

FIRST MID ILLINOIS BANCSHARES INC
Form 11-K
June 28, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 11-K
FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS AND SIMILAR PLANS
PURSUANT TO
SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015

OR
 TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 0-13368

FIRST MID-ILLINOIS BANCSHARES, INC.
401 (k) PROFIT SHARING PLAN
(Full Title of Plan)

FIRST MID-ILLINOIS BANCSHARES, INC.
1421 Charleston Avenue
P.O. Box 499
Mattoon, Illinois 61938
(Name of Issuer of the Securities Held Pursuant to the Plan
and the Address of the Principal Executive Office)

First Mid-Illinois Bancshares, Inc.
401 (k) Profit Sharing Plan

EIN 37-1103704 PN 002
Report of Independent Registered Public Accounting Firm
and Financial Statements
December 31, 2015 and 2014

First Mid-Illinois Bancshares, Inc.
401(k) Profit Sharing Plan
December 31, 2015 and 2014

Contents

| | |
|---|----|
| Report of Independent Registered Public Accounting Firm | 1 |
| Financial Statements | |
| Statements of Net Assets Available for Benefits | 3 |
| Statements of Changes in Net Assets Available for Benefits | 4 |
| Notes to Financial Statements | 5 |
| Supplemental Schedule | |
| Schedule H, Line 4i -- Schedule of Assets (Held at End of Year) | 14 |

Report of Independent Registered Public Accounting Firm

Audit Committee and 401(k) Oversight Committee
First Mid-Illinois Bancshares, Inc. 401(k) Profit Sharing Plan
Mattoon, Illinois

We have audited the accompanying statements of net assets available for benefits of First Mid-Illinois Bancshares, Inc. 401(k) Profit Sharing Plan as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. Our audits also included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of First Mid-Illinois Bancshares, Inc. 401(k) Profit Sharing Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The supplemental information in the accompanying Schedule H, Line 4i-Schedule of Assets (Held at End of Year) as of December 31, 2015 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but include supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information in the accompanying schedules, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

Decatur, Illinois
June 28, 2016

First Mid-Illinois Bancshares, Inc.
 401(k) Profit Sharing Plan
 Statements of Net Assets Available for Benefits
 December 31, 2015 and 2014

| | 2015 | 2014 |
|-------------------------------------|--------------|--------------|
| Assets | | |
| Investments, At Fair Value | \$45,805,578 | \$44,390,103 |
| Receivables | | |
| Employer's contributions | 404 | 2,300 |
| Interest and dividends | 5,650 | 6,254 |
| Notes receivable from participants | 599,338 | 602,611 |
| | 605,392 | 611,165 |
| Total assets | 46,410,970 | 45,001,268 |
| Liability | | |
| Refunds due to excess contributions | — | 24,603 |
| Net Assets Available for Benefits | \$46,410,970 | \$44,976,665 |

See Notes to Financial Statements

First Mid-Illinois Bancshares, Inc.
 401(k) Profit Sharing Plan
 Statements of Changes in Net Assets Available for Benefits
 December 31, 2015 and 2014

| | 2015 | 2014 |
|--|--------------|--------------|
| Investment Income | | |
| Net appreciation (depreciation) in fair value of investments | \$286,127 | \$(878,815) |
| Interest and dividends | 1,863,907 | 1,999,590 |
| | 2,150,034 | 1,120,775 |
| Interest Income from Notes Receivable from Participants | 18,275 | 17,270 |
| Contributions | | |
| Employer | 1,167,618 | 1,127,471 |
| Participants | 1,481,174 | 1,278,044 |
| Rollovers | 561,883 | 399,948 |
| | 3,210,675 | 2,805,463 |
| Total additions | 5,378,984 | 3,943,508 |
| Deductions | | |
| Benefits paid to participants | 3,937,927 | 2,771,440 |
| Administrative expenses | 6,752 | 6,300 |
| Total deductions | 3,944,679 | 2,777,740 |
| Net Increase | 1,434,305 | 1,165,768 |
| Net Assets Available for Benefits, Beginning of Year | 44,976,665 | 43,810,897 |
| Net Assets Available for Benefits, End of Year | \$46,410,970 | \$44,976,665 |

