Funds</b>		
	Waterworks & Sewage Fund	Capital Improvements Fund	Operation & Maintenance Fund	Water Meter Deposit Fund	Depreciation Reserve Fund	Total Proprietary Funds
<b>Operating Revenue</b>						
Water and Sewer Revenue	\$ 2,563,770	\$ -	\$ -	\$ -	\$ -	\$ 2,563,770
Tap-on Fees	4,750	-	-	-	-	4,750
Reconnect Fees	16,771	-	-	-	-	16,771
<b>Total Operating Revenues</b>	<b>2,585,291</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,585,291</b>
<b>Operating Expenses</b>						
Water	-	-	1,609,442	-	-	1,609,442
Water Pollution Control Plant	-	-	507,260	-	-	507,260
Depreciation	11,125	377,246	38,211	-	-	426,582
<b>Total Operating Expenses</b>	<b>11,125</b>	<b>377,246</b>	<b>2,154,913</b>	<b>-</b>	<b>-</b>	<b>2,543,284</b>
<b>Operating Income (Loss)</b>	<b>2,574,166</b>	<b>(377,246)</b>	<b>(2,154,913)</b>	<b>-</b>	<b>-</b>	<b>42,007</b>
<b>Non-Operating Revenue</b>						
Interest Income	-	-	-	9	-	9
Grant Income	-	-	-	-	-	-
Meter Deposits	-	-	-	10,585	-	10,585
Miscellaneous	33,874	-	-	-	-	33,874
<b>Total Non-Operating Revenues</b>	<b>33,874</b>	<b>-</b>	<b>-</b>	<b>10,594</b>	<b>-</b>	<b>44,468</b>
<b>Non-Operating Expenses</b>						
Capital Outlay	-	-	-	-	-	-
Grant Expenditures	-	-	-	-	-	-
Interest Expense	-	120,790	12,196	-	-	132,986
Miscellaneous	-	-	-	11,716	-	11,716
<b>Total Non-Operating Expenses</b>	<b>-</b>	<b>120,790</b>	<b>12,196</b>	<b>11,716</b>	<b>-</b>	<b>144,702</b>
<b>Operating Transfers</b>						
Operating Transfers In	891,203	41,623	2,407,941	2,025	-	3,342,792
Operating Transfers Out	(2,455,699)	(650,006)	(11,485)	-	(98,969)	(3,216,159)
<b>Total Operating Transfers</b>	<b>(1,564,496)</b>	<b>(608,383)</b>	<b>2,396,456</b>	<b>2,025</b>	<b>(98,969)</b>	<b>126,633</b>
Net Income (Loss)	1,043,544	(1,106,419)	229,347	903	(98,969)	68,406
<b>Beginning Net Position</b>	<b>(674,981)</b>	<b>4,176,440</b>	<b>(200,309)</b>	<b>2,637</b>	<b>98,969</b>	<b>3,402,756</b>
<b>Ending Net Position</b>	<b>\$ 368,563</b>	<b>\$ 3,070,021</b>	<b>\$ 29,038</b>	<b>\$ 3,540</b>	<b>\$ -</b>	<b>\$ 3,471,162</b>

The accompanying notes to the basic financial statements are an integral part of this statement.

**CITY OF DU QUOIN, ILLINOIS**  
**Statement of Cash Flows**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2015

	<b>Major Funds</b>			<b>Non-Major Funds</b>		
	Waterworks & Sewage Fund	Capital Improvements Fund	Operation & Maintenance Fund	Water Meter Deposit Fund	Depreciation Reserve Fund	Total Proprietary Funds
<b>Cash Flows from Operating Activities:</b>						
Receipts from Customers	\$ 2,585,291	\$ -	\$ -	\$ -	\$ -	\$ 2,585,291
Payments to Other Funds	(17,251)	-	15,139	-	-	(2,112)
Other Operating Receipts/(Payments)	-	-	(2,104,778)	-	-	(2,104,778)
<b>Net Cash Flows from Operating Activities</b>	<b>2,568,040</b>	<b>-</b>	<b>(2,089,639)</b>	<b>-</b>	<b>-</b>	<b>478,401</b>
<b>Cash Flows from Noncapital Financing Activities:</b>						
Miscellaneous	33,874	-	-	(466)	-	33,408
Operating Transfers In/(Out)	(1,564,496)	(608,383)	2,396,456	2,025	(98,969)	126,633
<b>Net Cash Flows from Noncapital Financing Activities</b>	<b>(1,530,622)</b>	<b>(608,383)</b>	<b>2,396,456</b>	<b>1,559</b>	<b>(98,969)</b>	<b>160,041</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Purchase of Capital Assets	-	-	-	-	-	-
Interest on Loans	-	(120,790)	(12,196)	-	-	(132,986)
Loan Principal Retired	-	(340,723)	(56,827)	-	-	(397,550)
New Loans	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
<b>Net Cash Flows from Capital &amp; Related Financing Activities</b>	<b>-</b>	<b>(461,513)</b>	<b>(69,023)</b>	<b>-</b>	<b>-</b>	<b>(530,536)</b>
<b>Cash Flows from Investing Activities:</b>						
Interest on Investments	-	-	-	9	-	9
<b>Net Cash Flows from Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>9</b>
Net Increase (Decrease) in Cash and Cash Equivalents	1,037,418	(1,069,896)	237,794	1,568	(98,969)	107,915
Cash and Cash Equivalents, Beginning of Year	(807,767)	1,069,896	(237,794)	42,797	98,969	166,101
Cash and Cash Equivalents, End of Year	<u>\$ 229,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,365</u>	<u>\$ -</u>	<u>\$ 274,016</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>						
Operating Income (Loss)	\$ 2,574,166	\$ (377,246)	\$ (2,154,913)	\$ -	\$ -	\$ 42,007
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	11,125	377,246	38,211	-	-	426,582
Change in Assets and Liabilities:						
Prepaid Taxes	-	-	1,231	-	-	1,231
Accounts Payable	-	-	6,197	-	-	6,197
Other Payables	(17,251)	-	19,635	-	-	2,384
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 2,568,040</b>	<b>\$ -</b>	<b>\$ (2,089,639)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 478,401</b>

The accompanying notes to the basic financial statements are an integral part of this statement.

# CITY OF DU QUOIN, ILLINOIS

## Statement of Fiduciary Net Position

December 31, 2015

	<b>PENSION TRUST FUNDS</b>		
	Police Pension Trust Fund	Police Pension Trust Fund	Total Fiduciary
<b>Assets</b>			
Cash	\$ 176,349	\$ 145,172	\$ 321,521
Investments, at Cost	3,548,349	2,444,913	5,993,262
Due From Other Funds	-	-	-
<b>Total Assets</b>	<b>\$ 3,724,698</b>	<b>\$ 2,590,085</b>	<b>\$ 6,314,783</b>
<b>Liabilities</b>			
Due To Others	\$ 14	\$ 356	\$ 370
<b>Total Liabilities</b>	<b>14</b>	<b>356</b>	<b>370</b>
<b>Net Position</b>			
Held in Trust for Pension Benefit	3,724,684	2,589,729	6,314,413
<b>Total Liabilities and Net Position</b>	<b>\$ 3,724,698</b>	<b>\$ 2,590,085</b>	<b>\$ 6,314,783</b>

The accompanying notes to the basic financial statements are an integral part of this statement.

**CITY OF DU QUOIN, ILLINOIS**  
**Statement of Changes in Fiduciary Net Position**  
For the Year Ended December 31, 2015

	<b>PENSION TRUST FUNDS</b>		
	Police Pension Trust Fund	Fire Pension Trust Fund	Total Fiduciary
<b>ADDITIONS</b>			
<i>Contributions:</i>			
Employer	\$ 232,167	\$ 300,312	\$ 532,479
Participants	63,269	40,108	103,377
<i>Total Contributions</i>	<u>295,436</u>	<u>340,420</u>	<u>635,856</u>
<i>Investment Income:</i>			
Net Appreciation (Depreciation) in Fair Value of Investments (Unrealized)	(171,219)	(80,567)	(251,786)
Gains and (Losses) from the Sale of Securities (Realized)	-	-	-
Interest, Dividends, and Other Income	150,815	94,842	245,657
<i>Total Investment Income</i>	<u>(20,404)</u>	<u>14,275</u>	<u>(6,129)</u>
Less Investment Expense	(9,334)	(6,200)	(15,534)
<i>Net Investment Income (Loss)</i>	<u>(29,738)</u>	<u>8,075</u>	<u>(21,663)</u>
<b>TOTAL ADDITIONS</b>	<u>265,698</u>	<u>348,495</u>	<u>614,193</u>
<b>DEDUCTIONS</b>			
<i>Pension Benefits:</i>			
Retirement	158,141	132,243	290,384
Disability	44,133	48,228	92,361
Survivor	69,831	85,872	155,703
Refund	48,691	-	48,691
<i>Total Pension Benefits</i>	<u>320,796</u>	<u>266,343</u>	<u>587,139</u>
<i>Administrative Expenses</i>			
Professional Fees	10,550	10,550	21,100
Other	3,055	1,010	4,065
<i>Total Administrative Expenses</i>	<u>13,605</u>	<u>11,560</u>	<u>25,165</u>
<b>TOTAL DEDUCTIONS</b>	<u>334,401</u>	<u>277,903</u>	<u>612,304</u>
<b>Net Increase (Decrease) in Plan Net Assets</b>	(68,703)	70,592	1,889
<b>Net Plan Assets Held in Trust for Pension Benefits January 1, 2015</b>	<u>3,793,387</u>	<u>2,519,137</u>	<u>6,312,524</u>
<b>Net Plan Assets Held in Trust for Pension Benefits December 31, 2015</b>	<u>\$ 3,724,684</u>	<u>\$ 2,589,729</u>	<u>\$ 6,314,413</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

## **NOTES TO BASIC FINANCIAL STATEMENTS**



## CITY OF DU QUOIN, ILLINOIS

### Notes to Basic Financial Statements

December 31, 2015

#### **NOTE A - Summary of Significant Accounting Policies**

The City of Du Quoin, Illinois (the "City") was incorporated in 1861, under the provisions of the State of Illinois. The City operates under the commission form of municipal government and provides the following services as authorized by its charter: public safety (police and fire), streets, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. Other services include water and sewer utilities.

##### **1. The Reporting Entity**

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The City has no potential component units.

##### **2. 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 non-fiduciary activities of the primary government. 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

##### **3. 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 intended to fund. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE A - Summary of Significant Accounting Policies - Continued**

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Fund financial statements present financial transactions of the City in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liability, deferred inflows of resources, fund balance, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category – governmental, proprietary, and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non operating revenues, such as subsidies and investment earnings, result from nonexchange transactions.

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 government considers revenues to be available if they are collected within thirty-one days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

In the government-wide financial statements, expenses are classified by function for governmental activities. Whereas, in the fund financial statements, governmental expenditures are classified by the following character categories:

- a. Current (further classified by function)
- b. Capital Outlay
- c. Debt Service

Grants and entitlements and interest associated with the current fiscal period are all considered being susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the government.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The City reports the following major governmental funds:

General Fund - The General Fund is used to account for all financial resources of the City except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expanded or transferred according to the general laws of Illinois and the bylaws of the City.

Motor Fuel Tax Fund - The Motor Fuel Tax Fund accounts for the maintenance and major repairs of the City's roads.

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE A - Summary of Significant Accounting Policies - Continued**

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Concluded

The City reports the following major proprietary funds:

Waterworks & Sewage Fund - This fund accounts for the collection of water revenue in the City.

Water Capital Improvement Fund - This fund accounts for the water department capital improvements and loans.

Operation & Maintenance Fund - This fund accounts for the expenditures associated with the water operation of the City.

Additionally, the government reports the following fiduciary fund types:

The Fire Pension Fund and the Police Pension Fund are pension trust funds, which account for activities as prescribed by the Illinois State Statutes.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Eliminations have been made in the statement of net position to remove the "grossing-up" effect on assets and liabilities within the governmental and business-type activities columns for amounts reported in the individual funds and interfund receivables and payables. Similarly, transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental or proprietary funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net position as accounts receivable or payable to external parties.

4. The Pinckneyville-Du Quoin Airport

The airport is 50% owned by each of the two cities (Pinckneyville and Du Quoin) as tenants in common. Both cities are jointly and severally liable for deficit balances. The two cities each appoint two individuals to the Pinckneyville -Du Quoin Airport Steering Committee. The Steering Committee adopts budgets and signs contracts. The records for the airport are kept by the City of Pinckneyville and are fully included in the City of Pinckneyville's audit report

The following condensed Statement of Net Position as of April 30, 2015, and the Statement of Revenues, Expenses and Changes in Net Position for the year ending April 30, 2015, for the airport is from the City of Pinckneyville's audit report prepared by Emling & Hoffman, P.C.

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE A - Summary of Significant Accounting Policies - Continued**

4. The Pinckneyville-Du Quoin Airport - Concluded

<b>ASSETS</b>		<b>RECEIPTS</b>	
Current Assets		Grant Income	\$ 0
Cash & Prepaid Expenses	\$ 90,461	Rental Income	36,674
Capital Assets		Interest Income	175
Property, Plant &		Other Income	<u>5,000</u>
Equipment (Net)	<u>1,042,829</u>	<b>TOTAL RECEIPTS</b>	<u>41,849</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 1,133,290</b></u>	<b>DISBURSEMENTS</b>	
		Depreciation	59,767
<b>LIABILITIES AND</b>		Other Expense	<u>26,033</u>
<b>NET POSITION</b>		<b>TOTAL</b>	
Liabilities	\$ 299	<b>DISBURSEMENTS</b>	<u>85,800</u>
Net Income (Loss)	(44,134)	<b>TRANSFERS</b>	
Beginning Net Position	<u>1,177,125</u>	Transfers In	0
<b>TOTAL LIABILITIES</b>		Transfers Out	<u>(183)</u>
<b>AND NET POSITION</b>	<u><b>\$ 1,133,290</b></u>	<b>TOTAL TRANSFERS</b>	<u>(183)</u>
		<b>Net Income (Loss)</b>	<u><b>\$ (44,134)</b></u>

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City maintains the capitalization threshold of \$2,500. The City does possess infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Cost includes labor, material, and similar items, and indirect charges for such items as transportation and supervision. The City capitalizes interest expense on funds used during construction of major projects and net of interest earned on invested unexpended bond proceeds during the construction period.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Improvements	10-20 years
Machinery and Equipment	5 years
New Infrastructure	40 years

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE A - Summary of Significant Accounting Policies - Continued**

6. Net Position

Net Position is reported as restricted when there are legal limitations imposed on their use by City legislation or external restrictions by creditors, grantors, laws or regulations of other governments. Net position represents the difference between all other elements in a statement of financial position and should be displayed in three components – net investment in capital assets, restricted (distinguishing between major categories of restrictions), and unrestricted.

