

CITY OF ZION, ILLINOIS

FINANCIAL STATEMENTS
For the Year Ended April 30, 2011

CITY OF ZION, ILLINOIS

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	i-ii
MANAGEMENT'S DISCUSSION AND ANALYSIS	iii-viii
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Assets.....	1
Statement of Activities.....	2
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.....	4
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities.....	6
Statement of Net Assets – Proprietary Funds	7
Statement of Revenues, Expenses, and Changes In Fund Net Assets – Proprietary Funds	8
Statement of Cash Flows – Proprietary Funds	9
Statement of Fiduciary Net Assets	10
Statement of Changes in Fiduciary Net Assets	11
INDEX FOR THE NOTES TO THE FINANCIAL STATEMENTS	12-13
NOTES TO THE FINANCIAL STATEMENTS.....	14-56

SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION:

Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:

General	57-61
Fire Protection Fund.....	62-63
Development TIF Area #1 Fund	64
Bond Debt Service Fund	65
Capital Projects - Hospital Fund.....	66
Water and Sewer Fund	67-68
Waste Collection Fund	69

SUPPLEMENTARY INFORMATION:

Combining Statements:

Combining Balance Sheet – Non-major Governmental Funds	70-75
Combining Schedule of Revenues, Expenditures, and Changes In Fund Balances – Non-major Governmental Funds	76-81
Schedule of Revenues, Expenditures, and Changes In Fund Balances – Budget and Actual – All Non-major Governmental Funds	82-112

CITY OF ZION, ILLINOIS

TABLE OF CONTENTS (Continued)

STATISTICAL SECTION (UNAUDITED)

	<u>Page</u>
Table 1: General Governmental Expenditures by Fund Type.....	113
Table 2: General Governmental Fund Expenditures – By Function	114
Table 3: General Governmental Fund Revenue – By Source	115
Table 4: Changes to General Fund Balance	116
Table 5: Balance Sheet – General Fund	117
Table 6: General Fund Balance Compared to Annual Expenditures	118
Table 7: General Fund Expenditures Per Capita.....	119
Table 8: Property Tax Rates, Levies, and Collections.....	120
Table 9: History of Tax Valuations, Rates and Extensions.....	121
Table 10: Property Tax Rates – All Overlapping Governments	122
Table 11: Schedule of Principal Taxpayers	123
Table 12: Investment Earnings – All Funds.....	124
Table 13: Summary of Investments by Funds	125
Table 14: Tax Collections.....	126
Table 15: Illinois Municipal Retirement Fund – Analysis of Funding Progress	127
Table 16: Police Pension Fund – Analysis of Funding Progress	128
Table 17: Firemen’s Pension Fund – Analysis of Funding Progress	129

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the City Council
City of Zion, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Zion, Illinois as of and for the year ended April 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Zion's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Zion's Police Pension Fund and the City of Zion's Firemen's Pension Fund. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Zion's Police Pension Fund or the City of Zion's Firemen Pension Fund, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

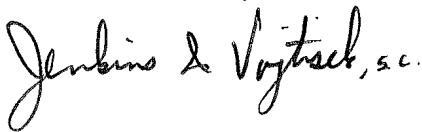
In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Zion, Illinois, as of April 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2012, on our consideration of the City of Zion, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages iii through viii and 82 through 112 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Zion, Illinois' financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the report of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections 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 any assurance on it.

JENKINS & VOJTISEK, S.C.

A handwritten signature in cursive script that reads "Jenkins & Vojtisek, S.C." The signature is written in black ink and is positioned below the firm's name.

Racine, Wisconsin
May 1, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

With this discussion and analysis, the Financial Management of the City of Zion offers this overview of the City's financial performance for the year ending April 30, 2011. Management suggests that this narrative be read in conjunction with the additional information as provided in the following financial statements.

Financial Highlights

- ◆ The City's total net assets at April 30, 2011 were \$31,381,461. The term "net assets" represents the difference between total assets and total liabilities.
- ◆ Net assets increased \$166,147 for the fiscal year ending April 30, 2011.
- ◆ Net assets may serve, over time, as a useful indicator of a government's financial position. Of the net asset balance, \$12,823,074 is restricted and \$24,696,530 is invested in capital assets net of related debt.
- ◆ The City's long-term debt decreased by \$2,875,212 as the result of the city making timely scheduled debt principal retirements. This was offset by an increase of \$107,005 of debt long-term debt increase for other post employment benefit obligations as detailed in Note J to the financial statements.

Overview of the Financial Statements

Management's discussion and analysis serves as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. The Statement of Net Assets and the Statement of Activities provide information about the City as a whole and present a longer-term view of the City's finances. Fund financial statements, for governmental activities, tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most financially significant funds.

The City changed its accounting and financial reporting to accord with recent standards issued by the Government Accounting Standards Board (GASB), including provisions of GASB 34 relating to financial statement presentation.

Total capital outlay in the governmental funds was \$2,053,894, which is included in expenditures on the fund financial statements. When capital additions are netted with depreciation expense on the entity-wide statements for governmental activities of \$1,276,609, this results in a difference of \$777,285 representing a major reconciling item between the two presentations. Additionally, current year dispositions of \$382,611, net of accumulated depreciation of \$146,784 resulted in a loss on disposition of \$235,827.

Additionally, financing activities such as proceeds from issuance of new bonds and principal pay downs of existing bonds are shown as other financing sources and debt service expenses in the fund financial statements. For the year ending April 30, 2011, the net effect of financing activities on the net assets of the governmental activities was (\$2,723,003).

In accordance with GASB 45, for the year ending April 30, 2011, certain post employment benefits related to providing post employment health insurance coverage were required to be reported as a liability in the financial statements. The effect of the recording of this liability and the related expenses on the net assets of the governmental activities was \$228,580.

a. Entity-wide financial statements

The financial statements of the City are intended to provide the reader with an understanding of the financial position of the City as of the close of the fiscal year and the results of activities for the year then ended. The fund financial statements focus on current financial resources while government-wide financial statements are similar to a commercial business. In the Statement of Net Assets and the Statement of Activities, the City is divided into two kinds of activities:

- i) Governmental activities where most of the City's basic services are reported including police, fire, street maintenance, and general administration. Revenue from various fees, sales and property taxes finance most of these activities.
- ii) Business-type activities where the City charges a fee to customers to help cover all or most of the cost of the services provided. The City's water, sewer, and waste collection activities are reported as business-type activities.

The Statement of Net Assets provides information on the City's assets and liabilities. Increases to net assets occur when revenues exceed expenses. Information is presented for each major fund and shows any restrictions on the fund or net assets.

The Statement of Activities reflects the results of the government's revenues, expenses and activities during the year and the corresponding effect on net asset balances. This statement shows the source of revenues and how those revenues were used to provide services.

In addition to the basic financial statements, notes to the financial statements provide further information to the reader and should be considered an integral part of the financial statements.

A budgetary comparison schedule is also provided as required supplementary information, which is useful in comparing how expenditures were made in comparison to budgeted amounts.

b. Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance and related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- i) Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. This information is useful in evaluating the City's near-term financing requirements.
- ii) Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains proprietary funds for its water and sewer and waste collection efforts.
- iii) Fiduciary funds are used for resources held for the benefit of parties outside the City. The only fiduciary funds utilized by the City are the Police and Firemen's Pension Funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's programs.

Financial Analysis

Condensed Statement of Net Assets

	Governmental	Governmental	Business-Type	Business-Type	Total	Total
	Activities	Activities	Activities	Activities		
	2011	2010	2011	2010	2011	2010
Cash and equivalents	\$ 8,890,554	\$ 8,973,499	\$ 1,039,971	\$ 370,866	\$ 9,930,525	\$ 9,344,365
Investments	0	0	892,353	2,940,556	892,353	2,940,558
Taxes receivable	6,085,028	6,406,881	0	0	6,085,028	6,406,881
Note receivable – current	1,383,333	1,194,250	0	0	1,383,333	1,194,250
Other current assets	1,808,529	2,565,559	1,334,579	1,267,574	3,143,108	3,833,133
Total current assets	18,167,444	19,140,189	3,266,903	4,578,996	21,434,347	23,719,185
Note receivable – non-current	13,224,268	14,323,089	6,274,013	5,232,080	19,498,281	19,555,189
Capital assets, net of depreciation	31,995,009	31,453,552	5,760,645	5,518,957	37,755,654	36,972,509
Total assets	\$ 63,386,721	\$ 64,916,830	\$ 15,301,561	\$ 15,330,033	78,688,282	\$80,246,863
Current liabilities	\$ 7,948,926	\$ 8,403,881	\$ 908,130	\$ 907,148	\$ 8,857,056	\$ 9,311,029
Non-current liabilities	35,742,593	37,263,514	2,707,172	2,457,006	38,449,765	39,720,520
Total liabilities	\$ 43,691,519	\$ 45,667,395	\$ 3,615,302	\$ 3,364,154	\$ 47,306,821	\$ 49,031,549
Net assets						
Invested in capital assets, net of related debt	\$ 21,029,352	\$ 19,034,029	\$ 3,667,178	\$ 3,279,144	\$ 24,696,530	\$ 22,313,173
Restricted	3,168,214	3,492,631	9,654,860	9,124,186	12,823,074	12,616,817
Unrestricted	(4,502,364)	(3,277,225)	(1,635,779)	(437,451)	(6,138,143)	(3,714,676)
Total net assets	\$ 19,695,202	\$ 19,249,435	\$ 11,686,259	\$ 11,965,879	\$ 31,381,461	\$ 31,215,314

At April 30, 2011, current assets exceed current liabilities by \$10,218,518 for governmental activities and \$2,358,773 for business-type activities.

Condensed Statement of Activities

	Governmental	Governmental	Business-type	Business-Type	Totals	Totals
	Activities	Activities	Activities	Activities		
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues						
Charges for services	\$ 5,382,649	\$ 4,116,461	\$ 4,787,747	\$4,950,582	\$ 10,170,396	\$ 8,677,019
Operating grants and contributions	7,500	26,900	0	0	7,500	26,900
Capital grants and contributions	1,225,457	165,412	0	0	1,225,457	165,412
General revenues						
Property taxes	6,387,451	6,202,033	0	0	6,387,451	6,202,033
Sales taxes	2,481,114	2,807,777	0	0	2,481,114	2,807,777
Utility taxes	1,947,703	2,015,082	0	0	1,947,703	2,015,082
Income taxes	1,692,223	1,364,887	0	0	1,692,223	1,364,887
Interest	1,416,201	1,631,036	58,856	63,949	1,475,057	1,694,985
Other	1,097,074	1,216,878	0	0	1,097,074	1,216,878
Total revenues	21,637,372	19,546,466	4,846,603	5,014,531	26,483,975	24,560,997
Expenses						
General government	1,864,290	1,694,156	0	0	1,864,290	1,694,156
Public health and safety	10,439,167	10,832,328	0	0	10,439,167	10,832,328
Public works and engineering	3,749,415	4,192,113	0	0	3,749,415	4,192,113
Economic development and promotion	3,142,436	3,036,598	0	0	3,142,436	3,036,598
Debt service	1,996,297	2,115,323	0	0	1,996,297	2,115,323
Water and sewer	0	0	3,332,472	3,034,112	3,332,472	3,034,112
Waste collection	0	0	1,793,751	1,740,071	1,793,751	1,740,071
Total expenses	21,191,605	21,870,518	5,126,223	4,774,183	26,317,828	26,644,701
(Decrease) increase in net assets	445,767	(2,324,052)	(279,620)	240,348	166,147	(2,083,704)
Net assets, beginning	19,249,435	21,573,487	11,965,879	11,725,531	31,215,314	33,299,018
	\$ 19,695,202	\$ 19,249,435	\$ 11,686,259	\$ 11,965,879	\$ 31,381,461	\$ 31,215,314

The statement of activities shows the nature and source of the changes in net assets during the current fiscal year. All revenues were used to fund current expenses.

Significant Events

Due to the housing market impact combined with general economic trends, the Equalized Assessed Valuation (EAV) of property in the City decreased, which results in a corresponding decrease in tax revenue into the City for use in meeting the needs of our residents. EAV for the 2011 fiscal year was \$399,149,725.

During the 2011 fiscal year, the City along with many other areas of the country continued to experience a slow down in starts, especially in housing. All departments were presented with new spending guidelines, which resulted in narrowing the gap between original budgeted spending and the lowered expectation from permit fees. However, as the 2011 fiscal year ended, a new Best Western Plus hotel opened, interjecting needed business into the downtown area and providing additional hotel rooms to serve patients at the city's largest employer, Cancer Treatment Centers of America.

Fund Activity

	Balance May 1, 2010	Revenues	Expenditures/ Expenses	Other Financing	Balance April 30, 2011
Governmental funds					
General	(\$ 846,668)	\$ 12,895,650	\$ 13,941,846	(\$1,099,304)	(\$ 2,992,168)
Fire Protection	(109,947)	1,426,833	3,090,131	1,641,436	(131,809)
Development TIF Area #1	(615,812)	1,249,795	1,323,163	(111,191)	(800,371)
Bond Debt Service	7,604,255	0	2,940,103	2,937,109	7,601,261
Capital Projects Hospital	15,145,146	1,377,600	0	(2,683,850)	13,838,896
Other	1,070,057	4,943,321	3,289,645	(684,200)	2,039,533
	<u>\$ 22,247,031</u>	<u>\$ 21,893,199</u>	<u>\$ 24,584,888</u>	<u>\$ 0</u>	<u>\$ 19,555,342</u>
Proprietary funds					
Water and Sewer	\$ 12,131,536	\$ 3,297,881	\$ 3,217,922	(\$ 55,694)	\$ 12,155,801
Waste Collection	(165,657)	1,489,866	1,793,751	0	(469,542)
	<u>\$ 11,965,879</u>	<u>\$ 4,787,747</u>	<u>\$ 5,011,673</u>	<u>(\$ 55,694)</u>	<u>\$ 11,686,259</u>
Fiduciary funds					
Police pension	\$ 22,081,883	\$ 3,775,163	\$ 1,816,103	\$ 0	\$ 24,040,943
Firemen's pension	13,693,252	1,441,155	1,200,530	0	13,933,877
	<u>\$ 35,775,135</u>	<u>\$ 5,216,318</u>	<u>\$ 3,016,633</u>	<u>\$ 0</u>	<u>\$ 37,974,820</u>

Budgetary Highlights

The financial statements show a comparison of actual activity to budgeted amounts. Budgeted amounts are used for management internal control purposes. Appropriated amounts represent the City's legal ability to spend and are always in an amount larger than that budgeted in each fund.

Revisions were made to the budget, primarily, due to unexpected budgetary needs that arose after formal adoption of the final budget.

Capital Assets

The City's investment in capital assets (net of accumulated depreciation) as of April 30, 2011 is \$31,995,009 for Governmental Funds and \$5,760,645 for Business Type Funds.

Capital asset activity for governmental activities for the year ended April 30, 2011 are detailed as follows:

	2011	2010	Increase (Decrease)
Capital assets not being depreciated			
Land and improvements	\$ 2,120,284	\$ 2,120,284	\$ 0
Capital assets being depreciated			
Buildings and improvements	10,767,575	9,161,286	1,606,289
Machinery and equipment	5,120,235	5,055,241	64,994
Roads and bridges	29,259,705	29,259,705	0
Total capital assets being depreciated.	45,147,515	43,476,232	1,671,283
Less accumulated depreciation for:			
Buildings and improvements	4,862,967	4,786,669	76,298
Machinery and equipment	4,449,045	3,980,712	468,333
Roads and bridges	5,960,778	5,375,584	585,194
Total accumulated depreciation	15,272,790	14,142,965	1,129,825
Total capital assets being depreciated, net	29,874,725	29,333,267	541,458
Governmental activities capital assets, net	\$ 31,995,009	\$ 31,453,551	\$ 541,458

Capital asset activity for business-type activities for the year ended April 30, 2011 was as follows:

	2011	2010	Increase (Decrease)
Capital assets not being depreciated			
Land and improvements	\$ 431,831	\$ 431,831	\$ 0
Capital assets being depreciated			
Water mains and plants	12,029,308	11,491,893	537,415
Machinery and equipment	1,231,650	1,231,650	0
Total capital assets being depreciated	13,260,958	12,723,543	537,415
Less accumulated depreciation for:			
Water mains and plants	6,720,207	6,431,051	289,156
Machinery and equipment	1,211,937	1,205,366	6,571
Total accumulated depreciation	7,932,144	7,636,417	295,727
Total capital assets being depreciated, net	5,328,814	5,087,126	241,688
Business-type activities capital assets, net	\$ 5,760,645	\$ 5,518,957	\$ 241,688

Debt

The following is a summary of the City's general long-term debt activity for the year ended April 30, 2011.

	2011	2010	Increase (Decrease)
Governmental Activities			
E-911 Note payable	\$ 0	\$ 224,492	(\$ 224,492)
Loan Payable (Fire Truck)	0	97,636	(97,636)
Other Liabilities			
Capital Leases	65,657	127,394	(61,737)
Net OPEB Obligation	228,580	121,575	107,005
Bonds payable			
General Obligation Bonds, Series 2002 (Midwestern Regional Medical Center)	20,825,000	22,100,000	(1,275,000)
General Obligation Bonds, Series 2002A (Special Tax Allocation Fund)	2,920,000	3,280,000	(360,000)
General Obligation Bonds, Series 2002B (Motor Fuel Tax Road Bonds)	2,625,000	2,885,000	(260,000)
General Obligation Bonds, Series 2004A (Special Tax Allocation Fund Alternate)	1,760,000	1,935,000	(175,000)
General Obligation Bonds, Series 2003 (Motor Fuel Tax Road Bonds)	1,400,000	1,520,000	(120,000)
General Obligation Limited Tax Debt Certificates, Series 2007	2,195,000	2,350,000	(155,000)
Governmental Long-Term Liability Totals	32,019,237	34,641,097	(2,621,860)
Business-Type Activities			
General Obligation Refunding Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2006	2,180,000	2,335,000	(155,000)
Government-Wide Long-Term Liability Totals	\$ 34,199,237	\$ 36,976,097	(\$ 2,776,860)

Economic Factors and the Next Year's Budgets and Rates

Projected growth and development in the communities served by the City will increase the tax base of the City in the coming year. Beginning four months into the 2007 fiscal year, housing starts began to slow not only in the City, but also around the country. Housing developments have continued to slow and will negatively impact the City especially in the area of permits. While commercial development is beginning to increase with the scheduled June 2011 opening of a Best Western Plus hotel in the downtown area, it will not offset the loss in permit revenue from residential construction for the intermediate term. The city continues to seek out opportunities to reduce expenses and to generate additional revenue in an effort to serve Zion residents and other stakeholders.

The Estimated Assessed Valuation (EAV) of property within the City decreased by \$23,490,567 during the 2011 assessment year to \$399,149,725.

The City operates under the Property Tax Extension Limitation Law, popularly known as the "tax cap", which states that the total of certain levies (not including bond levies) may not increase by more than the lesser of 5% of prior year total or the prior year percentage increase in the Consumer Price Index.

All of the above factors were considered in preparing the City of Zion's budget for the 2010-2011 fiscal year.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Clerk, City of Zion.

CITY OF ZION, ILLINOIS

BASIC FINANCIAL STATEMENTS

CITY OF ZION, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2011

ASSETS

	Governmental Activities	Business-Type Activities	Total Governmental Funds
CURRENT ASSETS			
Cash and equivalents	\$ 8,890,554	\$ 1,039,971	\$ 9,930,525
Investments	0	892,353	892,353
Taxes receivable, net of allowance for uncollectables	6,085,028	0	6,085,028
Net trade accounts receivable	418,556	1,125,356	1,543,912
Note receivable - current portion	1,383,333	0	1,383,333
Other receivables and current assets	401,503	13,672	415,175
Due from other governmental agencies	875,608	0	875,608
Prepaid insurance	65,972	195,551	261,523
Deferred bond discount	46,890	0	46,890
Total Current Assets	<u>18,167,444</u>	<u>3,266,903</u>	<u>21,434,347</u>
NONCURRENT ASSETS			
Advance to general fund	0	6,274,013	6,274,013
Advance to waste collection fund	768,705	0	768,705
Note receivable - long-term portion	12,455,563	0	12,455,563
Capital assets, net of accumulated depreciation	31,995,009	5,760,645	37,755,654
Total Noncurrent Assets	<u>45,219,277</u>	<u>12,034,658</u>	<u>57,253,935</u>
TOTAL ASSETS	<u>\$ 63,386,721</u>	<u>\$ 15,301,561</u>	<u>\$ 78,688,282</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES			
Accounts payable	\$ 1,225,368	\$ 148,759	\$ 1,374,127
Due to other governmental agencies	78,888	0	78,888
Current portion of long-term debt	2,550,657	155,000	2,705,657
Accrued payroll	782,458	50,399	832,857
Deferred revenue	3,271,790	246,225	3,518,015
Other liabilities	39,765	0	39,765
Liabilities payable from restricted assets	0	307,747	307,747
Total Current Liabilities	<u>7,948,926</u>	<u>908,130</u>	<u>8,857,056</u>
NONCURRENT LIABILITIES			
Advance from water and sewer fund	6,274,013	0	6,274,013
Advance from general fund	0	768,705	768,705
Long-term debt - net of current portion	29,468,580	1,938,467	31,407,047
Total Noncurrent Liabilities	<u>35,742,593</u>	<u>2,707,172</u>	<u>38,449,765</u>
TOTAL LIABILITIES	<u>43,691,519</u>	<u>3,615,302</u>	<u>47,306,821</u>
NET ASSETS			
Investment in capital assets, net of related debt	21,029,352	3,667,178	24,696,530
Restricted for:			
Debt service	195,607	146,746	342,353
Capital projects	135	3,234,101	3,234,236
Other purposes	2,972,472	6,274,013	9,246,485
Unrestricted	(4,502,364)	(1,635,779)	(6,138,143)
TOTAL NET ASSETS	<u>19,695,202</u>	<u>11,686,259</u>	<u>31,381,461</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 63,386,721</u>	<u>\$ 15,301,561</u>	<u>\$ 78,688,282</u>

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS

STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2011

		Program Revenues	
	Expenses	Charges for Services	Operating Grants and Contributions
FUNCTIONS/PROGRAMS			
Governmental activities:			
General government	\$ 1,864,290	\$ 4,377,558	\$ 0
Public health and safety	10,439,167	873,611	7,500
Public works and engineering	3,749,415	129,515	0
Economic development and promotion	3,142,436	1,965	0
Debt service	1,996,297	0	0
	<u>21,191,605</u>	<u>5,382,649</u>	<u>7,500</u>
Total governmental activities			
Business-type activities:			
Water and sewer	3,332,472	3,297,881	0
Waste collection	1,793,751	1,489,866	0
	<u>5,126,223</u>	<u>4,787,747</u>	<u>0</u>
Total business-type activities			
Total primary government			
	<u>\$ 26,317,828</u>	<u>\$ 10,170,396</u>	<u>\$ 7,500</u>
General revenues:			
Property taxes			
Sales taxes			
Income taxes			
Motor fuel tax			
Utility taxes			
Other taxes			
Interest			
(Loss) on sale of capital assets			
Total general revenues			
Change in net assets			
Net assets - beginning			
Net assets - ending			

Net (Expense) Revenue and
Changes in Net Assets

Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 1,079,457	\$ 3,592,725	\$ 0	\$ 3,592,725
39,000	(9,519,056)	0	(9,519,056)
107,000	(3,512,900)	0	(3,512,900)
0	(3,140,471)	0	(3,140,471)
0	(1,996,297)	0	(1,996,297)
<u>1,225,457</u>	<u>(14,575,999)</u>	<u>0</u>	<u>(14,575,999)</u>
0	0	(34,591)	(34,591)
0	0	(303,885)	(303,885)
<u>0</u>	<u>0</u>	<u>(338,476)</u>	<u>(338,476)</u>
<u>\$ 1,225,457</u>	<u>(14,575,999)</u>	<u>(338,476)</u>	<u>(14,914,475)</u>
	6,387,451	0	6,387,451
	2,481,114	0	2,481,114
	1,692,223	0	1,692,223
	690,845	0	690,845
	1,947,703	0	1,947,703
	642,056	0	642,056
	1,416,201	58,856	1,475,057
	(235,827)	0	(235,827)
	<u>15,021,766</u>	<u>58,856</u>	<u>15,080,622</u>
	445,767	(279,620)	166,147
	<u>19,249,435</u>	<u>11,965,879</u>	<u>31,215,314</u>
	<u>\$ 19,695,202</u>	<u>\$ 11,686,259</u>	<u>\$ 31,381,461</u>

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS
GOVERNMENTAL FUNDS

BALANCE SHEET
April 30, 2011

ASSETS

	General	Fire Protection	Development TIF Area #1
ASSETS			
Cash and equivalents	\$ 17,842	\$ 0	\$ 0
Taxes receivable, net of allowance for uncollectables	790,316	893,058	1,282,017
Accounts receivable	327,475	91,081	0
Notes receivable	0	0	0
Other receivables and current assets	358,818	4,239	5,288
Due from other governmental agencies	828,415	0	0
Due from other funds	3,191,954	0	0
Prepaid insurance	51,362	14,610	0
TOTAL ASSETS	\$ 5,566,182	\$ 1,002,988	\$ 1,287,305

LIABILITIES AND FUND BALANCES

LIABILITIES			
Accounts payable	\$ 1,010,692	\$ 14,065	\$ 140,048
Due to other governmental agencies	0	0	0
Due to other funds	0	491,435	1,296,908
Accrued payroll	551,239	153,976	0
Deferred revenue - property taxes	704,352	453,610	650,720
Advance from water and sewer fund	6,274,013	0	0
Other liabilities	18,054	21,711	0
TOTAL LIABILITIES	8,558,350	1,134,797	2,087,676
FUND BALANCES			
Reserved - receivable for future appropriations	0	0	0
Unreserved			
Undesignated	(2,992,168)	(131,809)	(800,371)
TOTAL FUND BALANCES	(2,992,168)	(131,809)	(800,371)
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,566,182	\$ 1,002,988	\$ 1,287,305

Bond Debt Service	Capital Projects Hospital	Other Governmental Funds	Total Governmental Funds
\$ 7,601,261	\$ 0	\$ 1,271,451	\$ 8,890,554
0	0	3,119,637	6,085,028
0	0	0	418,556
0	13,838,896	0	13,838,896
0	0	33,158	401,503
0	0	47,193	875,608
0	0	0	3,191,954
0	0	0	65,972
<u>\$ 7,601,261</u>	<u>\$ 13,838,896</u>	<u>\$ 4,471,439</u>	<u>\$ 33,768,071</u>
\$ 0	\$ 0	\$ 60,563	\$ 1,225,368
0	0	78,888	78,888
0	0	634,906	2,423,249
0	0	77,243	782,458
0	0	1,580,306	3,388,988
0	0	0	6,274,013
0	0	0	39,765
<u>0</u>	<u>0</u>	<u>2,431,906</u>	<u>14,212,729</u>
0	13,838,896	0	13,838,896
<u>7,601,261</u>	<u>0</u>	<u>2,039,533</u>	<u>5,716,446</u>
<u>7,601,261</u>	<u>13,838,896</u>	<u>2,039,533</u>	<u>19,555,342</u>
<u>\$ 7,601,261</u>	<u>\$ 13,838,896</u>	<u>\$ 4,471,439</u>	<u>\$ 33,768,071</u>

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
For the Year Ended April 30, 2011**

Total fund balances - governmental funds \$ 19,555,342

Amounts reported for governmental activities in the net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Capital assets	\$	47,267,799	
Accumulated depreciation		<u>(15,272,790)</u>	
		Net capital assets	31,995,009

Some receivables that are not currently available are reported as deferred revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. 117,198

Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities are as follows:

General Obligation Bonds payable	\$	31,725,000	
Capital leases		65,657	
Other post employment benefits		<u>228,580</u>	
		Total long-term liabilities	<u>(32,019,237)</u>

Costs related to the issuance of long-term debt are recorded as expenditure when incurred in governmental funds, but are capitalized and amortized over the life of the debt issue in the statement of net assets. 46,890

Net assets of governmental activities \$ 19,695,202

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Year Ended April 30, 2011

	General	Fire Protection	Development TIF Area #1
REVENUES			
Property taxes	\$ 838,552	\$ 899,519	\$ 1,248,550
Other taxes	6,517,124	0	0
Charges for services	590,781	437,309	0
Permits and other fees	3,495,346	35,576	0
Intergovernmental	139,240	0	0
Grants and donations	1,079,457	46,500	0
Interest	19,137	0	0
Miscellaneous	216,013	7,929	1,245
TOTAL REVENUES	12,895,650	1,426,833	1,249,795
EXPENDITURES			
Current			
General government	1,631,819	0	0
Public health and safety	6,371,093	2,930,462	0
Public works and engineering	2,312,989	0	0
Economic development and promotion	1,587,845	0	1,257,969
Capital outlay	2,020,159	60,945	65,194
Debt service			
Principal retirement	0	97,636	0
Interest and fiscal charges	17,941	1,088	0
TOTAL EXPENDITURES	13,941,846	3,090,131	1,323,163
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,046,196)	(1,663,298)	(73,368)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	1,389,835	1,739,575	402,457
Operating transfers (out)	(2,489,139)	(98,139)	(513,648)
TOTAL OTHER FINANCING SOURCES (USES)	(1,099,304)	1,641,436	(111,191)
NET CHANGE IN FUND BALANCES	(2,145,500)	(21,862)	(184,559)
FUND BALANCE - BEGINNING OF YEAR	(846,668)	(109,947)	(615,812)
FUND BALANCE - END OF YEAR	(\$ 2,992,168)	(\$ 131,809)	(\$ 800,371)

Bond Debt Service	Capital Projects Hospital	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 0	\$ 3,400,830	\$ 6,387,451
0	0	245,972	6,763,096
0	0	0	1,028,090
0	0	385,551	3,916,473
0	0	797,845	937,085
0	0	0	1,125,957
0	1,377,600	19,464	1,416,201
0	0	93,659	318,846
<u>0</u>	<u>1,377,600</u>	<u>4,943,321</u>	<u>21,893,199</u>
0	0	179,051	1,810,870
0	0	584,301	9,885,856
0	0	682,927	2,995,916
0	0	214,256	3,060,070
0	0	30,575	2,176,873
1,430,000	0	1,139,492	2,667,128
<u>1,510,103</u>	<u>0</u>	<u>459,043</u>	<u>1,988,175</u>
<u>2,940,103</u>	<u>0</u>	<u>3,289,645</u>	<u>24,584,888</u>
(2,940,103)	1,377,600	1,653,676	(2,691,689)
2,937,109	0	3,008,677	9,477,653
<u>0</u>	<u>(2,683,850)</u>	<u>(3,692,877)</u>	<u>(9,477,653)</u>
<u>2,937,109</u>	<u>(2,683,850)</u>	<u>(684,200)</u>	<u>0</u>
(2,994)	(1,306,250)	969,476	(2,691,689)
<u>7,604,255</u>	<u>15,145,146</u>	<u>1,070,057</u>	<u>22,247,031</u>
<u>\$ 7,601,261</u>	<u>\$ 13,838,896</u>	<u>\$ 2,039,533</u>	<u>\$ 19,555,342</u>

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2011

Net change in fund balances - total governmental funds (\$ 2,691,689)

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

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 exceed depreciation in the current period.