See Notes to Financial Statements

First Mid-Illinois Bancshares, Inc.
401(k) Profit Sharing Plan
Notes to Financial Statements
December 31, 2015 and 2014

Note 1: Description of the Plan

The following description of the First Mid-Illinois Bancshares, Inc. 401(k) Profit Sharing Plan (Plan) provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan sponsored by First Mid-Illinois Bancshares, Inc. (Company) covering all full-time employees who have at least three months of service. Related employers who also participate in the Plan include First Mid-Illinois Bank & Trust, N.A., Mid-Illinois Data Services, Inc., and The Checkley Agency, Inc. DBA First Mid-Insurance Group. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Trust & Wealth Management Department of First Mid-Illinois Bank & Trust, N.A. is the trustee of the Plan and serves as custodian of certificates of deposit and common stock held by the Plan. MG Trust Company, LLC serves as custodian of the remaining plan assets.

Contributions

The Plan permits eligible employees through a salary deferral election to have the Company make annual contributions of up to 100% of eligible compensation. Employee rollover and employee Roth contributions are also permitted. Employees are automatically enrolled to contribute 5% of eligible wages to the plan upon eligibility. Effective January 1, 2015, the Company makes safe harbor matching contributions of 100% of employees' salary deferral amounts up to 3% of employees' eligible compensation and 50% of employees' salary deferral amounts on the 2% of employees' eligible compensation. For the year ended December 31, 2014, the matching contributions were 50% of employees' salary deferral amounts up to 4% of employees' eligible compensation. The Company may also, at its sole discretion, contribute to the Plan an amount to be determined from year to year as a profit sharing contribution. For the year ended December 31, 2015, the profit sharing contribution was 2% of eligible compensation. For the year ended December 31, 2014, the profit sharing contribution was 4% of eligible compensation. Contributions are subject to certain limitations.

Participant Investment Account Options

Investment account options available include various funds. Each participant has the option of directing his contributions into any of the separate investment accounts and may change the allocation daily. The annual profit sharing contribution is maintained in a non-participant directed investment until this contribution is allocated by the Plan to the eligible participant accounts.

First Mid-Illinois Bancshares, Inc.
401(k) Profit Sharing Plan
Notes to Financial Statements
December 31, 2015 and 2014

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution and plan earnings. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in their voluntary contributions and the Company's matching contributions plus earnings thereon. Vesting in the Company's profit sharing contribution portion of their accounts plus earnings thereon is based on years of vesting service, defined as a minimum of 500 hours of service. A participant is fully vested after 6 years of vesting service. The nonvested balance is forfeited upon payment of benefits. Forfeitures are allocated among active participants based upon eligible compensation.

Payment of Benefits

Upon termination of service, an employee may elect to receive a lump-sum amount equal to the value of his account.

Forfeited Accounts

At December 31, 2015 and 2014, forfeited nonvested accounts totaled \$22,424 and \$22,468, respectively. For the plan year ending December 31, 2015, the amounts were reallocated to participants as an additional matching contribution. These accounts will be used to reduce future employer contributions or pay administrative expense of the Plan.

Notes Receivable from Participants

The Plan document includes provisions authorizing loans from the Plan to active eligible participants. Loans are made to any eligible participant demonstrating a qualifying need. The minimum amount of a loan shall be \$1,000. The maximum amount of a participant's loans is determined by the available loan balance restricted to the lesser of \$50,000 or 50% of the participant's vested account balance. All loans are covered by demand notes and are repayable over a period not to exceed five years, except for loans for the purchase of a principal residence, through payroll withholdings unless the participant is paying the loan in full. Interest on the loans is charged at prime rate at loan inception.

First Mid-Illinois Bancshares, Inc.
401(k) Profit Sharing Plan
Notes to Financial Statements
December 31, 2015 and 2014

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and changes in net assets and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Valuation of Investments and Income Recognition

Quoted market prices, if available, are used to value investments. Common stock is valued at the closing price reported on the active market on which the individual security is traded. Mutual funds and the money market funds are valued at the net asset value (NAV) of shares held by the plan at year end. Certificates of deposits are valued at amortized cost, which approximates fair value.