*Net Investment in Capital Assets* - This component of net position consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflow of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.

*Restricted* - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources directly related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

*Unrestricted* - This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

7. Fund Balances

In the fund financial statements, governmental funds report up to five components of fund balance from most restrictive in nature to least restrictive:

- *Nonspendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal contractual constraints.
- *Restricted* - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors and grantors, or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* - includes fund balance amounts that are constrained for specific purposes that are internally imposed by government through formal action of the highest level of decision making authority (governing board). The same formal action must be taken to remove or change the limitations placed on the funds.

The City Board authorizes and approves the property tax levies annually providing a “committed” balance for property tax revenues. In addition, the City Board must approve any action to modify or rescind a fund balance commitment.

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE A - Summary of Significant Accounting Policies - Continued**

7. Fund Balances - Concluded

- *Assigned* - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed.

The City Board will determine if a fund should be assigned based on intended uses of resources that the fund receives.

- *Unassigned* - includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The City Board uses the default spending policy, spending resources in the following manner when available: restricted, committed, assigned, and unassigned. The default policy is meant to prioritize the flow of resources from most restrictive to least restrictive for normal business activities.

As required by GASB 54, *Fund Balance Reporting and Governmental Fund Type Definition*, the City is to formally set a Stabilization Policy to ensure sound financial management and fiscal accountability. The City is to formally set aside amounts for use in emergency situations or when revenues shortages or budgetary imbalances arise. However, these emergency situations should not be routine and should be sufficiently detailed to outline the types of nonrecurring circumstances that merit the use of funds.

8. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund income statement includes a reconciliation between *net changes in fund balances* and *net change in net position of governmental activities* as reported in the government-wide statement of net position. The difference of \$(282,673) is as follows:

Current Year Purchases	\$ 592,855
Depreciation Expense	(402,779)
Loan Proceeds	(225,000)
Loan Principal Payments	97,026
Accrued Absences	2,380
Pension Expense	<u>(347,155)</u>
Total	<u><u>\$ (282,673)</u></u>

The governmental fund balance sheet includes a reconciliation between *total governmental fund balances* and *net position of governmental activities* as reported in the government-wide balance sheet. The difference of \$2,874,695 is summarized as follows:

Fixed Assets	\$ 3,946,007
Deferred Pension Liability	784,154
Net Pension Liability	(1,178,708)
Accrued Absences	(196,779)
Long-Term Liabilities	<u>(479,979)</u>
Total	<u><u>\$ 2,874,695</u></u>

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE A - Summary of Significant Accounting Policies - Concluded**

9. Vacation and Sick Leave

Vacation and sick pay are earned and vested as follows. Sick pay is earned at a rate of 6 hours per week for firemen, 2 hours per week for all other employees. Sick pay accumulates up to 960 hours for firemen, 320 hours for all other employees. The amount of vested sick pay is 50% upon separation from service for any reason. Vacation pay is earned according to years of service. Vacation pay is fully vested upon completion of one year of service. There is no limit to the amount that can be accumulated. As of December 31, 2015, the amount of vested vacation and sick pay was \$239,000.

The following is a summary of compensated absence activity:

	<u>Beginning Balance</u>	<u>Net Change</u>	<u>Ending Balance</u>
<i>Governmental Activities</i>			
Current	\$ 25,890	\$ (1,293)	\$ 24,597
Long-Term	<u>173,269</u>	<u>(1,087)</u>	<u>172,182</u>
Total	<u>\$ 199,159</u>	<u>\$ (2,380)</u>	<u>\$ 196,779</u>
<i>Business-Type Activities</i>			
Current	\$ 5,127	\$ 150	\$ 5,277
Long-Term	<u>34,311</u>	<u>2,633</u>	<u>36,944</u>
Total	<u>\$ 39,438</u>	<u>\$ 2,783</u>	<u>\$ 42,221</u>
Grand Total	<u>\$ 238,597</u>	<u>\$ 403</u>	<u>\$ 239,000</u>

10. Encumbrances

The City does not use encumbrance accounting, in which purchase orders, contracts and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation. Therefore, no amounts for encumbrances are reported in the financial statements.

11. Pension Plans

The City is a participating member of the Illinois Municipal Retirement Fund for substantially all of its employees not covered by another state created retirement system for the same service, (see Note D). The police and fire departments are separately covered by the Police Pension Fund and Fire Pension Fund, respectively, (see Notes E and F).

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE B - Cash and Investments**

All funds in the City are allowed to invest excess funds. Each investment is accounted for in the balance sheet of the individual investing fund. Various restrictions on investments are imposed by statutes.

The City is authorized to invest money in U.S. Government securities, savings accounts, and certificates of deposits at banks or savings and loans or short-term discount obligations of the Federal National Mortgage Association.

The City's cash and investments account balances may be exposed to the following risks as summarized below:

Interest Rate Risk - In accordance with its investment policy, the City's investments limit its exposure to interest rate risk by structuring the portfolio so that securities mature to meet cash requirements for ongoing operations thereby avoiding the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market funds or similar investment pools. Due to the City's type of investments at December 31, 2015, Certificates of Deposits, interest rate risk is not significant.

Credit Risk - Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The City's investment policy limits its exposure to credit risk by limiting investments to the safest type of securities with qualified local financial institutions.

Concentration of Credit Risk - The City holds only certificates of deposit with local financial institutions with balances under the FDIC insured limit so concentration of credit risk does not apply to the City's investments.

Custodial Credit Risk - Custodial risk is the risk that, in the event of the failure of a counterparty that holds cash and investments, the City would not be able to recover the value of its investments, cash deposits or collateral securities that are in possession of an outside party.

Cash deposits and investments are categorized to give an indication of the level of risk as summarized below:

- |              |   |
|--------------|---|
| Category 1 - | Insured or registered, or securities held by the City or its agent in the City's name   |
| Category 2 - | Uninsured and unregistered, with securities held by the counter party's trust department or agent in the City's name                  |
| Category 3 - | Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the City's name |



**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE B - Cash and Investments - Continued**

Investments made by the City, including repurchase agreements are summarized below.

	<u>Category</u>			<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Value</u>
Fiduciary Funds:					
Fire Pension	\$ 2,444,913	\$ 0	\$ 0	\$ 2,444,913	\$ 2,444,913
Police Pension	<u>3,548,349</u>	<u>0</u>	<u>0</u>	<u>3,548,349</u>	<u>3,548,349</u>
Total Fiduciary Funds	<u>\$ 5,993,262</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,993,262</u>	<u>\$ 5,993,262</u>

At December 31, 2015, the carrying amount of the City's deposits was \$1,895,859, which excludes \$ 1,800 petty cash fund. The deposits are categorized in accordance with risk factors created by governmental reporting standards.

	<u>Category</u>			<u>Bank</u>	<u>Carrying</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Balance</u>	<u>Amount</u>
<b>Governmental Activities</b>					
<u>Major Funds</u>					
General	\$ 209,303	\$ 260,686	\$ 0	\$ 469,989	\$ 268,276
Motor Fuel Tax	154,932	142,868	0	297,800	297,252
<u>Non-Major Funds</u>					
Bus & Ind. Dev.	15,521	36,165	0	51,686	51,686
Investment Pool	69,661	86,319	0	155,980	155,980
IMRF	233	543	0	776	2,354
Audit	247	228	0	475	522
Park	11,892	4,030	0	15,922	16,578
Civil Defense	1,311	2,190	0	3,501	8,328
Garbage	247	228	0	475	521
Public Library	129,122	0	0	129,122	129,122
Drug Abuse	57,549	0	0	57,549	57,507
Tourism Hotel Tax	1,228	2862	0	4,090	4,090
TIF #1 Fund	10,997	25,624	0	36,621	36,621
TIF #2 Fund	20,154	46,960	0	67,114	67,114
TIF #3 Fund	4,777	11,131	0	15,908	15,908
Business District Tax	58,919	0	0	58,919	58,919
Pool Restoration	52,012	0	0	52,012	52,012
Building Improvements	<u>78,032</u>	<u>0</u>	<u>0</u>	<u>78,032</u>	<u>78,032</u>
Total Governmental Activities	<u>876,137</u>	<u>619,834</u>	<u>0</u>	<u>1,495,971</u>	<u>1,300,822</u>

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE B - Cash and Investments - Concluded**

	Category			Bank	Carrying
	1	2	3	Balance	Amount
<b>Business-Type Activities</b>					
<u>Major Funds</u>					
Waterworks & Sewage	68,813	160,338	0	229,151	229,151
Capital Improvements	0	0	0	0	0
Operation & Maintenance	0	0	0	0	0
<u>Non-Major Funds</u>					
Water Meter Deposit	14,110	32,878	0	46,988	44,365
Depreciation Reserve	0	0	0	0	0
Total Business Type Activities	<u>82,923</u>	<u>193,216</u>	<u>0</u>	<u>276,139</u>	<u>273,516</u>
<b>Fiduciary Funds</b>					
Police Pension	182,052	0	0	182,052	176,349
Fire Pension	<u>142,787</u>	<u>0</u>	<u>0</u>	<u>142,787</u>	<u>145,172</u>
Total Fiduciary Funds	<u>324,839</u>	<u>0</u>	<u>0</u>	<u>324,839</u>	<u>321,521</u>
<b>TOTAL</b>	<u>\$ 1,283,899</u>	<u>\$ 813,050</u>	<u>\$ 0</u>	<u>\$ 2,096,949</u>	<u>\$ 1,895,859</u>

**NOTE C - Restricted Cash**

Restricted assets consist of cash in several local banks that is for the IMRF, Business & Development, Investment Pool, Motor Fuel Tax, Audit, Park, Civil Defense, Garbage, Public Library, Drug Abuse, Tourism/Hotel Tax, TIF #1, TIF #2, TIF #3, and Business District Tax funds. These items are included in current assets on the Statement of Net Position.

IMRF - The monies in this account shall be used to pay retirement contributions and costs related to the IMRF retirement system.

Business & Industrial Development - The monies in this account shall be used to provide notes to businesses to create business development. This account also collects the notes principal and interest revenues.

Investment Pool - The monies shall be used to pay for capital improvements.

Motor Fuel Tax Account - The monies in this fund shall be used to make repairs and maintain the City's roads.

Audit - The monies in this fund shall be used to pay for all costs associated with the City's annual audit.

Park Fund - The monies in this fund shall be used to make repairs and maintain the City's park.

Civil Defense - The monies in the fund shall be used for local city defense expenditures.

Garbage - The monies in this fund shall be used to pay for garbage pickup.

Public Library - The monies in this fund shall be used to pay for all expenditures related to the city's library.

Drug Abuse - The monies in this fund shall be used to pay for drug detection, education, and prevention.

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE C - Restricted Cash - Concluded**

Tourism/Hotel Tax - The monies in this fund shall be used to develop tourism within the City.

TIF #1, TIF # 2, TIF# 3 - The monies in each of these funds shall be used to develop business within each of the respective TIF districts. A separate audit is performed to ensure the monies are spent correctly.

Business District Tax - The monies in this fund shall be used to develop business within the city and pay for any improvements.

**NOTE D - Municipal Retirement Fund**

IMRF Plan Description

The City of Du Quoin's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City of Du Quoin's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://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. Cities could adopt the Elected City Official (ECO) plan for officials prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

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

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

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE D - Municipal Retirement Fund - Continued**

Employees Covered by Benefit Terms

As of December 31, 2015, the following employees were covered by the benefit terms:

	<u>Regular</u>	<u>ECO</u>
Retirees and Beneficiaries	29	1
Inactive, Non-Retired Members	14	0
Active Members	<u>24</u>	<u>0</u>
Total	<u>67</u>	<u>1</u>

Contributions

As set by statute, the City of Du Quoin's Regular Plan Members are required to contribute 4.5% of their annual covered salary, and the City of Du Quoin's ECO Plan Members are required to contribute 0.00% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City of Du Quoin's annual contribution rate for calendar year 2015 was 12.22%, and the ECO Plan Members annual contribution rate for calendar year 2015 was 0.00%. For the fiscal year ended December 31, 2015, the City of Du Quoin contributed \$160,910 to the plan, and the ECO Plan Members contributed \$0 to the plan. The City of Du Quoin also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The City of Du Quoin'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 3.0%.
- Salary increases were expected to be 4.40% to 16.00%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2011 valuation according to an experience study from years 2008 to 2010.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disable 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.

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE D - Municipal Retirement Fund - Continued**

- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	7.39%
International Equity	17%	7.59%
Fixed Income	27%	3.00%
Real Estate	8%	6.00%
Alternative Investments	9%	2.75-8.15%
Cash Equivalents	1%	2.25%
Total	<u>100%</u>	

Single Discount Rate

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

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%.