Capital outlay	\$	2,053,894
Depreciation	(<u>1,276,609</u>)

Capital outlay in excess of depreciation and dispositions 777,285

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds:

Increase in other post employment benefits	(\$	<u>107,005</u>)
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Total expenses of non-current resources (107,005)

Collections on receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are not recognized as revenue when earned in the government-wide financial statements.

Payments received on note receivable issued for sale of City property	(\$	<u>20,000</u>)
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Total receipts from non-current assets (20,000)

(Loss) on sale of assets not included on the fund statements (235,827)

The issuance of long-term debt (e.g., bonds, leases, etc.) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds.

Principal retirement	\$	2,728,865
Amortization of issuance costs and discount	(<u>5,862</u>)

Net effect of bond activity 2,723,003

Change in net assets of governmental activities \$ 445,767

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS
PROPRIETARY FUNDS

STATEMENT OF NET ASSETS
April 30, 2011

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Waste Collection	Totals
ASSETS			
CURRENT ASSETS			
Cash and equivalents	\$ 1,039,971	\$ 0	\$ 1,039,971
Trade accounts receivable	370,531	274,671	645,202
Unbilled trade accounts	480,154	0	480,154
Other receivables	13,672	0	13,672
Prepaid expenses	1,565	193,986	195,551
TOTAL CURRENT ASSETS	1,905,893	468,657	2,374,550
NONCURRENT ASSETS			
Investments	892,353	0	892,353
Advance to general fund	6,274,013	0	6,274,013
Capital assets:			
Land	352,575	79,256	431,831
Buildings and improvements	0	45,496	45,496
Water mains and related infrastructure	11,983,812	0	11,983,812
Equipment	1,059,761	171,889	1,231,650
Accumulated depreciation	(7,714,759)	(217,385)	(7,932,144)
Total capital assets, net of accumulated depreciation	5,681,389	79,256	5,760,645
TOTAL NONCURRENT ASSETS	12,847,755	79,256	12,927,011
TOTAL ASSETS	\$ 14,753,648	\$ 547,913	\$ 15,301,561

Business-Type Activities - Enterprise Funds		
Water and Sewer	Waste Collection	Totals

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 146,234	\$ 2,525	\$ 148,759
Deferred income - unearned collection fees	0	246,225	246,225
Accrued payroll and related expenses	50,399	0	50,399
TOTAL CURRENT LIABILITIES	196,633	248,750	445,383

PAYABLE FROM RESTRICTED ASSETS

Customer deposits	213,630	0	213,630
Current portion of General Obligation Bonds	155,000	0	155,000
Accrued interest	94,117	0	94,117
TOTAL PAYABLE FROM RESTRICTED ASSETS	462,747	0	462,747

NONCURRENT LIABILITIES

Due to other funds	0	768,705	768,705
General Obligation Bonds payable	1,938,467	0	1,938,467
TOTAL NONCURRENT LIABILITIES	1,938,467	768,705	2,707,172

TOTAL LIABILITIES	2,597,847	1,017,455	3,615,302
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NET ASSETS

Invested in capital assets, net of related debt	3,587,922	79,256	3,667,178
Restricted for:			
Bond retirement	146,746	0	146,746
Construction	3,234,101	0	3,234,101
Reservation of long-term portion of advance to general fund	6,274,013	0	6,274,013
Unrestricted	(1,086,981)	(548,798)	(1,635,779)

TOTAL NET ASSETS	12,155,801	(469,542)	11,686,259
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TOTAL LIABILITIES AND NET ASSETS	\$ 14,753,648	\$ 547,913	\$ 15,301,561
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The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS
PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
For the Year Ended April 30, 2011

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Waste Collection	Totals
OPERATING REVENUES			
Charges for services	\$ 3,297,881	\$ 1,489,866	\$ 4,787,747
TOTAL REVENUES	<u>3,297,881</u>	<u>1,489,866</u>	<u>4,787,747</u>
OPERATING EXPENSES			
Personal services	759,542	0	759,542
Contractual services	1,325,510	1,784,586	3,110,096
Materials and supplies	122,285	9,165	131,450
Repairs and maintenance	714,857	0	714,857
Capital outlay	0	0	0
Depreciation	295,728	0	295,728
TOTAL OPERATING EXPENSES	<u>3,217,922</u>	<u>1,793,751</u>	<u>5,011,673</u>
INCOME FROM OPERATIONS	<u>79,959</u>	<u>(303,885)</u>	<u>(223,926)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	58,856	0	58,856
Interest and fiscal charges	(114,550)	0	(114,550)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(55,694)</u>	<u>0</u>	<u>(55,694)</u>
CHANGE IN NET ASSETS	24,265	(303,885)	(279,620)
NET ASSETS - BEGINNING OF YEAR	<u>12,131,536</u>	<u>(165,657)</u>	<u>11,965,879</u>
NET ASSETS - END OF YEAR	<u>\$ 12,155,801</u>	<u>(\$ 469,542)</u>	<u>\$ 11,686,259</u>

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS
PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS
For the Year Ended April 30, 2011

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Waste Collection	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 3,320,224	\$ 1,399,711	\$ 4,719,935
Cash payments to suppliers for goods and services	(2,079,667)	(1,716,143)	(3,795,810)
Cash payments to employees for services	(757,305)	0	(757,305)
Cash payments to other funds for services	(82,500)	(82,500)	(165,000)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	400,752	(398,932)	1,820
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances to other funds	(1,500,000)	0	(1,500,000)
Transfers from other funds	0	396,512	396,512
NET CASH (USED) PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	(1,500,000)	396,512	(1,103,488)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition or construction of capital assets	(537,415)	0	(537,415)
Amortization of bond discount	8,653	0	8,653
Retirement of bonds	(155,000)	0	(155,000)
Interest paid on bonds	(110,591)	0	(110,591)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(794,353)	0	(794,353)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investment activity	2,048,203	0	2,048,203
Interest on cash and equivalents	516,923	0	516,923
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,565,126	0	2,565,126
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	671,525	(2,420)	669,105
CASH AND EQUIVALENTS - BEGINNING OF YEAR	368,446	2,420	370,866
CASH AND EQUIVALENTS - END OF YEAR	\$ 1,039,971	\$ 0	\$ 1,039,971
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
INCOME (LOSS) FROM OPERATIONS	\$ 79,959	(\$ 303,885)	\$ (223,926)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:			
Depreciation	295,728	0	295,728
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	2,300	(133,121)	(130,821)
Decrease in unbilled water usage	25,381	0	25,381
Decrease in other receivables	5,017	0	5,017
(Increase) decrease in prepaid expenses	(931)	34,349	33,418
Increase (decrease) in accounts payable	1,416	(39,241)	(37,825)
Increase in accrued payroll and related expenses	2,237	0	2,237
Increase in deferred revenue	0	42,966	42,966
(Decrease) in customer deposits	(10,355)	0	(10,355)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 400,752	(\$ 398,932)	\$ 1,820

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS
FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS
April 30, 2011

	Pension Trust Funds		
	Police Pension	Firemen's Pension	Totals
ASSETS			
Cash and equivalents	\$ 2,236,755	\$ 5,743,790	\$ 7,980,545
Investments			
U.S. government and agency obligations	10,608,719	3,049,359	13,658,078
Insurance company contracts	0	2,125,160	2,125,160
Corporate bonds	0	256,550	256,550
Equity securities and mutual funds	10,024,662	1,945,020	11,969,682
Receivables			
Property taxes	965,942	762,376	1,728,318
Replacement taxes	94,080	49,085	143,165
Accrued interest	110,785	4,937	115,722
	24,040,943	13,936,277	37,977,220
TOTAL ASSETS			
	24,040,943	13,936,277	37,977,220
LIABILITIES - Pension withholdings	0	2,400	2,400
NET ASSETS - Held in trust for pension benefits	\$ 24,040,943	\$ 13,933,877	\$ 37,974,820

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS
FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Year Ended April 30, 2011

	Pension Trust Funds		
	Police Pension	Firemen's Pension	Totals
ADDITIONS			
Contributions			
Employer - property and replacement taxes	\$ 963,072	\$ 763,914	\$ 1,726,986
Employee - participant salary deductions	320,659	168,977	489,636
TOTAL CONTRIBUTIONS	1,283,731	932,891	2,216,622
Investment income			
Net appreciation in fair value of investments	2,005,647	390,747	2,396,394
Interest and dividend income	565,147	184,254	749,401
Total investment income	2,570,794	575,001	3,145,795
Less: investment expense	(79,362)	(66,737)	(146,099)
NET INVESTMENT INCOME	2,491,432	508,264	2,999,696
TOTAL ADDITIONS	3,775,163	1,441,155	5,216,318
DEDUCTIONS			
Pension benefits			
Retirees	1,229,995	391,347	1,621,342
Disability pensions	338,606	576,727	915,333
Survivors pensions	144,863	207,449	352,312
Refunds of contributions	69,796	0	69,796
Administration	32,843	25,007	57,850
TOTAL DEDUCTIONS	1,816,103	1,200,530	3,016,633
NET INCREASE	1,959,060	240,625	2,199,685
NET ASSETS HELD IN TRUST FOR PENSION			
BENEFITS - BEGINNING OF YEAR	22,081,883	13,693,252	35,775,135
NET ASSETS HELD IN TRUST FOR PENSION			
BENEFITS - END OF YEAR	\$ 24,040,943	\$ 13,933,877	\$ 37,974,820

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS

INDEX FOR THE NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

	<u>Page</u>	
Note A	Summary of Significant Accounting Policies	14
	Reporting Entity	14
	Government-Wide Statements	15
	Fund Financial Statements	15
	Governmental, Proprietary, and Fiduciary Funds	16
	Major and Nonmajor Funds	17
	Measurement Focus and Basis of Accounting	20
	Financial Statement Amounts	21
	Cash and Equivalents	21
	Investments	21
	Interfund Receivables and Payables	21
	Receivables	21
	Prepaid Expenses	22
	Fixed Assets	22
	Compensated Absences	23
	Payables	23
	Deferred Revenues	23
	Long-Term Debt	23
	Equity Classifications	24
	Use of Estimates	24
	New Accounting Pronouncements	24
Note B	Stewardship, Compliance and Accountability	25
	Budgetary Control	25
	Deficit Fund Equity of Individual Funds	25
	Excess of Actual Expenditures/Expenses Over Budget	26
	Revenue Restrictions	27
Note C	Deposits and Investments	28
Note D	Accounts Receivable	33
Note E	Property Taxes	33
Note F	Capital Assets – Governmental Activities	36
Note G	Capital Assets – Business-Type Activities	37

CITY OF ZION, ILLINOIS

INDEX FOR THE NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

	<u>Page</u>	
Note H	Retirement Fund Commitments	37
	Defined Benefit Pension Plan – IMRF	37
	Police and Firemen’s Pension Funds	39
	Annual Pension Cost and Net Pension Obligation (Asset)	41
	Other Post Employment Benefits	42
Note I	Notes Receivable – Capital Projects Fund	44
Note J	Long-Term Debt	44
	Summary of Long-Term Debt	44
	Note Payable and Capital Leases	45
	General Obligation Bonds	46
	Waterworks and Sewerage Revenue Bonds	48
Note K	Interfund Transactions and Balances	50
Note L	Restricted Net Assets	54
Note M	Summary Disclosure of Significant Contingencies and Commitments	54
Note N	Risk Management and Litigation	55
Note O	Subsequent Events	56

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Zion, Illinois (the “City”), was incorporated in 1902 and is located in the northeast part of the state in the County of Lake. The City operates under a commission form of government made up of five elected officials (four commissioners, and the mayor). The City’s major operations include public health and safety (police and fire), public works and engineering, economic development and promotion, and other general administrative governmental services. In addition, the City owns and operates a water and sewer system as well as provides waste collection services.

The financial statements of the City of Zion are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

In June 1999, the GASB unanimously approved Statement 34 “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments.” Certain significant changes in the Statement include the following:

- In the current year the financial statements include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the City’s overall financial position and results of operations.
 - Financial statements prepared using full accrual accounting for all of the City’s activities, including infrastructure (roads, bridges, etc.)
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the City and any component units: entities for which the City is considered to be financially accountable. The City has determined that no such entities are required to be included in the City’s financial statements.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's public health and safety, public works and engineering, economic development and promotion, and other general administrative governmental services are classified as governmental activities. The City's water and sewer, and waste collection services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis, and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public health and safety, public works and engineering, etc.) The functions are also supported by general governmental revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and fees, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public health and safety, public works and engineering, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business type activity) are normally covered by general revenue (property, sales or use taxes, intergovernmental revenues, interest, etc.)

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

The following fund types are used by the City:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

- **General Fund** – The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Special Revenue Funds** – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, or that require separate accounting because of regulatory or administrative action.
- **Debt Service Funds** – Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
- **Capital Projects Funds** – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type funds).

Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. Accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector.

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. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The following is a description of the proprietary funds of the City:

- **Enterprise Funds** – Enterprise funds (Water and Sewer and Waste Collection) are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

Fiduciary Funds:

Fiduciary funds (Police Pension and Firemen’s Pension funds) are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

The City’s fiduciary funds are presented in the fiduciary fund financial statement by type (pension). Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Major and Nonmajor Funds:

The funds are further classified as major or nonmajor as follows:

Fund	Brief Description
<p><u>Major:</u> General</p>	<p>See above for description.</p>
<p>Special Revenue Funds: Fire Protection</p> <p> Development TIF Area #1</p>	<p>Accounts for revenues and expenditures of City firefighting efforts and is restricted for public safety use.</p> <p>Accounts for revenues and expenditures for encouraging private and commercial redevelopment and investing through incremental property tax revenues.</p>
<p>Debt Service Funds: Bond Debt Service</p>	<p>Accounts for the accumulation of funds for the periodic payment of principal and interest on Bond Series 2002.</p>
<p>Capital Projects Funds: Capital Projects Hospital</p>	<p>Accounts for financial resources collected and used for the capital additions of local medical facilities.</p>
<p><u>Nonmajor:</u> Special Revenue Funds: 911 Emergency Surcharge</p> <p> Zion-Newport Fire Station</p> <p> Emergency Service Rescue</p>	<p>Accounts for revenues and expenditures of the E-911 service that is legally restricted for public safety use.</p> <p>Accounts for revenues and expenditures directly related to the operation of the Zion-Newport fire station.</p> <p>Accounts for revenues and expenditures of City rescue efforts and is restricted for public safety use. During the year this fund was consolidated with the Fire Protection Fund.</p>

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

Major and Nonmajor Funds (continued)

Nonmajor (continued)

Special Revenue Funds (continued):

Foreign Fire Tax Fund	Accounts for the collection and expenditure of taxes collected from other districts relating to firefighting efforts.
Street and Bridge	Accounts for revenues and expenditures of upkeep and maintenance of City infrastructure and is restricted for that purpose.
Illinois Municipal Retirement	Accounts for employer contributions to the Illinois Municipal Retirement Fund and is restricted for that use.
FICA	Accounts for employer contributions to the Social Security administration and is restricted for that use.
Motor Fuel Tax	Accounts for revenues and expenditures relating to the funds received from the State of Illinois for the City's share of motor fuel taxes.
Development TIF Area #2	Accounts for revenues and expenditures for encouraging private and commercial redevelopment and investing through incremental property tax revenues.
Development TIF Area #3	Accounts for revenues and expenditures for encouraging private and commercial redevelopment and investing through incremental property tax revenues.
Development TIF Area #4	Accounts for revenues and expenditures for encouraging private and commercial redevelopment and investing through incremental property tax revenues.
Impact Fee	Accounts for revenues and expenditures relating to the impact of development on the City.
Impact Fee – Fire/Rescue	Accounts for revenues and expenditures relating to the impact of development on the fire and rescue district.
Impact Fee – Other Government Agencies	Accounts for revenues and expenditures relating to the impact of development on other local governmental bodies.
Economic Development	Accounts for revenues and expenditures of promoting City development and growth (this fund was consolidated into the General fund during the year ended April 30, 2011).
Police Protection	Accounts for revenues and expenditures of City law enforcement efforts and is restricted for public safety use.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

Major and Nonmajor Funds (continued)

Nonmajor (continued)

Special Revenue Funds (continued):

Liability Insurance	Accounts for revenues and expenditures relating to insurance funding requirements of the City.
Audit	Accounts for revenues and expenditures relating to financial reporting requirements of the City.
Civil Defense	Accounts for revenues and expenditures for supplemental public safety services.
Working Cash	Accounts for revenues and expenditures for the City to establish a reserve for unforeseen municipal expenditures.
Drug Traffic Prevention	Accounts for revenues and expenditures relating to funds received as forfeitures from the Lake County courts and is restricted for that use.
Industrial Development	Accounts for revenues and expenditures of promotion City development and growth.
Cable Commission	Accounts for revenues and expenditures for City promotional activities.
Hotel/Motel Tax	Accounts for revenues and expenditures of hotel/motel tax restricted by local ordinance for the promotion of convention and tourism.
Capital Project Funds:	
TIF #1 Capital Projects	Accounts for financial resources used for the acquisition or construction of major capital additions within the boundaries of the Development TIF Area #1.
Capital Projects	Accounts for financial resources collected and used for the capital additions of local medical facilities.
Debt Service Funds:	
TIF #1 Bond Series 2002A	Accounts for the accumulation of resources for the periodic payment of principal and interest on Bond Series 2002A.
Area 3 South Sheridan Rd. Project	Accounts for the accumulation of resources for the periodic payment of principal and interest on Bond Series 2004A.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

Major and Nonmajor Funds (continued)

Nonmajor (continued)

Debt Service Funds (continued):

Bond Series 2002B Road Bond	Accounts for the accumulation of resources for the periodic payment of principal and interest on Bond Series 2002B.
Bond Series 2003 Road Bond	Accounts for the accumulation of resources for the periodic payment of principal and interest on Bond Series 2003.
Expense Fund – Bond Sale	Accounts for resources used in the issuance of new bonds.

Measurement Focus and Basis of Accounting

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus, of the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred or when the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Measurable” means knowing or being able to reasonably estimate the amount. “Available” means collectible within the current period or within 60 days after year-end.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

Modified Accrual (continued)

Expenditures (including capital outlay) are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Sales taxes are considered “measurable” when in the hands of the State Comptroller and are recognized at that time. Other major revenues that are determined to not be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period, or are not objectively measurable, include delinquent property taxes, licenses, permits, fines, forfeitures, franchise fees and hotel/motel occupancy taxes. See Note E for property tax accrual policy.

Financial Statement Amounts

Cash and Equivalents:

For the purpose of the Statement of Net Assets, the City has defined cash and equivalents to include cash on hand, demand deposits, and cash with brokers and fiscal agents. For purposes of the statement of cash flows, the City considers all highly liquid investments purchased that will mature within one year or less to be cash equivalents.

Investments:

Investments are stated at fair value (quoted market price or the best available estimate).

Interfund Receivables and Payables:

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. See Note K for details of interfund transactions, including receivables and payables at year-end.

Receivables:

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

- Derived tax receivables (such as sales and use taxes, motor fuel taxes, and hotel/motel taxes) are recognized when the underlying exchange transaction has occurred.
- Imposed nonexchange receivables (such as property taxes, fines, and penalties) are recognized when an enforceable legal claim on the resources has arisen.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Amounts (continued)

- Government-mandated and voluntary nonexchange receivables (such as state mandated road improvements, grants, and donations) are recognized when all eligibility requirements have been met.

Prepaid Expenses:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the government-wide financial statements.

Fixed Assets:

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets having a useful life greater than one year are reported at historical cost or estimated historical cost and capitalized using the following dollar thresholds: \$10,000 for small equipment, \$25,000 for land, \$25,000 for machinery and equipment, \$100,000 for buildings and improvements, \$200,000 for roads and bridges.

Business-type activity capital assets are reported at historical cost or estimated historical cost and capitalized using the following dollar thresholds: \$10,000 for small equipment, \$25,000 for machinery and equipment, \$100,000 for buildings and improvements, and \$200,000 for infrastructure and other assets related to the network of infrastructure.

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on assets is provided on the straight-line basis over the following estimated useful lives:

Vehicles	3 years
Equipment	3 years
Machinery and equipment	5 years
Buildings and improvements	20 – 40 years
Water and sewer infrastructure	50 years
Roads and bridges	50 years

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Amounts (continued)

Fund Financial Statements:

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences:

The City, as outlined in the Employee Policy Handbook, provides sick pay and vacation benefits as follows:

Sick pay benefits accrue at the rate of 96 hours (144 for firemen) per year and can be accumulated up to a maximum of 1,120 hours (1,680 for firemen).

Vacation benefits accrue based on completed years of service, and is allowed to be carried over annually. Accrued vacation is paid out upon termination, death, and retirement. As of April 30, 2011, the total accrued vacation recorded as a current liability is \$469,360 for governmental funds and \$35,274 for enterprise funds.

Payables:

Payables in the general fund and other governmental funds are comprised of payables to vendors. Payables in the enterprise funds are also comprised primarily of payables to vendors.

Deferred Revenues:

Deferred revenues include amounts collected before revenue recognition criteria are met. The deferred revenue consists primarily of property taxes in the governmental funds.

Long-Term Debt:

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds and notes payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of the principal and interest is reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Amounts (continued)

Equity Classifications:

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

Use of Estimates:

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements:

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance amounts will be reported in the following classifications: restricted, committed, assigned, and unassigned. This statement is effective for financial statements for periods beginning after June 15, 2010. Management has not determined the impact this statement will have on the financial position and results of operations of the City.

In June 2010, the GASB issued Statement No. 59, *Financial Instruments Omnibus*. This statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. This statement is effective for financial statements for periods beginning after June 15, 2010. Management has not determined the impact this statement will have on the financial position and results of operations of the City.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Pronouncements (continued):

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. This statement is effective for financial statements for periods beginning after December 15, 2011. Management has not determined the impact this statement will have on the financial position and results of operations of the City.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Control

The City prepares an appropriation ordinance annually and makes it available to public inspection prior to council approval of the ordinance in the middle of July. The level of budgetary control, on which expenditures may not legally exceed appropriations, is in accordance with Illinois Compiled Statutes. The City also adopts an annual budget, reflected in the fund financial statements, which sets forth estimated revenues and expenditures. The budget is used for management control only as the appropriation ordinance is what sets the legal restrictions on expenditures/expenses. All appropriations lapse at year-end.

Deficit Fund Equity of Individual Funds

The following funds had deficit fund equity as of April 30, 2011:

<u>General Fund</u>	\$	2,992,168
<u>Special Revenue Funds</u>		
Fire Protection	\$	131,809
911 Emergency Surcharge		277,777
Development TIF Area #1		800,371
Impact Fee – Fire/Rescue		78,389
Police Protection		22,929
Civil Defense		29,878
<u>Debt Service Funds</u>		
Area 3 South Sheridan Rd. Project	\$	1,538
<u>Capital Projects Funds</u>		
Capital Projects Fund	\$	79,232
<u>Enterprise Funds</u>		
Waste Collection	\$	469,542

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)
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Excess of Actual Expenditures/Expenses Over Budget in Individual Funds

The following is detail of the appropriation ordinance, amended budget, and actual expenditures/expenses (including operating transfers out) by individual fund. The surplus/(deficit) column is determined by comparing actual expenditures/expenses with the approved appropriations.

