

# **CITY OF ZION, ILLINOIS**

FINANCIAL STATEMENTS  
For the Year Ended April 30, 2013

# CITY OF ZION, ILLINOIS

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## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Zion, Illinois, as of and for the year ended April 30, 2013, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Zion, Illinois Police Pension Fund which statements reflect total assets of \$24,934,373 as of April 30, 2013, or the City of Zion, Illinois Firefighters' Pension Fund which statements reflect total assets of \$14,074,841 as of April 30, 2013. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Zion, Illinois Police Pension Fund and the City of Zion, Illinois Firefighters' Pension Fund is based solely on the report of other auditors. The financial statements of the City of Zion, Illinois Police Pension Fund and the City of Zion, Illinois Firefighters' Pension Fund were not audited in accordance with *Government Auditing Standards*. 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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinions***

In our opinion, 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of funding progress, and budgetary comparison information 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Zion, Illinois' basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2014, on our consideration of 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 result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Zion, Illinois' internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

Milwaukee, Wisconsin  
February 5, 2014

# City of Zion, Illinois

## 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, 2013. 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 position at April 30, 2013 was \$27,545,561. The term "net position" represents the difference between total assets and total liabilities.
- ◆ Net position increased \$1,190,402 for the fiscal year ending April 30, 2013.
- ◆ Net position may serve, over time, as a useful indicator of a government's financial position. Of the net position balance, \$2,120,617 is restricted and \$25,989,263 is invested in capital assets net of related debt.
- ◆ The City's long-term liabilities decreased by \$28,421,293 largely due to the full retirement of Series 2002 General Obligation Bonds and, to a lesser extent, as the result of the City making timely scheduled debt principal retirements and contributions to OPEB and pension liabilities. This decrease was offset by an increase of \$8,829,031 from bonds issued due to refinancing as well as increases to pension liabilities and 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 Position 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.

Total capital outlay in the governmental funds was \$488,399, 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 \$1,027,706, this results in a difference of \$539,307 representing a reconciling item between the two presentations. Payments received related to long-term receivables totaling \$121,484 also represent a reconciling item on the Statement of Activities.

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, 2013, the net effect of financing activities on the net position of the governmental activities was \$20,188,355.

In accordance with GASB 34 and 45, for the year ending April 30, 2013, net changes in pension obligations or assets related to fire and police as well as 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 position of the governmental activities was \$782,939.

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 Position 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 Position provides information on the City's assets and liabilities. Increases to net position occur when revenues exceed expenses.

The Statement of Activities reflects the results of the government's revenues, expenses and activities during the year and the corresponding effect on net position 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.

Budgetary comparison schedules are 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 Position

	Governmental	Governmental	Business-Type	Business-Type	Total	Total
	Activities	Activities	Activities	Activities	2013	2012
	2013	2012	2013	2012		
Cash and equivalents	\$ 3,961,660	\$ 10,286,822	\$ 7,895	\$ 89,914	\$ 3,969,555	\$ 10,376,736
Investments	0	0	0	0	0	2,940,558
Taxes receivable	8,813,829	6,406,881	0	0	8,813,829	6,406,881
Note receivable – current	0	1,354,167	0	0	0	1,354,167
Other current assets	3,016,110	2,766,274	1,175,280	1,181,603	4,191,390	3,947,877
Total current assets	15,791,599	21,266,775	1,183,175	1,271,517	16,974,774	22,538,292
Investments	0	0	903,750	892,664	903,750	2,940,558
Internal balances	(1,316,571)	(6,274,013)	1,316,571	1,313,288	0	0
Note receivable – non-current	0	11,093,062	0	0	0	12,406,350
Other non-current assets	0	110,034	0	0	0	110,034
Capital assets, net of depreciation	31,509,569	32,048,876	5,228,085	5,539,197	36,737,654	37,588,073
Total assets	\$ 45,984,597	\$ 63,205,459	\$ 8,631,581	\$ 9,016,666	\$ 54,616,178	\$ 72,222,125
Current liabilities	\$ 12,664,750	\$ 13,387,970	\$ 1,010,395	\$ 980,833	\$ 13,675,145	\$ 14,368,803
Non-current liabilities	11,779,699	29,716,043	1,615,773	1,782,120	13,395,472	31,498,163
Total liabilities	\$ 24,444,449	\$ 43,104,013	\$ 2,626,168	\$ 2,762,953	\$ 27,070,617	\$ 45,866,966
Net position						
Net investment in capital assets	\$ 22,551,951	\$ 22,031,148	\$ 3,437,312	\$ 3,592,077	\$ 25,989,263	\$ 25,623,225
Restricted	2,002,269	2,102,265	118,448	3,325,389	2,120,717	5,427,654
Unrestricted	(3,013,972)	(4,031,967)	2,449,653	(663,753)	(564,319)	(4,695,720)
Total net position	\$ 21,540,248	\$ 20,101,446	\$ 6,005,413	\$ 6,253,713	\$ 27,545,661	\$ 26,355,159