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE D - Municipal Retirement Fund - Continued**

Changes in the Net Pension Liability

	<u><b>Regular Plan Members</b></u>		
	<b>Total Pension Liability (A)</b>	<b>Plan Fiduciary Net Position (B)</b>	<b>Net Pension Liability (A)-(B)</b>
<b>Balances at December 31, 2014</b>	\$ 7,648,161	\$ 6,939,959	\$ 708,202
<b>Changes for the year:</b>			
Service Cost	140,775	0	\$ 140,775
Interest on the Total Pension Liability	563,611	0	563,611
Changes of Benefit Terms	0	0	0
Difference Between Expected and Actual Experience of the Total Pension Liability	80,638	0	80,638
Changes of Assumptions	9,019	0	9,019
Contributions – Employer	0	160,909	(160,909)
Contributions – Employees	0	59,255	(59,255)
Net Investment Income	0	34,282	(34,282)
Benefit Payments, including Refunds of Employee Contributions	(387,393)	(387,393)	0
Other (Net Transfer)	0	69,089	(69,089)
Net Changes	406,650	(63,858)	470,508
<b>Balances at December 31, 2015</b>	<u>\$ 8,054,811</u>	<u>\$ 6,876,101</u>	<u>\$ 1,178,710</u>

	<u><b>ECO Plan Members</b></u>		
	<b>Total Pension Liability (A)</b>	<b>Plan Fiduciary Net Position (B)</b>	<b>Net Pension Liability (A)-(B)</b>
<b>Balances at December 31, 2014</b>	\$ 12,191	\$ 11,273	\$ 918
<b>Changes for the year:</b>			
Service Cost	0	0	\$ 0
Interest on the Total Pension Liability	914	0	914
Changes of Benefit Terms	0	0	0
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,585)	0	(1,585)
Changes of Assumptions	0	0	0
Contributions – Employer	0	0	0
Contributions – Employees	0	0	0
Net Investment Income	0	56	(56)
Benefit Payments, including Refunds of Employee Contributions	0	0	0
Other (Net Transfer)	0	193	(193)
Net Changes	(671)	249	(920)
<b>Balances at December 31, 2015</b>	<u>\$ 11,520</u>	<u>\$ 11,522</u>	<u>\$ (2)</u>

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE D - Municipal Retirement Fund - Continued**

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

**Regular Plan Members**

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.48%, 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 of 1% higher:

	1% Decrease 6.48%	Current Single Discount Rate Assumption 7.48%	1% Increase 8.48%
Net Pension Liability	\$ 2,152,693	\$ 1,178,710	\$ 369,587

**ECO Plan Members**

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.50%, 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 of 1% higher:

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
Net Pension Liability	\$ 738	\$ (2)	\$ (666)

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

**Regular Plan Members**

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences between expected and actual experience	\$ 188,184	\$ 0
Changes of assumptions	152,834	0
Net difference between projected and actual earnings on pension plan investments	442,423	0
Total Deferred Amounts to be recognized in pension expense in future periods	783,441	0
Pension Contributions made subsequent to the Measurement Date	0	0
Total Deferred Amounts Related to Pensions	\$ 783,441	\$ 0

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	Net Deferred Inflows of Resources
2016	\$ 289,463	0
2017	266,580	0
2018	130,891	0
2019	96,507	0
2020	0	0
Thereafter	0	0
Total	\$ 783,441	\$ 0

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE D - Municipal Retirement Fund - Continued**

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

**ECO Plan Members**

Deferred Amounts Related to Pensions	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods:		
Differences between expected and actual experience	\$ 0	\$ 0
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	<u>713</u>	<u>0</u>
Total Deferred Amounts to be recognized in pension expense in future periods	<u>713</u>	<u>0</u>
Pension Contributions made subsequent to the Measurement Date	<u>0</u>	<u>0</u>
Total Deferred Amounts Related to Pensions	<u><u>\$ 713</u></u>	<u><u>\$ 0</u></u>

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,	<u>Net Deferred Outflows Of Resources</u>	<u>Net Deferred Inflows of Resources</u>
2016	\$ 184	0
2017	184	0
2018	184	0
2019	161	0
2020	0	0
Thereafter	<u>0</u>	<u>0</u>
Total	<u><u>\$ 713</u></u>	<u><u>\$ 0</u></u>

The employees of the City of Du Quoin, Illinois are covered by one of two defined benefit pension plans. The Illinois Municipal Retirement Fund (IMRF)-City Employees, IMRF-Elected City Officials. The Illinois Municipal Retirement Fund is an agent multiple-employer agent PERS (Public Employee Retirement System).

City Employees

The City is a participating member of the Illinois Municipal Retirement fund which covers all of its employees who:

- (A) occupy a job normally requiring 1,000 hours or more per year;
- (B) are paid on a regular payroll from city funds;
- (C) were under age sixty when first entering employment; and,
- (D) are not covered by another state created retirement system for the same service.



**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE D - Municipal Retirement Fund - Concluded**

City Employees - Concluded

*Plan Description.* The City's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City's plan is 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 (RSI). That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, the City's Regular plan members are required to contribute 4.50 percent 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 was 12.22 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 2015 was \$160,910.

**Three-Year Trend Information for the Regular Plan**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/15	\$ 160,910	100%	\$ 0
12/31/14	169,453	100%	0
12/31/13	179,528	100%	0

The required contribution for 2015 was determined as part of the December 31, 2013, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2013, 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 Regular plan's unfunded actuarial accrued liability at December 31, 2013 is being amortized as a level percentage of projected payroll on an open 28 year basis.

*Funded Status and Funding Progress.* As of December 31, 2015, the most recent actuarial valuation date, the Regular plan was 75.52 percent funded. The actuarial accrued liability for benefits was \$4,066,021 and the actuarial value of assets was \$3,070,544, resulting in an underfunded actuarial accrued liability (UAAL) of \$995,477. The covered payroll for calendar year 2015 (annual payroll of active employees covered by the plan) was \$1,316,772 and the ratio of the UAAL to the covered payroll was 76 percent.

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

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE E - Police Pension Plan**

1. Plan Description

The City of Du Quoin Police Pension Fund is the administrator of a single-employer pension plan that was established by the City of Du Quoin Police Department Board in accordance with the state statutes.

As of December 31, 2014, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	<u>8</u>
Active plan participants:	
Vested	6
Non-vested	<u>5</u>
Total	<u>11</u>

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 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.

The changes made to this subsection (a) by this amendatory Act of the 91st General Assembly apply to all pensions that become payable under this subsection on or after January 1, 1999. All pensions payable under this subsection that began on or after January 1, 1999 and before the effective date of this amendatory Act shall be recalculated, and the amount of the increase accruing for that period shall be payable to the pensioner in a lump sum.

No pension in effect on or granted after June 30, 1973 shall be less than \$200 per month. Beginning July 1, 1987, the minimum retirement pension for a police officer having at least 20 years of creditable service shall be \$400 per month, without regard to whether or not retirement occurred prior to that date. If the minimum pension established in Section 3-113.1 is greater than the minimum provided in this subsection, the Section 3-113.1 minimum controls.

A police officer mandatorily retired from service due to age by operation of law, having at least 8 but less than 20 years of creditable service, shall receive a pension equal to 2½% of the salary attached to the rank he or she held 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, for each year of creditable service.

A police officer who retires or is separated from service having at least 8 years but less than 20 years of creditable service, who is not mandatorily retired due to age by operation of law, and who does not apply for a refund of contributions at his or her last separation from police service, shall receive a pension upon attaining age 60 equal to 2.5% of the salary attached to the rank held by the police 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, for each year of creditable service.

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE E - Police Pension Plan - Continued**

1. Plan Description - Concluded

A police officer no longer in service who has at least one but less than 8 years of creditable service in a police pension fund but meets the requirements of this subsection shall be eligible to receive a pension from that fund equal to 2.5% of the salary attached to the rank held on the last day of service under that fund or for one year prior to that last day, whichever is greater, for each year of creditable service in that fund. The pension shall begin no earlier than upon attainment of age 60 (or upon mandatory retirement from the fund by operation of law due to age, if that occurs before age 60) and in no event before the effective date of this amendatory Act of 1997.

In order to be eligible for a pension under this subsection (c), the police officer must have at least 8 years of creditable service in a second police pension fund under this Article and be receiving a pension under subsection (a) or (b) of this Section from that second fund. The police officer need not be in service on or after the effective date of this amendatory Act of 1997.

Employees are required to pay 9% of their regular pay to the pension plan. The payments are deducted from the employee's wages or salary and remitted to the Police Pension Fund administered by the Police Department Board.

2. Summary of Significant Accounting Policies

Contributions from the Police employees are recognized as revenue in the period in which employees provide services to the City. Investment income is recognized as earned by the pension plan. The net appreciation (depreciation) in the fair value of investments held by the pension plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the balance sheet.

There are no investments in, loans to, or leases with parties related to the pension plan.

3. Funding Status and Progress

Presented below is the total pension benefit obligation of the Police Pension Fund. The amount of the total pension benefit obligation is based on a standardized measurement established by GASB-5. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effects of projected salary increases and any step-rate benefits.

A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers of the financial statements to (a) assess the Police Pension Fund funding status on a going-concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among Pension Plans.

The actuarial funding method used to determine contributions to the pension fund is explained in Part 4 of this note.

A variety of significant actuarial assumptions are used to determine the standardized measure of the pension benefit obligation and these assumptions are summarized below:

The present value of future pension payments was computed by using a discount rate of 6.00%. The discount rate is equal to the estimated long-term rate of return on current and future investments of the pension plan.

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE E - Police Pension Plan - Concluded**

3. Funding Status and Progress - Concluded

Future pension payments reflect an assumption of a 5.75% (compounded annually) salary increase as a result of inflation.

Future pension payments reflect no post-retirement benefit increases, which is consistent with the terms of the pension agreement.

The standardized measure of the unfunded pension benefit obligation as of December 31, 2014, is as follows:

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 4,396,452
Current employees-	
Accumulated employee contributions including allocated investment income	2,334,960
Surplus	<u>0</u>
Total pension benefit obligation	6,731,412
Net assets available for benefits, at market	<u>(3,722,928)</u>
Unfunded pension benefit obligation	<u>\$ 3,008,484</u>

No changes in actuarial assumptions or benefit provisions that would significantly affect the valuation of the pension benefit obligation occurred during 2014.

4. Contributions Required and Contributions Made

Periodic employer contributions to the pension plan are determined on an actuarial basis using the entry age normal actuarial cost method. Normal cost is funded on a current basis. The unfunded actuarial accrued liability is funded over a 26-year period. Periodic contributions for both normal cost and the amortization of the unfunded actuarial accrued liability are based on the level percentage of payroll method. The funding strategy for normal cost and the unfunded actuarial accrued liability should provide sufficient resource to pay employee pension benefits on a timely basis.

Total contributions to the pension plan in 2014 amounted to \$54,308. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of December 31, 2014. The pension contributions represent funding for normal cost \$139,036 and the amortization of the unfunded actuarial accrued liability \$106,726

**NOTE F - Fire Pension Plan**

1. Plan Description

The City of Du Quoin Fire Pension Fund is the administrator of a single-employer pension plan that was established by the City of DuQuoin Fire Department Board in accordance with the state statutes.

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE F - Fire Pension Plan - Continued**

1. Plan Description - Concluded

As of December 31, 2014, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	<u>9</u>
Active plan participants:	
Vested	4
Non-vested	<u>3</u>
Total	<u>7</u>

A firefighter age 50 or more with 20 or more years of creditable service, who is no longer in service as a firefighter, shall receive a monthly pension of  $\frac{1}{2}$  the monthly salary attached to the rank held by him or her in the fire service at the date of retirement.

The monthly pension shall be increased by  $\frac{1}{12}$  of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service and  $\frac{1}{12}$  of 1% of such monthly salary for each additional month over 30 years of service, to a maximum of 75% of such monthly salary.

The changes made to this subsection by this amendatory Act of the 91<sup>st</sup> General Assembly apply to all pensions that become payable under this subsection on or after January 1, 1999. All pensions payable under this subsection that began on or after January 1, 1999 and before the effective date of this amendatory Act shall be recalculated, and the amount of the increase accruing for that period shall be payable to the pensioner in a lump sum.

A firefighter who retires or is separated from service having at least 10 but less than 20 years of creditable service, who is not entitled to receive a disability pension, and who did not apply for a refund of contributions at his or her last separation from service shall receive a monthly pension upon attainment of age 60 based on the monthly salary attached to his or her rank in the fire service on the date of retirement or separation from service according to the following schedule:

For 10 years of service	15.0% of salary;
For 11 years of service	17.6% of salary;
For 12 years of service	20.4% of salary;
For 13 years of service	23.4% of salary;
For 14 years of service	26.6% of salary;
For 15 years of service	30.0% of salary;
For 16 years of service	33.6% of salary;
For 17 years of service	37.4% of salary;
For 18 years of service	41.4% of salary;
For 19 years of service	45.6% of salary.

Employees are required to pay 9.455% of their regular pay to the pension plan. The payments are deducted from the employee's wages or salary and remitted to the Fire Pension Fund administered by the Fire Department Board.

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE F - Fire Pension Plan - Continued**

2. Summary of Significant Accounting Policies

Contributions from the Fire employees are recognized as revenue in the period in which employees provide services to the City. Investment income is recognized as earned by the pension plan. The net appreciation (depreciation) in the fair value of investments held by the pension plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the balance sheet.

There are no investments in, loans to, or leases with parties related to the pension plan.

3. Funding Status and Progress

Presented on the following page is the total pension benefit obligation of the Fire Pension Fund. The amount of the total pension benefit obligation is based on a standardized measurement established by GASB-5. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effects of projected salary increases and any step-rate benefits.

A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers of the financial statements to (a) assess the Fire Pension Fund funding status on a going-concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among Pension Plans.

The actuarial funding method used to determine contributions to the pension fund is explained in Part 4 of this note.

The variety of significant actuarial assumptions are used to determine the standardized measure of the pension benefit obligation and these assumptions are summarized below:

The present value of future pension payments was computed by using a discount rate of 6.0%. The discount rate is equal to the estimated long-term rate of return on current and future investments of the pension plan.

Future pension payments reflect an assumption of a 5.75% (compounded annually) salary increase as a result of inflation.

Future pension payments reflect no post-retirement benefit increases, which is consistent with the terms of the pension agreement.

The standardized measure of the unfunded pension benefit obligation as of December 31, 2014, is as follows:

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 3,458,920
Current employees-	
Accumulated employee contributions including allocated investment income	<u>2,694,213</u>
Total pension benefit obligation	6,153,133
Net assets available for benefits, at market	<u>(2,659,733)</u>
Unfunded pension benefit obligation	<u>\$ 3,493,400</u>

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE F - Fire Pension Plan - Concluded**

3. Funding Status and Progress-Concluded

No changes in actuarial assumptions or benefit provisions that would significantly affect the valuation of the pension benefit obligation occurred during 2014.

4. Contributions Required and Contributions Made

Periodic employer contributions to the pension plan are determined on an actuarial basis using the entry age normal actuarial cost method. Normal cost is funded on a current basis. The unfunded actuarial accrued liability is funded over a 27-year period. Periodic contributions for both normal cost and the amortization of the unfunded actuarial accrued liability are based on the level percentage of payroll method. The funding strategy for normal cost and the unfunded actuarial accrued liability should provide sufficient resources to pay employee pension benefits on a timely basis.

Total contributions to the pension plan in 2014 amounted to \$37,127. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of December 31, 2014. The pension contributions represent funding for normal cost \$103,644 and the amortization of the unfunded actuarial accrued liability \$131,529.

**NOTE G - Social Security**

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered "non-participating employees." These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The City paid \$123,640, the total required contribution for the current fiscal year.

**NOTE H - Pooled Cash and Investment Accounts**

Pooled cash and investment accounts are accounts from which more than one fund can draw money. The City of Du Quoin, Illinois, has two pooled cash accounts.

The Corporate cash account can be drawn on by any governmental funds and trust and agency funds.

The balances by fund at December 31, 2015, are as follows:

General Fund	\$ (6,126)
IMRF Fund	2,354
Park Fund	(163)
Civil Defense Fund	7,030
Balance in the account	<u>\$ 3,095</u>

The pooled Illinois Public Treasurer Investment Pool (IPTIP) cash account can be drawn on by any fund.

The balances by fund at December 31, 2015, are as follows:

General Fund	\$ 50,981
Audit Fund	522
Park Fund	9,219
Civil Defense Fund	1,298
Garbage Fund	521
Balance in the account	<u>\$ 62,541</u>

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE I - Commitments and Contingencies**

Grant Audit

The City receives State Grants for specific purposes that are subject to review and audit by State Agencies. Such audits could result in a request for reimbursement by the State for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the City management, such disallowance, if any, will not be significant.