	Budgeted	Appropriation	Actual	Surplus/(Deficit)
<u>General Fund</u>	\$ 12,951,997	\$ 15,428,757	\$ 16,430,985	(\$ 1,002,228)
 <u>Special Revenue Funds</u>				
911 Emergency Surcharge	\$ 249,954	\$ 749,954	\$ 275,189	\$ 474,765
Zion-Newport Fire Station	175	500	235,153	(234,653)
Emergency Service Rescue	748,073	749,073	745,845	3,228
Fire Protection	3,192,935	3,692,935	3,188,270	504,665
Foreign Fire Tax Fund	0	0	0	0
Street and Bridge	432,474	932,474	386,234	546,240
Illinois Municipal Retirement Fund	320,000	320,000	341,943	(21,943)
FICA	363,470	363,470	354,767	8,703
Development TIF Area #1	1,184,172	1,184,172	1,836,811	(652,639)
Development TIF Area #2	0	0	0	0
Development TIF Area #3	331,800	331,800	744,993	(413,193)
Development TIF Area #4	0	0	0	0
Impact Fee	0	0	0	0
Impact Fees – Fire/Rescue	0	0	0	0
Impact Fee – Other Gov’t Agencies	0	0	0	0
Motor Fuel Tax	774,230	774,230	556,666	217,564
Police Protection	0	0	0	0
Liability Insurance	1,065,053	1,065,053	1,061,882	3,171
Audit	60,000	60,000	61,696	(1,696)
Economic Development	0	0	0	0
Civil Defense	46,445	46,445	71,613	(25,168)
Working Cash	0	0	0	0
Drug Traffic Prevention	41,200	41,200	68,960	(27,760)
Industrial Development	375,000	375,000	374,463	537
Cable Commission	0	0	0	0
Hotel/Motel Tax	95,583	95,583	96,426	(843)
	\$ 9,280,564	\$ 10,781,889	\$ 10,400,911	\$ 380,978

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILTY (continued)

Excess of Actual Expenditures/Expenses Over Budget in Individual Funds (continued)

	Budgeted	Appropriation	Actual	Surplus/(Deficit)
<u>Capital Projects Funds</u>				
TIF #1 Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0
Capital Projects – Hospital	2,652,600	2,652,600	2,683,850	(31,250)
Capital Projects Fund	0	0	0	0
	\$ 2,652,600	\$ 2,652,600	\$ 2,683,850	(\$ 31,250)
 <u>Debt Service Funds</u>				
TIF #1 Bond Series 2002A	\$ 514,185	\$ 514,185	\$ 513,648	\$ 537
Area 3 South Sheridan Road Project (Debt Service)	201,303	201,303	200,766	537
Bond Debt Service	2,652,600	2,852,600	2,940,103	(87,503)
Series 2002B Road Bond	398,310	398,310	397,773	537
Series 2003 Road Bond	260,010	260,010	259,473	537
Bond Expense	0	0	0	0
	\$ 4,026,408	\$ 4,226,408	\$ 4,311,763	(\$ 85,355)
 <u>Enterprise Funds</u>				
Water and Sewer	\$ 3,823,188	\$ 4,807,913	\$ 3,332,472	\$ 1,475,441
Waste Collection	1,822,989	1,822,989	1,793,751	29,238
	\$ 5,646,177	\$ 6,630,902	\$ 5,126,223	\$ 1,504,679

Revenue Restrictions

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

- Foreign Fire Tax – To be used for fire protection services
- Emergency Surcharge Tax – To be used for E-911 emergency services
- Water, Sewer and Waste – To be used for utility operations, improvements, and debt service
- Motor Fuel Tax – To be used for infrastructure improvements and maintenance
- Hotel/Motel Tax – To be used for convention and tourism
- Impact Fees – To be used to improve infrastructure for the impact of new developments
- Forfeiture Revenue – To be used to aid in the deterrence of drug related offenses

For the year ended April 30, 2011, management feels the City complied, in all material respects, with these revenue restrictions.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE C – DEPOSITS AND INVESTMENTS

Deposits

As of April 30, 2011, a reconciliation of cash and investments (including fiduciary fund assets) as shown on the Statement of Net Assets is as follows:

Carrying amount of deposits	\$ 17,911,070
Carrying amount of investments	<u>28,901,823</u>
Total	<u>\$ 46,812,893</u>
Government-wide financial statement of net assets:	
Cash and cash equivalents	\$ 9,930,525
Investments	<u>892,353</u>
Total	<u>\$ 10,822,878</u>
Statement of fiduciary net assets:	
Cash and cash equivalents	\$ 7,980,545
Investments	<u>28,009,470</u>
Total	<u>\$ 35,990,015</u>

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Pledged collateral will be held in safekeeping by an independent third party depository or by the Federal Reserve Bank. At year-end the carrying amount of the City's deposits totaled \$10,846,322 and the bank balances totaled \$11,455,902. Of the bank balances, \$609,003 were covered by federal depository insurance, \$500,000 were covered by the Securities Investor Protection Corporation, \$1,301,894 were uninsured and collateralized by U.S. Government securities held by the pledging institution's trust department in the City's name or through specific pledging of the third party plan administrator, \$867,672 were deposited in the Illinois Funds, a state investment pool, and \$8,177,333, were uninsured/uncollateralized. Due to the nature of the Illinois Funds, they are included as deposit balances on the balance sheet.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the Securities and Exchange Commission as an investment company, but does comply with the Public Funds Investment Act, 30 ILCS 235. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investment could be sold. The Illinois Funds are rated AAAM by Standards & Poor's. At April 30, 2011 the Illinois Funds weighted average maturity is the dollar weighted maturity of all of the holding of the fund. This number represents the theoretical number of days before all of the investments would mature and thus be re-invested.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE C – DEPOSITS AND INVESTMENTS (continued)
--

Investments

Operating Funds

Authorized investments – The City’s investment policy allows for deposits/investments in local government investment pools or trust funds organized by either the State of Illinois or by intergovernmental legislation, the State of Illinois Public Treasurer’s Investment Pool, the Illinois Municipal League Local Government Investment Trust, Illinois Metropolitan Investment Fund (IMET), funds managed, operated and administered by a bank, subsidiary of a bank or subsidiary of a bankholding company, U.S. government obligations, U.S. government agency obligations and U.S. government instrumentality obligations which have a liquid market with a readily determinable market value, certificates of deposit and other evidences of deposit at financial institutions, bankers’ acceptances and commercial paper rated in the highest tier by a nationally recognized rating agency, investment-grade obligations of state and local governments and public authorities, money market mutual funds regulated by the Securities and Exchange Commission and whose portfolio consist only of dollar-denominated securities, interest-bearing demand checking accounts, passbook savings account of banks and savings and loan associations insured by FDIC, insured demand accounts and investment instruments of credit unions whose principal office is located in Illinois.

Interest rate risk: In accordance with its investment policy, the City limits 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 April 30, 2011, U.S. Treasuries, interest risk rate is not significant.

As of April 30, 2011, the City had the following investments and maturities.

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Certificates of deposit	\$892,353	\$ 0	\$892,353	\$ 0	\$ 0
Total	\$892,353	\$ 0	\$892,353	\$ 0	\$ 0

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 primarily by limiting investments to the safest type of securities, pre-qualify the financial institutions, brokers/dealers, intermediaries and advisors with which the City does business.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE C – DEPOSITS AND INVESTMENTS (continued)
--

Investments (continued)

Concentration of credit risk: To limit the exposure to concentration credit risk, the City's investment policy diversifies their investment portfolio so that potential losses on individual securities will be minimized.

Custodial credit risk: The City limits its exposure to custodial credit risk by utilizing a third party custodian for all investments. For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

Both the Police and Firemen's Pension Funds invest 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 next term and that such changes could materially affect participants' account balances and the amounts reported in the statement of plan net assets. Investments and daily activities of the funds are managed by the fund's respective boards.

The City is authorized by state statutes and its own local ordinances to invest in obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper noted within the three highest classifications by at least two standard rating services, obligations of states and their political subdivisions, savings accounts, credit union shares and the Illinois Public Treasurers Investment Pool.

Police Pension Fund

As of April 30, 2011, the Police Pension Fund had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury Bonds, Notes	\$ 4,349,591	\$ 283,347	\$ 2,036,990	\$ 2,029,254	\$ 0
Governmental National Mortgage	379,346	0	0	0	379,346
Federal Farm Credit Bank	964,920	0	0	964,920	0
Federal Home Loan Mortgage	512,648	0	313,697	193,546	5,405
Federal National Mortgage	4,402,214	0	2,712,386	622,243	1,067,585
Equities & Mutual Funds	10,024,662	10,024,662	0	0	0
Total	\$ 20,633,381	\$ 10,308,009	\$ 5,063,073	\$ 3,809,963	\$ 1,452,336

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE C – DEPOSITS AND INVESTMENTS (continued)
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Investments (continued)

Police Pension Fund (continued)

United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund’s investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S. government agencies were all rated AAA by Standard & Poor’s or by Moody’s Investors Services. The Pension Fund’s investment policy prescribes to the “prudent person” rule, which states, “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return.

Custodial credit risk – deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the Fund’s deposits may not be returned to it. At April 30, 2011, all of the Pension Fund’s deposits were covered by federal depository or equivalent insurance.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk disclosures. In accordance with the Pension Fund’s investment policy the Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Pension Fund, to act as custodian for its securities and collateral.

Concentration of credit risk: This is the risk of loss attributed to the magnitude of the Fund’s investment in a single issuer. In accordance with the Fund’s investment policy, investments are diversified to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. As of April 30, 2011, the Pension Fund had no individual investments exceeding 5% of net plan assets.

Firemen’s Pension Fund

As of April 30, 2011, the Firemen’s Pension Fund had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
Governmental National Mortgage	\$ 2,876,757	\$ 0	\$ 0	\$ 0	\$ 2,876,757
Federal Home Loan Mortgage	172,602	0	0	0	172,602
Corporate Bonds	256,550	0	256,550	0	0
Common Stocks	512,119	512,119	0	0	0
Equity Mutual Funds	1,432,901	1,432,901	0	0	0
Insurance Contracts	2,125,160	2,125,160	0	0	0
Total	\$ 7,376,089	\$ 4,070,180	\$ 256,550	\$ 0	\$ 3,049,359

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE C – DEPOSITS AND INVESTMENTS (continued)

Investments (continued)

Firemen's Pension Fund (continued)

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S. government agencies were all rated AAA by Standard & Poor's or by Moody's Investors Services. The Pension Fund's investment policy prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return.

Custodial credit risk – deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the Fund's deposits may not be returned to it. At April 30, 2011, all of the Pension Fund's deposits were covered by federal depository or equivalent insurance.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk disclosures. In accordance with the Pension Fund's investment policy the Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Pension Fund, to act as custodian for its securities and collateral.

Concentration of credit risk: This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. In accordance with the Fund's investment policy, investments are diversified to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. As of April 30, 2011, the Pension Fund has no investments exceeding 5% of net plan assets.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE D – ACCOUNTS RECEIVABLE

Accounts receivable of the business-type activities of \$1,125,356 consists entirely of utilities trade accounts receivable and related liens. Trade accounts receivable, other receivables and current assets of the governmental activities of \$1,963,591 primarily consist of, administrative adjudication (74%) and utility taxes and franchise fees (17%). Remaining categories make up less than 10% individually. Receivables detail at April 30, 2011, are as follows:

	Governmental Activities	Business-type Activities	Total
Trade accounts receivable	\$ 1,562,088	\$ 1,125,356	\$ 2,687,444
Other receivables/current assets	401,503	13,672	415,175
Allowance for doubtful accounts	(1,143,532)	(0)	(1,143,532)
	\$ 820,059	\$ 1,139,028	\$ 1,959,087

NOTE E – PROPERTY TAXES

General Property Taxes

The Lake County Property Assessor as of January 1 assesses real and personal property values on a countywide basis, each year. The City levies a property tax millage rate upon the taxable value, which will provide revenue required for the fiscal year beginning May 1. The tax levy must be filed with the County Clerk no later than the last Tuesday in December.

Property taxes levied by the City and all other tax authorities within the county are centrally billed and collected by Lake County, with monthly remittance to the City of the proportional share of collected taxes. Taxes are billed on May 1, at which time the property owner can elect to pay the bill in full or in two installments due around June 1 and September 1. Full payment is due no later than the September date.

After the September date, unpaid amounts become delinquent with interest and penalties added thereafter.

Beginning December 1, tax certificates representing delinquent amounts are sold by Lake County, with remittance to the City for its share of those receipts. Liens are attached on January 1 of each tax year. 2010 taxes became an enforceable lien on January 1, 2011.

At April 30, uncollected current year amounts are classified as delinquent taxes receivable and offset by an allowance for uncollectibles in a like amount. Generally, the City collects more than 99% of current year property taxes during the year in which they are due. Delinquent taxes collected in subsequent periods are recognized as revenues for the fiscal year in which they are received.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE E – PROPERTY TAXES (continued)
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General Property Taxes (continued)

Tax Increment Financing Districts

The City has established four Tax Increment Financing Districts. At the time each District was formed, the County Clerk certified the assessed valuation of the property in the District. Each year the City receives property taxes equal to the increase in the assessed valuation over the initial certified valuation multiplied by the tax rate of all taxing bodies, including the City. The monies received have been placed in Special Revenue Funds called Development TIF Areas #1, #2, #3 and #4 respectively. Eligible expenditures are as stated in approved project and plan documents, which involve redevelopment projects within each TIF District. During the year ended April 30, 2006, TIF #2 was closed out resulting in a \$112,026 payment due to Lake County for excess property taxes collected throughout the life of TIF #2 which was paid back during the year ended April 30, 2009. During the year ended April 30, 2011, TIF #4 was rolled into the TIF Area #3 district. The incremental increase of assessed valuation as assessed and equalized by the State Department of Revenue and extension for the year 2010 was as follows:

TIF #1 assessed valuation was \$10,985,469 and the tax extension was \$1,294,967.
TIF #3 assessed valuation was \$5,836,172 and the tax extension was \$644,488.

Assessed Valuations, Rates, Extensions, and Collections

<u>TAX LEVY YEAR</u>	<u>2010</u>	<u>2009</u>
ASSESSED VALUATIONS	<u>\$ 399,149,725</u>	<u>\$ 422,640,292</u>
<u>TAX RATE/\$100 EAV</u>		
General Fund	0.200	0.210
Fire Fund	0.226	0.213
Street and Bridge Fund	0.063	0.078
IMRF	0.088	0.086
Social Security	0.063	0.072
Police Pension	0.242	0.228
Firemen’s Pension	0.191	0.180
Emergency Rescue Service	0.188	0.177
Police Protection	0.000	0.000
Audit Fund	0.000	0.000
Liability Insurance Fund	0.226	0.252
TOTALS	<u>1.487</u>	<u>1.496</u>

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE E – PROPERTY TAXES (continued)
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General Property Taxes (continued)

Assessed Valuations, Rates, Extensions and Collections (continued)

TAX EXTENSIONS	<u>2010</u>	<u>2009</u>
<u>TAX LEVY YEAR</u>	<u>4/30/2011</u>	<u>4/30/2010</u>
Fiscal Year Collected		
Purpose of Levy:		
General Fund	\$ 798,299	\$ 887,545
Fire Fund	902,078	900,224
Street and Bridge Fund	251,464	329,659
IMRF	351,252	363,471
Social Security	251,464	304,301
Police Pension	965,942	963,620
Firemen’s Pension	762,376	760,753
Emergency Rescue Service	750,401	748,073
Police Protection Fund	0	0
Audit Fund	0	0
Liability Insurance Fund	902,078	1,065,054
TOTALS	<u>\$ 5,935,354</u>	<u>\$ 6,322,700</u>
Collections		<u>\$ 6,296,478</u>
% of Collections		<u>99.59%</u>

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE F – CAPITAL ASSETS – GOVERNMENTAL ACTIVITIES
--

Capital asset activity for governmental activities for the year ended April 30, 2011 was as follows:

	Balance May 1, 2010	Additions	Deletions	Balance April 30, 2011
Capital assets not being depreciated:				
Land and improvements	\$ 2,120,284	\$ 0	\$ 0	\$ 2,120,284
Capital assets being depreciated:				
Building and improvements	9,161,286	1,949,700	(343,411)	10,767,575
Machinery and equipment	5,055,241	104,194	(39,200)	5,120,235
Roads and bridges	29,259,705	0	0	29,259,705
Total capital assets being depreciated	43,476,232	2,053,894	(382,611)	45,147,515
Less accumulated depreciation for:				
Buildings and improvements	4,786,669	183,882	(107,584)	4,862,967
Machinery and equipment	3,980,712	507,533	(39,200)	4,449,045
Road and bridges	5,375,584	585,194	0	5,960,778
Total accumulated depreciation	14,142,965	1,276,609	(146,784)	15,272,790
 Total capital assets being depreciated, net	 29,333,267	 777,285	 (235,827)	 29,874,725
 Governmental activities capital assets, net	 \$ 31,453,551	 \$ 777,285	 (\$ 235,827)	 \$31,995,009

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

General government	\$ 46,958
Public health and safety	504,624
Public works and engineering	707,855
Economic development and promotion	17,172
 Total depreciation expense - governmental activities	 \$ 1,276,609

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE G – CAPITAL ASSETS – BUSINESS-TYPE ACTIVITIES

Capital asset activity for business-type activities for the year ended April 30, 2011 was as follows:

	Balance May 1, 2010	Additions	Deletions	Balance April 30, 2011
Capital assets not being depreciated:				
Land and improvements	\$ 431,831	\$ 0	\$ 0	\$ 431,831
Capital assets being depreciated:				
Water mains and plant	11,491,893	537,415	0	12,029,308
Machinery and equipment	1,231,650	0	0	1,231,650
Total capital assets being depreciated	12,723,543	537,415	0	13,260,958
Less accumulated depreciation for:				
Water mains and plant	6,431,051	289,156	0	6,720,207
Machinery and equipment	1,205,366	6,571	0	1,211,937
Total accumulated depreciation	7,636,417	295,727	0	7,932,144
Total capital assets being depreciated, net	5,087,126	241,688	0	5,328,814
Business-type activities capital assets, net	\$ 5,518,957	\$ 241,688	\$ 0	\$ 5,760,645

NOTE H – RETIREMENT FUND COMMITMENTS

Defined Benefit Pension Plan - Illinois Municipal Retirement Fund

Plan Description

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

Funding Policy

As set by statute, your employer Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 used by the employer was 9.54% of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 10.95%. The employer 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.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan - Illinois Municipal Retirement Fund (continued)

Annual Pension Cost

For calendar year ending December 31, 2010, the employer's actual contributions for pension cost for the Regular were \$332,443. Its required contribution for calendar year 2010 was \$381,577. The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% 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 your employer Regular 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 employer Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payrolls on an open 30 year basis.

Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
12/31/10	\$ 381,577	87 %	\$ 49,134
12/31/09	325,765	100 %	0
12/31/08	329,973	100 %	0

Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 75.67 percent funded. The actuarial accrued liability for benefits was \$9,825,500 and the actuarial value of assets was \$7,435,033, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,390,467. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$3,484,725 and the ratio of the UAAL to the covered payroll was 69 percent. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Police and Firemen’s Pension Funds

POLICE PENSION FUND

Police sworn personnel of the City of Zion are covered by the Zion Police Pension Plan of the City of Zion which is a defined benefit single-employer pension plan administered by the Zion Police Pension Fund. The Zion Police Pension Fund issues a separate financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Zion Police Pension Fund, 2101 Salem Blvd., Zion, Illinois 60099.

Membership in the plan as of April 30, 2011 consisted of the following classes of participants:

Retirees and beneficiaries receiving benefits	35
Members entitled to benefits but not yet receiving them	1
Active members	<u>47</u>
Total Members	83

Benefit Provisions

Although this is a single-employer pension plan, the benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40 5/ Article 3) and may be amended only by the Illinois legislature. The Zion Police Pension Fund provides retirement benefits as well as survivor and disability benefits. Retirement benefits are summarized below:

Initial Retirement Benefits

Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of 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 up to 30 years to a maximum of 75% of such salary.

Partially Vested Retirees

Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and will receive a reduced benefit.

Pension Increases

Pensions are increased following the first anniversary of the date of retirement, or upon reaching the age of at least 55 years, whichever comes later, by 3% of the original pension for each year elapsed since the pension began. On each January 1 thereafter, pension recipients receive an additional increase of 3% of the current benefit amount.

Statutory Requirements

Per the Illinois State Statutes, active members are required to contribute 9.91% of their base salary to the fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City of Zion is required to contribute the remaining amounts necessary, after net investment income, to finance the Plan (including administrative costs) at an actuarially determined rate. By the year 2033, plan net assets must accumulate to the point where past service costs are fully funded. As those service costs have not yet been fully funded, the entire amount of net assets is a legally required reserve.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Police and Firemen's Pension Funds (continued)

FIREMEN'S PENSION FUND

Firemen sworn personnel of the City of Zion are covered by the Zion Firemen's Pension Fund, which is a defined benefit single-employer pension plan administered by the Zion Firemen's Pension Fund. The Zion Firemen's Pension Fund issues a separate financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Zion Firemen's Pension Fund, 2828 Sheridan Road, Zion, Illinois 60099.

Membership in the plan as of April 30, 2011 consisted of the following classes of participants:

Retirees and beneficiaries receiving benefits	20
Members entitled to benefits but not yet receiving them	0
Active members	<u>23</u>
Total Members	43

Benefit Provisions

Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (Chapter 40 5/ Article 4) and may be amended only by the Illinois legislature. The Firemen's Pension Fund provides retirement benefits as well as death and disability benefits. Retirement benefits are summarized below:

Initial Retirement Benefits

Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held in the fire service at the date of retirement or for one year prior to the last day, whichever is greater. The pension is increased by 2.5% of such salary for each additional year over of service over 20 years up to 30 years of service to a maximum of 75% of such salary.

Partially Vested Retirees

Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit.

Pension Increases

Pensions are increased following the first anniversary of the date of retirement, or upon reaching the age of at least 55 years, whichever comes later, by 3% of the original pension for each year elapsed since the pension began. On each January 1 thereafter, pension recipients receive an additional increase of 3% of the current benefit amount.

Statutory Requirements

Per the Illinois State Statutes, active members are required to contribute 9.455% of their base salary to the fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City of Zion is required to contribute the remaining amounts necessary, after net investment, to finance the Plan (including administrative costs) at an actuarially determined rate. By the year 2033, plan net assets must accumulate to the point where past service costs are fully funded. As those service costs have not yet been fully funded, the entire amount of net assets is a legally required reserve.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Police and Firemen’s Pension Funds Annual Pension Cost and Net Pension Obligation (Asset)

The City’s annual pension cost and net pension obligation (asset) for the year ended April 30, 2011 were as follows:

	Police Pension	Fire Pension
Annual Required Contribution	\$ 1,205,041	\$ 809,459
Less: Contributions Made	963,072	763,914
Increase in Net Pension Obligation (Asset)	241,969	45,545
Net Pension Obligation (Asset):		
Beginning of Year	(24,640)	(164,475)
End of Year	\$ 217,329	(\$ 118,930)

The annual required contribution for the current year was determined as part of the April 30, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.00% investment rate of return; (b) 5.50% projected salary increases; (c) 3.0% inflation rate; and (d) 3.0% post-retirement benefit increases. The method used to determine the actuarial value of assets was their net present value. The unfunded actuarial accrued liability is being amortized as a level percentage of payrolls on a closed basis. The amortization period ends June 20, 2033.

	Annual Pension Cost	Percentage Contribution	Net Pension (Asset) Obligation
Police Pension			
4/30/09	\$ 933,581	100.23%	(\$ 30,266)
4/30/10	959,006	82.34%	(24,640)
4/30/11	963,072	79.92%	217,329
Firemen’s Pension			
4/30/09	\$ 694,809	105.13%	(\$ 215,031)
4/30/10	806,784	93.73%	(164,475)
4/30/11	809,459	94.37%	(118,930)

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

***Police and Firemen’s Pension Funds Annual Pension Cost and Net Pension Obligation (Asset)
(continued)***

	Actuarial Valuation Date		
	4/30/2010	4/30/2009	4/30/2008
Police Pension			
Actuarial Accrued Liability (AAL)	\$ 36,097,622	\$ 33,878,113	\$ 31,920,503
Actuarial Value of Assets	21,708,401	19,033,493	21,928,636
Unfunded AAL (UAAL)	\$ 14,389,221	\$ 14,844,620	\$ 9,991,867
Funded Ratio	60.10%	56.20%	68.70%
Covered Payroll	\$ 3,327,537	\$ 3,102,790	\$ 3,247,083
UAAL as % of Covered Payroll	432.40%	478.40%	307.70%

	Actuarial Valuation Date		
	4/30/2010	4/30/2009	4/30/2008
Firemen’s Pension			
Actuarial Accrued Liability (AAL)	\$ 22,577,182	\$ 21,759,260	\$ 19,722,697
Actuarial Value of Assets	13,693,252	12,795,369	13,637,009
Unfunded AAL (UAAL)	\$ 8,883,930	\$ 8,963,891	\$ 6,085,688
Funded Ratio	60.70%	58.80%	69.10%
Covered Payroll	\$ 1,760,975	\$ 1,749,489	\$ 1,988,787
UAAL as % of Covered Payroll	504.50%	512.40%	306.00%

Other Post Employment Benefits

The City provides certain healthcare insurance benefits for retired employees. In accordance with the personnel policy, substantially all of the City’s employees may become eligible for those benefits if they reach normal retirement age while working for the City. A separate, audited GAAP-basis postemployment benefit plan report is not available.

The City’s annual other post employment benefit (OPEB) cost is calculated on the annual required contribution (ARC). Actuarial calculations reflect a long-term perspective. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. For fiscal year 2011, the City’s annual OPEB cost was \$238,666. The calculations are based on the OPEB benefits provided under the substantive plan in effect at the time of each evaluation of the pattern of sharing costs between the employer and plan members to this point.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Other Post Employment Benefits (continued)

Annual Required Contribution	\$ 241,222
Interest on Net OPEB Obligation	3,647
Adjustment to the ARC	<u>(6,203)</u>
Annual OPEB Cost	241,222
Estimated Employer Contributions	<u>(131,661)</u>
Change in Net OPEB Obligation	107,005
Net OPEB Obligation – May 1, 2010	121,575
Net OPEB Obligation – April 30, 2011	<u>\$ 228,580</u>
	Actuarial Valuation Date 4/30/2011
Actuarial Accrued Liability (AAL)	<u>\$ 3,582,705</u>
Actuarial Value of Assets	<u>0</u>
Unfunded AAL	<u><u>\$ 3,582,705</u></u>
Funded Ratio	0.00%
Covered Payroll	N/A
AAL as % of Covered Payroll	N/A

As this was the second year of implementation, information April 30, 2009 was not available.

Actuarial calculations are performed by the City biannually. The following actuarial methods and assumptions were derived from the most recent actuarial valuation performed December 29, 2010. In the actuarial valuation for the fiscal year ended April 30, 2011, the projected unit credit method was used. The actuarial assumptions included an annual healthcare cost trend rate of 7% for medical and 4% for dental initially, reduced by decrements to an ultimate of 5% for medical and 4% for dental. The Unfunded Accrued Actuarial Liability (equal to AAL) is being amortized as a level percentage of projected payrolls over 30 years. A discount rate of 3% was used. Probabilities of death for participants were according to the RP-2000 Combined Mortality Table for males and females for IMRF employees and the 71 GAM Mortality Table (gender-distinct) for police and firefighter employees. It was estimated that 10% of future retirees will elect medical and dental coverage at retirement (100% of future retirees eligible for coverage under the Public Safety Employees Benefits Act (PSEBA) will elect it). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE I – NOTES RECEIVABLE – CAPITAL PROJECTS FUND

First mortgage note, Series 2002, was executed by Zion Healthcare Properties, Inc. for \$30,000,000 as security for the Taxable General Obligation Bonds (Alternate Revenue Source), Series 2002 (Midwest Regional Medical Center). Monthly interest and principal payments are received by a third party acting as the paying agent and transferred to the Debt Service Fund to fund the debt service requirements of the long-term general obligation bonds payable. See Note J for related General Obligation Bonds Payable. The balance of the note as of April 30, 2011 was \$13,838,896. The current portion receivable as of April 30, 2011 was \$1,383,333.