At April 30, 2013, current assets exceed current liabilities by \$3,126,849 for governmental activities and \$172,780 for business-type activities.

### Condensed Statement of Activities

	Governmental	Governmental	Business-type	Business-type	Totals	Totals
	Activities	Activities	Activities	Activities	2013	2012
	2013	2012	2013	2012		
Revenues						
Program revenues						
Charges for services	\$ 6,737,071	\$ 5,434,197	\$ 4,718,742	\$ 4,707,135	\$ 11,455,813	\$ 10,141,332
Operating grants and contributions	29,736	0	0	0	29,736	0
Capital grants and contributions	180,201	165,389	0	0	180,201	165,389
General revenues						
Property taxes	8,673,279	6,131,831	0	0	8,673,279	6,131,831
Other taxes	8,669,513	6,441,576	0	0	8,669,513	6,441,576
Interest	758,375	1,307,003	25,180	9,976	783,555	1,316,979
Other	54,879	1,000,894	0	0	54,879	1,366,838
Total revenues	25,103,054	20,480,890	4,743,922	4,717,111	29,846,976	25,198,001
Expenses						
General government	1,726,287	2,361,715	0	0	1,726,287	2,361,715
Public health and safety	13,557,374	11,041,832	0	0	13,557,374	11,041,832
Public works and engineering	4,167,834	3,610,593	0	0	4,167,834	3,610,593
Economic development and promotion	2,304,262	3,595,947	0	0	2,304,262	3,595,947
Debt service	1,908,595	1,849,216	0	0	1,908,595	1,849,216
Water and sewer	0	0	3,192,398	3,478,284	3,192,398	3,478,284
Waste collection	0	0	1,799,824	1,707,373	1,799,824	1,707,373
Total expenses	23,664,352	22,459,303	4,992,222	5,185,657	28,656,574	27,644,960
Increase (decrease) in net position	1,438,702	2,985,587	(248,300)	(5,432,546)	1,190,402	(2,446,959)
Net position – beginning	20,101,446	17,115,859	6,253,713	11,686,259	26,355,159	28,802,118
Net position – ending	\$ 21,540,148	\$ 20,101,446	\$ 6,005,413	\$ 6,253,713	\$ 27,545,561	\$ 26,355,159

The statement of activities shows the nature and source of the changes in net position 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 2013 fiscal year was \$286,961,971. 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 and property taxes. Additionally, to help reduce the burden on taxpayers and the tax rate to the community, the City of Zion froze their 2012 tax levy.

During the fiscal year ended April 30, 2013, there was a significantly higher amount of host fees from the local landfill. Host fees for the 2013 fiscal year were \$653,016 higher than budgeted due to increased volume and rate increases, which are expected to be recurring.

Additionally, income taxes and replacement taxes were higher than anticipated due to economic trends improving during the 2013 fiscal year. These amounts were budgeted conservatively due to the unknown impact on local economy and these taxes in the aggregate came in \$1,105,220 higher than budget.