**NOTE J - Interfund Receivables and Payables**

Due To/From Other Funds balances at December 31, 2015, were as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 7,315	\$ 66,699
Motor Fuel Tax	7,845	0
Audit Fund	0	1,522
Park Fund	203	0
Civil Defense Fund	3,315	150
Public Library Fund	331	0
Drug Abuse Fund	24,961	655
Tourism/Hotel Tax Fund	0	75
Investment Pool Fund	0	3
Water and Sewage Fund	5,315	0
Operation and Maintenance	19,744	0
Water Meter Deposit Fund	75	0
Total	69,104	69,104
Eliminating Adjustment	(43,970)	(43,970)
Total	<u>\$ 25,134</u>	<u>\$ 25,134</u>

Transactions between funds are representative of lending/borrowing arrangements and are required to be reimbursed by the respective fund. All interfund transactions between governmental funds and internal service funds are eliminated on the government-wide statements.

**NOTE K - Fund Equity**

At December 31, 2015 the following funds had a deficit in the fund balance or net position:

None

**NOTE L - Risk Management**

Significant losses are covered by commercial insurance for all major programs: property, liability, and workers compensation. During the year ended December 31, 2015, there were no significant reductions in coverage. Also, there have been no settlement amounts, which have exceeded insurance coverage on the past three years.



**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE M - Interfund Operating Transfers**

Individual fund operating transfers for fiscal year 2015 were as follows:

<u>Fund</u>	<u>Transfer Out</u>	<u>Transfer In</u>
<u>Governmental Funds</u>		
<i>Major Funds</i>		
General Fund	(e) \$ 130,743	(e) \$ 43,693
	(a) 39,764	(a) 132,222
	(d) 144,000	(b) 66,043
	(c) 47,978	
	(g) 39,029	(e) 2,040
<i>Non-Major Funds</i>		
IMRF	(b) 296,073	(a) 39,764
Audit	(b) 136,979	
Prepaid Insurance		(b) 468,783
Library		(b) 733
Civil Defense	(b) 50,163	
Garbage	(b) 21,129	
Park	(b) 31,215	
Building Improvement		(c) 6,355
Pool Restoration		(g) 39,029
Investment Pool	(a) 132,222	(d) 144,000
Total Governmental Funds	1,069,295	942,662
Less Interfund Transfers	<u>(942,662)</u>	<u>(942,662)</u>
Net Governmental Fund Transfers	<u>126,633</u>	<u>0</u>
<u>Proprietary Funds</u>		
<i>Major Funds</i>		
Waterworks and Sewage	(e) 2,451,634	(e) 130,743
	(f) 2,025	(e) 9,755
		(b) 739,220
	(e) 2,040	(e) 11,485
Capital Improvements	(e) 9,755	(c) 41,623
	(b) 640,251	
Operation and Maintenance	(e) 11,485	(e) 2,407,941
<i>Non-Major Funds</i>		
Meter Deposit		(f) 2,025
Depreciation Reserve	(b) 98,969	
Total Proprietary Funds	3,216,159	3,342,792
Less Interfund Transfers	<u>(3,216,159)</u>	<u>(3,216,159)</u>
Net Proprietary Transfers	<u>0</u>	<u>126,633</u>
<b>Total Transfers, Net</b>	<b>\$ 126,633</b>	<b>\$ 126,633</b>

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE M - Interfund Operating Transfers - Concluded**

- (a) To transfer funds for operating costs.
- (b) To transfer funds to combine pooled cash.
- (c) To transfer funds for bond/loan payments.
- (d) To transfer funds for investing .
- (e) To transfer funds for operations & maintenance costs.
- (f) To transfer meter deposits.
- (g) To transfer funds for pool restoration.

**NOTE N - Notes Payable**

1. EPA Loan - Proprietary Fund

The City of DuQuoin applied for financial assistance for a waste water treatment facility in the form of a loan from the Illinois Environmental Protection Agency. The City paid interest expense of \$106,301 on the loan during the year ended December 31, 2015. As of December 31, 2015, the loan balance was \$4,016,362.

The details as to the principal and interest payments are as follows:

<u>Date</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2/6/2016	2.50%	\$ 50,205	\$ 159,740	\$ 209,945
8/6/2016	2.50%	48,208	161,737	209,945
2/6/2017	2.50%	46,186	163,759	209,945
8/6/2017	2.50%	44,139	165,806	209,945
2/6/2018	2.50%	42,067	167,878	209,945
8/6/2018	2.50%	39,968	169,977	209,945
2/6/2019	2.50%	37,843	172,101	209,944
8/6/2019	2.50%	35,692	174,253	209,945
2/6/2020	2.50%	33,514	176,431	209,945
8/6/2020	2.50%	31,309	178,636	209,945
2/6/2021	2.50%	29,076	180,869	209,945
8/6/2021	2.50%	26,815	183,130	209,945
2/6/2022	2.50%	24,526	185,419	209,945
8/6/2022	2.50%	22,208	187,737	209,945
2/6/2023	2.50%	19,861	190,084	209,945
8/6/2023	2.50%	17,485	192,460	209,945
2/6/2024	2.50%	15,079	194,866	209,945
8/6/2024	2.50%	12,644	197,301	209,945
2/6/2025	2.50%	10,177	199,768	209,945
8/6/2025	2.50%	7,680	202,265	209,945
2/6/2026	2.50%	5,152	204,793	209,945
8/6/2026	2.50%	2,592	207,352	209,944
Totals		<u>\$ 602,426</u>	<u>\$ 4,016,362</u>	<u>\$ 4,618,788</u>

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE N - Notes Payable - Continued**

1. EPA Loan - Proprietary Fund - Concluded

Balance as of December 31, 2014	\$ 4,329,951
Debt incurred during the year	0
Debt eliminated during the year	<u>(313,589)</u>
Balance as of December 31, 2015	<u>\$ 4,016,362</u>

2. EPA Loan - Proprietary Fund

The City of Du Quoin applied for financial assistance in the form of a drinking water loan from the Illinois Environmental Protection Agency. The City paid interest expense of \$14,489 on the loan during the year ended December 31, 2015. As of December 31, 2015, the loan balance was \$610,917.

The details as to the principal and interest payments are as follows:

<u>Date</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
04/25/2016	2.295%	\$ 7,011	\$ 13,801	\$ 20,812
10/25/2016	2.295%	6,852	13,960	20,812
04/25/2017	2.295%	6,692	14,120	20,812
10/25/2017	2.295%	6,530	14,282	20,812
04/25/2018	2.295%	6,366	14,446	20,812
10/25/2018	2.295%	6,201	14,611	20,812
04/25/2019	2.295%	6,033	14,779	20,812
10/25/2019	2.295%	5,863	14,949	20,812
04/25/2020	2.295%	5,692	15,120	20,812
10/25/2020	2.295%	5,518	15,294	20,812
04/25/2021	2.295%	5,343	15,469	20,812
10/25/2021	2.295%	5,165	15,647	20,812
04/25/2022	2.295%	4,986	15,826	20,812
10/25/2022	2.295%	4,804	16,008	20,812
04/25/2023	2.295%	4,620	16,192	20,812
10/25/2023	2.295%	4,435	16,377	20,812
04/25/2024	2.295%	4,247	16,565	20,812
10/25/2024	2.295%	4,057	16,755	20,812
04/25/2025	2.295%	3,864	16,948	20,812
10/25/2025	2.295%	3,670	17,142	20,812
04/25/2026	2.295%	3,473	17,339	20,812
10/25/2026	2.295%	3,274	17,538	20,812

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE N - Notes Payable - Continued**

**2. EPA Loan - Proprietary Fund - Concluded**

<u>Date</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
04/25/2027	2.295%	\$ 3,073	\$ 17,739	\$ 20,812
10/25/2027	2.295%	2,869	17,943	20,812
04/25/2028	2.295%	2,663	18,149	20,812
10/25/2028	2.295%	2,455	18,357	20,812
04/25/2029	2.295%	2,245	18,567	20,812
10/25/2029	2.295%	2,031	18,781	20,812
04/25/2030	2.295%	1,816	18,996	20,812
10/25/2030	2.295%	1,598	19,214	20,812
04/25/2031	2.295%	1,378	19,434	20,812
10/25/2031	2.295%	1,154	19,658	20,812
04/25/2032	2.295%	929	19,883	20,812
10/25/2032	2.295%	701	20,111	20,812
04/25/2033	2.295%	470	20,342	20,812
10/25/2033	2.295%	237	20,575	20,812
Totals		<u>\$ 138,315</u>	<u>\$ 610,917</u>	<u>\$ 749,232</u>

Balance as of December 31, 2014	\$ 638,052
Debt incurred during the year	0
Debt eliminated during the year	<u>(27,135)</u>
Balance as of December 31, 2015	<u>\$ 610,917</u>

**3. Main Street Water Line Loan - Proprietary Fund**

The City of Du Quoin has a loan agreement with SIBCC in the amount of \$250,000 with semi-annual payments that began October 31, 2013 in the amount of \$15,289.18. The City paid interest expense of \$8,522 on the loan during the year. The loan will mature on April 30, 2023. The following is a summary of the loan payments:

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 22,947	\$ 7,631	\$ 30,578
2017	23,874	6,704	30,578
2018	24,839	5,739	30,578
2019	25,842	4,736	30,578
2020	26,886	3,692	30,578
2021	27,973	2,605	30,578
2022	29,103	1,475	30,578
2023	<u>14,992</u>	<u>298</u>	<u>15,290</u>
Totals	<u>\$ 196,456</u>	<u>\$ 32,880</u>	<u>\$ 229,336</u>

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE N - Notes Payable - Continued**

3. Main Street Water Line Loan - Proprietary Fund - Concluded

Balance as of December 31, 2014	\$ 218,511
Debt eliminated during the year	<u>(22,055)</u>
Balance as of December 31, 2015	<u>\$ 196,456</u>

4. Sewer Cleaner Lease - Proprietary Fund

The City of DuQuoin has a lease with option to purchase agreement with Municipal Services Group for a 2008 Sewer Cleaner. The lease amount is \$232,646 with annual payments beginning April 15, 2010 in the amount of \$38,444.77. The City paid interest expense of \$3,674 on the lease during the year. The lease will mature April 15, 2016.

The following is a summary of the lease payments:

<u>Fiscal Year</u> <u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ <u>36,562</u>	\$ <u>1,883</u>	\$ <u>38,445</u>
Totals	\$ <u>36,562</u>	\$ <u>1,883</u>	\$ <u>38,445</u>

Balance as of December 31, 2014	\$ 71,333
Debt eliminated during the year	<u>(34,771)</u>
Balance as of December 31, 2015	<u>\$ 36,562</u>

5. Street Dump Truck Lease - Governmental Funds

The City of DuQuoin had a lease agreement with The Edgar City Bank & Trust Company for a street dump truck. The lease amount was \$93,900 with annual payments that began March 26, 2012 in the amount of \$24,794.57. The lease matured on March 26, 2015. The City paid the final lease payment of \$23,900.18 and interest of \$944.56.

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE N - Notes Payable - Continued**

6. Street Backhoe Loan - Governmental Funds

The City of Du Quoin has a loan agreement with Du Quoin State Bank for a backhoe. The loan amount is \$43,980 with monthly payments of \$1,299.84 beginning August 10, 2013. The City paid interest expense of \$1,997 on the loan during the year. The loan will mature on July 10, 2016. The following is a summary of the loan payments:

<u>Fiscal Year</u> <u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ <u>8,916</u>	\$ <u>183</u>	\$ <u>9,099</u>
Totals	\$ <u>8,916</u>	\$ <u>183</u>	\$ <u>9,099</u>
Balance as of December 31, 2014		\$ 23,817	
Debt incurred during the year		0	
Debt eliminated during the year		<u>(14,901)</u>	
Balance as of December 31, 2015		\$ <u>8,916</u>	

7. Fire Truck Lease - Governmental Funds

The City of Du Quoin has a lease agreement with The Edgar City Bank & Trust Company for a fire truck. The lease amount is \$400,000 with annual payments beginning June 21, 2013 in the amount of \$58,432.08. The City paid interest expense of \$5,065 on the lease during the year. The lease will mature on June 21, 2020. The following is a summary of the lease payments:

<u>Fiscal Year</u> <u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 49,524	\$ 8,908	\$ 58,432
2017	51,184	7,248	58,432
2018	52,902	5,530	58,432
2019	54,682	3,750	58,432
2020	<u>42,628</u>	<u>1,908</u>	<u>44,536</u>
Totals	\$ <u>250,920</u>	\$ <u>27,344</u>	\$ <u>278,264</u>
Balance as of December 31, 2014		\$ 304,287	
Debt incurred during the year		0	
Debt eliminated during the year		<u>(53,367)</u>	
Balance as of December 31, 2015		\$ <u>250,920</u>	

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE N - Notes Payable - Continued**

8. City Hall Roof Loan - Governmental Funds

The City of Du Quoin has a participation loan agreement with Banterra Bank for the City Hall roof. The loan amount is \$225,000 with monthly payments of \$2,118.34 beginning September 8, 2015. The City paid interest expense of \$3,616 on the loan during the year. The loan will mature on September 8, 2025. The following is a summary of the loan payments:

<u>Fiscal Year</u> <u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 20,319	\$ 5,101	\$ 25,420
2017	20,820	4,600	25,420
2018	21,334	4,086	25,420
2019	21,860	3,560	25,420
2020	22,400	3,020	25,420
2021	22,953	2,467	25,420
2022	23,518	1,902	25,420
2023	24,100	1,320	25,420
2024	24,693	727	25,420
2025	18,146	147	18,293
Totals	<u>\$ 220,143</u>	<u>\$ 26,930</u>	<u>\$ 247,073</u>

Balance as of December 31, 2014	\$ 0
Debt incurred during the year	225,000
Debt eliminated during the year	<u>(4,857)</u>
Balance as of December 31, 2015	<u>\$ 220,143</u>

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE N - Notes Payable - Continued**

Following is the summary of bond and note principal maturities and interest requirements:

	Governmental Activities				Business-Type Activities					Total Reporting Entity
	Street Backhoe Loan	City Hall Roof Loan	Fire Truck Lease	Total	Sewer Cleaner Lease	Water Line Loan	IEPA Water Loan	IEPA Water Loan	Total	
<u>December 31,</u>										
2016	\$ 9,099	\$ 25,420	\$ 58,432	\$ 92,951	\$ 38,445	\$ 30,578	\$ 419,890	\$ 41,624	\$ 530,537	\$ 623,488
2017	-	25,420	58,432	83,852	-	30,578	419,890	41,624	492,092	575,944
2018	-	25,420	58,432	83,852	-	30,578	419,890	41,624	492,092	575,944
2019	-	25,420	58,432	83,852	-	30,578	419,890	41,624	492,092	575,944
2020	-	25,420	44,536	69,956	-	30,578	419,890	41,624	492,092	562,048
Thereafter	-	119,973	-	119,973	-	76,446	2,519,338	541,112	3,136,896	3,256,869
TOTAL	9,099	247,073	278,264	534,436	38,445	229,336	4,618,788	749,232	5,635,801	6,170,237
Less Interest	(183)	(26,930)	(27,344)	(54,457)	(1,883)	(32,880)	(602,426)	(138,315)	(775,504)	(829,961)
<b>Outstanding Principal</b>	<u>\$ 8,916</u>	<u>\$ 220,143</u>	<u>\$ 250,920</u>	<u>\$ 479,979</u>	<u>\$ 36,562</u>	<u>\$ 196,456</u>	<u>\$ 4,016,362</u>	<u>\$ 610,917</u>	<u>\$ 4,860,297</u>	<u>\$ 5,340,276</u>



**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE O - Economic Dependence**

The City is fiscally dependent on funding from Federal and State of Illinois sources. Due to State of Illinois financial restraints, state payment delays or eliminations are possible for the fiscal year ending December 31, 2015. Changes in the amounts received or timing of the amounts received from the State of Illinois, could result in cash flow problems for the City, and may require budget amendments and cuts of services.