As of April 30, 2011, notes receivable totaled \$13,838,896.

NOTE J – LONG-TERM DEBT

The following is a summary of the City's general long-term debt activity for the year ended April 30, 2011:

	5/01/2010	Increases	Retirements	4/30/2011	Current Portion
Governmental Activities					
Notes Payable					
E-911 Note Payable	\$ 224,492	\$ 0	\$ 224,492	\$ 0	0
Fire Protection Fund Note Payable	97,636	0	97,636	0	0
Other Liabilities					
Capital Leases	127,394	0	61,737	65,657	65,657
Net OPEB Obligation	121,575	107,005	0	228,580	0
Long-term Obligations					
General Obligation Bonds, Series 2002 (Midwestern Regional Medical Center)	22,100,000	0	1,275,000	20,825,000	1,350,000
General Obligation Bonds, Series 2002A (Special Tax Allocation Fund)	3,280,000	0	360,000	2,920,000	395,000
General Obligations Bonds, Series 2002B (Motor Fuel Tax Road Bonds)	2,885,000	0	260,000	2,625,000	270,000
General Obligations Bonds, Series 2003 (Motor Fuel Tax Road Bonds)	1,935,000	0	175,000	1,760,000	185,000
General Obligation Bonds, Series 2004A (Special Tax Allocation Fund Alternate Revenue Source)	1,520,000	0	120,000	1,400,000	125,000
General Obligation Limited Tax Debt Certificates, Series 2007	2,350,000	0	155,000	2,195,000	160,000
Governmental Long-Term Liability Totals	34,641,097	107,005	2,728,865	32,019,237	2,550,657
Business-Type Activities					
General Obligation Refunding Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2006	2,335,000	0	155,000	2,180,000	155,000
Government Wide Long-Term Debt Totals	\$ 36,976,097	\$ 107,005	\$ 2,883,865	\$ 34,199,237	\$ 2,705,657

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE J – LONG-TERM DEBT (continued)
--

Debt outstanding as of April 30, 2011, consisted of the following:

E-911 Note Payable

A loan was taken out by the E-911 Emergency Surcharge Fund on October 17, 2006, in the amount of \$696,000 for the purpose of construction and improvement of an emergency communication center. This loan has an interest rate of 4.20% and is to be repaid with quarterly payments of \$38,823 through October 17, 2011. The note was paid in full during the year ended April 30, 2011. The note has a balance of \$0 as of April 30, 2011.

Fire Protection Fund Note Payable

A loan was taken out by the Fire Protection Fund on January 9, 2007 in the amount of \$260,000 for the purpose of purchasing a fire engine. This loan has an interest rate of 4.41% and is to be repaid with quarterly payments of \$14,579 through January 9, 2012. The note was paid in full during the year ended April 30, 2011. The note has a balance of \$0 as of April 30, 2011.

Taxable General Obligation Bonds, Series 2002 - Midwestern Regional Medical Center Project (Alternate Revenue Source)

Taxable General Obligation Bonds, Series 2002- Midwestern Regional Medical Center Project (Alternate Revenue Source), were issued May 15, 2002 in the original amount of \$30,000,000 with varying interest rates, ranging from 5.00% to 6.25%, payable June 1 and December 1 each year. The proceeds are being used to (a) refund Series 1991 bond issue; (b) to provide funds to pay or reimburse the cost of constructing, furnishing and equipping a new three-floor addition to the hospital; and (c) to pay certain costs of issuance. The debt service requirements are provided for through reimbursements from the Midwestern Regional Medical Center. The debt service requirements are as follows:

Year Ending April 30,	Principal	Interest	Total
2012	\$ 1,350,000	\$ 1,297,819	\$ 2,647,819
2013	1,450,000	1,210,840	2,660,840
2014	1,525,000	1,119,532	2,644,532
2015	1,625,000	1,024,410	2,649,410
2016	1,725,000	922,384	2,647,384
2017-2021	1,850,000	2,739,221	4,589,221
2022	11,300,000	99,138	11,399,138
	\$ 20,825,000	\$ 8,413,344	\$ 29,238,344

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE J – LONG-TERM DEBT (continued)
--

General Obligation Bonds (Special Tax Allocation Fund Alternate Revenue Source) 2002-A

General Obligation Bonds, Series 2002-A were issued on June 1, 2002 in the amount of \$4,975,000 with varying interest rates, ranging from 3.35% to 5.00%, payable June 30 and December 30 each year. Proceeds will be used to finance various street improvements designated as the Sheridan Road Redevelopment Project (generally along Sheridan Road from 25th street to 29th street), and to pay the costs of issuance. These bonds are secured by (a) incremental taxes received from the Sheridan Road Redevelopment Project Area, and (b) from taxes to be levied upon all of the taxable property in the City. Debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2012	\$ 395,000	\$ 137,785	\$ 532,785
2013	430,000	120,405	550,405
2014	465,000	101,055	566,055
2015	500,000	79,433	579,433
2016	545,000	55,682	600,682
2017	585,000	29,250	614,250
	\$ 2,920,000	\$ 523,610	\$ 3,443,610

General Obligation Bonds (Combined Zion Energy LLC Agreement Fees and Motor Fuel Tax Receipts Alternate Revenue Source), Series 2002-B

General Obligation Bonds, Series 2002-B were issued on June 1, 2002 in the amount of \$5,000,000 with varying interest rates, ranging from 3.35% to 5.05%, payable June 30 and December 30 each year. Proceeds are being used to finance various street improvements throughout the city and to pay the costs of issuance. These bonds are secured by (a) revenues from fees received by the City under the host agreement with Zion Energy LLC, (b) collections distributed to the City from taxes imposed by the State of Illinois pursuant to the Motor Fuel Tax Law, and (c) from taxes to be levied upon all of the taxable property in the City. Debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2012	\$ 270,000	\$ 126,160	\$ 396,160
2013	300,000	114,280	414,280
2014	300,000	101,980	401,980
2015	310,000	86,830	396,830
2016	330,000	71,950	401,950
2017 - 2019	1,115,000	113,835	1,228,835
	\$ 2,625,000	\$ 615,035	\$ 3,240,035

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE J – LONG-TERM DEBT (continued)
--

General Obligation Bonds (Combined Zion Energy LLC Agreement Fees and Motor Fuel Tax Receipts Alternate Revenue Source), Series 2003

General Obligation Bonds, Series 2003 were issued on January 1, 2003 in the amount of \$3,000,000 with varying interest rates, ranging from 3.20% to 5.00%, payable June 30 and December 30 each year, commencing December 30, 2003. Proceeds are being used to finance various street improvements throughout the city and to pay the costs of issuance. These bonds are secured by (a) revenues from fees received by the City under the host agreement with Zion Energy LLC, (b) collections distributed to the City from taxes imposed by the State of Illinois pursuant to the Motor Fuel Tax Law, and (c) from taxes to be levied upon all of the taxable property in the City. Debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2012	\$ 185,000	\$ 77,347	\$ 262,347
2013	195,000	70,133	265,133
2014	200,000	62,333	262,333
2015	215,000	53,933	268,933
2016	225,000	44,688	269,688
2017 – 2019	740,000	70,890	810,890
	\$ 1,760,000	\$ 379,324	\$ 2,139,324

General Obligation Bonds (Area 3 South Sheridan Road Special Tax Allocation Fund Alternate Revenue Source), Series 2004

General Obligation Bonds, Series 2004 were issued on August 1, 2004 in the amount of \$2,200,000 with varying interest rates, ranging from 4.45% to 5.7%, payable June 30 and December 30 each year, commencing December 30, 2004. Proceeds are being used to provide for the payment and reimbursement of certain qualified redevelopment project costs within the South Sheridan Road Tax Increment Redevelopment Area Number 3 and to pay the costs of issuance. These bonds are secured by (a) incremental taxes received from the South Sheridan Road Tax Increment Redevelopment Area Number 3, and (b) from taxes to be levied upon all of the taxable property in said City, without limitation as to rate or amount. Debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2012	\$ 125,000	\$ 74,863	\$ 199,863
2013	130,000	69,300	199,300
2014	140,000	63,515	203,515
2015	145,000	57,285	202,285
2016	155,000	49,020	204,020
2017 – 2020	705,000	103,740	808,740
	\$ 1,400,000	\$ 417,723	\$ 1,817,723

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE J – LONG-TERM DEBT (continued)
--

General Obligation Limited Tax Debt Certificates, Series 2007

General Obligation Limited Tax Debt Certificates, Series 2007 were issued on October 3, 2007 in the amount of \$2,500,000 with an interest rate of 4.40%, payable January 1 and July 1 each year, commencing July 1, 2008. Proceeds are being used to provide for the payment and reimbursement of certain capital project costs. Debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2012	\$ 160,000	\$ 93,963	\$ 253,963
2013	165,000	87,083	252,083
2014	175,000	79,987	254,987
2015	180,000	72,463	252,463
2016	190,000	64,723	254,723
2017 – 2021	1,080,000	194,788	1,274,788
2022	245,000	10,535	255,535
	\$ 2,195,000	\$ 603,542	\$ 2,789,542

General Obligation Refunding Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2006

General Obligation Refunding Bonds were issued on May 1, 2006 in the amount of \$2,480,000 with varying interest rates, ranging from 3.60% to 4.20%, payable May 1 and November 1 each year. Proceeds have been used to reduce remaining principal of the Series 2001 issue.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$102,730. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2021 using the straight-line method. The advance refunding was completed to reduce its total debt service payments over the next 15 years by \$484,825 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$140,180.

Total unamortized issuance costs, deferred amounts of refunding, and premiums relating to this bond totaled \$86,533 as of April 30, 2011.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE J – LONG-TERM DEBT (continued)
--

General Obligation Refunding Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2006 (continued)

Debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2012	\$ 155,000	\$ 91,838	\$ 246,838
2013	165,000	85,877	250,877
2014	175,000	79,457	254,457
2015	180,000	72,667	252,667
2016	190,000	65,497	255,497
2017 – 2021	1,070,000	176,318	1,246,318
2022	245,000	10,290	255,290
	\$ 2,180,000	\$ 581,944	\$ 2,761,944

General Obligation Bonds (Special Tax Allocation Fund Alternate Revenue Source), Series 2012

General Obligation Bonds, Series 2012 were issued on March 23, 2012 in the amount of \$2,500,000 with an interest rate of 6.00%, payable December 30 each year. Proceeds will be used to finance various expenditures incurred for ordinary and necessary municipal purposes of the City. These bonds are secured by (a) collections distributed to the City from those taxes imposed pursuant to the Income Tax Act, and (b) from distributions to the City by the State of Illinois of collections of sales taxes. Debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2012	\$ 0	\$ 0	\$ 0
2013	0	114,167	114,167
2014	0	150,000	150,000
2015	0	150,000	150,000
2016	285,000	150,000	435,000
2017 – 2021	1,785,000	465,900	2,250,900
2022	430,000	25,800	455,800
	\$ 2,500,000	\$ 1,055,867	\$ 3,555,867

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE K – INTERFUND TRANSACTIONS AND BALANCES

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

Due From/Due To Other Funds:

At April 30, 2011, interfund receivables and payables consisted of the following:

Fund	Due From Other Funds	Due To Other Funds
General Fund		
Fire	\$ 491,435	\$ 0
TIF Area #1	1,296,908	0
Waste Collection	768,705	0
Water and Sewer Fund	0	6,274,013
Nonmajor Governmental	634,906	0
	3,191,954	6,274,013
Fire Protection Fund		
General Fund	0	491,435
	0	491,435
TIF Area #1		
General Fund	0	1,296,908
	0	1,296,908
Water and Sewer Fund		
General Fund	6,274,013	0
	6,274,013	0
Waste Collection		
General Fund	0	768,705
	0	768,705
Nonmajor Governmental		
General Fund	0	634,906
	0	634,906
Total	\$ 9,465,967	\$ 9,465,967

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE K – INTERFUND TRANSACTIONS AND BALANCES (continued)

Due From/Due To Other Funds (continued):

- General Fund - \$491,435 is due from the Fire Protection Fund for cash overdrafts deemed to have been funded by the General Fund, and is expected to be repaid within the year. \$1,296,908 is due from Development TIF Area #1 for cash overdrafts deemed to have been funded by the General Fund. \$768,706 is due from the Waste Collection Fund for cash overdrafts deemed to have been funded by the General Fund, and is expected to be repaid within the year. \$634,906 is due from other Nonmajor Governmental funds deemed to have been funded by the General Fund. Additionally, in the prior two years the Water and Sewer Fund advanced \$5,200,000 of unrestricted funds to the General Fund. During the current year the Water and Sewer Fund advanced an additional \$1,025,773 of unrestricted funds to the General Fund. This amount is to be repaid in seven annual installments, with the first installment beginning May 1, 2012. The balance shall accrue interest at the Federal funds rate, plus 0.25% (0.25% - 0.50% as of April 30, 2011), the balance as of April 30, 2011 was \$6,274,013.
- Fire Protection Fund - \$491,435 is due to the General Fund for cash overdrafts deemed to have been funded by the General Fund; all repayments are expected within one year.
- Development TIF Area #1 - \$1,296,908 is due to the General Fund for cash overdrafts deemed to have been funded by the General Fund; all repayments are expected within one year.
- Water and Sewer Fund - in the prior two years the Water and Sewer Fund advanced \$5,200,000 of unrestricted funds to the General Fund. This amount is to be repaid in seven annual installments, with the first installment beginning May 1, 2012. During the current year the Water and Sewer Fund advanced an additional \$1,500,000 of unrestricted funds to the General Fund. The balance shall accrue interest at the Federal funds rate, plus 0.25% (0.25% - 0.50% as of April 30, 2011), the balance as of April 30, 2011 was \$6,274,013.
- Waste Collection - \$768,705 is due to the General Fund for cash overdrafts deemed to have been funded by the General Fund; all repayments are expected within one year.
- Nonmajor Governmental Funds - \$634,906 is due to the General Fund for cash overdrafts deemed to have been funded by the General Fund; all repayments are expected within one year.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE K – INTERFUND TRANSACTIONS AND BALANCES (continued)

Operating Transfers:

The following operating transfers were made during the year ended April 30, 2011:

Fund	Operating Transfers In	Operating Transfers Out
General Fund		
Fire Protection	\$ 0	\$ 939,430
Bond Debt Service	0	253,259
Nonmajor Governmental	93,385	0
	93,385	1,192,689
Fire Protection		
General Fund	939,430	0
Nonmajor Governmental	702,006	0
	1,641,436	0
TIF Area #1		
Nonmajor Governmental	0	111,191
	0	111,191
Bond Debt Service		
General Fund	253,259	0
Capital Projects – Hospital	2,683,850	0
	2,937,109	0
Capital Projects – Hospital		
Bond Debt Service	0	2,683,850
	0	2,683,850
Nonmajor Governmental		
General Fund	0	93,385
Fire Protection	0	702,006
TIF Area #1	111,191	0
	111,191	795,391
Total	\$ 4,783,121	\$ 4,783,121

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE K – INTERFUND TRANSACTIONS AND BALANCES (continued)

Operating Transfers (continued):

- General Fund - \$939,430 transfer out to Fire Protection Fund for fire protection services. \$253,259 transfer to Bond Debt Service fund for required debt service payments. \$93,385 of net transfers in from nonmajor governmental funds is the result of transfers in for various purposes to fund governmental services such as cable commission, police protections, liability insurance, street and bridge, TIF funds and industrial development offset by transfers out to fund governmental services such as audit, economic development and civil defense.
- Fire Protection Fund - \$702,006 net transfer in from nonmajor governmental funds to cover expenditures of City firefighting efforts. \$939,430 transfer in from general fund for fire protection services.
- Development TIF Area #1 - \$111,191 net transfer out to nonmajor governmental funds to cover expenditures relating to various capital improvement projects.
- Bond Debt Service - \$253,259 transfer from General Fund for required debt service payments. \$2,683,850 transferred from Capital Projects – Hospital fund for required debt service payments.
- Capital Projects – Hospital - \$2,683,850 transferred to the Bond Debt Service fund for required debt service payments.
- Nonmajor Governmental - \$93,385 net transfer out to General Fund for various purposes to fund governmental services such as cable commission, police protections, liability insurance, street and bridge, TIF funds and industrial development offset by transfers in to fund governmental services such as audit, economic development and civil defense.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE L – RESTRICTED NET ASSETS

The following table shows the net assets restricted for other purposes as shown on the Statement of Net Assets:

Activity	Restricted by	Amount
TIF #1 Bond Series 2002A	Bond Ordinance	\$ 53,880
Bond Series 2002B Road Bond	Bond Ordinance	56,264
Area 3 South Sheridan Rd. Project	Bond Ordinance	45,352
Bond Series 2003 Road Bond	Bond Ordinance	40,111
Total Restricted Net Assets for Debt Service – Governmental Activities		\$ 195,607

Activity	Restricted by	Amount
TIF #1 Bond Series 2002A	Bond Ordinance	\$ 135
Total Restricted Net Assets for Capital Projects		\$ 135

Activity	Restricted by	Amount
Liability Insurance	Law	\$ 455,240
Emergency Service Rescue	Law	532,892
Zion-Newport Fire Station	Law	108,316
Street and Bridge	Law	109,759
Illinois Municipal Retirement Fund	Law	49,789
FICA	Law	54,207
Development TIF Area #2	Law	9,612
Development TIF Area #3	Law	531,230
Development TIF Area #4	Law	5,679
Capital Projects – Hospital	Ordinance	615,157
Impact Fees	Ordinance	172,813
Motor Fuel Tax	Law	152,323
Audit	Law	13,936
Drug Traffic Prevention	Law	76,107
Industrial Development	Ordinance	542
Hotel/Motel Tax	Law	84,870
Total Restricted Net Assets for Other Purposes		\$ 2,972,472

NOTE M – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

Federal and State Grants

The City has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits can lead to questioned costs and potential request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. The amount of questioned costs, if any, which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE M – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS (continued)

Contractual Agreement

Computer Information System License Agreement

The City maintained an agreement with a service provider for an annually renewable object code computer software license for non-exclusive use of various systems and services. As a condition of this contract the City is to pay \$50,000 on July 1st annually from July 1, 2009 through July 1, 2015. The City incurred no expenditures relating to this contract during the year ended April 30, 2011 as the installment relating to the year ended April 30, 2011 was paid in advance of the beginning of the fiscal year.

The City maintained a note in relation to the Sheridan Road Development Project Area No. 1 TIF. The agreement is such that beginning on January 31 of the year following the tax year in which the equalized assessed valuation (EAV) of the property first exceeds the EAV of the property as of the date of the note, and each January 31 thereafter, with final payment due and payable on November 1, 2017. Total payments from the City hereunder shall never exceed (i) the principal amount of the note or (ii) the total certified project costs of the developer, whichever amount is less. Payments to date total \$2,405,000 and total remaining payments (upon presentation of supporting documentation referred to within the agreement) are scheduled as follows:

Year Ending April 30,	
2012	\$ 1,016,046
2013	715,717
2014	730,484
2015	745,622
2016	761,137
2017	777,041
2018	<u>542,342</u>
Total	<u>\$ 5,288,389</u>

NOTE N – RISK MANAGEMENT AND LITIGATION

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and employees' health and life.

The City is covered by commercial insurers for losses relating to liability (law, public officials, general liability and auto liability) and workers' compensation up to the following limits through April 30, 2011:

Liability (non-law occurrences)	\$ 25,000 retained, up to \$10,000,000
Liability (law occurrences)	\$ 50,000 retained, up to \$10,000,000
Worker's compensation	up to statutory limits

The City is self-insured for employee health insurance. The City is insured with commercial insurers for stop-loss (\$75,000 per claimant, unless otherwise contractually stated) and aggregate loss claims (\$1,662,371 in the aggregate).

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2011

NOTE N – RISK MANAGEMENT AND LITIGATION (continued)

The City Attorney estimates that the amount of actual or potential claims against the City as of April 30, 2011, will be within the covered limits of the City's insurance policies and will not materially affect the financial condition of the City. Therefore, there is no provision for significant estimated claims.

Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

The City is party to various other legal proceedings that have occurred during normal governmental operations. While the outcome of these suits are not presently determinable, they are being defended by the City's insurance provider and are expected to be within the covered limits of the City's insurance policy. Therefore, no liability has been accrued at this time related to these proceedings.

The City is also party to a lawsuit brought by the operator of a minor league baseball team alleging breach of an operating agreement. The suit is in the early discovery stages and the City plans to defend any such claims that arise. The outcome of this suit is not presently determinable and no liability has been accrued at this time.

NOTE O – SUBSEQUENT EVENTS

As detailed further in Note J, on March 23, 2012, the City issued \$2,500,000 of Taxable General Obligation Bonds (Alternate Revenue Source), Series 2012, which mature serially December 30, 2015 through 2021 at 6%. The Series 2012 bonds will be used to finance various expenditures incurred for ordinary and necessary municipal purposes of the City.

Effective March 6, 2012, the City passed resolution 12-R-6 to modify interfund advances from the Water Fund to the General Fund in the amount of \$4,964,000. The result of the resolution is to remove any and all repayment obligations relating to this advance. The effects of the adoption of this resolution will be reflected in the financial statements of the subsequent period.

The City did not have any other subsequent events through May 1, 2012, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended April 30, 2011.