## Fund Activity

	Restated Balance		Expenditures/ Expenses	Other Financing	Balance
	April 30, 2012	Revenues		Source (Use)	April 30, 2013
Governmental funds					
General	\$ 1,276,439	\$ 17,293,999	\$ 18,382,453	\$ 2,360,955	\$ 2,548,940
Development TIF Area #1	(1,347,272)	1,661,045	806,860	(517,704)	(1,010,791)
Bond Debt Service	7,722,168	0	21,153,444	13,477,662	46,386
Capital Projects Hospital	12,447,229	728,350	0	(13,175,579)	0
Other	30,813	5,243,297	2,779,919	(1,498,240)	995,951
	<u>\$ 20,129,377</u>	<u>\$ 24,926,691</u>	<u>\$ 43,122,676</u>	<u>\$ 647,094</u>	<u>\$ 2,580,486</u>
Proprietary funds					
Water and Sewer	\$ 6,932,429	\$ 3,233,215	\$ 3,091,575	(\$ 75,643)	\$ 6,998,426
Waste Collection	(678,716)	1,485,527	1,799,824	0	(993,013)
	<u>\$ 6,253,713</u>	<u>\$ 4,718,742</u>	<u>\$ 4,891,399</u>	<u>(\$ 75,643)</u>	<u>\$ 6,005,413</u>
Fiduciary funds					
Police pension	\$ 23,465,432	\$ 3,308,607	\$ 1,841,111	\$ 0	\$ 24,932,928
Firemen's pension	13,513,869	1,726,630	1,173,140	0	14,067,359
	<u>\$ 36,979,301</u>	<u>\$ 5,035,237</u>	<u>\$ 3,014,251</u>	<u>\$ 0</u>	<u>\$ 39,000,287</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, 2013 is \$31,509,569 for Governmental Funds and \$5,228,085 for Business Type Funds.

Capital asset activity for governmental activities for the year ended April 30, 2013 and 2012 are detailed as follows:

	2013	2012	Increase (Decrease)
Capital assets not being depreciated			
Land and improvements	\$ 2,120,285	\$ 2,120,285	\$ 0
Capital assets being depreciated			
Buildings and improvements	11,997,548	11,997,548	0
Machinery and equipment	5,538,309	5,120,235	418,074
Roads and bridges	29,259,705	29,259,705	0
Total capital assets being depreciated	46,795,562	46,377,488	418,074
Less accumulated depreciation for:			
Buildings and improvements	5,298,107	5,080,538	217,569
Machinery and equipment	4,977,005	4,822,387	154,618
Roads and bridges	7,131,166	6,545,972	585,194
Total accumulated depreciation	17,406,278	16,448,897	957,381
Total capital assets being depreciated, net	29,389,284	29,928,591	(539,307)
Governmental activities capital assets, net	\$ 31,509,569	\$ 32,048,876	\$ (539,307)

Capital asset activity for business-type activities for the year ended April 30, 2013 and 2012 was as follows:

	2013	2012	Increase (Decrease)
Capital assets not being depreciated			
Land and improvements	\$ 431,831	\$ 431,831	\$ 0
Capital assets being depreciated			
Water mains and plants	12,065,579	12,065,579	0
Machinery and equipment	1,280,936	1,280,936	0
Total capital assets being depreciated	13,346,515	13,346,515	0
Less accumulated depreciation for:			
Water mains and plants	7,312,861	7,016,534	296,327
Machinery and equipment	1,237,400	1,222,615	14,785
Total accumulated depreciation	8,550,261	8,239,149	311,112
Total capital assets being depreciated, net	4,796,254	5,107,366	(311,112)
Business-type activities capital assets, net	\$ 5,228,085	\$ 5,539,197	\$ (311,112)

## Debt

The following is a summary of the City's general long-term debt activity for the year ended April 30, 2013 and 2012.