**NOTE P - Subsequent Events**

The City has evaluated subsequent events through June 16, 2016, the date which the financial statements were available to be issued.

**NOTE Q - Prior Period Adjustment**

The net position as of January 1, 2015 has been decreased by \$47,399 for the GASB 68 adjustments. The adjustments had no effect on the change in net position for the current year.

Net Deferred Outflow of Resources	\$ 784,154
Net Pension Liability	(1,178,708)
Pension Expense	<u>347,155</u>
Net Prior Period Adjustment	<u>\$ (47,399)</u>

The General Fund has a prior period adjustment of \$585,436. This amount is due to an Intergovernmental Agreement with the Du Quoin Community Unit School District # 300, Illinois. The adjustment had no effect on the change in net position for the current year.

GASB 68 adjustment	\$ (47,399)
Intergovernmental Agreement adjustment	<u>585,436</u>
Total Prior Period Adjustments	<u>\$ 538,037</u>

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE R - Change in Accounting Pronouncement**

As of January 1, 2015, the City of Du Quoin, Illinois implemented the following GASB Statement:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, revises and establishes new financial reporting requirements for most state and local governments that provide their employees with pension benefits.

Statement No. 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangement that meet certain criteria.

Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability and to more comprehensively and comparably measure the annual costs of pension benefits.

The implementation of the new pronouncement had an effect on the prior year's net position. The recognition of the prior year's net pension liability and deferred outflow of resources were adjusted through beginning net position.

**CITY OF DUQUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE S - Components of Fund Balance**

The following presents the various components of fund balance within the governmental funds:

	<u>Major Governmental Funds</u>		Nonmajor	Total
	<u>General</u>	<u>Motor Fuel</u>	<u>Governmental</u>	<u>Governmental</u>
Fund Balances:	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
<u>Nonspendable</u>				
Notes Receivable	\$ 546,407	\$ -	\$ 119,171	\$ 665,578
Total Nonspendable	<u>546,407</u>	<u>-</u>	<u>119,171</u>	<u>665,578</u>
<u>Restricted</u>				
General Government	-	-	129,718	129,718
Transportation	-	318,884	-	318,884
Public Safety	-	-	10,434	10,434
Services	-	-	521	521
Other	-	-	210,215	210,215
Total Restricted	<u>-</u>	<u>318,884</u>	<u>350,888</u>	<u>669,772</u>
<u>Committed</u>				
General Government	-	-	2,354	2,354
Services	-	-	127,897	127,897
Other	-	-	687	687
Total Committed	<u>-</u>	<u>-</u>	<u>130,938</u>	<u>130,938</u>
<u>Assigned</u>				
General Government	-	-	155,977	155,977
Public Welfare	-	-	82,692	82,692
Services	-	-	68,411	68,411
Total Assigned	<u>-</u>	<u>-</u>	<u>307,080</u>	<u>307,080</u>
<u>Unassigned</u>				
General Government	806,357	-	(8,000)	798,357
Services	-	-	-	-
Total Unassigned	<u>806,357</u>	<u>-</u>	<u>(8,000)</u>	<u>798,357</u>
Total Governmental Fund Balances	<u>\$ 1,352,764</u>	<u>\$ 318,884</u>	<u>\$ 900,077</u>	<u>\$ 2,571,725</u>

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE T - Capital Assets**

Capital asset activity for the year ended December 31, 2015 is as follows:

**Changes in Capital Assets**  
**Year Ended December 31, 2015**

Year Ended December 31, 2015	ASSETS				ACCUMULATED DEPRECIATION				
	Balance 1/1/15	Additions	Deletions	Balance 12/31/15	Balance 1/1/15	Current Provisions	Deductions	Balance 12/31/15	Net Book Value 12/31/15
<b>GOVERNMENTAL ACTIVITIES</b>									
<i>Non-Depreciable Capital Assets</i>									
Land	\$ 50,500	\$ -	\$ -	\$ 50,500	\$ -	\$ -	\$ -	\$ -	\$ 50,500
Total Non-Depreciable Capital Assets	50,500	-	-	50,500	-	-	-	-	50,500
<i>Depreciable Capital Assets</i>									
Buildings and Plants	3,664,831	-	-	3,664,831	2,191,159	95,683	-	2,286,842	1,377,989
Building Improvements	56,528	293,362	-	349,890	16,864	10,186	-	27,050	322,840
Land Improvements	1,667,143	-	-	1,667,143	259,198	77,418	-	336,616	1,330,527
Machinery and Equipment	2,214,473	250,048	-	2,464,521	1,874,877	115,962	-	1,990,839	473,682
Office Equipment	69,172	-	-	69,172	69,172	-	-	69,172	-
Furniture and Fixtures	33,792	-	-	33,792	33,792	-	-	33,792	-
Vehicles	1,658,794	49,446	-	1,708,240	1,214,241	103,530	-	1,317,771	390,469
Total Depreciable Capital Assets	9,364,733	592,856	-	9,957,589	5,659,303	402,779	-	6,062,082	3,895,507
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>									
	\$ 9,415,233	\$ 592,856	\$ -	\$ 10,008,089	\$ 5,659,303	\$ 402,779	\$ -	\$ 6,062,082	\$ 3,946,007
<b>BUSINESS-TYPE ACTIVITIES</b>									
<i>Depreciable Capital Assets</i>									
Buildings and Plants	7,719,156	-	-	7,719,156	1,624,455	219,137	-	1,843,592	5,875,564
Building Improvements	109,082	-	-	109,082	12,089	5,608	-	17,697	91,385
Land Improvements	2,618,308	-	-	2,618,308	739,296	136,973	-	876,269	1,742,039
Machinery and Equipment	1,345,355	-	-	1,345,355	848,238	54,303	-	902,541	442,814
Office Equipment	16,915	-	-	16,915	16,915	-	-	16,915	-
Vehicles	65,975	-	-	65,975	34,184	10,561	-	44,745	21,230
Total Depreciable Capital Assets	11,874,791	-	-	11,874,791	3,275,177	426,582	-	3,701,759	8,173,032
<b>TOTAL REPORTING ENTITY</b>									
	\$ 21,290,024	\$ 592,856	\$ -	\$ 21,882,880	\$ 8,934,480	\$ 829,361	\$ -	\$ 9,763,841	\$ 12,119,039

Governmental Function	Governmental Activities
Depreciation Expense:	
General Government	\$ 135,841
Public Safety	165,454
Services	31,031
Transportation	61,608
Welfare	8,845
Total Depreciation Expense	<u>\$ 402,779</u>

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Continued  
December 31, 2015

**NOTE U - Revolving Loans Receivable**

Below is a summary of the City of Du Quoin's Revolving Loan Program receivables as of December 31, 2015. The total of \$119,259 is shown as a receivable in the Du Quoin Business & Industrial Development Fund.

<u>Borrower</u>	<u>Original Loan Amount</u>	<u>Date</u>	<u>Due Date</u>	<u>12/31/15 Balance</u>
<b><u>Du Quoin Business &amp; Industrial Development Fund</u></b>				
Illinois MPP LLC	\$ 56,000	06/2011	06/2016	32,862
Rosie Robinson	\$ 30,000	08/2010	09/2020	14,986
SICBCC	\$ 100,000	08/2010	08/2021	31,811
Schramke	\$ 25,612	10/2015	12/2025	19,600
Grand Theater	\$ 20,000	08/2014	08/2019	<u>20,000</u>
Total				<u>\$ 119,259</u>

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Basic Financial Statements - Concluded  
December 31, 2015

**NOTE V - Due from Other Governments**

On November 17, 2015, the City of Du Quoin (City) entered into an Intergovernmental Agreement with the Du Quoin Communit Unit School District #300, Illinois (District) in which the parties agreed that the District owes the City the sum of \$585,435.88 for funding advanced to the District by the City.

The District agreed to pay the City a total of 15 payments, on a yearly basis beginning in 2015 in the amount of \$39,029.06. The agreement will terminate upon the District's payment in full of the outstanding bonds issued for the construction of the high school facilities. As of December 31, 2015 the amount due the City of Du Quoin, Illinois is \$546,406.82.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF DU QUOIN, ILLINOIS**  
IL Municipal Retirement Fund - Schedule of Funding Progress  
For the Year Ended December 31, 2015

**CITY EMPLOYEES - EMPLOYER NUMBER 00498R**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Entry Age (b) Liability (AAL)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
12/31/2015	\$ 3,070,544	\$ 4,066,021	\$ 995,477	75.52	\$ 1,316,772	75.60%
12/31/2014	\$ 2,592,134	\$ 3,617,230	\$ 1,025,096	71.66	\$ 1,245,060	82.33%
12/31/2013	\$ 2,436,578	\$ 3,248,357	\$ 811,779	75.01	\$ 1,247,588	65.07%

On a market basis, the actuarial value of assets as of December 31, 2015 is \$2,992,046. On a market basis, the funded ratio would be 73.59%.

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



**CITY OF DU QUOIN, ILLINOIS**  
**IMRF - Multiyear Schedule of Changes in Net Pension Liability and Related Ratios-Regular**  
December 31, 2015

Last 10 Calendar Years  
(Schedule to be built prospectively from 2014)

Calendar Year Ending December 31,	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Total Pension Liability</b>										
Service Cost	\$ 140,775	\$ 142,670								
Interest on the Total Pension Liability	563,611	500,732								
Benefit Changes	-	-								
Difference Between Expected and Actual Experience	80,638	270,258								
Assumption Changes	9,019	304,727								
Benefit Payments and Refunds	(387,393)	(350,648)								
<b>Net Change in Total Pension Liability</b>	<u>406,650</u>	<u>867,739</u>								
<b>Total Pension Liability-Beginning</b>	<u>7,648,161</u>	<u>6,780,422</u>								
<b>Total Pension Liability-Ending (a)</b>	<u><u>\$ 8,054,811</u></u>	<u><u>7,648,161</u></u>								
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 160,909	\$ 161,734								
Employee Contributions	59,255	99,355								
Pension Plan Net Investment Income	34,282	397,248								
Benefit Payments and Refunds	(387,393)	(350,648)								
Other	69,089	75,221								
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(63,858)</u>	<u>382,910</u>								
<b>Plan Fiduciary Net Position-Beginning</b>	<u>6,939,959</u>	<u>6,557,049</u>								
<b>Plan Fiduciary Net Position-Ending (b)</b>	<u><u>\$ 6,876,101</u></u>	<u><u>6,939,959</u></u>								
<b>Net Pension Liability/(Asset) - Ending (a-b)</b>	<u><u>\$ 1,178,710</u></u>	<u><u>\$ 708,202</u></u>								
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	85.37%	90.74%								
<b>Covered Valuation Payroll</b>	\$ 1,316,772	\$ 1,232,057								
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	89.52%	57.48%								

**CITY OF DU QUOIN, ILLINOIS**  
**IMRF - Multiyear Schedule of Changes in Net Pension Liability and Related Ratios-ECO**  
December 31, 2015

Last 10 Calendar Years  
(Schedule to be built prospectively from 2014)

Calendar Year Ending December 31,	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Total Pension Liability</b>										
Service Cost	\$ -	\$ -								
Interest on the Total Pension Liability	914	867								
Benefit Changes	-	-								
Difference Between Expected and Actual Experience	(1,585)	(1,073)								
Assumption Changes	-	834								
Benefit Payments and Refunds	-	-								
<b>Net Change in Total Pension Liability</b>	<u>(671)</u>	<u>628</u>								
<b>Total Pension Liability-Beginning</b>	<u>12,191</u>	<u>11,563</u>								
<b>Total Pension Liability-Ending (a)</b>	<u><u>\$ 11,520</u></u>	<u><u>12,191</u></u>								
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ -	\$ -								
Employee Contributions	-	-								
Pension Plan Net Investment Income	56	705								
Benefit Payments and Refunds	-	-								
Other	193	(995)								
<b>Net Change in Plan Fiduciary Net Position</b>	<u>249</u>	<u>(290)</u>								
<b>Plan Fiduciary Net Position-Beginning</b>	<u>11,273</u>	<u>11,563</u>								
<b>Plan Fiduciary Net Position-Ending (b)</b>	<u><u>\$ 11,522</u></u>	<u><u>11,273</u></u>								
<b>Net Pension Liability/(Asset) - Ending (a-b)</b>	<u><u>\$ (2)</u></u>	<u><u>\$ 918</u></u>								
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	100.02%	92.47%								
<b>Covered Valuation Payroll</b>	\$ -	\$ -								
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	0.00%	0.00%								

**CITY OF DU QUOIN, ILLINOIS**  
**IMRF - Multiyear Schedule of Contributions**  
December 31, 2015

Regular:

Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$160,910	\$ 160,909	\$ 1	\$1,316,772	12.22%
2014	160,044	161,734	(1,690)	1,232,057	13.13%
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-
2006	-	-	-	-	-

ECO:

Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2015	\$ -	\$ -	\$ -	\$ -	0.00%
2014	-	-	-	-	0.00%
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-
2006	-	-	-	-	-

See accompanying notes to required supplementary information.