CITY OF ZION, ILLINOIS

SUPPLEMENTARY INFORMATION

CITY OF ZION, ILLINOIS

***REQUIRED SUPPLEMENTARY
INFORMATION***

CITY OF ZION, ILLINOIS
GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Year Ended April 30, 2011
(With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Taxes	\$ 7,381,572	\$ 7,381,572	\$ 7,355,676	(\$ 25,896)	\$ 7,226,792
Licenses, permits, and fees	2,030,543	2,030,543	3,174,478	1,143,935	1,802,304
Fines and forfeitures	297,888	297,888	320,868	22,980	333,307
Rental revenue	30,796	30,796	76,946	46,150	29,410
Charges for services	711,799	711,799	590,781	(121,018)	612,374
Intergovernmental	19,368	19,368	139,240	119,872	85,844
Donations and grants	795,000	795,000	1,079,457	284,457	19,400
Interest	137,700	137,700	19,137	(118,563)	45,965
Sale of City property	25,000	25,000	20,272	(4,728)	38,001
Miscellaneous	69,546	69,546	118,795	49,249	0
TOTAL REVENUES	<u>11,499,212</u>	<u>11,499,212</u>	<u>12,895,650</u>	<u>1,396,438</u>	<u>10,193,397</u>
EXPENDITURES					
General government	1,807,474	1,807,474	3,600,060	(1,792,586)	1,351,838
Public health and safety	6,133,006	6,133,006	6,440,952	(307,946)	6,735,171
Public works and engineering	2,261,415	2,261,415	2,312,989	(51,574)	3,110,481
Economic development and promotion	1,541,954	1,541,954	1,587,845	(45,891)	902,197
TOTAL EXPENDITURES	<u>11,743,849</u>	<u>11,743,849</u>	<u>13,941,846</u>	<u>(2,197,997)</u>	<u>12,099,687</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(244,637)</u>	<u>(244,637)</u>	<u>(1,046,196)</u>	<u>(801,559)</u>	<u>(1,906,290)</u>
OTHER FINANCING SOURCES (USES)					
Bad debt expense	0	0	0	0	(142,545)
Operating transfers in	1,454,702	1,454,702	1,389,835	(64,867)	1,749,600
Operating transfers (out)	(1,208,148)	(1,208,148)	(2,489,139)	(1,280,991)	(1,480,145)
TOTAL OTHER FINANCING SOURCES (USES)	<u>246,554</u>	<u>246,554</u>	<u>(1,099,304)</u>	<u>(1,345,858)</u>	<u>126,910</u>
NET CHANGE IN FUND BALANCE	1,917	1,917	(2,145,500)	(2,147,417)	(1,779,380)
FUND BALANCE - BEGINNING OF YEAR	(846,668)	(846,668)	(846,668)	0	932,712
FUND BALANCE - END OF YEAR	<u>(\$ 844,751)</u>	<u>(\$ 844,751)</u>	<u>(\$ 2,992,168)</u>	<u>(\$ 2,147,417)</u>	<u>(\$ 846,668)</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2011
(With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Taxes					
Property	\$ 887,544	\$ 887,544	\$ 838,552	(\$ 48,992)	\$ 693,430
Sales	2,567,532	2,567,532	2,481,114	(86,418)	2,807,777
Utility	1,846,600	1,846,600	1,947,703	101,103	2,015,083
Income	1,642,092	1,642,092	1,692,223	50,131	1,364,887
Replacement	428,504	428,504	384,725	(43,779)	336,298
Entertainment	9,300	9,300	11,359	2,059	9,317
Total Taxes	<u>7,381,572</u>	<u>7,381,572</u>	<u>7,355,676</u>	<u>(25,896)</u>	<u>7,226,792</u>
Licenses, Permits, and Fees					
Business licenses	55,000	55,000	77,010	22,010	55,784
Vehicle licenses	75,000	75,000	157,729	82,729	134,366
Permits	320,000	320,000	1,321,417	1,001,417	223,981
Franchise fees	210,343	210,343	229,430	19,087	0
Host fees	1,300,000	1,300,000	1,272,918	(27,082)	1,254,863
Game licenses	2,200	2,200	1,098	(1,102)	2,249
Gas generating fee	50,000	50,000	50,000	0	50,000
Other	18,000	18,000	64,876	46,876	81,061
Total Licenses, Permits, and Fees	<u>2,030,543</u>	<u>2,030,543</u>	<u>3,174,478</u>	<u>1,143,935</u>	<u>1,802,304</u>
Fines and Forfeitures					
Property violation fines	55,106	55,106	78,141	23,035	56,036
Animal control fines	8,005	8,005	9,807	1,802	8,006
Traffic fines	169,978	169,978	195,334	25,356	204,466
Non-traffic fines	64,799	64,799	37,586	(27,213)	64,799
Total Fines and Forfeitures	<u>297,888</u>	<u>297,888</u>	<u>320,868</u>	<u>22,980</u>	<u>333,307</u>
Rental Revenue	<u>30,796</u>	<u>30,796</u>	<u>76,946</u>	<u>46,150</u>	<u>29,410</u>
Charges for Services					
Water department service charges	82,500	82,500	82,500	0	82,500
Waste department service charges	82,500	82,500	82,500	0	82,500
Other public works charges	60,000	60,000	125,915	65,915	69,644
Insurance payments	261,799	261,799	231,591	(30,208)	261,069
Reimbursement of City expenses	225,000	225,000	68,275	(156,725)	116,661
Total Charges for Services	<u>711,799</u>	<u>711,799</u>	<u>590,781</u>	<u>(121,018)</u>	<u>612,374</u>
Intergovernmental	<u>19,368</u>	<u>19,368</u>	<u>139,240</u>	<u>119,872</u>	<u>85,844</u>
Donations and Grants	<u>795,000</u>	<u>795,000</u>	<u>1,079,457</u>	<u>284,457</u>	<u>19,400</u>
Interest	<u>137,700</u>	<u>137,700</u>	<u>19,137</u>	<u>(118,563)</u>	<u>45,965</u>
Sale of City Property	<u>25,000</u>	<u>25,000</u>	<u>20,272</u>	<u>(4,728)</u>	<u>38,001</u>
Miscellaneous	<u>69,546</u>	<u>69,546</u>	<u>118,795</u>	<u>49,249</u>	<u>0</u>
TOTAL REVENUES	<u>\$ 11,499,212</u>	<u>\$ 11,499,212</u>	<u>\$ 12,895,650</u>	<u>\$ 1,396,438</u>	<u>\$ 10,193,397</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2011
(With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
EXPENDITURES					
General Government					
Legislative					
Personal services	\$ 331,111	\$ 331,111	\$ 333,018	(\$ 1,907)	\$ 332,535
Contractual services	78,616	78,616	64,994	13,622	114,181
Materials and supplies	6,100	6,100	8,912	(2,812)	6,340
Repairs and maintenance	2,100	2,100	2,310	(210)	0
	<u>417,927</u>	<u>417,927</u>	<u>409,234</u>	<u>8,693</u>	<u>453,056</u>
Public Affairs - Legal					
Contractual services	369,650	369,650	498,133	(128,483)	182,462
	<u>369,650</u>	<u>369,650</u>	<u>498,133</u>	<u>(128,483)</u>	<u>182,462</u>
Accounts and Finance					
Personal services	321,378	321,378	332,084	(10,706)	376,024
Contractual services	143,656	143,656	146,437	(2,781)	140,458
Materials and supplies	30,791	30,791	34,292	(3,501)	23,296
Repairs and maintenance	200	200	0	200	162
	<u>496,025</u>	<u>496,025</u>	<u>512,813</u>	<u>(16,788)</u>	<u>539,940</u>
Public Property					
Contractual services	187,674	187,674	194,278	(6,604)	145,419
Materials and supplies	1,350	1,350	1,359	(9)	1,524
Repairs and maintenance	16,770	16,770	16,002	768	13,357
Capital outlay	56,000	56,000	1,950,300	(1,894,300)	0
	<u>261,794</u>	<u>261,794</u>	<u>2,161,939</u>	<u>(1,900,145)</u>	<u>160,300</u>
Debt Service					
Interest and fiscal charges	262,078	262,078	17,941	244,137	16,080
	<u>262,078</u>	<u>262,078</u>	<u>17,941</u>	<u>244,137</u>	<u>16,080</u>
Total General Government	<u>1,807,474</u>	<u>1,807,474</u>	<u>3,600,060</u>	<u>(1,792,586)</u>	<u>1,351,838</u>
Public Health and Safety					
Police Department					
Personal services	4,192,515	4,192,515	4,365,437	(172,922)	4,569,916
Contractual services	1,464,073	1,464,073	1,612,796	(148,723)	1,573,345
Materials and supplies	198,577	198,577	215,768	(17,191)	258,979
Repairs and maintenance	99,500	99,500	87,016	12,484	88,382
Capital outlay	70,000	70,000	69,859	141	70,409
	<u>6,024,665</u>	<u>6,024,665</u>	<u>6,350,876</u>	<u>(326,211)</u>	<u>6,561,031</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2011
(With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
EXPENDITURES (continued)					
Public Health and Safety (continued)					
Public Health					
Personal services	\$ 46,455	\$ 46,455	\$ 52,617	(\$ 6,162)	\$ 54,333
Contractual services	39,642	39,642	15,331	24,311	80,963
Materials and supplies	1,069	1,069	1,129	(60)	2,646
Repairs and maintenance	500	500	756	(256)	558
	<u>87,666</u>	<u>87,666</u>	<u>69,833</u>	<u>17,833</u>	<u>138,500</u>
Fire and Police Commission					
Personal services	0	0	0	0	6,037
Contractual services	19,475	19,475	18,836	639	22,126
Materials and supplies	0	0	207	(207)	35
Miscellaneous	1,200	1,200	1,200	0	0
	<u>20,675</u>	<u>20,675</u>	<u>20,243</u>	<u>432</u>	<u>28,198</u>
Administrative Adjudication					
Personal services	0	0	0	0	606
Contractual services	0	0	0	0	5,781
Materials and supplies	0	0	0	0	1,055
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,442</u>
Total Public Health and Safety	<u>6,133,006</u>	<u>6,133,006</u>	<u>6,440,952</u>	<u>(307,946)</u>	<u>6,735,171</u>
Public Works and Engineering					
Planning and Zoning					
Contractual services	4,400	4,400	669	3,731	12,809
	<u>4,400</u>	<u>4,400</u>	<u>669</u>	<u>3,731</u>	<u>12,809</u>
Public Works					
Personal services	848,199	848,199	884,314	(36,115)	1,085,855
Contractual services	595,711	595,711	582,172	13,539	740,206
Materials and supplies	269,514	269,514	236,094	33,420	279,360
Repairs and maintenance	95,500	95,500	118,837	(23,337)	108,242
Capital outlay	0	0	0	0	116,029
	<u>1,808,924</u>	<u>1,808,924</u>	<u>1,821,417</u>	<u>(12,493)</u>	<u>2,329,692</u>
Public Service Program					
Personal services	74,441	74,441	79,908	(5,467)	87,723
Contractual services	9,384	9,384	25,281	(15,897)	10,172
Materials and supplies	3,400	3,400	4,472	(1,072)	3,726
	<u>87,225</u>	<u>87,225</u>	<u>109,661</u>	<u>(22,436)</u>	<u>101,621</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2011
(With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
EXPENDITURES (continued)					
Public Works and Engineering (continued)					
Inspection					
Personal services	\$ 263,062	\$ 263,062	\$ 256,225	\$ 6,837	\$ 419,738
Contractual services	78,219	78,219	106,625	(28,406)	229,866
Materials and supplies	11,545	11,545	15,757	(4,212)	14,430
Repairs and maintenance	2,800	2,800	2,548	252	2,231
	<u>355,626</u>	<u>355,626</u>	<u>381,155</u>	<u>(25,529)</u>	<u>666,265</u>
Lake Mound Cemetery					
Repairs and maintenance	5,240	5,240	87	5,153	94
	<u>5,240</u>	<u>5,240</u>	<u>87</u>	<u>5,153</u>	<u>94</u>
Total Public Works and Engineering	<u>2,261,415</u>	<u>2,261,415</u>	<u>2,312,989</u>	<u>(51,574)</u>	<u>3,110,481</u>
Economic Development and Promotion					
Community Economic Development					
Personal services	141,312	141,312	131,547	9,765	159,163
Contractual services	862,147	862,147	1,070,309	(208,162)	60,656
Materials and supplies	9,500	9,500	8,548	952	12,236
Repairs and maintenance	1,000	1,000	580	420	2,049
	<u>1,013,959</u>	<u>1,013,959</u>	<u>1,210,984</u>	<u>(197,025)</u>	<u>234,104</u>
City Contributions					
Contractual services	401,013	401,013	345,448	55,565	581,871
Contingent	96,614	96,614	0	96,614	0
	<u>497,627</u>	<u>497,627</u>	<u>345,448</u>	<u>152,179</u>	<u>581,871</u>
Festival of Lights					
Contractual services	0	0	0	0	35,545
Materials and supplies	0	0	0	0	19,264
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>54,809</u>
Jubilee Days					
Contractual services	30,368	30,368	31,413	(1,045)	31,413
	<u>30,368</u>	<u>30,368</u>	<u>31,413</u>	<u>(1,045)</u>	<u>31,413</u>
Total Economic Development and Promotion	<u>1,541,954</u>	<u>1,541,954</u>	<u>1,587,845</u>	<u>(45,891)</u>	<u>902,197</u>
TOTAL EXPENDITURES	<u>\$ 11,743,849</u>	<u>\$ 11,743,849</u>	<u>\$ 13,941,846</u>	<u>(\$ 2,197,997)</u>	<u>\$ 12,099,687</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
FIRE PROTECTION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Year Ended April 30, 2011
(With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 900,223	\$ 900,223	\$ 899,519	(\$ 704)	\$ 933,965
Plan fees and permits	35,000	35,000	35,576	576	25,034
Grants and donations	46,500	46,500	46,500	0	27,600
Ambulance fees	364,916	364,916	437,309	72,393	336,837
Miscellaneous	5,100	5,100	7,929	2,829	5,601
TOTAL REVENUES	1,351,739	1,351,739	1,426,833	75,094	1,329,037
EXPENDITURES					
Personal Services					
Regular firemen	1,768,593	1,768,593	1,816,879	(48,286)	1,783,351
Fire inspector	15,600	15,600	12,803	2,797	15,428
Overtime	288,000	288,000	239,015	48,985	254,379
Secretary	30,160	30,160	26,345	3,815	13,247
Total Personal Services	<u>2,102,353</u>	<u>2,102,353</u>	<u>2,095,042</u>	<u>7,311</u>	<u>2,066,405</u>
Contractual Services					
Public Education	2,500	2,500	2,564	(64)	3,347
Memberships	6,200	6,200	6,549	(349)	8,515
Consultants	9,000	9,000	7,472	1,528	10,255
Insurance	308,865	308,865	267,752	41,113	360,036
Liability deductible	0	0	240	(240)	0
Hospitalization	302,445	302,445	297,003	5,442	353,455
Ambulance billing fees	32,760	32,760	36,052	(3,292)	32,646
Telephone service	20,330	20,330	19,946	384	21,154
Travel and conference	900	900	772	128	2,610
Contingent	0	0	0	0	1,194
Schools, training and materials	14,500	14,500	16,326	(1,826)	23,301
Utilities	2,000	2,000	3,351	(1,351)	2,338
Fire extinguishers	800	800	580	220	221
Medical exams	0	0	0	0	10,816
Equipment rental	5,000	5,000	4,311	689	4,698
Total Contractual Services	<u>705,300</u>	<u>705,300</u>	<u>662,918</u>	<u>42,382</u>	<u>834,586</u>
Materials and Supplies					
EMS equipment	53,000	53,000	12,719	40,281	30,937
Donations used	7,500	7,500	7,573	(73)	1,002
Chemicals	875	875	0	875	0
Uniforms	12,000	12,000	11,981	19	17,654
Gas and oil	32,000	32,000	36,523	(4,523)	33,313
Office and related expenditures	5,100	5,100	3,871	1,229	4,991
Training materials and supplies	300	300	153	147	512
Computer and related	4,300	4,300	4,141	159	3,756
Knox boxes	1,550	1,550	2,914	(1,364)	2,524

See independent auditors' report.

CITY OF ZION, ILLINOIS
FIRE PROTECTION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Year Ended April 30, 2011
(With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
EXPENDITURES (continued)					
Materials and Supplies (continued)					
Housekeeping supplies	4,000	4,000	4,139	(139)	4,286
Miscellaneous	0	0	0	0	212
Total Materials and Supplies	<u>120,625</u>	<u>120,625</u>	<u>84,014</u>	<u>36,611</u>	<u>99,187</u>
Repairs and Maintenance					
Building and grounds	8,300	8,300	10,936	(2,636)	11,981
Motor equipment	48,000	48,000	49,954	(1,954)	43,387
Miscellaneous other equipment	19,400	19,400	16,108	3,292	12,890
Radio equipment	10,500	10,500	11,490	(990)	7,277
Total Repairs and Maintenance	<u>86,200</u>	<u>86,200</u>	<u>88,488</u>	<u>(2,288)</u>	<u>75,535</u>
Capital Outlay					
Other equipment	10,000	10,000	48,945	(38,945)	0
Motor equipment	0	0	0	0	31,937
Grant purchases	12,000	12,000	12,000	0	0
Total Capital Outlay	<u>22,000</u>	<u>22,000</u>	<u>60,945</u>	<u>(38,945)</u>	<u>31,937</u>
Debt Service					
Principal	58,318	58,318	97,636	(39,318)	52,474
Interest	0	0	1,088	(1,088)	5,843
Total Debt Service	<u>58,318</u>	<u>58,318</u>	<u>98,724</u>	<u>(40,406)</u>	<u>58,317</u>
TOTAL EXPENDITURES	<u>3,094,796</u>	<u>3,094,796</u>	<u>3,090,131</u>	<u>4,665</u>	<u>3,165,967</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,743,057)</u>	<u>(1,743,057)</u>	<u>(1,663,298)</u>	<u>70,429</u>	<u>(1,836,930)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	1,841,196	1,841,196	1,739,575	101,621	1,778,424
Operating transfers (out)	(98,139)	(98,139)	(98,139)	0	(98,139)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,743,057</u>	<u>1,743,057</u>	<u>1,641,436</u>	<u>101,621</u>	<u>1,680,285</u>
NET CHANGE IN FUND BALANCE	0	0	(21,862)	21,862	(156,645)
FUND BALANCE - BEGINNING OF YEAR	(109,947)	(109,947)	(109,947)	0	46,698
FUND BALANCE - END OF YEAR	<u>(\$ 109,947)</u>	<u>(\$ 109,947)</u>	<u>(\$ 131,809)</u>	<u>\$ 21,862</u>	<u>(\$ 109,947)</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
DEVELOPMENT TIF AREA #1 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 1,152,275	\$ 1,152,275	\$ 1,248,550	\$ 96,275	\$ 1,032,954
Miscellaneous	0	0	1,245	1,245	0
TOTAL REVENUES	<u>1,152,275</u>	<u>1,152,275</u>	<u>1,249,795</u>	<u>97,520</u>	<u>1,032,954</u>
EXPENDITURES					
Personal Services					
Regular wages	0	0	0	0	8,854
Total Personal Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,854</u>
Contractual Services					
Promotional	329,737	329,737	1,024,019	(694,282)	526,605
Surplus distributions	70,000	70,000	70,000	0	70,000
Legal and professional	5,750	5,750	1,460	4,290	600
Consultants	2,500	2,500	19,768	(17,268)	3,595
Appraisals	2,000	2,000	900	1,100	0
Miscellaneous	260,000	260,000	141,822	118,178	169,529
Total Contractual Services	<u>669,987</u>	<u>669,987</u>	<u>1,257,969</u>	<u>(587,982)</u>	<u>770,329</u>
Materials and Supplies					
Contingent	0	0	0	0	28,055
Total Materials and Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,055</u>
Repairs and Maintenance					
Motor equipment	0	0	0	0	401
Total Repairs and Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>401</u>
Capital Outlay					
Proposed projects unapproved	0	0	65,194	(65,194)	0
Total Capital Outlay	<u>0</u>	<u>0</u>	<u>65,194</u>	<u>(65,194)</u>	<u>0</u>
TOTAL EXPENDITURES	<u>669,987</u>	<u>669,987</u>	<u>1,323,163</u>	<u>(653,176)</u>	<u>807,639</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>482,288</u>	<u>482,288</u>	<u>(73,368)</u>	<u>(555,656)</u>	<u>225,315</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers (out)	(514,185)	(514,185)	(513,648)	537	(538,041)
Operating transfers in	31,897	31,897	402,457	370,560	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>(482,288)</u>	<u>(482,288)</u>	<u>(111,191)</u>	<u>371,097</u>	<u>(538,041)</u>
NET CHANGE IN FUND BALANCE	0	0	(184,559)	(184,559)	(312,726)
FUND BALANCE - BEGINNING OF YEAR	(615,812)	(615,812)	(615,812)	0	(303,086)
FUND BALANCE - END OF YEAR	<u>(\$ 615,812)</u>	<u>(\$ 615,812)</u>	<u>(\$ 800,371)</u>	<u>(\$ 184,559)</u>	<u>(\$ 615,812)</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
BOND DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,738
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,738</u>
EXPENDITURES					
Debt Service					
Principal retirement	1,275,000	1,275,000	1,430,000	(155,000)	1,350,000
Interest and fiscal charges	1,377,600	1,377,600	1,510,103	(132,503)	1,588,553
Total Debt Service	<u>2,652,600</u>	<u>2,652,600</u>	<u>2,940,103</u>	<u>(287,503)</u>	<u>2,938,553</u>
TOTAL EXPENDITURES	<u>2,652,600</u>	<u>2,652,600</u>	<u>2,940,103</u>	<u>(287,503)</u>	<u>2,938,553</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,652,600)</u>	<u>(2,652,600)</u>	<u>(2,940,103)</u>	<u>(287,503)</u>	<u>(2,934,815)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	2,652,600	2,652,600	2,937,109	284,509	2,939,802
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,652,600</u>	<u>2,652,600</u>	<u>2,937,109</u>	<u>284,509</u>	<u>2,939,802</u>
NET CHANGE IN FUND BALANCES	0	0	(2,994)	(2,994)	4,987
FUND BALANCE - BEGINNING OF YEAR	7,604,255	7,604,255	7,604,255	0	7,599,268
FUND BALANCE - END OF YEAR	<u>\$ 7,604,255</u>	<u>\$ 7,604,255</u>	<u>\$ 7,601,261</u>	<u>(\$ 2,994)</u>	<u>\$ 7,604,255</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
CAPITAL PROJECTS - HOSPITAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ 2,652,600	\$ 2,652,600	\$ 1,377,600	(\$ 1,275,000)	\$ 1,451,475
TOTAL REVENUES	<u>2,652,600</u>	<u>2,652,600</u>	<u>1,377,600</u>	<u>(1,275,000)</u>	<u>1,451,475</u>
EXPENDITURES					
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,652,600</u>	<u>2,652,600</u>	<u>1,377,600</u>	<u>(1,275,000)</u>	<u>1,451,475</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers (out)	(2,652,600)	(2,652,600)	(2,683,850)	(31,250)	(2,682,725)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,652,600)</u>	<u>(2,652,600)</u>	<u>(2,683,850)</u>	<u>(31,250)</u>	<u>(2,682,725)</u>
NET CHANGE IN FUND BALANCES	0	0	(1,306,250)	(1,306,250)	(1,231,250)
FUND BALANCE - BEGINNING OF YEAR	15,145,146	15,145,146	15,145,146	0	16,376,396
FUND BALANCE - END OF YEAR	<u>\$ 15,145,146</u>	<u>\$ 15,145,146</u>	<u>\$ 13,838,896</u>	<u>(\$ 1,306,250)</u>	<u>\$ 15,145,146</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
WATER AND SEWER FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL

For the Year Ended April 30, 2011
(With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
OPERATING REVENUES					
Water sales	\$ 2,400,000	\$ 2,400,000	\$ 2,332,866	(\$ 67,134)	\$ 2,378,991
Sewer service charge	720,000	720,000	719,180	(820)	728,295
Connection fees	54,200	54,200	109,155	54,955	83,000
Turn on fees and miscellaneous	90,000	90,000	80,163	(9,837)	85,788
Penalties	40,000	40,000	41,520	1,520	39,857
Meter sales and repairs	12,948	12,948	14,997	2,049	17,707
TOTAL REVENUES	3,317,148	3,317,148	3,297,881	(19,267)	3,333,638
OPERATING EXPENSES					
Personal Services					
Regular water	719,591	719,591	688,120	31,471	465,299
Overtime	26,767	26,767	42,152	(15,385)	12,686
Clerk	29,569	29,569	29,270	299	28,957
Total Personal Services	775,927	775,927	759,542	16,385	506,942
Contractual Services					
Purchase of water	933,000	933,000	1,058,590	(125,590)	1,027,132
Consultants	30,000	30,000	19,403	10,597	22,965
Memberships	1,000	1,000	483	517	333
Schools	3,500	3,500	1,980	1,520	90
Service charge	82,500	82,500	82,500	0	82,500
Insurance	5,600	5,600	8,583	(2,983)	46,051
Hospitalization and life	165,774	165,774	101,017	64,757	106,109
Telephone	13,500	13,500	13,160	340	13,190
Travel and conference	7,000	7,000	2,090	4,910	1,954
Professional	23,000	23,000	17,642	5,358	5,576
Contingent	0	0	2,602	(2,602)	6,996
Newsletter	6,000	6,000	4,806	1,194	2,780
Utilities	20,000	20,000	11,801	8,199	11,859
Equipment rental	2,500	2,500	260	2,240	506
Agent fees	0	0	593	(593)	610
Miscellaneous projects	515,000	515,000	0	515,000	53,895
Total Contractual Services	1,808,374	1,808,374	1,325,510	482,864	1,382,546
Materials and Supplies					
Uniforms	2,738	2,738	670	2,068	4,439
Gas and oil	44,126	44,126	69,091	(24,965)	26,068
Office and related expenses	14,000	14,000	17,306	(3,306)	16,984
Computer supplies	2,500	2,500	670	1,830	1,331
Meter repair parts	5,000	5,000	0	5,000	0
Small tools	5,000	5,000	2,090	2,910	1,587
Miscellaneous	84,800	84,800	32,458	52,342	2,034
Total Materials and Supplies	158,164	158,164	122,285	35,879	52,443

See independent auditors' report.

CITY OF ZION, ILLINOIS
WATER AND SEWER FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL

For the Year Ended April 30, 2011
(With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
OPERATING EXPENSES (continued)					
Repairs and Maintenance					
Repair parts	\$ 2,500	\$ 2,500	\$ 10	\$ 2,490	\$ 0
Sanitary sewer system	40,000	40,000	32,579	7,421	26,808
Sewer equipment	25,000	25,000	2,251	22,749	23,287
Motor equipment	47,500	47,500	43,039	4,461	16,527
Distribution system	566,338	566,338	528,563	37,775	562,424
Buildings and grounds	15,000	15,000	21,964	(6,964)	19,889
Water meters	110,500	110,500	86,451	24,049	19,947
Total Repairs and Maintenance	<u>806,838</u>	<u>806,838</u>	<u>714,857</u>	<u>91,981</u>	<u>668,882</u>
Depreciation	<u>0</u>	<u>0</u>	<u>295,728</u>	<u>(295,728)</u>	<u>306,985</u>
TOTAL OPERATING EXPENSES	<u>3,549,303</u>	<u>3,549,303</u>	<u>3,217,922</u>	<u>331,381</u>	<u>2,917,798</u>
INCOME FROM OPERATIONS	<u>(232,155)</u>	<u>(232,155)</u>	<u>79,959</u>	<u>312,114</u>	<u>415,840</u>
NONOPERATING REVENUES (EXPENSES)					
Interest income	0	0	58,856	58,856	63,949
Principal	(155,000)	(155,000)	0	155,000	0
Interest and fiscal charges	<u>(102,805)</u>	<u>(102,805)</u>	<u>(114,550)</u>	<u>(11,745)</u>	<u>(116,314)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(257,805)</u>	<u>(257,805)</u>	<u>(55,694)</u>	<u>202,111</u>	<u>(52,365)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	0	0	0	0	0
Operating transfers (out)	<u>(16,080)</u>	<u>(16,080)</u>	<u>0</u>	<u>16,080</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(16,080)</u>	<u>(16,080)</u>	<u>0</u>	<u>16,080</u>	<u>0</u>
CHANGE IN NET ASSETS	<u>(506,040)</u>	<u>(506,040)</u>	<u>24,265</u>	<u>530,305</u>	<u>363,475</u>
NET ASSETS - BEGINNING OF YEAR	11,768,061	11,768,061	12,131,536	(363,475)	11,768,061
NET ASSETS - END OF YEAR	<u>\$ 11,262,021</u>	<u>\$ 11,262,021</u>	<u>\$ 12,155,801</u>	<u>\$ 166,830</u>	<u>\$ 12,131,536</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
WASTE COLLECTION FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
BUDGET AND ACTUAL

For the Year Ended April 30, 2011
(With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
OPERATING REVENUES					
Waste collection fees	\$ 1,204,200	\$ 1,204,200	\$ 1,371,646	\$ 167,446	\$ 1,202,206
Landfill siting fees	0	0	100,000	100,000	250,000
Garbage cart revenue	10,860	10,860	18,220	7,360	12,514
Refund of prior period expense	0	0	0	0	152,224
TOTAL REVENUES	<u>1,215,060</u>	<u>1,215,060</u>	<u>1,489,866</u>	<u>274,806</u>	<u>1,616,944</u>
OPERATING EXPENSES					
Contractual Services					
Contracted waste collection	919,304	919,304	946,698	(27,394)	910,095
Garbage cart lease	14,155	14,155	34,214	(20,059)	24,357
Compost dumping	202,008	202,008	202,003	5	217,204
Leaf and chip dumping	40,000	40,000	33,480	6,520	40,811
Recycling	259,608	259,608	259,598	10	278,856
Recycling bins	0	0	1,350	(1,350)	0
Service charge	82,500	82,500	82,500	0	82,500
Landfill closing costs	92,000	92,000	66,980	25,020	107,902
Legal fees	205,704	205,704	157,763	47,941	68,879
Total Contractual Services	<u>1,815,279</u>	<u>1,815,279</u>	<u>1,784,586</u>	<u>30,693</u>	<u>1,730,604</u>
Materials and Supplies					
Office and related expenses	7,710	7,710	9,165	(1,455)	9,467
Total Materials and Supplies	<u>7,710</u>	<u>7,710</u>	<u>9,165</u>	<u>(1,455)</u>	<u>9,467</u>
TOTAL OPERATING EXPENSES	<u>1,822,989</u>	<u>1,822,989</u>	<u>1,793,751</u>	<u>29,238</u>	<u>1,740,071</u>
INCOME FROM OPERATIONS	<u>(607,929)</u>	<u>(607,929)</u>	<u>(303,885)</u>	<u>304,044</u>	<u>(123,127)</u>
CHANGE IN NET ASSETS	<u>(607,929)</u>	<u>(607,929)</u>	<u>(303,885)</u>	<u>304,044</u>	<u>(123,127)</u>
NET ASSETS - BEGINNING OF YEAR	<u>(165,657)</u>	<u>(165,657)</u>	<u>(165,657)</u>	<u>0</u>	<u>(42,530)</u>
NET ASSETS - END OF YEAR	<u><u>(\$ 773,586)</u></u>	<u><u>(\$ 773,586)</u></u>	<u><u>(\$ 469,542)</u></u>	<u><u>\$ 304,044</u></u>	<u><u>(\$ 165,657)</u></u>

See independent auditors' report.

CITY OF ZION, ILLINOIS

SUPPLEMENTARY INFORMATION

CITY OF ZION, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
 April 30, 2011

ASSETS

	SPECIAL REVENUE FUNDS			
	911 Emergency Surcharge	Zion - Newport Fire Station	Emergency Service Rescue	Foreign Fire Tax
ASSETS				
Cash and equivalents	\$ 0	\$ 108,316	\$ 167,334	\$ 0
Taxes receivable, net of allowance for uncollectables of \$44,461	0	0	742,897	0
Due from other governmental agencies	0	0	0	0
Other assets	21,406	0	0	0
TOTAL ASSETS	\$ 21,406	\$ 108,316	\$ 910,231	\$ 0

LIABILITIES AND FUND BALANCES

LIABILITIES				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0
Due to other governmental agencies	0	0	0	0
Due to other funds	299,183	0	0	0
Accrued payroll	0	0	0	0
Deferred revenue - property taxes	0	0	377,339	0
TOTAL LIABILITIES	299,183	0	377,339	0
FUND BALANCES				
Unreserved				
Undesignated	(277,777)	108,316	532,892	0
TOTAL FUND BALANCES	(277,777)	108,316	532,892	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 21,406	\$ 108,316	\$ 910,231	\$ 0

See independent auditors' report.