Purchases and sales of securities are recorded on a settlement-date basis. Interest and dividend income is recorded on the accrual basis. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Administrative expenses may be paid by the Company or the Plan, at the Company's discretion.

First Mid-Illinois Bancshares, Inc.
 401(k) Profit Sharing Plan
 Notes to Financial Statements
 December 31, 2015 and 2014

Note 3: Change in Accounting Principle

In 2015, the Plan changed its accounting policy on plan accounting disclosures by adopting the provisions of ASU 2015-12, Plan Accounting (Topics 960, 962 and 965): Part II: Plan Investment Disclosures. The accounting policy change provided for in ASU2015-12 changes the Plan's disclosure requirements to eliminate and/or modify certain investment-related disclosures. This change was applied retrospectively for all periods presented.

Note 4: Nonparticipant-Directed Investments

Information about the net assets and the components of the changes in net assets relating to the nonparticipant-directed investments, is as follows:

| | 2015 | 2014 |
|---|-------------|------------|
| Net Assets: | | |
| Certificate of deposit | \$424,873 | \$785,183 |
| Changes in net assets: | | |
| Contributions | \$423,892 | \$783,594 |
| Interest income | 1,205 | 1,875 |
| Transfers to participant-directed investments | (785,407) | (760,633) |
| Total additions (deductions) | \$(360,310) | \$24,836 |

Note 5: Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, a person who owns 50 percent or more of such an employer, or relatives of such persons.

The Plan's investments are held in a trust account administered by First Mid-Illinois Bank & Trust, a wholly owned subsidiary of the Company. Active participants can purchase the common stock of the Company. At December 31, 2015 and 2014, participants held 326,724 and 312,166 shares, respectively.

First Mid-Illinois Bancshares, Inc.
401(k) Profit Sharing Plan
Notes to Financial Statements
December 31, 2015 and 2014

The Plan also holds certificates of deposit with First Mid-Illinois Bank & Trust, totaling \$4,549,141 and \$4,943,195 at December 31, 2015 and 2014, respectively.

The Plan incurs expenses related to general administration and record keeping. The plan sponsor pays these expenses and certain accounting and auditing fees relating to the Plan. The Plan paid \$6,752 and \$6,300 during 2015 and 2014, respectively, to First Mid-Illinois Bank & Trust for participant loan distribution fees.

Note 6: Plan Amendments

The plan document was restated effective January 1, 2015 to bring the plan into compliance with the Pension Protection Act of 2006 (PPA) and other legislative and regulatory changes. The Plan was further amended to be a Safe Harbor 401(k) plan. Effective August 17, 2015, the plan was further amended to allow the predecessor employer service crediting for the acquisition of the 12 Old National Bank locations.

Note 7: Disclosures About Fair Value of Plan Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is an hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2015 and 2014:

First Mid-Illinois Bancshares, Inc.
 401(k) Profit Sharing Plan
 Notes to Financial Statements
 December 31, 2015 and 2014

| | | 2015 Fair Value Measurements Using | | |
|-----------------------------|--------------|---------------------------------------|------------|---------------|
| | | Quoted | Prices in | Significant |
| | | Active | Other | Significant |
| | Fair Value | Markets for | Observable | Unobservable |
| | | Identical | Inputs | Inputs |
| | | Assets | (Level 2) | (Level 3) |
| | | (Level 1) | | |
| Common Stock of the Company | \$8,494,817 | \$8,494,817 | \$ | —\$ — |
| Mutual funds | 32,595,153 | 32,595,153 | — | — |
| Money market funds | 166,467 | 166,467 | — | — |
| Certificates of deposit | 4,549,141 | — | — | 4,549,141 |
| | \$45,805,578 | \$41,256,437 | \$ | —\$ 4,549,141 |

| | | 2014 Fair Value Measurements Using | | |
|-----------------------------|--------------|---------------------------------------|------------|---------------|
| | | Quoted | Prices in | Significant |
| | | Active | Other | Significant |
| | Fair Value | Markets for | Observable | Unobservable |
| | | Identical | Inputs | Inputs |
| | | Assets | (Level 2) | (Level 3) |
| | | (Level 1) | | |
| Common Stock of the Company | \$5,790,680 | \$5,790,680 | \$ | —\$ — |
| Mutual funds: | 33,615,673 | 33,615,673 | | |
| Money market funds | 40,555 | 40,555 | — | — |
| Certificates of deposit | 4,943,195 | — | — | 4,943,195 |
| | \$44,390,103 | \$39,446,908 | \$ | —\$ 4,943,195 |