	2013	2012	Increase (Decrease)
Governmental Activities			
Other Liabilities			
Capital Leases	\$ 308,917	\$ 0	\$ 308,917
Accrued Vacation	562,238	445,781	116,457
Net Pension Obligation	849,325	274,919	574,406
Net OPEB Obligation	408,332	316,256	92,076
Bonds payable			
General Obligation Bonds, Series 2002 (Midwestern Regional Medical Center)	0	19,475,000	(19,475,000)
General Obligation Bonds, Series 2002A (Special Tax Allocation Fund)	0	2,525,000	(2,525,000)
General Obligation Bonds, Series 2002B (Motor Fuel Tax Road Bonds)	0	2,355,000	(2,355,000)
General Obligation Bonds, Series 2003 (Motor Fuel Tax Road Bonds)	0	1,575,000	(1,575,000)
General Obligation Bonds, Series 2004A (Special Tax Allocation Fund Alternate)	1,145,000	1,275,000	(130,000)
General Obligation Limited Tax Debt Certificates, Series 2007	1,870,000	2,035,000	(165,000)
General Obligation Bonds, Series 2012 (Special Tax Allocation Fund Alternate)	2,500,000	2,500,000	0
General Obligation Bonds, Series 2012A (Special Tax Allocation Fund)	2,215,000	0	2,215,000
General Obligation Bonds, Series 2012B (Special Tax Allocation Fund Alternate)	2,160,000	0	2,160,000
General Obligation Bonds, Series 2012C (Special Tax Allocation Fund Alternate)	1,460,000	0	1,460,000
Deferred Gain/Loss on Refunding	(112,817)	0	(112,817)
Discount on Issuance	(88,482)	(63,528)	(24,954)
Governmental Long-Term Liability Totals	<u>13,277,513</u>	<u>32,713,428</u>	<u>(19,435,915)</u>
Business-Type Activities			
General Obligation Refunding Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2006	1,860,000	2,025,000	(165,000)
Discount on Bonds Issued	(14,437)	(16,242)	1,805
Deferred Amount of Refund	(54,790)	(61,638)	6,849
Business-Type Long-Term Liability Totals	<u>1,790,773</u>	<u>1,947,120</u>	<u>(156,346)</u>
Government-Wide Long-Term Liability Totals	<u>\$ 15,068,286</u>	<u>\$ 34,660,548</u>	<u>\$ (19,592,262)</u>

## Economic Factors and the Next Year's Budgets and Rates

Projected growth and development in the communities served by the City is the primary method to 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 and has continued the trend of declining assessed valuation of property within City limits. Housing developments have continued to slow and will negatively impact the City especially in the area of permits. Additionally, home vacancies and foreclosures continue to increase resulting in decreased EAV and decrease in utility consumption and revenue while increasing needs of services to monitor for crime and other risks. While interest commercial development is beginning to increase with the scheduled expansions of the largest employer in town (and largest contributor to the tax base), it will only provide a temporary increase in permit revenue. 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. Additional revenue streams related to increases in permit fee percentages and ambulance fees have subsequently been implemented to add additional and increased revenue streams.

The Estimated Assessed Valuation (EAV) of property within the City decreased by \$59,720,526 during the 2012 assessment year to \$286,961,971.

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 2013-2014 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 POSITION  
April 30, 2013

**ASSETS**

	Governmental Activities	Business-Type Activities	Total
<b>CURRENT ASSETS</b>			
Cash and equivalents	\$ 3,961,660	\$ 7,895	\$ 3,969,555
Taxes receivable, net of allowance for uncollectables	8,813,829	-	8,813,829
Net trade accounts receivable	-	1,011,768	1,011,768
Other receivables and current assets	896,422	25,483	921,905
Inventory	-	109,188	109,188
Due from other governmental agencies	1,535,274	-	1,535,274
Prepaid insurance	433,337	28,841	462,178
Issuance cost	151,077	-	151,077
Total Current Assets	<u>15,791,599</u>	<u>1,183,175</u>	<u>16,974,774</u>
<b>NONCURRENT ASSETS</b>			
Investments	-	903,750	903,750
Internal balances	(1,316,571)	1,316,571	-
Capital assets, net of accumulated depreciation	31,509,569	5,228,085	36,737,654
Total Noncurrent Assets	<u>30,192,998</u>	<u>7,448,406</u>	<u>37,641,404</u>
<b>TOTAL ASSETS</b>	<u>45,984,597</u>	<u>8,631,581</u>	<u>54,616,178</u>