SPECIAL REVENUE FUNDS

Street and Bridge	Illinois Municipal Retirement	FICA	Motor Fuel Tax	Development TIF Area #2	Development TIF Area #3	Development TIF Area #4
\$ 0	\$ 0	\$ 0	\$ 106,617	\$ 9,612	\$ 214,020	\$ 5,679
248,950	347,740	248,950	0	0	638,043	0
0	0	0	47,193	0	0	0
0	0	0	0	0	0	0
<u>\$ 248,950</u>	<u>\$ 347,740</u>	<u>\$ 248,950</u>	<u>\$ 153,810</u>	<u>\$ 9,612</u>	<u>\$ 852,063</u>	<u>\$ 5,679</u>
\$ 0	\$ 0	\$ 0	\$ 1,487	\$ 0	\$ 1,001	\$ 0
0	0	0	0	0	0	0
12,742	55,976	56,399	0	0	0	0
0	65,348	11,895	0	0	0	0
<u>126,449</u>	<u>176,627</u>	<u>126,449</u>	<u>0</u>	<u>0</u>	<u>319,832</u>	<u>0</u>
<u>139,191</u>	<u>297,951</u>	<u>194,743</u>	<u>1,487</u>	<u>0</u>	<u>320,833</u>	<u>0</u>
<u>109,759</u>	<u>49,789</u>	<u>54,207</u>	<u>152,323</u>	<u>9,612</u>	<u>531,230</u>	<u>5,679</u>
<u>109,759</u>	<u>49,789</u>	<u>54,207</u>	<u>152,323</u>	<u>9,612</u>	<u>531,230</u>	<u>5,679</u>
<u>\$ 248,950</u>	<u>\$ 347,740</u>	<u>\$ 248,950</u>	<u>\$ 153,810</u>	<u>\$ 9,612</u>	<u>\$ 852,063</u>	<u>\$ 5,679</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
 April 30, 2011

ASSETS

	SPECIAL REVENUE FUNDS				
	Impact Fee	Impact Fee - Fire/Rescue	Impact Fee - Other Gov't Agencies	Economic Develoment	Police Protection
ASSETS					
Cash and equivalents	\$ 170,885	\$ 0	\$ 20,250	\$ 0	\$ 0
Taxes receivable, net of allowance for uncollectables of \$44,461	0	0	0	0	0
Due from other governmental agencies	0	0	0	0	0
Other assets	0	0	0	0	0
TOTAL ASSETS	<u>\$ 170,885</u>	<u>\$ 0</u>	<u>\$ 20,250</u>	<u>\$ 0</u>	<u>\$ 0</u>

LIABILITIES AND FUND BALANCES

LIABILITIES					
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Due to other governmental agencies	0	0	18,322	0	0
Due to other funds	0	78,389	0	0	22,929
Accrued payroll	0	0	0	0	0
Deferred revenue - property taxes	0	0	0	0	0
TOTAL LIABILITIES	<u>0</u>	<u>78,389</u>	<u>18,322</u>	<u>0</u>	<u>22,929</u>
FUND BALANCES					
Unreserved					
Undesignated	170,885	(78,389)	1,928	0	(22,929)
TOTAL FUND BALANCES	<u>170,885</u>	<u>(78,389)</u>	<u>1,928</u>	<u>0</u>	<u>(22,929)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 170,885</u>	<u>\$ 0</u>	<u>\$ 20,250</u>	<u>\$ 0</u>	<u>\$ 0</u>

See independent auditors' report.

SPECIAL REVENUE FUNDS

Liability Insurance	Audit	Civil Defense	Working Cash	Drug Traffic Prevention	Industrial Development	Cable Commission
\$ 15,793	\$ 13,936	\$ 0	\$ 0	\$ 137,505	\$ 542	\$ 9,819
893,057	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	11,752
<u>\$ 908,850</u>	<u>\$ 13,936</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 137,505</u>	<u>\$ 542</u>	<u>\$ 21,571</u>
\$ 0	\$ 0	\$ 1,360	\$ 0	\$ 832	\$ 0	\$ 0
0	0	0	0	60,566	0	0
0	0	28,518	0	0	0	0
0	0	0	0	0	0	0
453,610	0	0	0	0	0	0
<u>453,610</u>	<u>0</u>	<u>29,878</u>	<u>0</u>	<u>61,398</u>	<u>0</u>	<u>0</u>
455,240	13,936	(29,878)	0	76,107	542	21,571
<u>455,240</u>	<u>13,936</u>	<u>(29,878)</u>	<u>0</u>	<u>76,107</u>	<u>542</u>	<u>21,571</u>
<u>\$ 908,850</u>	<u>\$ 13,936</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 137,505</u>	<u>\$ 542</u>	<u>\$ 21,571</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
 April 30, 2011

ASSETS

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS	
	Hotel/Motel Tax	Total Special Revenue Funds	TIF #1 Bond Series 2002A	Area 3 South Sheridan Rd. Project
ASSETS				
Cash and equivalents	\$ 140,753	\$ 1,121,061	\$ 53,881	\$ 0
Taxes receivable, net of allowance for uncollectables of \$44,461	0	3,119,637	0	0
Due from other governmental agencies	0	47,193	0	0
Other assets	0	33,158	0	0
TOTAL ASSETS	\$ 140,753	\$ 4,321,049	\$ 53,881	\$ 0

LIABILITIES AND FUND BALANCES

LIABILITIES				
Accounts payable	\$ 55,883	\$ 60,563	\$ 0	\$ 0
Due to other governmental agencies	0	78,888	0	0
Due to other funds	0	554,136	0	1,538
Accrued payroll	0	77,243	0	0
Deferred revenue - property taxes	0	1,580,306	0	0
TOTAL LIABILITIES	55,883	2,351,136	0	1,538
FUND BALANCES				
Unreserved				
Undesignated	84,870	1,969,913	53,881	(1,538)
TOTAL FUND BALANCES	84,870	1,969,913	53,881	(1,538)
TOTAL LIABILITIES AND FUND BALANCES	\$ 140,753	\$ 4,321,049	\$ 53,881	\$ 0

See independent auditors' report.

DEBT SERVICE FUNDS				CAPITAL PROJECTS FUNDS			Total Other Governmental Funds
Bond Series 2002B Road Bond	Bond Series 2003 Road Bond	Bond Expense	Total Debt Service Funds	TIF #1 Capital Projects	Capital Projects	Total Capital Projects Funds	
\$ 56,264	\$ 40,110	\$ 0	\$ 150,255	\$ 135	\$ 0	\$ 135	\$ 1,271,451
0	0	0	0	0	0	0	3,119,637
0	0	0	0	0	0	0	47,193
0	0	0	0	0	0	0	33,158
<u>\$ 56,264</u>	<u>\$ 40,110</u>	<u>\$ 0</u>	<u>\$ 150,255</u>	<u>\$ 135</u>	<u>\$ 0</u>	<u>\$ 135</u>	<u>\$ 4,471,439</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,563
0	0	0	0	0	0	0	78,888
0	0	0	1,538	0	79,232	79,232	634,906
0	0	0	0	0	0	0	77,243
0	0	0	0	0	0	0	1,580,306
0	0	0	1,538	0	79,232	79,232	2,431,906
56,264	40,110	0	148,717	135	(79,232)	(79,097)	2,039,533
56,264	40,110	0	148,717	135	(79,232)	(79,097)	2,039,533
<u>\$ 56,264</u>	<u>\$ 40,110</u>	<u>\$ 0</u>	<u>\$ 150,255</u>	<u>\$ 135</u>	<u>\$ 0</u>	<u>\$ 135</u>	<u>\$ 4,471,439</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 For the Year Ended April 30, 2011

	SPECIAL REVENUE FUNDS			
	911 Emergency Surcharge	Zion - Newport Fire Station	Emergency Service Rescue	Foreign Fire Tax
REVENUES				
Property taxes	\$ 0	\$ 0	\$ 747,871	\$ 0
Other taxes	158,123	0	0	0
Permits and other fees	0	0	0	0
Intergovernmental	0	0	0	0
Interest	0	5,090	1,457	0
Miscellaneous	32,396	0	0	0
TOTAL REVENUES	<u>190,519</u>	<u>5,090</u>	<u>749,328</u>	<u>0</u>
EXPENDITURES				
Current				
General government	0	0	0	0
Public health and safety	48,314	235,153	0	0
Public works and engineering	0	0	0	0
Economic development and promotion	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service				
Principal retirement	224,492	0	0	0
Interest and fiscal charges	2,383	0	0	0
Total Debt Service	<u>226,875</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>275,189</u>	<u>235,153</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(84,670)</u>	<u>(230,063)</u>	<u>749,328</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	180,733	98,138	0	0
Operating transfers (out)	0	(235,032)	(745,845)	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>180,733</u>	<u>(136,894)</u>	<u>(745,845)</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	96,063	(366,957)	3,483	0
FUND BALANCE - BEGINNING OF YEAR	(373,840)	475,273	529,409	0
FUND BALANCE - END OF YEAR	<u>(\$ 277,777)</u>	<u>\$ 108,316</u>	<u>\$ 532,892</u>	<u>\$ 0</u>

See independent auditors' report.

SPECIAL REVENUE FUNDS

Street and Bridge	Illinois Municipal Retirement	FICA	Motor Fuel Tax	Development TIF Area #2	Development TIF Area #3	Development TIF Area #4
\$ 290,978	\$ 356,869	\$ 278,018	\$ 0	\$ 0	\$ 737,707	\$ 5,630
0	0	0	0	0	0	0
0	0	0	0	0	0	0
107,000	0	0	690,845	0	0	0
0	0	0	950	83	1,864	49
0	0	0	0	0	0	0
<u>397,978</u>	<u>356,869</u>	<u>278,018</u>	<u>691,795</u>	<u>83</u>	<u>739,571</u>	<u>5,679</u>
0	58,032	59,323	0	0	0	0
0	74,763	108,198	0	0	0	0
161,575	195,398	174,936	151,018	0	0	0
0	13,750	12,310	0	0	91,770	0
0	0	0	7,875	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>161,575</u>	<u>341,943</u>	<u>354,767</u>	<u>158,893</u>	<u>0</u>	<u>91,770</u>	<u>0</u>
<u>236,403</u>	<u>14,926</u>	<u>(76,749)</u>	<u>532,902</u>	<u>83</u>	<u>647,801</u>	<u>5,679</u>
0	0	0	0	0	0	0
(224,659)	0	0	(397,773)	0	(653,223)	0
(224,659)	0	0	(397,773)	0	(653,223)	0
11,744	14,926	(76,749)	135,129	83	(5,422)	5,679
98,015	34,863	130,956	17,194	9,529	536,652	0
<u>\$ 109,759</u>	<u>\$ 49,789</u>	<u>\$ 54,207</u>	<u>\$ 152,323</u>	<u>\$ 9,612</u>	<u>\$ 531,230</u>	<u>\$ 5,679</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 For the Year Ended April 30, 2011

	SPECIAL REVENUE FUNDS				
	Impact Fee	Impact Fee - Fire/Rescue	Impact Fee - Other Gov't Agencies	Economic Development	Police Protection
REVENUES					
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other taxes	0	0	0	0	0
Permits and other fees	3,600	720	0	0	0
Intergovernmental	0	0	0	0	0
Interest	1,862	0	224	0	0
Miscellaneous	0	0	0	0	0
TOTAL REVENUES	<u>5,462</u>	<u>720</u>	<u>224</u>	<u>0</u>	<u>0</u>
EXPENDITURES					
Current					
General government	0	0	0	0	0
Public health and safety	0	0	0	0	0
Public works and engineering	0	0	0	0	0
Economic development and promotion	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Debt Service					
Principal retirement	0	0	0	0	0
Interest and fiscal charges	0	0	0	0	0
Total Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,462</u>	<u>720</u>	<u>224</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	0	0	0	1,257,505	0
Operating transfers (out)	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,257,505</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	5,462	720	224	1,257,505	0
FUND BALANCE - BEGINNING OF YEAR	165,423	(79,109)	1,704	(1,257,505)	(22,929)
FUND BALANCE - END OF YEAR	<u>\$ 170,885</u>	<u>(\$ 78,389)</u>	<u>\$ 1,928</u>	<u>\$ 0</u>	<u>(\$ 22,929)</u>

See independent auditors' report.

SPECIAL REVENUE FUNDS

Liability Insurance	Audit	Civil Defense	Working Cash	Drug Traffic Prevention	Industrial Development	Cable Commission
\$ 983,757	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	6,231	0	0	375,000	0
0	0	0	0	0	0	0
138	241	0	0	2,703	5	178
18,095	0	4,990	0	38,178	0	0
<u>1,001,990</u>	<u>241</u>	<u>11,221</u>	<u>0</u>	<u>40,881</u>	<u>375,005</u>	<u>178</u>
0	61,696	0	0	0	0	0
0	0	71,613	0	46,260	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	22,700	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	61,696	71,613	0	68,960	0	0
<u>1,001,990</u>	<u>(61,455)</u>	<u>(60,392)</u>	<u>0</u>	<u>(28,079)</u>	<u>375,005</u>	<u>178</u>
0	61,696	38,945	0	0	0	0
<u>(1,061,882)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(374,463)</u>	<u>0</u>
<u>(1,061,882)</u>	<u>61,696</u>	<u>38,945</u>	<u>0</u>	<u>0</u>	<u>(374,463)</u>	<u>0</u>
<u>(59,892)</u>	<u>241</u>	<u>(21,447)</u>	<u>0</u>	<u>(28,079)</u>	<u>542</u>	<u>178</u>
515,132	13,695	(8,431)	0	104,186	0	21,393
<u>\$ 455,240</u>	<u>\$ 13,936</u>	<u>(\$ 29,878)</u>	<u>\$ 0</u>	<u>\$ 76,107</u>	<u>\$ 542</u>	<u>\$ 21,571</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 For the Year Ended April 30, 2011

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS	
	Hotel/Motel Tax	Total Special Revenue Funds	TIF #1 Bond Series 2002A	Area 3 South Sheridan Rd. Project
REVENUES				
Property taxes	\$ 0	\$ 3,400,830	\$ 0	\$ 0
Other taxes	87,849	245,972	0	0
Permits and other fees	0	385,551	0	0
Intergovernmental	0	797,845	0	0
Interest	2,023	16,867	931	0
Miscellaneous	0	93,659	0	0
TOTAL REVENUES	<u>89,872</u>	<u>4,940,724</u>	<u>931</u>	<u>0</u>
EXPENDITURES				
Current				
General government	0	179,051	0	0
Public health and safety	0	584,301	0	0
Public works and engineering	0	682,927	0	0
Economic development and promotion	96,426	214,256	0	0
Capital Outlay	0	30,575	0	0
Debt Service				
Principal retirement	0	224,492	360,000	120,000
Interest and fiscal charges	0	2,383	153,648	80,766
Total Debt Service	<u>0</u>	<u>226,875</u>	<u>513,648</u>	<u>200,766</u>
TOTAL EXPENDITURES	<u>96,426</u>	<u>1,917,985</u>	<u>513,648</u>	<u>200,766</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,554)</u>	<u>3,022,739</u>	<u>(512,717)</u>	<u>(200,766)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	0	1,637,017	513,648	200,766
Operating transfers (out)	0	(3,692,877)	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>(2,055,860)</u>	<u>513,648</u>	<u>200,766</u>
NET CHANGE IN FUND BALANCES	<u>(6,554)</u>	<u>966,879</u>	<u>931</u>	<u>0</u>
FUND BALANCE - BEGINNING OF YEAR	91,424	1,003,034	52,950	(1,538)
FUND BALANCE - END OF YEAR	<u>\$ 84,870</u>	<u>\$ 1,969,913</u>	<u>\$ 53,881</u>	<u>(\$ 1,538)</u>

See independent auditors' report.

DEBT SERVICE FUNDS				CAPITAL PROJECTS FUNDS			Total Other Governmental Funds
Bond Series 2002B Road Bond	Bond Series 2003 Road Bond	Bond Expense	Total Debt Service Funds	TIF #1 Capital Projects	Capital Projects	Total Capital Projects Funds	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,400,830
0	0	0	0	0	0	0	245,972
0	0	0	0	0	0	0	385,551
0	0	0	0	0	0	0	797,845
972	692	0	2,595	2	0	2	19,464
0	0	0	0	0	0	0	93,659
<u>972</u>	<u>692</u>	<u>0</u>	<u>2,595</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>4,943,321</u>
0	0	0	0	0	0	0	179,051
0	0	0	0	0	0	0	584,301
0	0	0	0	0	0	0	682,927
0	0	0	0	0	0	0	214,256
0	0	0	0	0	0	0	30,575
260,000	175,000	0	915,000	0	0	0	1,139,492
137,773	84,473	0	456,660	0	0	0	459,043
<u>397,773</u>	<u>259,473</u>	<u>0</u>	<u>1,371,660</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,598,535</u>
<u>397,773</u>	<u>259,473</u>	<u>0</u>	<u>1,371,660</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,289,645</u>
(396,801)	(258,781)	0	(1,369,065)	2	0	2	1,653,676
397,773	259,473	0	1,371,660	0	0	0	3,008,677
0	0	0	0	0	0	0	(3,692,877)
<u>397,773</u>	<u>259,473</u>	<u>0</u>	<u>1,371,660</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(684,200)</u>
972	692	0	2,595	2	0	2	969,476
55,292	39,418	0	146,122	133	(79,232)	(79,099)	1,070,057
<u>\$ 56,264</u>	<u>\$ 40,110</u>	<u>\$ 0</u>	<u>\$ 148,717</u>	<u>\$ 135</u>	<u>(\$ 79,232)</u>	<u>(\$ 79,097)</u>	<u>\$ 2,039,533</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
911 EMERGENCY SURCHARGE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Emergency surcharge tax	\$ 190,188	\$ 190,188	\$ 158,123	(\$ 32,065)	\$ 201,714
Miscellaneous	22,680	22,680	32,396	9,716	14,490
TOTAL REVENUES	<u>212,868</u>	<u>212,868</u>	<u>190,519</u>	<u>(22,349)</u>	<u>216,204</u>
EXPENDITURES					
Contractual Services					
Telephone service	24,358	24,358	21,506	2,852	15,761
Travel and conference	0	0	0	0	647
Total Contractual Services	<u>24,358</u>	<u>24,358</u>	<u>21,506</u>	<u>2,852</u>	<u>16,408</u>
Repairs and Maintenance					
Equipment	70,300	70,300	26,808	43,492	131,190
Capital Outlay					
Building and equipment	0	0	0	0	650
Debt Service					
Principal retirement	155,296	155,296	224,492	(69,196)	141,929
Interest and fiscal charges	0	0	2,383	(2,383)	13,364
Total Debt Service	<u>155,296</u>	<u>155,296</u>	<u>226,875</u>	<u>(71,579)</u>	<u>155,293</u>
TOTAL EXPENDITURES	<u>249,954</u>	<u>249,954</u>	<u>275,189</u>	<u>(25,235)</u>	<u>303,541</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(37,086)</u>	<u>(37,086)</u>	<u>(84,670)</u>	<u>(47,584)</u>	<u>(87,337)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	0	0	180,733	180,733	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>180,733</u>	<u>180,733</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	<u>(37,086)</u>	<u>(37,086)</u>	<u>96,063</u>	<u>133,149</u>	<u>(87,337)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>(373,840)</u>	<u>(373,840)</u>	<u>(373,840)</u>	<u>0</u>	<u>(286,503)</u>
FUND BALANCE - END OF YEAR	<u><u>(\$ 410,926)</u></u>	<u><u>(\$ 410,926)</u></u>	<u><u>(\$ 277,777)</u></u>	<u><u>\$ 133,149</u></u>	<u><u>(\$ 373,840)</u></u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
ZION-NEWPORT FIRE STATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ 1,200	\$ 1,200	\$ 5,090	\$ 3,890	\$ 2,195
TOTAL REVENUES	<u>1,200</u>	<u>1,200</u>	<u>5,090</u>	<u>3,890</u>	<u>2,195</u>
EXPENDITURES					
Miscellaneous	<u>175</u>	<u>175</u>	<u>235,153</u>	<u>234,978</u>	<u>175</u>
TOTAL EXPENDITURES	<u>175</u>	<u>175</u>	<u>235,153</u>	<u>234,978</u>	<u>175</u>
OTHER FINANCING SOURCES					
Operating transfers in	98,139	98,139	98,138	(1)	98,139
Operating transfers (out)	<u>0</u>	<u>0</u>	<u>(235,032)</u>	<u>(235,032)</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>98,139</u>	<u>98,139</u>	<u>(136,894)</u>	<u>(235,033)</u>	<u>98,139</u>
NET CHANGE IN FUND BALANCE	99,164	99,164	(366,957)	(466,121)	100,159
FUND BALANCE - BEGINNING OF YEAR	475,273	475,273	475,273	0	375,114
FUND BALANCE - END OF YEAR	<u>\$ 574,437</u>	<u>\$ 574,437</u>	<u>\$ 108,316</u>	<u>(\$ 466,121)</u>	<u>\$ 475,273</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
EMERGENCY SERVICE RESCUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 748,073	\$ 748,073	\$ 747,871	(\$ 202)	\$ 770,529
Interest	0	0	1,457	1,457	0
TOTAL REVENUES	<u>748,073</u>	<u>748,073</u>	<u>749,328</u>	<u>1,255</u>	<u>770,529</u>
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>748,073</u>	<u>748,073</u>	<u>749,328</u>	<u>1,255</u>	<u>770,529</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers (out)	(748,073)	(748,073)	(745,845)	2,228	(788,590)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(748,073)</u>	<u>(748,073)</u>	<u>(745,845)</u>	<u>2,228</u>	<u>(788,590)</u>
NET CHANGE IN FUND BALANCE	0	0	3,483	3,483	(18,061)
FUND BALANCE - BEGINNING OF YEAR	529,409	529,409	529,409	0	547,470
FUND BALANCE - END OF YEAR	<u>\$ 529,409</u>	<u>\$ 529,409</u>	<u>\$ 532,892</u>	<u>\$ 3,483</u>	<u>\$ 529,409</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
FOREIGN FIRE TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Foreign fire taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,608
TOTAL REVENUES	0	0	0	0	27,608
EXPENDITURES					
Materials and Supplies					
Supplies	0	0	0	0	47,031
Total Materials and Supplies	0	0	0	0	47,031
TOTAL EXPENDITURES	0	0	0	0	47,031
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	0	0	0	0	(19,423)
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0	0
NET CHANGE IN FUND BALANCE	0	0	0	0	(19,423)
FUND BALANCE - BEGINNING OF YEAR	0	0	0	0	19,423
FUND BALANCE - END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
STREET AND BRIDGE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 329,659	\$ 329,659	\$ 290,978	(\$ 38,681)	\$ 330,671
Intergovernmental	0	0	107,000	107,000	0
Donations and grants	107,000	107,000	0	(107,000)	0
TOTAL REVENUES	<u>436,659</u>	<u>436,659</u>	<u>397,978</u>	<u>(38,681)</u>	<u>330,671</u>
EXPENDITURES					
Personal Services					
Contractual Services					
Streets and alleys	207,815	207,815	161,575	46,240	37,402
Total Contractual Services	<u>207,815</u>	<u>207,815</u>	<u>161,575</u>	<u>46,240</u>	<u>37,402</u>
TOTAL EXPENDITURES	<u>207,815</u>	<u>207,815</u>	<u>161,575</u>	<u>46,240</u>	<u>37,402</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>228,844</u>	<u>228,844</u>	<u>236,403</u>	<u>7,559</u>	<u>293,269</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers (out)	(224,659)	(224,659)	(224,659)	0	(330,714)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(224,659)</u>	<u>(224,659)</u>	<u>(224,659)</u>	<u>0</u>	<u>(330,714)</u>
NET CHANGE IN FUND BALANCE	4,185	4,185	11,744	7,559	(37,445)
FUND BALANCE - BEGINNING OF YEAR	98,015	98,015	98,015	0	135,460
FUND BALANCE - END OF YEAR	<u>\$ 102,200</u>	<u>\$ 102,200</u>	<u>\$ 109,759</u>	<u>\$ 7,559</u>	<u>\$ 98,015</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 363,470	\$ 363,470	\$ 356,869	(\$ 6,601)	\$ 355,625
TOTAL REVENUES	<u>363,470</u>	<u>363,470</u>	<u>356,869</u>	<u>(6,601)</u>	<u>355,625</u>
EXPENDITURES					
Contractual Services					
Illinois Municipal Retirement Fund					
City contributions	320,000	320,000	341,943	(21,943)	328,127
TOTAL EXPENDITURES	<u>320,000</u>	<u>320,000</u>	<u>341,943</u>	<u>(21,943)</u>	<u>328,127</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	43,470	43,470	14,926	(28,544)	27,498
FUND BALANCE - BEGINNING OF YEAR	34,863	34,863	34,863	0	7,365
FUND BALANCE - END OF YEAR	<u>\$ 78,333</u>	<u>\$ 78,333</u>	<u>\$ 49,789</u>	<u>(\$ 28,544)</u>	<u>\$ 34,863</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
FICA FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 304,301	\$ 304,301	\$ 278,018	(\$ 26,283)	\$ 335,394
TOTAL REVENUES	<u>304,301</u>	<u>304,301</u>	<u>278,018</u>	<u>(26,283)</u>	<u>335,394</u>
EXPENDITURES					
Contractual Services					
FICA City share	<u>363,470</u>	<u>363,470</u>	<u>354,767</u>	<u>8,703</u>	<u>378,654</u>
TOTAL EXPENDITURES	<u>363,470</u>	<u>363,470</u>	<u>354,767</u>	<u>8,703</u>	<u>378,654</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(59,169)	(59,169)	(76,749)	(17,580)	(43,260)
FUND BALANCE - BEGINNING OF YEAR	130,956	130,956	130,956	0	174,216
FUND BALANCE - END OF YEAR	<u>\$ 71,787</u>	<u>\$ 71,787</u>	<u>\$ 54,207</u>	<u>(\$ 17,580)</u>	<u>\$ 130,956</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
MOTOR FUEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Year Ended April 30, 2011
(With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Motor fuel tax allotments	\$ 588,794	\$ 588,794	\$ 690,845	\$ 102,051	\$ 590,151
Intergovernmental	197,679	197,679	0	(197,679)	145,312
Interest	200	200	950	750	0
TOTAL REVENUES	<u>786,673</u>	<u>786,673</u>	<u>691,795</u>	<u>(94,878)</u>	<u>735,463</u>
EXPENDITURES					
Contracted Projects					
Miscellaneous projects	343,920	343,920	125,226	218,694	0
05-00006-00-GM	0	0	0	0	1,956
06-00080-00-RS-2006 St. Imp.	0	0	7,479	(7,479)	58,225
08-00000-00-GM	32,000	32,000	25,792	6,208	48,197
09-00082-00-RS	0	0	396	(396)	229,312
Total Contracted Projects	<u>375,920</u>	<u>375,920</u>	<u>158,893</u>	<u>217,027</u>	<u>337,690</u>
TOTAL EXPENDITURES	<u>375,920</u>	<u>375,920</u>	<u>158,893</u>	<u>217,027</u>	<u>337,690</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>410,753</u>	<u>410,753</u>	<u>532,902</u>	<u>122,149</u>	<u>397,773</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers (out)	(398,310)	(398,310)	(397,773)	537	(398,165)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(398,310)</u>	<u>(398,310)</u>	<u>(397,773)</u>	<u>537</u>	<u>(398,165)</u>
NET CHANGE IN FUND BALANCE	12,443	12,443	135,129	122,686	(392)
FUND BALANCE - BEGINNING OF YEAR	17,194	17,194	17,194	0	17,586
FUND BALANCE - END OF YEAR	<u>\$ 29,637</u>	<u>\$ 29,637</u>	<u>\$ 152,323</u>	<u>\$ 122,686</u>	<u>\$ 17,194</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
DEVELOPMENT TIF AREA #2 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ 0	\$ 0	\$ 83	\$ 83	\$ 0
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>83</u>	<u>83</u>	<u>0</u>
EXPENDITURES					
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>83</u>	<u>83</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	0	0	83	83	0
FUND BALANCE - BEGINNING OF YEAR	9,529	9,529	9,529	0	9,529
FUND BALANCE - END OF YEAR	<u>\$ 9,529</u>	<u>\$ 9,529</u>	<u>\$ 9,612</u>	<u>\$ 83</u>	<u>\$ 9,529</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
DEVELOPMENT TIF AREA #3 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 715,366	\$ 715,366	\$ 737,707	\$ 22,341	\$ 601,154
Interest	0	0	1,864	1,864	0
TOTAL REVENUES	715,366	715,366	739,571	24,205	601,154
EXPENDITURES					
Personal Services					
Regular wages	0	0	0	0	10,265
Total Personal Services	0	0	0	0	10,265
Contractual Services					
Legal	5,000	5,000	0	5,000	0
Promotional	9,000	9,000	12,009	(3,009)	2,789
Consultants	2,000	2,000	3,675	(1,675)	776
Contracted services	10,000	10,000	54,336	(44,336)	12,590
Professional	600	600	750	(150)	600
Appraisal	2,000	2,000	1,000	1,000	0
Business grants	20,000	20,000	20,000	0	822,807
Total Contractual Services	48,600	48,600	91,770	(43,170)	839,562
TOTAL EXPENDITURES	48,600	48,600	91,770	(43,170)	849,827
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	666,766	666,766	647,801	(18,965)	(248,673)
OTHER FINANCING SOURCES (USES)					
Operating transfers (out)	(283,200)	(283,200)	(653,223)	(370,023)	(296,788)
TOTAL OTHER FINANCING SOURCES (USES)	(283,200)	(283,200)	(653,223)	(370,023)	(296,788)
NET CHANGE IN FUND BALANCES	383,566	383,566	(5,422)	(388,988)	(545,461)
FUND BALANCE - BEGINNING OF YEAR	536,652	536,652	536,652	0	1,082,113
FUND BALANCE - END OF YEAR	\$ 920,218	\$ 920,218	\$ 531,230	(\$ 388,988)	\$ 536,652

See independent auditors' report.