## **MAJOR GOVERNMENTAL FUNDS**

**CITY OF DU QUOIN, ILLINOIS**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Original Budget, Final Budget, and Actual**  
**GENERAL FUND**  
**For the Year Ended December 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Taxes	\$ 42,000	\$ 42,000	\$ 33,846	\$ (8,154)
Intergovernmental	3,835,500	3,835,500	4,092,864	257,364
Grant Income	177,500	177,500	340,180	162,680
Licenses and Permits	98,200	98,200	91,052	(7,148)
Fines and Penalties	59,100	59,100	35,993	(23,107)
Revenues from Services	27,100	27,100	46,450	19,350
Investment Interest	150	150	202	52
Other	59,550	59,550	50,578	(8,972)
<b>Total Revenues</b>	<u>4,299,100</u>	<u>4,299,100</u>	<u>4,691,165</u>	<u>392,065</u>
<b>Expenditures</b>				
<i>Current</i>				
General Government	1,264,262	1,264,262	1,233,946	30,316
Public Safety	2,178,671	2,178,671	2,184,370	(5,699)
Transportation	753,246	753,246	678,696	74,550
Other	1,395	1,395	1,233	162
<i>Capital Outlay</i>	113,500	113,500	393,661	(280,161)
<i>Debt Service</i>	75,500	75,500	100,164	(24,664)
<b>Total Expenditures</b>	<u>4,386,574</u>	<u>4,386,574</u>	<u>4,592,070</u>	<u>(205,496)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(87,474)</u>	<u>(87,474)</u>	<u>99,095</u>	<u>186,569</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	712,781	712,781
Operating Transfers Out	-	-	(401,514)	(401,514)
Loan Proceeds	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>311,267</u>	<u>311,267</u>
Net Change in Fund Balance	<u>\$ (87,474)</u>	<u>\$ (87,474)</u>	<u>410,362</u>	<u>\$ 497,836</u>
<b>Beginning Fund Balance</b>			356,966	
<b>Prior Period Adjustment</b>			<u>585,436</u>	
<b>Ending Fund Balance</b>			<u>\$ 1,352,764</u>	

See accompanying notes to required supplementary information.

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**MOTOR FUEL TAX FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ 170,000	\$ 170,000	\$ 149,349	\$ (20,651)
Grant Income	-	-	-	-
Investment Interest	35	35	111	76
Other	-	-	13,190	13,190
<b>Total Revenues</b>	<u>170,035</u>	<u>170,035</u>	<u>162,650</u>	<u>(7,385)</u>
<b>Expenditures</b>				
<i>Current</i>				
Transportation	<u>154,000</u>	<u>154,000</u>	<u>86,286</u>	<u>67,714</u>
<b>Total Expenditures</b>	<u>154,000</u>	<u>154,000</u>	<u>86,286</u>	<u>67,714</u>
Excess (Deficiency) of Revenues over Expenditures	<u>16,035</u>	<u>16,035</u>	<u>76,364</u>	<u>60,329</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 16,035</u>	<u>\$ 16,035</u>	<u>76,364</u>	<u>\$ 60,329</u>
<b>Beginning Fund Balance</b>			<u>242,520</u>	
<b>Ending Fund Balance</b>			<u>\$ 318,884</u>	

See accompanying notes to required supplementary information.

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Required Supplementary Information  
December 31, 2015

**NOTE A - Budgets and Budgetary Accounting**

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

A. Budget adoption procedures:

- (1) In accordance with Chapter 2, Article X of the City of Du Quoin Code of Ordinances, prior to January 1, the City Clerk submits to the City Council a proposed operating budget for the fiscal year commencing January 1. The City Council is required to adopt a budget prior to the beginning of the fiscal year to which it applies.
- (2) The budget is made available for public inspection for at least 10 days prior to passage.
- (3) At least one public hearing is conducted to obtain taxpayer comment.
- (4) The annual budget may be revised by a 2/3 vote of the members of the council.

B. The combined statement of revenues, expenditures, and changes in fund balance - budget and actual for the General, Special Revenue and Enterprise Funds present comparisons of legally adopted budgets with actual data.

C. The budget amounts shown in the financial statements are the final authorized amounts for the year.

D. The budget was adopted on December 8, 2014.

**NOTE B - Stewardship, Compliance and Accountability**

During the fiscal year ended December 31, 2015 the following funds had expenditures in excess of their budget appropriation:

Library Fund	TIF #3 Fund	Business District Tax Fund	Meter Deposit
General Fund	Park Fund	Drug Abuse	Operation and Maintenance

The following funds did not have a budget appropriation:

Restricted Building Improvement Fund	Pool Restoration Fund
--------------------------------------	-----------------------

**CITY OF DU QUOIN, ILLINOIS**  
Notes to Required Supplementary Information - Concluded  
December 31, 2015

**NOTE C - Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2015 Contribution Rate**

Valuation Date:

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

Methods and Assumptions Used to Determine 2015 Contribution Rates

Actuarial Cost Method:	Aggregate entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	28-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	4%
Price Inflation:	3%, approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases:	4.40% to 16%, including inflation
Investment Rate of Return:	7.50%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2011 valuation pursuant to an experience study of the period 2008 to 2010.
Mortality:	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120 percent of the tables rates were used. For women, 92 percent of the table rates were used. For disabled lives, the mortality 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



## **OTHER SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL FUND  
STATEMENT AND SCHEDULES**

## **NONMAJOR GOVERNMENTAL FUNDS**

**CITY OF DU QUOIN, ILLINOIS**  
**Combining Balance Sheet**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2015

<b>SPECIAL REVENUE FUNDS</b>								
	Business & Industrial Development	Investment Pool Fund	IMRF Fund	Audit Fund	Park Fund	Civil Defense Fund	Garbage Fund	Pool Restoration Fund
<b>Assets and Deferred Outflows of Resources</b>								
<b>Assets</b>								
Cash (Restricted)	\$ 51,686	\$ 155,980	\$ 2,354	\$ 522	\$ 16,741	\$ 8,328	\$ 521	\$ 52,012
Due From State of Illinois	-	-	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	203	3,315	-	-
Notes Receivable	119,259	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>170,945</b>	<b>155,980</b>	<b>2,354</b>	<b>522</b>	<b>16,944</b>	<b>11,643</b>	<b>521</b>	<b>52,012</b>
<b>Deferred Outflows of Resources</b>								
None	-	-	-	-	-	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 170,945</b>	<b>\$ 155,980</b>	<b>\$ 2,354</b>	<b>\$ 522</b>	<b>\$ 16,944</b>	<b>\$ 11,643</b>	<b>\$ 521</b>	<b>\$ 52,012</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>								
<b>Liabilities</b>								
Cash Overdraft	\$ -	\$ -	\$ -	\$ -	\$ 163	\$ -	\$ -	\$ -
Accounts Payable	88	-	-	7,000	352	1,039	-	-
Due To Other Funds	-	3	-	1,522	-	150	-	-
Other Payables	-	-	-	-	30	20	-	-
<b>Total Liabilities</b>	<b>88</b>	<b>3</b>	<b>-</b>	<b>8,522</b>	<b>545</b>	<b>1,209</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>								
None	-	-	-	-	-	-	-	-
<b>Fund Balance</b>								
Nonspendable	119,171	-	-	-	-	-	-	-
Restricted	51,686	-	-	-	-	10,434	521	-
Committed	-	-	2,354	-	-	-	-	-
Assigned	-	155,977	-	-	16,399	-	-	52,012
Unassigned	-	-	-	(8,000)	-	-	-	-
<b>Total Fund Balance</b>	<b>170,857</b>	<b>155,977</b>	<b>2,354</b>	<b>(8,000)</b>	<b>16,399</b>	<b>10,434</b>	<b>521</b>	<b>52,012</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 170,945</b>	<b>\$ 155,980</b>	<b>\$ 2,354</b>	<b>\$ 522</b>	<b>\$ 16,944</b>	<b>\$ 11,643</b>	<b>\$ 521</b>	<b>\$ 52,012</b>

**CITY OF DU QUOIN, ILLINOIS**  
**Combining Balance Sheet - Concluded**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2015

<b>SPECIAL REVENUE FUNDS</b>									
	Public Library Fund	Drug Abuse Fund	Tourism/ Hotel Tax Fund	TIF #1 Fund	TIF #2 Fund	TIF #3 Fund	Business District Tax Fund	Restricted Building Improvement Fund	Total Non-Major Funds
<b>Assets and Deferred Outflows of Resources</b>									
<b>Assets</b>									
Cash (Restricted)	\$ 129,122	\$ 58,507	\$ 4,090	\$ 36,621	\$ 67,114	\$ 15,908	\$ 58,919	\$ 78,032	\$ 736,457
Due From State of Illinois	-	-	-	-	-	-	31,653	-	31,653
Due From Other Funds	331	24,961	-	-	-	-	-	-	28,810
Notes Receivable	-	-	-	-	-	-	-	-	119,259
<b>Total Assets</b>	<b>129,453</b>	<b>83,468</b>	<b>4,090</b>	<b>36,621</b>	<b>67,114</b>	<b>15,908</b>	<b>90,572</b>	<b>78,032</b>	<b>916,179</b>
<b>Deferred Outflows of Resources</b>									
None	-	-	-	-	-	-	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 129,453</b>	<b>\$ 83,468</b>	<b>\$ 4,090</b>	<b>\$ 36,621</b>	<b>\$ 67,114</b>	<b>\$ 15,908</b>	<b>\$ 90,572</b>	<b>\$ 78,032</b>	<b>\$ 916,179</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>									
<b>Liabilities</b>									
Cash Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163
Accounts Payable	1,130	121	3,328	-	-	-	-	-	13,058
Due To Other Funds	-	655	75	-	-	-	-	-	2,405
Other Payables	426	-	-	-	-	-	-	-	476
<b>Total Liabilities</b>	<b>1,556</b>	<b>776</b>	<b>3,403</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,102</b>
<b>Deferred Inflows of Resources</b>									
None	-	-	-	-	-	-	-	-	-
<b>Fund Balance</b>									
Nonspendable	-	-	-	-	-	-	-	-	119,171
Restricted	-	-	-	36,621	67,114	15,908	90,572	78,032	350,888
Committed	127,897	-	687	-	-	-	-	-	130,938
Assigned	-	82,692	-	-	-	-	-	-	307,080
Unassigned	-	-	-	-	-	-	-	-	(8,000)
<b>Total Fund Balance</b>	<b>127,897</b>	<b>82,692</b>	<b>687</b>	<b>36,621</b>	<b>67,114</b>	<b>15,908</b>	<b>90,572</b>	<b>78,032</b>	<b>900,077</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 129,453</b>	<b>\$ 83,468</b>	<b>\$ 4,090</b>	<b>\$ 36,621</b>	<b>\$ 67,114</b>	<b>\$ 15,908</b>	<b>\$ 90,572</b>	<b>\$ 78,032</b>	<b>\$ 916,179</b>

**CITY OF DU QUOIN, ILLINOIS**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2015

	<b>SPECIAL REVENUE FUNDS</b>							
	Business & Industrial Development	Investment Pool Fund	IMRF Fund	Audit Fund	Park Fund	Civil Defense Fund	Garbage Fund	Pool Restoration Fund
<b>Revenues</b>								
Taxes	\$ -	\$ -	\$ 40,514	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	27,836	119,770	31,434	6,327	-
Grant Income	75,000	-	-	-	-	26,407	-	-
Fines and Penalties	-	-	-	-	-	-	-	-
Revenues from Services	-	-	-	-	18,814	-	-	-
Investment Interest	4,993	37	-	-	-	-	-	-
Other	-	-	-	-	7,962	-	-	13,000
<b>Total Revenues</b>	<b>\$ 79,993</b>	<b>37</b>	<b>\$ 40,514</b>	<b>27,836</b>	<b>146,546</b>	<b>57,841</b>	<b>6,327</b>	<b>13,000</b>
<b>Expenditures</b>								
<i>Current</i>								
General Government	108,635	-	-	26,542	-	-	-	-
Public Safety	-	-	-	-	-	45,466	-	-
Public Welfare	-	-	-	-	-	-	-	-
Services	-	-	-	-	108,049	-	4,475	17
Transportation	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<i>Capital Outlay</i>	-	-	-	-	27,190	-	-	-
<i>Debt Service</i>	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>108,635</b>	<b>-</b>	<b>-</b>	<b>26,542</b>	<b>135,239</b>	<b>45,466</b>	<b>4,475</b>	<b>17</b>
Excess (Deficiency) of Revenues over Expenditures	(28,642)	37	40,514	1,294	11,307	12,375	1,852	12,983
<b>Other Financing Sources (Uses)</b>								
Operating Transfers In	-	144,000	39,764	-	-	-	-	39,029
Operating Transfers Out	-	(132,222)	(296,073)	(136,979)	(31,215)	(50,163)	(21,129)	-
Loan Proceeds	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>11,778</b>	<b>(256,309)</b>	<b>(136,979)</b>	<b>(31,215)</b>	<b>(50,163)</b>	<b>(21,129)</b>	<b>39,029</b>
Net Change in Fund Balance	(28,642)	11,815	(215,795)	(135,685)	(19,908)	(37,788)	(19,277)	52,012
<b>Beginning Fund Balance</b>	<b>199,499</b>	<b>144,162</b>	<b>218,149</b>	<b>127,685</b>	<b>36,307</b>	<b>48,222</b>	<b>19,798</b>	<b>-</b>
<b>Ending Fund Balance</b>	<b>\$ 170,857</b>	<b>\$ 155,977</b>	<b>\$ 2,354</b>	<b>\$ (8,000)</b>	<b>\$ 16,399</b>	<b>\$ 10,434</b>	<b>\$ 521</b>	<b>\$ 52,012</b>

**CITY OF DU QUOIN, ILLINOIS**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Concluded**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2015