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2015. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

First Mid-Illinois Bancshares, Inc.
 401(k) Profit Sharing Plan
 Notes to Financial Statements
 December 31, 2015 and 2014

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. See the table below for inputs and valuation techniques used for Level 3 securities.

Level 3 Reconciliation

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying statements of net assets available for benefits using significant unobservable (Level 3) inputs:

| | |
|---|-------------------------------|
| | Certificates of Deposit |
| Balance, January 1, 2014 | \$4,523,251 |
| Total interest income included in net increase in net assets available for benefits | 18,004 |
| Purchases | 1,452,755 |
| Redemptions | (1,050,815) |
| Balance, December 31, 2014 | 4,943,195 |
| Total interest income included in net increase in net assets available for benefits | 14,779 |
| Purchases | 1,555,952 |
| Redemptions | (1,964,785) |
| Balance, December 31, 2015 | \$4,549,141 |

First Mid-Illinois Bancshares, Inc.
 401(k) Profit Sharing Plan
 Notes to Financial Statements
 December 31, 2015 and 2014

Unobservable (Level 3) Inputs

The following table presents quantitative information about unobservable inputs used in recurring Level 3 fair value measurements.

| | Fair Value | Valuation | Unobservable Inputs | Range |
|-------------------------|-------------|----------------|---------------------------|-----------|
| | at | | | (Weighted |
| | 12/31/2015 | Technique | | Average) |
| Certificates of Deposit | \$4,549,141 | Amortized cost | Contractual interest rate | 0.30% |

| | Fair Value | Valuation | Unobservable Inputs | Range |
|-------------------------|-------------|----------------|---------------------------|----------------------|
| | at | | | (Weighted |
| | 12/31/2014 | Technique | | Average) |
| Certificates of Deposit | \$4,943,195 | Amortized cost | Contractual interest rate | 0.30%-0.35% (0.325%) |

Note 8: Plan Termination

Although it has not expressed an intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

Note 9: Plan Tax Status

The Plan operates under a volume submitter adoption agreement and plan document sponsored by Benefit Plan Consultants Inc. This volume submitter plan document has been filed with the appropriate agency. The Plan has not obtained or requested a determination letter. However, the Plan Administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. The Plan is no longer subject to U.S. federal or state income tax examinations by tax authorities before 2012.

First Mid-Illinois Bancshares, Inc.
401(k) Profit Sharing Plan
Notes to Financial Statements
December 31, 2015 and 2014

Note 10: Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the participants' account balances and the amounts reported in the statements of net assets available for benefits.

Supplemental Schedule

First Mid-Illinois Bancshares, Inc.
 401(k) Profit Sharing Plan
 EIN 37-1103704 PN 002
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 December 31, 2015