CITY OF ZION, ILLINOIS
DEVELOPMENT TIF AREA #4 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 5,629	\$ 5,629	\$ 5,630	\$ 1	\$ 0
Interest	0	0	49	49	0
TOTAL REVENUES	<u>5,629</u>	<u>5,629</u>	<u>5,679</u>	<u>50</u>	<u>0</u>
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,629</u>	<u>5,629</u>	<u>5,679</u>	<u>50</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	5,629	5,629	5,679	50	0
FUND BALANCE - BEGINNING OF YEAR	0	0	0	0	0
FUND BALANCE - END OF YEAR	<u>\$ 5,629</u>	<u>\$ 5,629</u>	<u>\$ 5,679</u>	<u>\$ 50</u>	<u>\$ 0</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
IMPACT FEE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Impact fees	\$ 0	\$ 0	\$ 3,600	\$ 3,600	\$ 3,600
Interest	0	0	1,862	1,862	11,652
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>5,462</u>	<u>5,462</u>	<u>15,252</u>
EXPENDITURES					
Contractual Services					
Contingent	0	0	0	0	193
Total Contractual Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>193</u>
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>193</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>0</u>	<u>0</u>	<u>5,462</u>	<u>5,462</u>	<u>15,059</u>
TOTAL OTHER FINANCING SOURCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCES	0	0	5,462	5,462	15,059
FUND BALANCE - BEGINNING OF YEAR	165,423	165,423	165,423	0	150,364
FUND BALANCE - END OF YEAR	<u>\$ 165,423</u>	<u>\$ 165,423</u>	<u>\$ 170,885</u>	<u>\$ 5,462</u>	<u>\$ 165,423</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
IMPACT FEES - FIRE/RESCUE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Impact fees	\$ 0	\$ 0	\$ 720	\$ 720	\$ 0
TOTAL REVENUES	0	0	720	720	0
TOTAL EXPENDITURES	0	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	0	0	720	720	0
TOTAL OTHER FINANCING SOURCES	0	0	0	0	0
NET CHANGE IN FUND BALANCES	0	0	720	720	0
FUND BALANCE - BEGINNING OF YEAR	(79,109)	(79,109)	(79,109)	0	(79,109)
FUND BALANCE - END OF YEAR	<u>(\$ 79,109)</u>	<u>(\$ 79,109)</u>	<u>(\$ 78,389)</u>	<u>\$ 720</u>	<u>(\$ 79,109)</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
IMPACT FEES - OTHER GOV'T AGENCIES

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ 0	\$ 0	\$ 224	\$ 224	\$ 1,478
TOTAL REVENUES	0	0	224	224	1,478
TOTAL EXPENDITURES	0	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	0	0	224	224	1,478
NET CHANGE IN FUND BALANCES	0	0	224	224	1,478
FUND BALANCE - BEGINNING OF YEAR	1,704	1,704	1,704	0	226
FUND BALANCE - END OF YEAR	<u>\$ 1,704</u>	<u>\$ 1,704</u>	<u>\$ 1,928</u>	<u>\$ 224</u>	<u>\$ 1,704</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
ECONOMIC DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0	\$ 210,000
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>210,000</u>
EXPENDITURES					
Contractual Services					
Grant expenditures	0	0	0	0	12,937
Legal and professional fees	0	0	0	0	278,085
Buildings	0	0	0	0	8,293
Contingent	0	0	0	0	462
ZBDC promotional and marketing	0	0	0	0	26,363
Total Contractual Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>326,140</u>
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>326,140</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(116,140)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	0	0	1,257,505	1,257,505	184,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>1,257,505</u>	<u>1,257,505</u>	<u>184,000</u>
NET CHANGE IN FUND BALANCES	0	0	1,257,505	1,257,505	67,860
FUND BALANCE - BEGINNING OF YEAR	(1,257,505)	(1,257,505)	(1,257,505)	0	(1,325,365)
FUND BALANCE - END OF YEAR	<u>(\$ 1,257,505)</u>	<u>(\$ 1,257,505)</u>	<u>\$ 0</u>	<u>\$ 1,257,505</u>	<u>(\$ 1,257,505)</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
POLICE PROTECTION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,440
TOTAL REVENUES	0	0	0	0	23,440
TOTAL EXPENDITURES	0	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	0	0	0	0	23,440
OTHER FINANCING SOURCES (USES)					
Operating transfers (out)	0	0	0	0	(45,416)
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0	(45,416)
NET CHANGE IN FUND BALANCE	0	0	0	0	(21,976)
FUND BALANCE - BEGINNING OF YEAR	(22,929)	(22,929)	(22,929)	0	(953)
FUND BALANCE - END OF YEAR	<u>(\$ 22,929)</u>	<u>(\$ 22,929)</u>	<u>(\$ 22,929)</u>	<u>\$ 0</u>	<u>(\$ 22,929)</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
LIABILITY INSURANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 1,065,053	\$ 1,065,053	\$ 983,757	(\$ 81,296)	\$ 1,099,300
Interest	0	0	138	138	0
Miscellaneous	0	0	18,095	18,095	36,553
TOTAL REVENUES	<u>1,065,053</u>	<u>1,065,053</u>	<u>1,001,990</u>	<u>(63,063)</u>	<u>1,135,853</u>
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,065,053</u>	<u>1,065,053</u>	<u>1,001,990</u>	<u>(63,063)</u>	<u>1,135,853</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers (out)	(1,065,053)	(1,065,053)	(1,061,882)	3,171	(923,663)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,065,053)</u>	<u>(1,065,053)</u>	<u>(1,061,882)</u>	<u>3,171</u>	<u>(923,663)</u>
NET CHANGE IN FUND BALANCE	0	0	(59,892)	(59,892)	212,190
FUND BALANCE - BEGINNING OF YEAR	515,132	515,132	515,132	0	302,942
FUND BALANCE - END OF YEAR	<u>\$ 515,132</u>	<u>\$ 515,132</u>	<u>\$ 455,240</u>	<u>(\$ 59,892)</u>	<u>\$ 515,132</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
AUDIT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Year Ended April 30, 2011
(With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,571
Interest	0	0	241	241	3,725
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>241</u>	<u>241</u>	<u>29,296</u>
EXPENDITURES					
Contractual Services					
Professional fees	60,000	60,000	61,696	(1,696)	54,966
TOTAL EXPENDITURES	<u>60,000</u>	<u>60,000</u>	<u>61,696</u>	<u>(1,696)</u>	<u>54,966</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(60,000)</u>	<u>(60,000)</u>	<u>(61,455)</u>	<u>(1,455)</u>	<u>(25,670)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	60,000	60,000	61,696	1,696	9,619
TOTAL OTHER FINANCING SOURCES (USES)	<u>60,000</u>	<u>60,000</u>	<u>61,696</u>	<u>1,696</u>	<u>9,619</u>
NET CHANGE IN FUND BALANCE	0	0	241	241	(16,051)
FUND BALANCE - BEGINNING OF YEAR	13,695	13,695	13,695	0	29,746
FUND BALANCE - END OF YEAR	<u>\$ 13,695</u>	<u>\$ 13,695</u>	<u>\$ 13,936</u>	<u>\$ 241</u>	<u>\$ 13,695</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
CIVIL DEFENSE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Year Ended April 30, 2011
(With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Boardup fees	\$ 7,000	\$ 7,000	\$ 6,231	(\$ 769)	\$ 7,836
Donations and grants	500	500	3,590	3,090	2,700
Miscellaneous	0	0	1,400	1,400	469
TOTAL REVENUES	<u>7,500</u>	<u>7,500</u>	<u>11,221</u>	<u>3,721</u>	<u>11,005</u>
EXPENDITURES					
Personal Services					
Director and assistant	9,000	9,000	8,000	1,000	8,917
Contractual Services					
Memberships	50	50	0	50	15
Telephone service	4,750	4,750	5,366	(616)	6,609
Training	1,000	1,000	0	1,000	0
Utilities	655	655	825	(170)	566
Extinguishers (pre-action)	500	500	0	500	0
Total Contractual Services	<u>6,955</u>	<u>6,955</u>	<u>6,191</u>	<u>764</u>	<u>7,190</u>
Materials and Supplies					
Uniforms	1,600	1,600	1,740	(140)	1,932
Gas and oil	3,990	3,990	13,118	(9,128)	4,270
Office and related expenditures	1,000	1,000	1,448	(448)	1,367
Communication	2,500	2,500	2,438	62	2,486
Computer and related	1,400	1,400	455	945	2,068
Donations used	1,000	1,000	8,733	(7,733)	1,545
Miscellaneous	0	0	38	(38)	1,612
Total Materials and Supplies	<u>11,490</u>	<u>11,490</u>	<u>27,970</u>	<u>(16,480)</u>	<u>15,280</u>
Repairs and Maintenance					
Board up costs	3,500	3,500	3,643	(143)	3,344
Building and grounds	2,500	2,500	4,807	(2,307)	6,149
Motor equipment	3,000	3,000	8,367	(5,367)	8,899
Miscellaneous other equipment	10,000	10,000	12,635	(2,635)	4,453
Total Repairs and Maintenance	<u>19,000</u>	<u>19,000</u>	<u>29,452</u>	<u>(10,452)</u>	<u>22,845</u>
Capital Outlay					
Other	0	0	0	0	430
Total Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>430</u>
TOTAL EXPENDITURES	<u>46,445</u>	<u>46,445</u>	<u>71,613</u>	<u>(25,168)</u>	<u>54,662</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(38,945)</u>	<u>(38,945)</u>	<u>(60,392)</u>	<u>(21,447)</u>	<u>(43,657)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	38,945	38,945	38,945	0	39,615
TOTAL OTHER FINANCING SOURCES (USES)	<u>38,945</u>	<u>38,945</u>	<u>38,945</u>	<u>0</u>	<u>39,615</u>
NET CHANGE IN FUND BALANCE	<u>0</u>	<u>0</u>	<u>(21,447)</u>	<u>(21,447)</u>	<u>(4,042)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>(8,431)</u>	<u>(8,431)</u>	<u>(8,431)</u>	<u>0</u>	<u>(4,389)</u>
FUND BALANCE - END OF YEAR	<u>(\$ 8,431)</u>	<u>(\$ 8,431)</u>	<u>(\$ 29,878)</u>	<u>(\$ 21,447)</u>	<u>(\$ 8,431)</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
WORKING CASH FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
TOTAL REVENUES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL EXPENDITURES	0	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	0	0	0	0	0
OTHER FINANCING SOURCES (USES)					
Operating transfers (out)	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0	0
NET CHANGE IN FUND BALANCE	0	0	0	0	0
FUND BALANCE - BEGINNING OF YEAR	0	0	0	0	0
FUND BALANCE - END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
DRUG TRAFFIC PREVENTION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Forfeitures	\$ 20,000	\$ 20,000	\$ 31,828	\$ 11,828	\$ 167,964
Grants	0	0	750	750	800
Interest	0	0	2,703	2,703	28,367
Miscellaneous	0	0	5,600	5,600	0
TOTAL REVENUES	<u>20,000</u>	<u>20,000</u>	<u>40,881</u>	<u>20,881</u>	<u>197,131</u>
EXPENDITURES					
Contractual Services					
Miscellaneous	30,000	30,000	29,153	847	126,681
Total Contractual Services	<u>30,000</u>	<u>30,000</u>	<u>29,153</u>	<u>847</u>	<u>126,681</u>
Materials and Supplies					
Investigations	7,700	7,700	15,568	(7,868)	0
Firearms training	3,500	3,500	1,539	1,961	0
Total Materials and Supplies	<u>11,200</u>	<u>11,200</u>	<u>17,107</u>	<u>(5,907)</u>	<u>0</u>
Capital Outlay					
Other equipment	0	0	22,700	(22,700)	0
Total Capital Outlay	<u>0</u>	<u>0</u>	<u>22,700</u>	<u>(22,700)</u>	<u>0</u>
TOTAL EXPENDITURES	<u>41,200</u>	<u>41,200</u>	<u>68,960</u>	<u>(27,760)</u>	<u>126,681</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(21,200)	(21,200)	(28,079)	(6,879)	70,450
FUND BALANCE - BEGINNING OF YEAR	104,186	104,186	104,186	0	33,736
FUND BALANCE - END OF YEAR	<u>\$ 82,986</u>	<u>\$ 82,986</u>	<u>\$ 76,107</u>	<u>(\$ 6,879)</u>	<u>\$ 104,186</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
INDUSTRIAL DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Year Ended April 30, 2011
(With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Host fees	\$ 375,000	\$ 375,000	\$ 375,000	\$ 0	\$ 375,000
Interest	0	0	5	5	0
TOTAL REVENUES	<u>375,000</u>	<u>375,000</u>	<u>375,005</u>	<u>5</u>	<u>375,000</u>
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>375,000</u>	<u>375,000</u>	<u>375,005</u>	<u>5</u>	<u>375,000</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers (out)	(375,000)	(375,000)	(374,463)	537	(375,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(375,000)</u>	<u>(375,000)</u>	<u>(374,463)</u>	<u>537</u>	<u>(375,000)</u>
NET CHANGE IN FUND BALANCE	0	0	542	542	0
FUND BALANCE - BEGINNING OF YEAR	0	0	0	0	0
FUND BALANCE - END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 542</u>	<u>\$ 542</u>	<u>\$ 0</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
CABLE COMMISSION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Comcast franchise fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 210,769
Interest	0	0	178	178	2,894
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>178</u>	<u>178</u>	<u>213,663</u>
EXPENDITURES					
Contractual Services					
Promotions	0	0	0	0	10,200
Positively Zion	0	0	0	0	2,133
Scholarships	0	0	0	0	5,000
Total Contractual Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,333</u>
Repairs and Maintenance					
Miscellaneous	0	0	0	0	2,910
Total Repairs and Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,910</u>
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,243</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>0</u>	<u>0</u>	<u>178</u>	<u>178</u>	<u>193,420</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers (out)	0	0	0	0	(188,296)
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(188,296)</u>
NET CHANGE IN FUND BALANCE	0	0	178	178	5,124
FUND BALANCE - BEGINNING OF YEAR	21,393	21,393	21,393	0	16,269
FUND BALANCE - END OF YEAR	<u>\$ 21,393</u>	<u>\$ 21,393</u>	<u>\$ 21,571</u>	<u>\$ 178</u>	<u>\$ 21,393</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
HOTEL/MOTEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Hotel/motel room tax	\$ 77,330	\$ 77,330	\$ 87,849	\$ 10,519	\$ 77,331
Interest	0	0	2,023	2,023	24,864
TOTAL REVENUES	<u>77,330</u>	<u>77,330</u>	<u>89,872</u>	<u>12,542</u>	<u>102,195</u>
EXPENDITURES					
Contractual Services					
Economic incentives	0	0	0	0	69,596
Tax rebate	95,583	95,583	96,426	(843)	0
Total Contractual Services	<u>95,583</u>	<u>95,583</u>	<u>96,426</u>	<u>(843)</u>	<u>69,596</u>
TOTAL EXPENDITURES	<u>95,583</u>	<u>95,583</u>	<u>96,426</u>	<u>(843)</u>	<u>69,596</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(18,253)	(18,253)	(6,554)	11,699	32,599
FUND BALANCE - BEGINNING OF YEAR	91,424	91,424	91,424	0	58,825
FUND BALANCE - END OF YEAR	<u>\$ 73,171</u>	<u>\$ 73,171</u>	<u>\$ 84,870</u>	<u>\$ 11,699</u>	<u>\$ 91,424</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
TIF #1 BOND SERIES 2002A FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ 0	\$ 0	\$ 931	\$ 931	\$ 14,400
TOTAL REVENUES	0	0	931	931	14,400
EXPENDITURES					
Debt Service					
Principal retirement	360,000	360,000	360,000	0	325,000
Interest and fiscal charges	154,185	154,185	153,648	537	167,153
Total Debt Service	514,185	514,185	513,648	537	492,153
TOTAL EXPENDITURES	514,185	514,185	513,648	537	492,153
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(514,185)	(514,185)	(512,717)	1,468	(477,753)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	514,185	514,185	513,648	(537)	492,153
TOTAL OTHER FINANCING SOURCES (USES)	514,185	514,185	513,648	(537)	492,153
NET CHANGE IN FUND BALANCE	0	0	931	931	14,400
FUND BALANCE - BEGINNING OF YEAR	52,950	52,950	52,950	0	38,550
FUND BALANCE - END OF YEAR	<u>\$ 52,950</u>	<u>\$ 52,950</u>	<u>\$ 53,881</u>	<u>\$ 931</u>	<u>\$ 52,950</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
AREA 3 SOUTH SHERIDAN ROAD PROJECT (DEBT SERVICE)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

For the Year Ended April 30, 2011
(With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
TOTAL REVENUES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES					
Debt Service					
Principal retirement	120,000	120,000	120,000	0	115,000
Interest and fiscal charges	81,303	81,303	80,766	537	85,900
Total Debt Service	<u>201,303</u>	<u>201,303</u>	<u>200,766</u>	<u>537</u>	<u>200,900</u>
TOTAL EXPENDITURES	<u>201,303</u>	<u>201,303</u>	<u>200,766</u>	<u>537</u>	<u>200,900</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(201,303)</u>	<u>(201,303)</u>	<u>(200,766)</u>	<u>537</u>	<u>(200,900)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	<u>201,303</u>	<u>201,303</u>	<u>200,766</u>	<u>(537)</u>	<u>200,900</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>201,303</u>	<u>201,303</u>	<u>200,766</u>	<u>(537)</u>	<u>200,900</u>
NET CHANGE IN FUND BALANCE	0	0	0	0	0
FUND BALANCE - BEGINNING OF YEAR	(1,538)	(1,538)	(1,538)	0	(1,538)
FUND BALANCE - END OF YEAR	<u>(\$ 1,538)</u>	<u>(\$ 1,538)</u>	<u>(\$ 1,538)</u>	<u>\$ 0</u>	<u>(\$ 1,538)</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
BOND SERIES 2002B ROAD BOND FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ 0	\$ 0	\$ 972	\$ 972	\$ 15,037
TOTAL REVENUES	0	0	972	972	15,037
EXPENDITURES					
Debt Service					
Principal retirement	260,000	260,000	260,000	0	250,000
Interest and fiscal charges	138,310	138,310	137,773	537	148,165
Total Debt Service	398,310	398,310	397,773	537	398,165
TOTAL EXPENDITURES	398,310	398,310	397,773	537	398,165
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(398,310)	(398,310)	(396,801)	1,509	(383,128)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	398,310	398,310	397,773	(537)	398,165
TOTAL OTHER FINANCING SOURCES (USES)	398,310	398,310	397,773	(537)	398,165
NET CHANGE IN FUND BALANCE	0	0	972	972	15,037
FUND BALANCE - BEGINNING OF YEAR	55,292	55,292	55,292	0	40,255
FUND BALANCE - END OF YEAR	<u>\$ 55,292</u>	<u>\$ 55,292</u>	<u>\$ 56,264</u>	<u>\$ 972</u>	<u>\$ 55,292</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
BOND SERIES 2003 ROAD BOND FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ 0	\$ 0	\$ 692	\$ 692	\$ 10,720
TOTAL REVENUES	0	0	692	692	10,720
EXPENDITURES					
Debt Service					
Principal	175,000	175,000	175,000	0	165,000
Interest and fiscal charges	85,010	85,010	84,473	537	90,265
Total Debt Service	260,010	260,010	259,473	537	255,265
TOTAL EXPENDITURES	260,010	260,010	259,473	537	255,265
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(260,010)	(260,010)	(258,781)	1,229	(244,545)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	260,010	260,010	259,473	(537)	255,265
TOTAL OTHER FINANCING SOURCES (USES)	260,010	260,010	259,473	(537)	255,265
NET CHANGE IN FUND BALANCE	0	0	692	692	10,720
FUND BALANCE - BEGINNING OF YEAR	39,418	39,418	39,418	0	28,698
FUND BALANCE - END OF YEAR	<u>\$ 39,418</u>	<u>\$ 39,418</u>	<u>\$ 40,110</u>	<u>\$ 692</u>	<u>\$ 39,418</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
BOND EXPENSE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
TOTAL REVENUES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES					
TOTAL EXPENDITURES	0	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0	0
NET CHANGE IN FUND BALANCE	0	0	0	0	0
FUND BALANCE - BEGINNING OF YEAR	0	0	0	0	0
FUND BALANCE - END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
TIF #1 CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ 0	\$ 0	\$ 2	\$ 2	\$ 36
TOTAL REVENUES	0	0	2	2	36
EXPENDITURES	0	0	0	0	0
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	0	0	2	2	36
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0	0
NET CHANGE IN FUND BALANCES	0	0	2	2	36
FUND BALANCE - BEGINNING OF YEAR	133	133	133	0	97
FUND BALANCE - END OF YEAR	<u>\$ 133</u>	<u>\$ 133</u>	<u>\$ 135</u>	<u>\$ 2</u>	<u>\$ 133</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS
CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

For the Year Ended April 30, 2011
 (With Comparative Actual Totals for 2010)

	2011			Variance with Final Budget Positive (Negative)	2010
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
TOTAL REVENUES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES					
Capital Outlay					
Buildings	0	0	0	0	510
TOTAL EXPENDITURES	0	0	0	0	510
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	0	0	0	0	(510)
NET CHANGE IN FUND BALANCES	0	0	0	0	(510)
FUND BALANCE - BEGINNING OF YEAR	(79,232)	(79,232)	(79,232)	0	(78,722)
FUND BALANCE - END OF YEAR	<u>(\$ 79,232)</u>	<u>(\$ 79,232)</u>	<u>(\$ 79,232)</u>	<u>\$ 0</u>	<u>(\$ 79,232)</u>

See independent auditors' report.

CITY OF ZION, ILLINOIS

***STATISTICAL SECTION
(UNAUDITED)***

CITY OF ZION, ILLINOIS

Table 1

GENERAL GOVERNMENTAL EXPENDITURES
 BY FUND TYPE
 LAST TEN FISCAL YEARS
 YEAR ENDED APRIL 30, 2011

FISCAL YEAR ENDING APRIL 30TH	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL
2011	\$ 13,941,846	\$ 6,331,279	\$ 4,311,763	\$ 0	\$ 24,584,888
2010	12,099,687	6,908,534	4,285,036	510	23,293,767
2009	12,722,136	7,405,586	4,107,883	1,413,910	25,649,515
2008	13,362,256	7,709,792	4,086,558	1,205,104	26,363,710
2007	11,745,357	7,974,330	4,177,581	0	23,897,268
2006	11,538,046	6,730,757	4,124,740	0	22,391,353
2005	10,326,669	8,304,085	4,216,247	260,352	23,107,353
2004	9,606,609	7,262,562	3,699,513	8,398,742	28,967,426
2003	9,330,910	7,174,550	20,677,870	6,167,989	43,351,319
2002	8,841,535	4,610,774	2,404,238	2,072,303	17,928,850

CITY OF ZION, ILLINOIS

Table 2

GENERAL GOVERNMENTAL FUND EXPENDITURES - BY FUNCTION
 LAST TEN FISCAL YEARS
 YEAR ENDED APRIL 30, 2011
 UNAUDITED

<u>FUND</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>GENERAL FUND</u>										
Public Affairs	\$ 2,495,212	\$ 1,537,715	\$ 1,373,702	\$ 1,184,634	\$ 1,277,909	\$ 1,192,295	\$ 1,057,197	\$ 1,177,856	\$ 1,039,358	\$ 996,461
Accounts & Finance	512,813	539,940	569,241	560,127	537,341	458,765	431,623	466,229	490,478	436,217
Public Health & Safety	6,371,093	6,664,762	6,923,430	7,239,068	6,479,588	6,209,761	5,507,304	5,166,054	4,889,438	4,731,701
Public Works & Engineering	1,931,834	2,328,187	2,706,682	2,433,425	2,258,413	2,126,432	1,658,030	1,593,383	1,621,114	1,178,334
Inspection	381,155	666,265	788,600	753,413	725,283	668,996	645,521	563,873	542,916	446,485
Public Property	211,639	160,300	284,607	280,944	186,277	120,647	160,534	107,287	127,727	417,033
Capital Outlay	2,020,159	186,438	59,874	910,645	280,546	761,150	746,460	400,569	487,031	506,656
Debt Service	17,941	16,080	16,000	0	0	0	120,000	131,358	132,848	128,648
Total General Fund	<u>\$ 13,941,846</u>	<u>\$ 12,099,687</u>	<u>\$ 12,722,136</u>	<u>\$ 13,362,256</u>	<u>\$ 11,745,357</u>	<u>\$ 11,538,046</u>	<u>\$ 10,326,669</u>	<u>\$ 9,606,609</u>	<u>\$ 9,330,910</u>	<u>\$ 8,841,535</u>
<u>SPECIAL REVENUE FUNDS</u>										
E-911 Telephone	275,189	303,541	263,643	711,704	583,961	147,305	191,897	232,523	112,422	263,259
Zion - Newport Fire Station	235,153	175	175	175	175	0	0	0	0	0
Rescue	0	0	0	0	1,897,901	1,998,131	1,675,520	1,740,099	1,644,748	1,356,377
Fire	3,090,131	3,165,967	3,718,460	3,466,068	1,953,719	1,586,317	1,194,517	1,157,807	1,044,140	1,044,695
Foreign Fire Tax	0	47,031	44,675	19,525	15,211	18,648	5,548	0	0	0
Street & Bridge	161,575	37,402	48,510	912,023	438,698	331,321	344,647	280,288	323,130	310,704
Illinois Municipal Retirement	341,943	328,127	338,537	328,195	332,948	293,873	217,480	140,879	135,019	161,402
Social Security	354,767	378,654	404,692	392,115	364,969	338,959	306,063	289,078	286,343	254,902
TIF Development Districts	1,414,933	1,657,466	343,673	1,398,463	483,819	315,303	670,414	253,147	1,388,842	306,574
Motor Fuel Tax	158,893	337,690	1,692,027	47,668	808,250	866,167	673,186	38,843	256,505	601,111
Impact Fees	0	193	0	0	54,096	80,076	37,557	0	0	0
Economic Development	0	326,140	232,962	121,181	629,230	383,056	2,700,538	2,964,137	1,912,048	267,048
Audit	61,696	54,966	57,822	38,591	42,008	19,615	28,242	15,400	14,700	0
Civil Defense (ESDA)	71,613	54,662	80,830	52,191	71,835	35,860	81,783	32,658	28,837	36,761
Drug Traffic Prevention	68,960	126,681	12,269	8,730	8,524	1,000	8,555	20,460	23,616	7,541
Special Assessment	0	0	0	0	0	0	0	3,980	0	400
Cable Commission	0	20,243	91,915	145,178	218,287	235,991	164,154	93,263	4,200	0
Hotel/Motel Tax	96,426	69,596	75,396	67,985	70,699	79,137	4,284	0	0	0
Total Special Revenue Funds	<u>\$ 6,331,279</u>	<u>\$ 6,908,534</u>	<u>\$ 7,405,586</u>	<u>\$ 7,709,792</u>	<u>\$ 7,974,330</u>	<u>\$ 6,728,567</u>	<u>\$ 8,304,085</u>	<u>\$ 7,262,562</u>	<u>\$ 7,174,550</u>	<u>\$ 4,610,774</u>
<u>DEBT SERVICE FUND</u>	<u>\$ 4,311,763</u>	<u>\$ 4,285,036</u>	<u>\$ 4,107,883</u>	<u>\$ 4,086,558</u>	<u>\$ 4,177,581</u>	<u>\$ 4,124,740</u>	<u>\$ 4,216,247</u>	<u>\$ 3,699,513</u>	<u>\$ 20,677,870</u>	<u>\$ 2,404,238</u>
<u>CAPITAL PROJECTS</u>	<u>\$ 0</u>	<u>\$ 510</u>	<u>\$ 1,413,910</u>	<u>\$ 1,205,104</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 260,352</u>	<u>\$ 8,398,742</u>	<u>\$ 6,167,989</u>	<u>\$ 2,072,303</u>
<u>TOTAL ALL GOVERNMENTAL FUNDS</u>	<u>\$ 24,584,888</u>	<u>\$ 23,293,767</u>	<u>\$ 25,649,515</u>	<u>\$ 26,363,710</u>	<u>\$ 23,897,268</u>	<u>\$ 22,391,353</u>	<u>\$ 23,107,353</u>	<u>\$ 28,967,426</u>	<u>\$ 43,351,319</u>	<u>\$ 17,928,850</u>