**LIABILITIES AND NET POSITION**

<b>CURRENT LIABILITIES</b>			
Accounts payable	606,432	252,269	858,701
Due to other governmental agencies	71,215	-	71,215
Due to fiduciary funds	1,334,209	-	1,334,209
Current portion of long-term debt	1,497,814	166,346	1,664,160
Accrued payroll	247,812	19,117	266,929
Unearned revenue	8,764,534	244,856	9,009,390
Other liabilities	2,558	-	2,558
Customer deposits	-	227,528	227,528
Accrued interest	140,176	91,625	231,801
Total Current Liabilities	<u>12,664,750</u>	<u>1,001,741</u>	<u>13,666,491</u>
<b>NONCURRENT LIABILITIES</b>			
Long-term obligations - net of current portion	11,779,699	1,624,427	13,404,126
Total Noncurrent Liabilities	<u>11,779,699</u>	<u>1,624,427</u>	<u>13,404,126</u>
<b>TOTAL LIABILITIES</b>	<u>24,444,449</u>	<u>2,626,168</u>	<u>27,070,617</u>
<b>NET POSITION</b>			
Net investment in capital assets	22,551,951	3,437,312	25,989,263
Restricted for:			
Debt service	81,172	118,448	199,620
Capital projects	135	-	135
Other purposes	1,920,862	-	1,920,862
Unrestricted	<u>( 3,013,972)</u>	<u>2,449,653</u>	<u>( 564,319)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 21,540,148</u>	<u>\$ 6,005,413</u>	<u>\$ 27,545,561</u>

The accompanying notes are an integral part of this statement.

**CITY OF ZION, ILLINOIS**

STATEMENT OF ACTIVITIES  
For the Year Ended April 30, 2013

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>							
Governmental activities:							
General government	\$ 1,726,287	\$ 5,940,315	\$ 104	\$ -	\$ 4,214,132	\$ -	\$ 4,214,132
Public health and safety	13,557,374	504,260	19,182	180,201	(12,853,731)	-	(12,853,731)
Public works and engineering	4,167,834	273,629	-	-	(3,894,205)	-	(3,894,205)
Economic development and promotion	2,304,262	18,867	10,450	-	(2,274,945)	-	(2,274,945)
Debt service	1,908,595	-	-	-	(1,908,595)	-	(1,908,595)
Total governmental activities	<u>23,664,352</u>	<u>6,737,071</u>	<u>29,736</u>	<u>180,201</u>	<u>(16,717,344)</u>	<u>-</u>	<u>(16,717,344)</u>
Business-type activities:							
Water and sewer	3,192,398	3,233,215	-	-	-	40,817	40,817
Waste collection	1,799,824	1,485,527	-	-	-	(314,297)	(314,297)
Total business-type activities	<u>4,992,222</u>	<u>4,718,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(273,480)</u>	<u>(273,480)</u>
Total primary government	<u>\$ 28,656,574</u>	<u>\$ 11,455,813</u>	<u>\$ 29,736</u>	<u>\$ 180,201</u>	<u>(16,717,344)</u>	<u>(273,480)</u>	<u>(16,990,824)</u>
		General revenues:					
			Property taxes		8,673,279	-	8,673,279
			Other taxes		8,669,513	-	8,669,513
			Interest		758,375	25,180	783,555
			Gain on sale of capital assets		54,879	-	54,879
			Total general revenues		<u>18,156,046</u>	<u>25,180</u>	<u>18,181,226</u>
			Change in net position		1,438,702	(248,300)	1,190,402
			Net position - beginning		<u>20,101,446</u>	<u>6,253,713</u>	<u>26,355,159</u>
			Net position - ending		<u>\$ 21,540,148</u>	<u>\$ 6,005,413</u>	<u>\$ 27,545,561</u>

The accompanying notes are an integral part of this statement.

**CITY OF ZION, ILLINOIS**  
**GOVERNMENTAL FUNDS**

BALANCE SHEET  
April 30, 2013

**ASSETS**

	General	Development TIF Area #1	Bond Debt Service	Capital Projects Hospital	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and equivalents	\$ 990,554	\$ -	\$ 150,000	\$ -	\$ 2,821,106	\$ 3,961,660
Taxes receivable, net of allowance for uncollectables	2,786,745	1,928,357	-	-	4,098,727	8,813,829
Utility taxes and franchise fees	306,562	-	-	-	-	306,562
Other receivables and current assets	463,109	-	-	-	126,751	589,860
Due from other governmental agencies	1,394,352	-	-	-	140,922	1,535,274
Due from other funds	3,074,231	490,238	-	-	535,782	4,100,251
Prepaid insurance	433,337	-	-	-	-	433,337
<b>TOTAL ASSETS</b>	<b>\$ 9,448,890</b>	<b>\$ 2,418,595</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ 7,723,288</b>	<b>\$ 19,740,773</b>