	<b>SPECIAL REVENUE FUNDS</b>								
	Public Library Fund	Drug Abuse Fund	Tourism/ Hotel Tax Fund	TIF #1 Fund	TIF #2 Fund	TIF #3 Fund	Business District Tax Fund	Restricted Building Improvement Fund	Total Non-Major Funds
<b>Revenues</b>									
Taxes	\$ 68,476	\$ -	\$ 37,626	\$ 56,624	\$ 49,028	\$ 43,862	\$ -	\$ -	\$ 296,130
Intergovernmental	6,906	648	-	-	-	-	176,131	-	369,052
Grant Income	8,612	-	-	-	-	-	-	-	110,019
Fines and Penalties	2,080	45,381	-	-	-	-	-	-	47,461
Revenues from Services	5,416	-	-	-	-	-	-	-	24,230
Investment Interest	121	-	1	-	-	-	-	82	5,234
Other	1,744	-	-	-	-	-	-	-	22,706
<b>Total Revenues</b>	<b>93,355</b>	<b>46,029</b>	<b>37,627</b>	<b>56,624</b>	<b>49,028</b>	<b>43,862</b>	<b>176,131</b>	<b>82</b>	<b>874,832</b>
<b>Expenditures</b>									
<i>Current</i>									
General Government	-	-	-	-	-	-	-	32	135,209
Public Safety	-	-	-	-	-	-	-	-	45,466
Public Welfare	-	12,852	-	-	-	-	-	-	12,852
Services	96,067	-	-	-	-	-	-	-	208,608
Transportation	-	-	-	-	-	-	-	-	-
Other	-	-	37,255	31,714	9,285	72,032	145,001	-	295,287
<i>Capital Outlay</i>	-	27,104	-	-	-	-	-	144,900	199,194
<i>Debt Service</i>	-	-	-	-	-	-	-	8,473	8,473
<b>Total Expenditures</b>	<b>96,067</b>	<b>39,956</b>	<b>37,255</b>	<b>31,714</b>	<b>9,285</b>	<b>72,032</b>	<b>145,001</b>	<b>153,405</b>	<b>905,089</b>
Excess (Deficiency) of Revenues over Expenditures	(2,712)	6,073	372	24,910	39,743	(28,170)	31,130	(153,323)	(30,257)
<b>Other Financing Sources (Uses)</b>									
Operating Transfers In	733	-	-	-	-	-	-	6,355	229,881
Operating Transfers Out	-	-	-	-	-	-	-	-	(667,781)
Loan Proceeds	-	-	-	-	-	-	-	225,000	225,000
<b>Total Other Financing Sources (Uses)</b>	<b>733</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>231,355</b>	<b>(212,900)</b>
Net Change in Fund Balance	(1,979)	6,073	372	24,910	39,743	(28,170)	31,130	78,032	(243,157)
<b>Beginning Fund Balance</b>	<b>129,876</b>	<b>76,619</b>	<b>315</b>	<b>11,711</b>	<b>27,371</b>	<b>44,078</b>	<b>59,442</b>	<b>-</b>	<b>1,143,234</b>
<b>Ending Fund Balance</b>	<b>\$ 127,897</b>	<b>\$ 82,692</b>	<b>\$ 687</b>	<b>\$ 36,621</b>	<b>\$ 67,114</b>	<b>\$ 15,908</b>	<b>\$ 90,572</b>	<b>\$ 78,032</b>	<b>\$ 900,077</b>

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**BUSINESS & INDUSTRIAL DEVELOPMENT FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Grant Income	\$ 65,000	\$ 65,000	\$ 75,000	\$ 10,000
Interest Income	1,977	1,977	4,993	3,016
Other	<u>166,903</u>	<u>166,903</u>	<u>-</u>	<u>(166,903)</u>
<b>Total Revenues</b>	<u>233,880</u>	<u>233,880</u>	<u>79,993</u>	<u>(153,887)</u>
<b>Expenditures</b>				
<i>Current</i>				
General Government	222,861	222,861	108,635	114,226
Project	-	-	-	-
<i>Capital Outlay</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>222,861</u>	<u>222,861</u>	<u>108,635</u>	<u>114,226</u>
Excess (Deficiency) of Revenues over Expenditures	<u>11,019</u>	<u>11,019</u>	<u>(28,642)</u>	<u>(39,661)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	90,622	90,622	-	(90,622)
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>90,622</u>	<u>90,622</u>	<u>-</u>	<u>(90,622)</u>
Net Change in Fund Balance	<u>\$ 101,641</u>	<u>\$ 101,641</u>	<u>(28,642)</u>	<u>\$ (130,283)</u>
<b>Beginning Fund Balance</b>			<u>199,499</u>	
<b>Ending Fund Balance</b>			<u>\$ 170,857</u>	



**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**INVESTMENT POOL FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Investment Interest	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 37</u>	<u>\$ (63)</u>
<b>Total Revenues</b>	<u>100</u>	<u>100</u>	<u>37</u>	<u>(63)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	144,000	144,000	144,000	-
Operating Transfers Out	<u>(450,000)</u>	<u>(450,000)</u>	<u>(132,222)</u>	<u>317,778</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(306,000)</u>	<u>(306,000)</u>	<u>11,778</u>	<u>317,778</u>
Net Change in Fund Balance	<u>\$ (305,900)</u>	<u>\$ (305,900)</u>	11,815	<u>\$ 317,715</u>
<b>Beginning Fund Balance</b>			<u>144,162</u>	
<b>Ending Fund Balance</b>			<u>\$ 155,977</u>	

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**IMRF FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Taxes	\$ 48,000	\$ 48,000	\$ 40,514	\$ (7,486)
Intergovernmental	-	-	-	-
Investment Interest	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<u>48,000</u>	<u>48,000</u>	<u>40,514</u>	<u>(7,486)</u>
<b>Expenditures</b>				
<i>Current</i>				
Other	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue over Expenditures	<u>48,000</u>	<u>48,000</u>	<u>40,514</u>	<u>(7,486)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	39,764	39,764
Operating Transfers Out	-	-	(296,073)	(296,073)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(256,309)</u>	<u>(256,309)</u>
Net Change in Fund Balance	<u>\$ 48,000</u>	<u>\$ 48,000</u>	<u>(215,795)</u>	<u>\$ (263,795)</u>
<b>Beginning Fund Balance</b>			<u>218,149</u>	
<b>Ending Fund Balance</b>			<u>\$ 2,354</u>	

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**AUDIT FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ 55,500	\$ 55,500	\$ 27,836	\$ (27,664)
Investment Interest	-	-	-	-
<b>Total Revenues</b>	<u>55,500</u>	<u>55,500</u>	<u>27,836</u>	<u>(27,664)</u>
<b>Expenditures</b>				
<i>Current</i>				
General Government	<u>42,000</u>	<u>42,000</u>	<u>26,542</u>	<u>15,458</u>
<b>Total Expenditures</b>	<u>42,000</u>	<u>42,000</u>	<u>26,542</u>	<u>15,458</u>
Excess (Deficiency) of Revenues over Expenditures	<u>13,500</u>	<u>13,500</u>	<u>1,294</u>	<u>(12,206)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>(136,979)</u>	<u>(136,979)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(136,979)</u>	<u>(136,979)</u>
Net Change in Fund Balance	<u>\$ 13,500</u>	<u>\$ 13,500</u>	<u>(135,685)</u>	<u>\$ (149,185)</u>
<b>Beginning Fund Balance</b>			<u>127,685</u>	
<b>Ending Fund Balance</b>			<u>\$ (8,000)</u>	

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**PARK FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ 108,500	\$ 108,500	\$ 119,770	\$ 11,270
Revenue from Services	21,200	21,200	18,814	(2,386)
Investment Interest	-	-	-	-
Other	1,900	1,900	7,962	6,062
<b>Total Revenues</b>	<u>131,600</u>	<u>131,600</u>	<u>146,546</u>	<u>14,946</u>
<b>Expenditures</b>				
<i>Current</i>				
Services	129,850	129,850	108,049	21,801
<i>Capital Outlay</i>	<u>3,500</u>	<u>3,500</u>	<u>27,190</u>	<u>(23,690)</u>
<b>Total Expenditures</b>	<u>133,350</u>	<u>133,350</u>	<u>135,239</u>	<u>(1,889)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,750)</u>	<u>(1,750)</u>	<u>11,307</u>	<u>13,057</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>(31,215)</u>	<u>(31,215)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(31,215)</u>	<u>(31,215)</u>
Net Change in Fund Balance	<u>\$ (1,750)</u>	<u>\$ (1,750)</u>	<u>(19,908)</u>	<u>\$ (18,158)</u>
<b>Beginning Fund Balance</b>			<u>36,307</u>	
<b>Ending Fund Balance</b>			<u>\$ 16,399</u>	

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**CIVIL DEFENSE FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ 29,200	\$ 29,200	\$ 31,434	\$ 2,234
Grant Income	17,000	17,000	26,407	9,407
Investment Interest	-	-	-	-
Other	1,000	1,000	-	(1,000)
<b>Total Revenues</b>	<u>47,200</u>	<u>47,200</u>	<u>57,841</u>	<u>10,641</u>
<b>Expenditures</b>				
<i>Current</i>				
Public Safety	46,517	46,517	45,466	1,051
<i>Capital Outlay</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>46,517</u>	<u>46,517</u>	<u>45,466</u>	<u>1,051</u>
Excess (Deficiency) of Revenues over Expenditures	<u>683</u>	<u>683</u>	<u>12,375</u>	<u>11,692</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>(50,163)</u>	<u>(50,163)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(50,163)</u>	<u>(50,163)</u>
Net Change in Fund Balance	<u>\$ 683</u>	<u>\$ 683</u>	<u>(37,788)</u>	<u>\$ (38,471)</u>
<b>Beginning Fund Balance</b>			<u>48,222</u>	
<b>Ending Fund Balance</b>			<u>\$ 10,434</u>	

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**GARBAGE FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ 5,800	\$ 5,800	\$ 6,327	\$ 527
Investment Interest	-	-	-	-
<b>Total Revenues</b>	<u>5,800</u>	<u>5,800</u>	<u>6,327</u>	<u>527</u>
<b>Expenditures</b>				
<i>Current</i>				
Services	<u>5,900</u>	<u>5,900</u>	<u>4,475</u>	<u>1,425</u>
<b>Total Expenditures</b>	<u>5,900</u>	<u>5,900</u>	<u>4,475</u>	<u>1,425</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(100)</u>	<u>(100)</u>	<u>1,852</u>	<u>1,952</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>(21,129)</u>	<u>(21,129)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(21,129)</u>	<u>(21,129)</u>
Net Change in Fund Balance	<u>\$ (100)</u>	<u>\$ (100)</u>	<u>(19,277)</u>	<u>\$ (19,177)</u>
<b>Beginning Fund Balance</b>			<u>19,798</u>	
<b>Ending Fund Balance</b>			<u>\$ 521</u>	

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**POOL RESTORATION FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Investment Interest	\$ -	\$ -	\$ -	\$ -
Other	-	-	13,000	13,000
<b>Total Revenues</b>	-	-	13,000	13,000
<b>Expenditures</b>				
<i>Current</i>				
Services	-	-	17	(17)
<b>Total Expenditures</b>	-	-	17	(17)
Excess (Deficiency) of Revenues over Expenditures	-	-	12,983	12,983
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	39,029	39,029
Operating Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	39,029	39,029
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	52,012	<u>\$ 52,012</u>
<b>Beginning Fund Balance</b>			-	
<b>Ending Fund Balance</b>			<u>\$ 52,012</u>	

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**PUBLIC LIBRARY FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Taxes	\$ 71,250	\$ 71,250	\$ 68,476	\$ (2,774)
Intergovernmental	6,000	6,000	6,906	906
Grant Income	9,636	9,636	8,612	(1,024)
Fines and Penalties	2,000	2,000	2,080	80
Revenue from Services	4,550	4,550	5,416	866
Investment Interest	150	150	121	(29)
Other	2,650	2,650	1,744	(906)
<b>Total Revenues</b>	<u>96,236</u>	<u>96,236</u>	<u>93,355</u>	<u>(2,881)</u>
<b>Expenditures</b>				
<i>Current</i>				
Services	96,000	96,000	96,067	(67)
<i>Capital Outlay</i>	-	-	-	-
<b>Total Expenditures</b>	<u>96,000</u>	<u>96,000</u>	<u>96,067</u>	<u>(67)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>236</u>	<u>236</u>	<u>(2,712)</u>	<u>(2,948)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	733	733
Operating Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>733</u>	<u>733</u>
Net Change in Fund Balance	<u>\$ 236</u>	<u>\$ 236</u>	<u>(1,979)</u>	<u>\$ (2,215)</u>
<b>Beginning Fund Balance</b>			<u>129,876</u>	
<b>Ending Fund Balance</b>			<u>\$ 127,897</u>	



**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**DRUG ABUSE FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or</u>
<b>Revenues</b>				
Intergovernmental	\$ 5,900	\$ 5,900	\$ 648	\$ (5,252)
Fines and Penalties	38,000	38,000	45,381	7,381
Investment Interest	-	-	-	-
Other Income	-	-	-	-
<b>Total Revenues</b>	<u>43,900</u>	<u>43,900</u>	<u>46,029</u>	<u>2,129</u>
<b>Expenditures</b>				
<i>Current</i>				
Public Welfare	10,500	10,500	12,852	(2,352)
<i>Capital Outlay</i>	<u>25,000</u>	<u>25,000</u>	<u>27,104</u>	<u>(2,104)</u>
<b>Total Expenditures</b>	<u>35,500</u>	<u>35,500</u>	<u>39,956</u>	<u>(4,456)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>8,400</u>	<u>8,400</u>	<u>6,073</u>	<u>(2,327)</u>
<b>Other Financing Sources/(Uses)</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources/ (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 8,400</u>	<u>\$ 8,400</u>	6,073	<u>\$ (2,327)</u>
<b>Beginning Fund Balance</b>			<u>76,619</u>	
<b>Ending Fund Balance</b>			<u>\$ 82,692</u>	

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**TOURISM HOTEL TAX FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Taxes	\$ 39,000	\$ 39,000	\$ 37,626	\$ (1,374)
Investment Interest	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<b>Total Revenues</b>	<u>39,000</u>	<u>39,000</u>	<u>37,627</u>	<u>(1,373)</u>
<b>Expenditures</b>				
<i>Current</i>				
Other	<u>39,000</u>	<u>39,000</u>	<u>37,255</u>	<u>1,745</u>
<b>Total Expenditures</b>	<u>39,000</u>	<u>39,000</u>	<u>37,255</u>	<u>1,745</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	372	<u>\$ 372</u>
<b>Beginning Fund Balance</b>			<u>315</u>	
<b>Ending Fund Balance</b>			<u>\$ 687</u>	

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**TIF #1 FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Taxes	\$ 65,000	\$ 65,000	\$ 56,624	\$ (8,376)
Investment Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<u>65,000</u>	<u>65,000</u>	<u>56,624</u>	<u>(8,376)</u>
<b>Expenditures</b>				
<i>Current</i>				
Other	<u>60,000</u>	<u>60,000</u>	<u>31,714</u>	<u>28,286</u>
<b>Total Expenditures</b>	<u>60,000</u>	<u>60,000</u>	<u>31,714</u>	<u>28,286</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,000</u>	<u>5,000</u>	<u>24,910</u>	<u>19,910</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 5,000</u>	<u>\$ 5,000</u>	24,910	<u>\$ 19,910</u>
<b>Beginning Fund Balance</b>			<u>11,711</u>	
<b>Ending Fund Balance</b>			<u>\$ 36,621</u>	