CITY OF ZION, ILLINOIS

Table 3

GENERAL GOVERNMENTAL FUND REVENUE - BY SOURCE
 LAST TEN FISCAL YEARS
 YEAR ENDED APRIL 30, 2011
 UNAUDITED

<u>REVENUE</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Property Taxes	\$ 6,387,451	\$ 6,202,033	\$ 6,094,358	\$ 5,997,503	\$ 5,742,289	\$ 5,391,285	\$ 4,864,743	\$ 4,793,235	\$ 4,560,512	\$ 4,510,826
Sales Tax	2,481,114	2,807,777	2,689,333	2,390,274	2,215,712	2,059,047	1,936,140	1,716,148	1,656,519	1,661,989
Utility Tax	1,947,703	2,015,082	2,093,209	2,209,494	2,204,883	2,056,148	1,784,778	1,887,403	1,294,453	1,292,529
State Income Tax	1,692,223	1,364,887	2,013,707	2,154,351	1,972,202	1,768,720	1,593,322	1,379,378	1,655,357	1,832,658
Illinois Replacement Tax	384,725	336,298	596,696	461,956	421,814	374,261	288,881	205,340	231,199	273,814
Other Taxes	257,331	315,971	110,128	292,453	274,101	239,828	192,189	189,543	806,709	807,261
Licenses and Permits and Fees	1,668,257	1,253,826	2,550,691	1,214,433	993,712	2,014,271	1,626,990	509,626	367,652	755,811
Franchise and Tipping Fees	279,430	0	0	0	0	156,157	146,760	1,751,870	1,673,620	1,318,325
Fines	320,868	333,307	0	351,926	225,857	212,246	203,431	196,561	173,585	174,578
Interest	1,416,201	1,631,036	1,766,430	2,230,369	2,622,362	2,146,342	1,973,363	2,004,519	684,147	1,930,687
Rental Revenue	76,946	29,410	29,411	34,760	32,760	35,761	29,410	26,411	39,610	29,650
Charges for Services	1,028,090	949,211	761,161	864,795	866,417	849,490	774,757	506,777	617,040	561,458
Cable Commission Surplus	0	0	0	0	0	0	0	0	400,000	0
Host Fees	1,647,918	1,254,863	375,000	1,516,199	2,413,563	2,044,571	1,672,628	750,000	1,250,000	1,000,000
Intergovernmental	937,085	885,995	688,891	725,698	746,063	683,277	712,165	767,143	0	0
Donations and Grants	1,232,957	192,312	27,530	49,758	274,010	416,576	317,960	481,477	0	0
Other Revenue	134,900	(25,542)	117,039	857,397	390,320	246,530	314,548	109,338	85,685	136,052
TOTAL	\$ 21,893,199	\$ 19,546,466	\$ 19,913,584	\$ 21,351,366	\$ 21,396,065	\$ 20,694,510	\$ 18,432,065	\$ 17,274,771	\$ 15,496,088	\$ 16,285,638

CITY OF ZION, ILLINOIS

Table 4

CHANGES TO GENERAL FUND BALANCE
 LAST TEN FISCAL YEARS
 YEAR ENDED APRIL 30, 2011
 UNAUDITED

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Revenue & Other										
Financing Sources	\$ 14,285,485	\$ 10,320,307	\$ 10,858,199	\$ 13,211,004	\$ 13,583,623	\$ 12,976,976	\$ 11,831,509	\$ 11,128,675	\$ 10,709,795	\$ 9,550,375
Expenditures & Other										
Financing Uses	(16,430,985)	(12,099,687)	(12,722,136)	(15,450,009)	(13,743,433)	(13,168,812)	(11,844,048)	(12,018,468)	(11,123,285)	(10,101,924)
Revenues & Other Financing										
Sources Over (Under)										
Expenditures & Other										
Financing Uses	(2,145,500)	(1,779,380)	1,092,877	(2,239,005)	(159,810)	(191,836)	(12,539)	(889,793)	(413,490)	(551,549)
Adjustments to Reserve										
and Fund Balance	0	0	(184,909)	0	0	0	0	0	0	0
Beginning Unreserved										
Fund Balance	(846,668)	932,712	24,744	2,263,749	2,423,559	2,615,395	2,627,934	3,517,727	3,931,217	4,482,766
Ending Unreserved										
Fund Balance	<u>(\$ 2,992,168)</u>	<u>(\$ 846,668)</u>	<u>\$ 932,712</u>	<u>\$ 24,744</u>	<u>\$ 2,263,749</u>	<u>\$ 2,423,559</u>	<u>\$ 2,615,395</u>	<u>\$ 2,627,934</u>	<u>\$ 3,517,727</u>	<u>\$ 3,931,217</u>

CITY OF ZION, ILLINOIS

Table 5

BALANCE SHEET - GENERAL FUND
 LAST TEN FISCAL YEARS
 YEAR ENDED APRIL 30, 2011
 UNAUDITED

<u>ASSETS</u>	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Cash and Investments	\$ 17,842	\$ 407,134	\$ 643,821	\$ 1,911,905	\$ 1,684,236	\$ 1,328,246	\$ 1,381,798	\$ 2,213,337	\$ 2,016,649	\$ 1,425,421
Property, Sales, and Income Taxes Receivable	790,316	878,669	506,129	2,211,788	1,954,034	1,367,227	1,688,901	1,280,630	1,534,539	1,654,654
Other Receivables	1,514,708	888,212	746,343	544,059	519,967	1,071,160	285,075	574,237	468,670	254,830
Due From Other Funds	3,191,954	5,252,400	4,490,716	1,148,480	579,516	579,517	442,228	346,724	752,774	2,359,922
Other Assets	51,362	108,702	85,268	197,995	75,115	333,416	281,030	336,753	211,395	123,202
TOTAL ASSETS	\$ 5,566,182	\$ 7,535,117	\$ 6,472,277	\$ 6,014,227	\$ 4,812,868	\$ 4,679,566	\$ 4,079,032	\$ 4,751,681	\$ 4,984,027	\$ 5,818,029
<u>LIABILITIES AND FUND BALANCE</u>										
Accounts Payable	\$ 1,010,692	\$ 680,367	\$ 709,179	\$ 481,308	\$ 303,968	\$ 510,932	\$ 477,328	\$ 306,185	\$ 363,369	\$ 218,965
Accrued Expenses	551,239	543,719	714,747	475,943	594,407	590,508	551,940	830,195	619,801	621,731
Due To Other Funds	0	631,922	3,636,677	4,441,628	1,020,703	524,294	0	450,406	0	588,604
Deferred Revenue	704,352	1,285,394	473,053	520,283	422,053	592,409	396,399	498,991	483,130	457,512
Other Liabilities	18,054	8,303	5,909	70,321	207,988	37,864	37,970	37,970	0	0
Advances	6,274,013	5,232,080	0	0	0	0	0	0	0	0
Municipal Equity	(2,992,168)	(846,668)	932,712	24,744	2,263,749	2,423,559	2,615,395	2,627,934	3,517,727	3,931,217
TOTAL LIABILITIES AND MUNICIPAL EQUITY	\$ 5,566,182	\$ 7,535,117	\$ 6,472,277	\$ 6,014,227	\$ 4,812,868	\$ 4,679,566	\$ 4,079,032	\$ 4,751,681	\$ 4,984,027	\$ 5,818,029

CITY OF ZION, ILLINOIS

Table 6

GENERAL FUND BALANCE COMPARED TO ANNUAL EXPENDITURES
 LAST TEN FISCAL YEARS
 YEAR ENDED APRIL 30, 2011
 UNAUDITED

FISCAL YEAR ENDING APRIL 30TH	GENERAL FUND BALANCE	GENERAL FUND EXPENDITURES	GENERAL FUND BALANCE AS % OF EXPENDITURES
2011	(\$ 2,992,168)	\$ 13,941,846	(21.46%)
2010	(846,668)	12,099,687	(7.00%)
2009	932,712	12,722,136	7.33%
2008	24,744	13,362,256	0.19%
2007	2,263,749	11,745,357	19.27%
2006	2,423,559	11,538,046	21.00%
2005	2,615,395	10,326,669	25.33%
2004	2,627,934	9,606,609	27.36%
2003	3,517,727	9,330,910	37.70%
2002	3,931,217	8,841,535	44.46%

CITY OF ZION, ILLINOIS

Table 7

GENERAL FUND EXPENDITURES PER CAPITA
 LAST TEN FISCAL YEARS
 YEAR ENDED APRIL 30, 2011
 UNAUDITED

FISCAL YEAR ENDING APRIL 30TH	POPULATION*	GENERAL FUND EXPENDITURES	PER CAPITA EXPENDITURES
2011	22,880	\$ 13,941,846	\$ 609
2010	22,880	12,099,687	529
2009	22,880	12,722,136	556
2008	22,880	13,362,256	584
2007	22,880	11,745,357	513
2006	22,880	11,538,046	504
2005	22,880	10,326,669	451
2004	22,880	9,606,609	420
2003	22,880	9,330,910	408
2002	22,880	8,841,535	386

* Population figures are based on census data of 2000

CITY OF ZION, ILLINOIS

Table 8

PROPERTY TAX RATES, LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
YEAR ENDED APRIL 30, 2011
UNAUDITED

Levy Year	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
ASSESSED VALUATIONS	<u>\$ 399,149,725</u>	<u>\$ 422,640,292</u>	<u>\$ 415,643,805</u>	<u>\$ 393,563,815</u>	<u>\$ 364,269,870</u>	<u>\$ 346,565,676</u>	<u>\$ 324,709,359</u>	<u>\$ 310,518,974</u>	<u>\$ 304,147,102</u>	<u>\$ 311,560,344</u>
TAX RATE/100 EAV										
Corporate	0.200	0.210	0.123	0.191	0.157	0.150	0.152	0.200	0.250	0.250
Street and Bridge	0.063	0.078	0.080	0.084	0.080	0.100	0.100	0.100	0.100	0.091
Fire Protection	0.226	0.213	0.233	0.204	0.178	0.199	0.210	0.210	0.210	0.210
Ambulance Service	0.188	0.177	0.191	0.202	0.218	0.227	0.250	0.250	0.250	0.250
Police Protection	0.000	0.000	0.011	0.050	0.071	0.075	0.075	0.075	0.075	0.075
Working Cash	0.000	0.000	0.000	0.000	0.000	0.002	0.002	0.002	0.050	0.050
Municipal Retirement	0.088	0.086	0.084	0.071	0.110	0.070	0.070	0.007	0.048	0.068
Social Security	0.063	0.072	0.088	0.077	0.124	0.111	0.111	0.140	0.094	0.078
Liability Insurance	0.226	0.252	0.273	0.289	0.300	0.286	0.258	0.225	0.220	0.142
Audit	0.000	0.000	0.012	0.009	0.009	0.009	0.010	0.010	0.008	0.005
Police Pension	0.242	0.228	0.225	0.191	0.194	0.204	0.215	0.230	0.184	0.145
Firemen's Pension	0.191	0.180	0.178	0.133	0.139	0.146	0.152	0.164	0.108	0.085
Bonded Debt	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL TAX RATE	<u>1.487</u>	<u>1.496</u>	<u>1.498</u>	<u>1.501</u>	<u>1.580</u>	<u>1.579</u>	<u>1.605</u>	<u>1.613</u>	<u>1.597</u>	<u>1.449</u>
TAX EXTENSIONS										
Corporate	\$ 798,300	\$ 887,545	\$ 511,242	\$ 751,707	\$ 571,904	\$ 519,849	\$ 493,558	\$ 621,038	\$ 760,368	\$ 778,901
Street and Bridge	251,464	329,659	332,515	330,594	291,416	346,566	324,709	310,519	304,147	283,520
Fire Protection	902,078	900,224	968,450	802,870	648,400	689,666	681,890	652,090	638,709	654,277
Ambulance Service	750,402	748,073	793,880	794,999	794,108	786,704	811,773	776,297	760,368	778,901
Police Protection	0	0	45,721	196,782	258,632	259,924	243,532	232,889	228,110	233,670
Working Cash	0	0	0	0	0	6,931	6,494	6,210	152,074	155,780
Municipal Retirement	351,252	363,471	349,141	279,430	400,697	242,596	227,297	21,736	145,991	211,861
Social Security	251,464	304,301	365,766	303,044	451,694	384,688	360,427	434,727	285,898	243,017
Liability Insurance	902,078	1,065,054	1,134,707	1,137,399	1,092,810	991,178	837,750	698,668	669,124	442,416
Audit	0	0	49,877	35,421	32,784	31,191	32,471	31,052	24,332	15,578
Police Pension	965,942	963,620	935,199	751,707	706,684	706,994	689,125	714,194	559,630	451,762
Firemen's Pension	762,376	760,753	739,846	523,440	506,335	505,986	493,558	509,251	328,479	264,826
Bonded Debt	0	0	0	0	0	0	0	0	0	0
TOTAL EXTENSION	<u>\$ 5,935,356</u>	<u>\$ 6,322,700</u>	<u>\$ 6,226,344</u>	<u>\$ 5,907,393</u>	<u>\$ 5,755,464</u>	<u>\$ 5,472,272</u>	<u>\$ 5,211,585</u>	<u>\$ 5,008,671</u>	<u>\$ 4,857,230</u>	<u>\$ 4,514,509</u>
COLLECTIONS	<u>N/A</u>	<u>\$ 6,296,478</u>	<u>\$ 6,184,850</u>	<u>\$ 5,891,521</u>	<u>\$ 5,742,664</u>	<u>\$ 5,386,181</u>	<u>\$ 5,189,793</u>	<u>\$ 4,994,272</u>	<u>\$ 4,827,603</u>	<u>\$ 4,505,199</u>
PERCENTAGE COLLECTED	NA	99.59%	99.33%	99.73%	99.78%	98.43%	99.58%	99.71%	99.39%	99.79%

CITY OF ZION, ILLINOIS

Table 9

HISTORY OF TAX VALUATIONS, RATES AND EXTENSIONS
 YEAR ENDED APRIL 30, 2011
 LAST TEN FISCAL YEARS
 UNAUDITED

ENDING FISCAL YEAR	ASSESSED VALUATION	VALUATION INCREASE/ (DECREASE)		TAX RATE PER \$100 E.A.V.	TAXES EXTENDED
		AMOUNT	PERCENT		
2011	\$ 399,149,725	(\$ 23,490,567)	-5.6%	1.487	\$ 5,935,356
2010	422,640,292	6,996,487	1.7%	1.496	6,322,699
2009	415,643,805	22,079,990	5.6%	1.498	6,226,344
2008	393,563,815	29,293,945	8.0%	1.501	5,907,393
2007	364,269,870	17,704,194	5.1%	1.580	5,755,464
2006	346,565,676	21,856,317	6.7%	1.579	5,472,272
2005	324,709,359	14,190,385	4.6%	1.605	5,211,585
2004	310,518,974	6,371,872	2.1%	1.613	5,008,671
2003	304,147,102	(7,413,242)	-2.4%	1.597	4,857,229
2002	311,560,344	(50,487,482)	-13.9%	1.449	4,514,509

CITY OF ZION, ILLINOIS

Table 10

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
 YEAR ENDED APRIL 30, 2011
 LAST TEN FISCAL YEARS
 PER \$100 EQUALIZED ASSESSED VALUATION
 UNAUDITED

FISCAL		LAKE	FOREST	ZION	PARK	SANITARY	LIBRARY	COLLEGE	SCHOOL	SCHOOL	
YEAR	CITY	COUNTY	PRESERVE	TOWNSHIP	DISTRICT	DISTRICT	DISTRICT	OF LAKE	DIST. 6	DIST. 126	TOTAL
2011	1.487	0.505	0.198	0.372	0.767	0.136	0.24	0.218	4.879	2.986	11.788
2010	1.496	0.464	0.200	0.364	0.703	0.124	0.218	0.200	4.423	2.735	10.927
2009	1.498	0.453	0.199	0.372	0.707	0.121	0.215	0.196	4.403	2.687	10.851
2008	1.501	0.444	0.201	0.368	0.707	0.120	0.211	0.192	4.330	2.655	10.729
2007	1.580	0.450	0.204	0.375	0.728	0.125	0.253	0.195	4.296	2.696	10.902
2006	1.579	0.454	0.210	0.359	0.711	0.132	0.289	0.197	4.166	2.712	10.809
2005	1.579	0.454	0.210	0.359	0.711	0.132	0.289	0.197	4.166	2.712	10.809
2004	1.605	0.465	0.219	0.355	0.730	0.139	0.299	0.200	4.137	2.737	10.886
2003	1.613	0.490	0.225	0.355	0.791	0.144	0.305	0.201	4.116	2.774	11.014
2002	1.598	0.502	0.232	0.357	0.763	0.152	0.312	0.208	3.987	2.752	10.863

CITY OF ZION, ILLINOIS

Table 11

SCHEDULE OF PRINCIPAL TAXPAYERS
 YEAR ENDED APRIL 30, 2011
 (amounts expressed in thousands)
 UNAUDITED

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>2010 ASSESSED VALUATION</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
Zion Energy, LLC/Calpine Corp.	Electric Utility	\$ 18,214	4.12%
Exelon Generation Company	Electric Utility	13,137	2.97%
Midwest Regional Medical Center/Chicago Title	Hospital	9,570	2.16%
Wal-Mart Stores, Inc	Retail/Shopping	6,024	1.36%
Horizon Village/Ludwig & Co	Rental Properties	4,170	0.94%
Veolia EZ Zion Landfill, Inc.	Landfill	3,119	0.71%
El Dorado Building Partners	Packaging	2,910	0.66%
Crane Meadows (Waterford)/DKI-Zion LP	Rental Properties	2,025	0.46%
Green Bay Crossing LLC	Retail/Shopping	1,885	0.43%
Sheridan Health Care/The Grove at the Lake Realty, LLC	Nursing home	1,774	0.40%
Totals		<u>\$ 62,828</u>	<u>14.21%</u>

CITY OF ZION, ILLINOIS

Table 12

INVESTMENT EARNINGS-ALL FUNDS

LAST TEN FISCAL YEARS

April 30, 2011

UNAUDITED

YEAR	GOVERNMENTAL FUNDS				PROPRIETARY	FIDUCIARY FUNDS	
	GENERAL FUND	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE FUNDS	POLICE PENSION	FIRE PENSION
2011	\$ 19,137	\$ 16,867	\$ 2,595	\$ 1,377,602	\$ 58,856	\$ 565,147	\$ 184,254
2010	45,965	89,665	43,895	1,451,511	63,949	503,871	208,323
2009	115,536	14,205	105,876	1,519,215	352,621	643,693	277,659
2008	1,990	237,819	341,943	1,648,617	399,889	1,057,983	191,837
2007	497,106	106,191	387,938	1,631,127	109,555	874,125	198,764
2006	245,175	24,369	183,354	1,693,444	49,655	512,935	125,898
2005	129,154	16,603	87,080	1,740,526	14,960	495,022	87,794
2004	109,750	18,674	52,927	1,823,168	10,515	471,409	85,180
2003	129,021	161,059	111,242	282,825	49,985	508,776	129,405
2002	62,759	414,686	104,976	1,348,266	55,587	588,986	172,215

CITY OF ZION, ILLINOIS

Table 13

SUMMARY OF INVESTMENTS BY FUNDS
April 30, 2011
UNAUDITED

CURRENT INVESTMENTS

Us Government Securities

Water and Sewer Fund \$ 892,353

SUBTOTAL - CURRENT INVESTMENTS GOVERNMENTAL

892,353

RESTRICTED ASSETS

U.S. Government Securities

Fire Pension Fund 3,049,359

Police Pension Fund 10,608,719

13,658,078

Insurance Contracts

Fire Pension Fund 2,125,160

Equity securities and mutual funds

Fire Pension Fund 2,201,570

Police Pension Fund 10,024,662

12,226,232

RESTRICTED INVESTMENTS

28,009,470

TOTAL INVESTMENTS

\$ 28,901,823

CITY OF ZION, ILLINOIS

Table 14

TAX COLLECTIONS
LAST TEN FISCAL YEARS
April 30, 2011
UNAUDITED

Sales Tax Collection

<u>Fiscal Year</u>	<u>Retail Sales</u>	<u>Sales Tax (1% of Retail Sales)</u>	<u>Dollar Change</u>	<u>Percent Change</u>
2011	248,111,400	\$ 2,481,114	(326,663)	-11.63%
2010	280,777,700	2,807,777	118,444	4.40%
2009	268,933,300	2,689,333	299,059	12.51%
2008	239,027,400	2,390,274	174,562	7.88%
2007	221,571,200	2,215,712	156,665	7.61%
2006	205,904,700	2,059,047	122,907	6.35%
2005	193,614,000	1,936,140	219,992	12.82%
2004	171,614,800	1,716,148	59,629	3.60%
2003	165,651,900	1,656,519	(5,470)	-0.33%
2002	166,198,900	1,661,989	(86,888)	-4.97%

Income Tax Collection

<u>Fiscal Year</u>	<u>Income Tax Collected</u>	<u>Dollar Change</u>	<u>Percent Change</u>
2011	1,692,223	327,336	23.98%
2010	1,364,887	(648,820)	-32.22%
2009	2,013,707	(140,644)	-6.53%
2008	2,154,351	182,149	9.24%
2007	1,972,202	203,482	11.50%
2006	1,768,720	175,398	11.01%
2005	1,593,322	213,944	15.51%
2004	1,379,378	(275,979)	-16.67%
2003	1,655,357	(177,301)	-9.67%
2002	1,832,658	(114,001)	-5.86%

CITY OF ZION, ILLINOIS

Table 15

ILLINOIS MUNICIPAL RETIREMENT FUND -
 ANALYSIS OF FUNDING PROGRESS
 For the Last Ten Years
 UNAUDITED

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2010	\$ 7,435,033	\$ 9,825,500	\$ 2,390,467	75.67%	\$ 3,484,725	68.60%
12/31/2009	7,670,579	9,836,789	2,166,210	77.98%	3,757,380	57.65%
12/31/2008	7,469,860	9,297,972	1,828,112	80.34%	3,989,997	45.82%
12/31/2007	8,879,124	9,065,676	186,552	97.94%	3,829,299	4.87%
12/31/2006	8,439,470	8,381,557	(57,913)	100.69%	3,557,530	0.00%
12/31/2005	7,957,581	7,991,850	34,269	99.57%	3,291,964	1.04%
12/31/2004	7,292,851	7,524,552	231,701	96.92%	3,273,230	7.08%
12/31/2003	6,987,522	6,527,555	(459,967)	107.05%	3,076,454	0.00%
12/31/2002	6,651,205	5,942,003	(709,202)	111.94%	3,009,316	0.00%
12/31/2001	7,354,239	6,073,792	(1,280,447)	121.08%	2,745,803	0.00%

CITY OF ZION, ILLINOIS

Table 16

POLICE PENSION FUND -
ANALYSIS OF FUNDING PROGRESS
For the Last Ten Years
UNAUDITED

Actual Valuation Date	Actual Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
4/30/2010	\$ 21,708,401	\$ 36,097,622	\$ 14,389,221	60.14%	\$ 3,327,537	432.43%
4/30/2009	19,033,493	33,878,113	14,844,620	56.18%	3,102,790	478.43%
4/30/2008	21,928,636	31,920,503	9,991,867	68.70%	3,247,083	307.72%
4/30/2007	21,330,882	30,280,276	8,949,394	70.44%	3,040,025	294.39%
4/30/2006	20,012,831	27,884,848	7,872,017	71.77%	2,876,578	273.66%
4/30/2005	17,999,273	26,684,892	8,685,619	67.45%	2,814,751	308.58%
4/30/2004	17,114,675	25,136,709	8,022,034	68.09%	2,513,128	319.21%
4/30/2003	15,206,409	23,921,295	8,714,886	63.57%	2,465,635	353.45%
4/30/2002	15,208,254	23,880,904	8,672,650	63.68%	2,552,298	339.80%
4/30/2001	15,123,147	21,336,821	6,213,674	70.88%	2,204,489	281.86%

CITY OF ZION, ILLINOIS

Table 17

FIREMEN'S PENSION FUND -
ANALYSIS OF FUNDING PROGRESS
For the Last Ten Years
UNAUDITED

Actual Valuation Date	Actual Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
4/30/2010	\$ 13,693,252	\$ 22,577,182	\$ 8,883,930	60.65%	\$ 1,760,975	504.49%
4/30/2009	12,795,369	21,759,260	8,963,891	58.80%	1,748,489	512.66%
4/30/2008	13,637,009	19,722,697	6,085,688	69.14%	1,988,787	306.00%
4/30/2007	13,640,413	17,689,858	4,049,445	77.11%	1,765,157	229.41%
4/30/2006	12,334,940	16,622,283	4,287,343	74.21%	1,664,019	257.65%
4/30/2005	11,066,554	15,541,204	4,474,650	71.21%	1,633,084	274.00%
4/30/2004	10,461,692	14,645,382	4,183,690	71.43%	1,537,854	272.05%
4/30/2003	9,019,712	13,954,497	4,934,785	64.64%	1,498,154	329.39%
4/30/2002	9,540,289	12,365,530	2,825,241	77.15%	1,336,495	211.39%
4/30/2001	9,637,334	11,589,785	1,952,451	83.15%	1,213,137	160.94%