| Identity of Issuer | Description of Investment | | | Current |
|--|---------------------------|--------|----------|------------|
| Certificates of Deposit | | | | |
| First Mid-Illinois Bank & Trust* | 0.30 | % due | 12/31/16 | \$ 424,873 |
| First Mid-Illinois Bank & Trust* | 0.30 | % due | 12/31/16 | 4,124,268 |
| | | | | 4,549,141 |
| Common Stock | | | | |
| First Mid-Illinois Bancshares, Inc.* | 326,724 | Shares | | 8,494,817 |
| Mutual Funds | | | | |
| American Funds EuroPacific Growth Fund | 6,732 | Shares | | 305,083 |
| American Funds EuroPacific Growth F-2 #616 | 33,593 | Shares | | 1,520,089 |
| Gotham Absolute Return Inst | 21,387 | Shares | | 263,277 |
| ClearBridge Appreciation Fund | 72,312 | Shares | | 1,426,716 |
| Columbia Acorn International Fund - Z | 18,344 | Shares | | 717,627 |
| Dodge & Cox Balanced Fund | 23,818 | Shares | | 2,248,873 |
| Dodge & Cox Income Fund #147 | 69,113 | Shares | | 918,516 |
| Eagle Small Cap Growth Fund Class | 11,989 | Shares | | 612,146 |
| Federated Total Return Bond Fund | 72,435 | Shares | | 771,433 |
| Neuberger Berman Genesis Inst | 21,825 | Shares | | 1,114,401 |
| Oakmark Global I Fund | 93,877 | Shares | | 2,545,013 |
| Oppenheimer Developing Markets Y | 40,329 | Shares | | 1,209,459 |
| Loomis Sayles Value N | 67,432 | Shares | | 1,339,197 |
| Metropolitan West Total Return Bond I | 85,878 | Shares | | 912,024 |
| Principal High Yield Inst | 63,870 | Shares | | 429,207 |
| Principal Real Estate Securities | 12,508 | Shares | | 278,809 |
| Maingate MLP I | 26,345 | Shares | | 236,842 |
| T. Rowe Price Blue Chip Growth Fund | 22,219 | Shares | | 1,608,210 |
| T. Rowe Price Growth Stock Fund | 1,963 | Shares | | 105,310 |
| T. Rowe Price Mid-Cap Value Fund | 132,260 | Shares | | 3,298,568 |
| T. Rowe Price Small-Cap Stock Fund | 21,817 | Shares | | 842,362 |
| Templeton Global Bond | 34,667 | Shares | | 399,713 |
| Vanguard 500 Index Admr Shares | 13,277 | Shares | | 2,502,398 |
| Vanguard Balanced Index Admiral Shares | 1,491 | Shares | | 43,577 |
| Vanguard Developed Markets Index Fund-Inv | 4,818 | Shares | | 44,086 |
| Vanguard GNMA Fund Admr | 91,171 | Shares | | 971,887 |
| Vanguard Growth Index - Admr | 63,406 | Shares | | 3,472,741 |
| Vanguard Mid-Cap Index Admr Shares | 5,850 | Shares | | 869,990 |

First Mid-Illinois Bancshares, Inc.
 401(k) Profit Sharing Plan
 EIN 37-1103704 PN 002
 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
 (Continued)
 December 31, 2015

| Identity of Issuer | Description of Investment | | Current |
|--|---------------------------|----------|--------------|
| Vanguard Small-Cap Index Admr Shares | 2,722 | Shares | \$144,423 |
| Vanguard Interm-Term Govt Bond Index | 65 | Shares | 1,419 |
| Vanguard Total Bond Index Admr Shares | 6,994 | Shares | 74,414 |
| Vanguard Total World Stock Index | 4,409 | Shares | 103,385 |
| Vanguard Value Index Admr | 1,505 | Shares | 47,873 |
| Vanguard Windsor II - Admiral | 19,341 | Shares | 1,149,637 |
| Vanguard Emerging Markets Stock Index Admr | 2,431 | Shares | 66,448 |
| | | | 32,595,153 |
| Money Market Funds | | | |
| Federated Prime Obligation Funds #10 | 11,262 | Units | 11,262 |
| Federated Prime Obligation Funds #396 | 155,205 | Units | 155,205 |
| | | | 166,467 |
| Notes Receivable from Participants* | 3.25 | %— 4.00% | 599,338 |
| | | | \$46,404,916 |

* Represents a party-in-interest to the Plan

SIGNATURES

THE PLAN. Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

First Mid-Illinois Bancshares, Inc.
401 (k) Profit Sharing Plan

Date: June 28, 2016

Joseph R. Dively
President and Chief Executive Officer

Exhibit Index to Annual Report on Form 11-K

| Exhibit Number | Description and Filing or Incorporation Reference |
|-------------------|---|
|-------------------|---|

| | |
|----|---------------------|
| 23 | Consent of BKD, LLP |
|----|---------------------|