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
TIF #2 FUND  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Taxes	\$ 46,002	\$ 46,002	\$ 49,028	\$ 3,026
Grant Income	-	-	-	-
Investment Interest	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<u>46,002</u>	<u>46,002</u>	<u>49,028</u>	<u>3,026</u>
<b>Expenditures</b>				
<i>Current</i>				
Other	<u>28,000</u>	<u>28,000</u>	<u>9,285</u>	<u>18,715</u>
<b>Total Expenditures</b>	<u>28,000</u>	<u>28,000</u>	<u>9,285</u>	<u>18,715</u>
Excess (Deficiency) of Revenues over Expenditures	<u>18,002</u>	<u>18,002</u>	<u>39,743</u>	<u>21,741</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 18,002</u>	<u>\$ 18,002</u>	39,743	<u>\$ 21,741</u>
<b>Beginning Fund Balance</b>			<u>27,371</u>	
<b>Ending Fund Balance</b>			<u>\$ 67,114</u>	

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**TIF #3 FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Taxes	\$ 45,000	\$ 45,000	\$ 43,862	\$ (1,138)
Grant Income	-	-	-	-
Investment Interest	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<u>45,000</u>	<u>45,000</u>	<u>43,862</u>	<u>(1,138)</u>
<b>Expenditures</b>				
<i>Current</i>				
Other	<u>43,000</u>	<u>43,000</u>	<u>72,032</u>	<u>(29,032)</u>
<b>Total Expenditures</b>	<u>43,000</u>	<u>43,000</u>	<u>72,032</u>	<u>(29,032)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,000</u>	<u>2,000</u>	<u>(28,170)</u>	<u>(30,170)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>(28,170)</u>	<u>\$ (30,170)</u>
<b>Beginning Fund Balance</b>			<u>44,078</u>	
<b>Ending Fund Balance</b>			<u>\$ 15,908</u>	

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**BUSINESS DISTRICT TAX FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Intergovernmental	\$ 180,000	\$ 180,000	\$ 176,131	\$ (3,869)
Investment Interest	-	-	-	-
Other	-	-	-	-
<b>Total Revenues</b>	<u>180,000</u>	<u>180,000</u>	<u>176,131</u>	<u>(3,869)</u>
<b>Expenditures</b>				
<i>Current</i>				
Other	<u>140,985</u>	<u>140,985</u>	<u>145,001</u>	<u>(4,016)</u>
<b>Total Expenditures</b>	<u>140,985</u>	<u>140,985</u>	<u>145,001</u>	<u>(4,016)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>39,015</u>	<u>39,015</u>	<u>31,130</u>	<u>(7,885)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 39,015</u>	<u>\$ 39,015</u>	31,130	<u>\$ (7,885)</u>
<b>Beginning Fund Balance</b>			<u>59,442</u>	
<b>Ending Fund Balance</b>			<u>\$ 90,572</u>	

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Original Budget, Final Budget, and Actual  
**RESTRICTED BUILDING IMPROVEMENT FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Revenues</b>				
Investment Interest	\$ -	\$ -	\$ 82	\$ 82
Other	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>82</u>	<u>82</u>
<b>Expenditures</b>				
<i>Current</i>				
General Government	-	-	32	(32)
<i>Capital Outlay</i>	-	-	144,900	(144,900)
<i>Debt Service</i>	-	-	8,473	(8,473)
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>153,405</u>	<u>(153,405)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>(153,323)</u>	<u>(153,323)</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	6,355	6,355
Operating Transfers Out	-	-	-	-
Loan Proceeds	-	-	225,000	225,000
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>231,355</u>	<u>231,355</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>78,032</u>	<u>\$ 78,032</u>
<b>Beginning Fund Balance</b>			<u>-</u>	
<b>Ending Fund Balance</b>			<u>\$ 78,032</u>	

## **MAJOR PROPRIETARY FUNDS**



**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenses, and Changes in Net Position  
Original Budget, Final Budget, and Actual  
**WATERWORKS & SEWAGE FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Operating Revenues</b>				
Water and Sewer Revenue	\$ 2,610,000	\$ 2,610,000	\$ 2,563,770	\$ (46,230)
Tap-on Fees	6,000	6,000	4,750	(1,250)
Reconnect Fees	16,500	16,500	16,771	271
<b>Total Operating Revenues</b>	<u>2,632,500</u>	<u>2,632,500</u>	<u>2,585,291</u>	<u>(47,209)</u>
<b>Operating Expenses</b>				
Water	-	-	-	-
Depreciation	-	-	11,125	(11,125)
<b>Total Operating Expenses</b>	<u>-</u>	<u>-</u>	<u>11,125</u>	<u>(11,125)</u>
<b>Operating Income (Loss)</b>	2,632,500	2,632,500	2,574,166	(58,334)
<b>Non-Operating Revenues</b>				
Grant Income	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	20,150	20,150	33,874	13,724
<b>Total Non-Operating Revenues</b>	<u>20,150</u>	<u>20,150</u>	<u>33,874</u>	<u>13,724</u>
<b>Operating Transfers</b>				
Operating Transfers In	-	-	891,203	891,203
Operating Transfers Out	-	-	(2,455,699)	(2,455,699)
<b>Total Operating Transfers</b>	<u>-</u>	<u>-</u>	<u>(1,564,496)</u>	<u>(1,564,496)</u>
Net Income (Loss)	<u>\$ 2,652,650</u>	<u>\$ 2,652,650</u>	1,043,544	<u>\$ (1,609,106)</u>
<b>Beginning Net Position</b>			<u>(674,981)</u>	
<b>Ending Net Position</b>			<u>\$ 368,563</u>	

# CITY OF DU QUOIN, ILLINOIS

## Schedule of Revenues, Expenses, and Changes in Net Position

### Original Budget, Final Budget, and Actual

#### CAPITAL IMPROVEMENTS FUND

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive or (Negative)
<b>Operating Expenses</b>				
Depreciation	\$ -	\$ -	\$ 377,246	\$ (377,246)
Other	-	-	-	-
<b>Total Operating Expenses</b>	-	-	377,246	(377,246)
<b>Operating Income (Loss)</b>	-	-	(377,246)	(377,246)
<b>Non-Operating Revenues</b>				
Grant Income	-	-	-	-
Interest Income	-	-	-	-
Reimbursements	-	-	-	-
<b>Total Non-Operating Revenues</b>	-	-	-	-
<b>Non-Operating Expenses</b>				
Interest Expense	122,000	122,000	120,790	1,210
Capital Outlay	90,000	90,000	-	90,000
Grant Expenses	-	-	-	-
<b>Total Non-Operating Expenses</b>	212,000	212,000	120,790	91,210
<b>Operating Transfers</b>				
Operating Transfers In	-	-	41,623	41,623
Operating Transfers Out	-	-	(650,006)	(650,006)
<b>Total Operating Transfers</b>	-	-	(608,383)	(608,383)
<b>Net Income (Loss)</b>	<u>\$ (212,000)</u>	<u>\$ (212,000)</u>	(1,106,419)	<u>\$ (894,419)</u>
<b>Beginning Net Position</b>			<u>4,176,440</u>	
<b>Ending Net Position</b>			<u>\$ 3,070,021</u>	

# CITY OF DU QUOIN, ILLINOIS

## Schedule of Revenues, Expenses, and Changes in Net Position

### Original Budget, Final Budget, and Actual

#### OPERATIONS AND MAINTENANCE

For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive or (Negative)
<b>Operating Expenses</b>				
Water	\$ 1,509,514	\$ 1,509,514	\$ 1,609,442	\$ (99,928)
Water Pollution Control Plant	593,400	593,400	507,260	86,140
Depreciation	-	-	38,211	(38,211)
<b>Total Operating Expenses</b>	<u>2,102,914</u>	<u>2,102,914</u>	<u>2,154,913</u>	<u>(51,999)</u>
<b>Operating Income (Loss)</b>	(2,102,914)	(2,102,914)	(2,154,913)	(51,999)
<b>Non-Operating Expenses</b>				
Interest Expense	-	-	12,196	(12,196)
<b>Total Non-Operating Expenses</b>	<u>-</u>	<u>-</u>	<u>12,196</u>	<u>(12,196)</u>
<b>Operating Transfers</b>				
Operating Transfers In	-	-	2,407,941	2,407,941
Operating Transfers Out	-	-	(11,485)	(11,485)
<b>Total Operating Transfers</b>	<u>-</u>	<u>-</u>	<u>2,396,456</u>	<u>2,396,456</u>
Net Income (Loss)	<u>\$ (2,102,914)</u>	<u>\$ (2,102,914)</u>	229,347	<u>\$ 2,332,261</u>
<b>Beginning Net Position</b>			<u>(200,309)</u>	
<b>Ending Net Position</b>			<u>\$ 29,038</u>	

## **NON-MAJOR PROPRIETARY FUNDS**

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenses, and Changes in Net Position  
Original Budget, Final Budget, and Actual  
**WATER METER DEPOSIT FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive or (Negative)</u>
<b>Non-Operating Revenues</b>				
Interest Income	\$ 5	\$ 5	\$ 9	\$ 4
Meter Deposits	<u>10,000</u>	<u>10,000</u>	<u>10,585</u>	<u>585</u>
<b>Total Non-Operating Revenues</b>	<u>10,005</u>	<u>10,005</u>	<u>10,594</u>	<u>589</u>
<b>Non-Operating Expenses</b>				
Miscellaneous	<u>10,510</u>	<u>10,510</u>	<u>11,716</u>	<u>(1,206)</u>
<b>Total Non-Operating Expenses</b>	<u>10,510</u>	<u>10,510</u>	<u>11,716</u>	<u>(1,206)</u>
<b>Operating Transfers</b>				
Operating Transfers In	2,500	2,500	2,025	(475)
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Operating Transfers</b>	<u>2,500</u>	<u>2,500</u>	<u>2,025</u>	<u>(475)</u>
Net Income (Loss)	<u>\$ 1,995</u>	<u>\$ 1,995</u>	903	<u>\$ (1,092)</u>
<b>Beginning Net Position</b>			<u>2,637</u>	
<b>Ending Net Position</b>			<u>\$ 3,540</u>	

**CITY OF DU QUOIN, ILLINOIS**  
Schedule of Revenues, Expenses, and Changes in Net Position  
Original Budget, Final Budget, and Actual  
**DEPRECIATION RESERVE FUND**  
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive or (Negative)
<b>Non-Operating Revenues</b>				
Interest Income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total Non-Operating Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Operating Transfers</b>				
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>(98,969)</u>	<u>(98,969)</u>
<b>Total Operating Transfers</b>	<u>-</u>	<u>-</u>	<u>(98,969)</u>	<u>(98,969)</u>
Net Income (Loss)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>(98,969)</u>	<u><u>\$ (98,969)</u></u>
<b>Beginning Net Position</b>			<u>98,969</u>	
<b>Ending Net Position</b>			<u><u>\$ -</u></u>	

**CITY OF DU QUOIN, ILLINOIS**

Computation of Legal Debt Margin

December 30, 2015

Assessed Valuation - Levy		\$ 42,978,394
Statutory Debt Limitation (8.625% of assessed valuation)		\$ 3,706,886
Total Debt:		
Loan Obligations	5,052,793	
Lease Obligations	287,482	
Total Debt	5,340,275	
Less: EPA Loan Exempt from Debt Limitation	(4,627,279)	712,996
Statutory Debt Margin		\$ 2,993,890

**CITY OF DU QUOIN, ILLINOIS**  
Assessed Valuation and Taxes Levied  
December 31, 2015

The City's property tax is levied each year on all real property located in the City upon the passing of the City's budget, appropriations ordinance, and tax levy. Property taxes are levied based on the assessed value of property as listed as of January 1 of the previous year. Assessed values are an approximation of market value. The property taxes attach as an enforceable lien on property as of January 1.

The County (Perry County, Illinois) extends, bills, and collects the City's property taxes. Residents may pay property taxes to the County in two installments. The property tax is paid to the City by the County as statute permits, which is generally shortly after the County's collection dates. The tax levy ordinance was approved on December 18, 2014. The City received tax distributions in August, September, and December of 2015.

	<b><u>TAX LEVY YEARS 2014, 2013, 2012</u></b>		
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>ASSESSED VALUATION</b>	<b>\$ 42,978,394</b>	<b>\$ 41,563,177</b>	<b>\$ 42,430,242</b>
Social Security	0.0062	0.0060	0.1048
Library	0.1500	0.1500	0.1500
IMRF	0.1059	0.1019	0.2058
Firefighter's Pension	0.7043	0.6855	0.4697
Police Pension	0.5459	0.5313	0.4574
Total	<b>1.5123</b>	<b>1.4747</b>	<b>1.3877</b>
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>TAX EXTENSIONS</b>			
Social Security	\$ 2,729	\$ 2,494	\$ 44,467
Library	66,013	62,345	63,645
IMRF	45,601	42,353	87,321
Firefighter's Pension	302,697	284,916	199,295
Police Pension	234,619	220,825	194,076
Road and Bridge	34,080	32,710	34,156
TIF #1	56,751	52,534	55,284
TIF #2	31,739	27,833	27,623
TIF #3	43,862	43,609	-
Total	<b>\$ 818,091</b>	<b>\$ 769,619</b>	<b>\$ 705,867</b>
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>TAX COLLECTIONS</b>			
Social Security	\$ -	\$ 2,489	\$ 41,977
Library	68,476	62,226	69,426
IMRF	40,514	42,264	84,462
Firefighter's Pension	292,654	284,312	199,358
Police Pension	226,834	220,358	194,137
Road and Bridge	33,833	32,573	34,054
TIF #1	56,624	52,015	56,415
TIF #2	49,028	27,834	27,624
TIF #3	43,862	43,611	10,967
Total	<b>\$ 811,825</b>	<b>\$ 767,682</b>	<b>\$ 718,420</b>



**CITY OF DU QUOIN, ILLINOIS**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2015**

**FINDING 10: 2015-01**

Financial Statements and Footnotes Must be Drafted by Management

Criteria:	Current <i>Government Auditing Standards</i> require the City to designate a qualified management level individual to be responsible for the drafting of the City's financial statements and footnotes in accordance with accounting principles generally accepted in the United States.
Condition:	Personnel of the City do not currently possess the skills necessary to draft financial statements and footnotes in accordance with accounting principles generally accepted in the United States.
Cause:	Lack of formal technical training.
Effect or Potential Effect:	The City's management may not be able to detect errors or omissions in the application of accounting principles generally accepted in the United States with respect to the City's financial statements and footnotes.
Recommendation:	Current <i>Government Auditing Standards</i> allow the City to continue to request the auditor to prepare the financial statements and footnote disclosures. However, the City is still responsible for having a qualified person capable of overseeing (understanding) the complete drafting of the financial statements and footnote disclosures as well as having the capability of making sure that all adjusting entries, having a material effect on the financial statements, are properly posted prior to the audit being performed.
Management Response :	Management agrees with the finding. The City accepts the degree of risk associated with this condition and will continue to have its auditor prepare its financial statements and footnote disclosures.