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>						
Accounts payable	\$ 564,714	\$ -	\$ -	\$ -	\$ 41,718	\$ 606,432
Due to other governmental agencies	-	-	-	-	71,215	71,215
Due to other funds	-	1,501,029	103,614	-	2,495,608	4,100,251
Due to fiduciary funds	1,334,209	-	-	-	-	1,334,209
Accrued payroll	227,742	-	-	-	20,070	247,812
Deferred revenue - property taxes	2,786,745	1,928,357	-	-	4,098,726	8,813,828
Deferred revenue - other	667,411	-	-	-	-	667,411
Advance from water and sewer fund	1,316,571	-	-	-	-	1,316,571
Other liabilities	2,558	-	-	-	-	2,558
<b>TOTAL LIABILITIES</b>	<b>6,899,950</b>	<b>3,429,386</b>	<b>103,614</b>	<b>-</b>	<b>6,727,337</b>	<b>17,160,287</b>

**FUND BALANCES (DEFICIT)**

Nonspendable	433,337	-	-	-	-	433,337
Restricted	-	-	46,386	-	2,095,959	2,142,345
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned (deficit)	2,115,603	(1,010,791)	-	-	(1,100,008)	4,804
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>2,548,940</b>	<b>(1,010,791)</b>	<b>46,386</b>	<b>-</b>	<b>995,951</b>	<b>2,580,486</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 9,448,890</b>	<b>\$ 2,418,595</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ 7,723,288</b>	<b>\$ 19,740,773</b>

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 POSITION  
For the Year Ended April 30, 2013

Total fund balances - governmental funds \$ 2,580,486

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

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

Capital assets	\$	48,915,847	
Accumulated depreciation		<u>(17,406,278)</u>	
		Net capital assets	31,509,569

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. 716,705

Some liabilities reported in the statement of net position 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	\$	11,350,000	
Capital lease obligations		308,917	
Accrued vacation		562,238	
Other post employment benefits		408,332	
Net pension liability		849,325	
Accrued interest		140,176	
Discount on general obligation bonds payable		(88,482)	
Deferred amount on refunding		<u>(112,817)</u>	
		Total long-term liabilities	<u>(13,417,689)</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 position. 151,077

Net position of governmental activities \$ 21,540,148

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, 2013

	General	Development TIF Area #1	Bond Debt Service	Capital Projects Hospital	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 3,277,730	\$ 1,661,006	\$ -	\$ -	\$ 3,734,543	\$ 8,673,279
Other taxes	7,471,213	-	-	-	376,180	7,847,393
Charges for services	786,891	-	-	-	-	786,891
Permits and other fees	4,573,257	-	-	-	375,000	4,948,257
Intergovernmental	197,017	-	-	-	680,636	877,653
Grants and donations	29,736	-	-	-	-	29,736
Interest	3,774	39	-	728,350	26,212	758,375
Miscellaneous	954,381	-	-	-	50,726	1,005,107
<b>TOTAL REVENUES</b>	<b>17,293,999</b>	<b>1,661,045</b>	<b>-</b>	<b>728,350</b>	<b>5,243,297</b>	<b>24,926,691</b>
<b>EXPENDITURES</b>						
Current						
General government	1,496,864	-	-	-	149,742	1,646,606
Public health and safety	12,334,074	-	-	-	357,833	12,691,907
Public works and engineering	2,394,443	-	-	-	702,081	3,096,524
Economic development and promotion	1,337,810	806,860	-	-	111,405	2,256,075
Capital outlay	710,716	-	-	-	31,683	742,399
Debt service						
Principal retirement	-	-	19,796,578	-	1,055,000	20,851,578
Interest and fiscal charges	108,546	-	1,356,866	-	245,455	1,710,867
Debt issuance costs	-	-	-	-	126,720	126,720
<b>TOTAL EXPENDITURES</b>	<b>18,382,453</b>	<b>806,860</b>	<b>21,153,444</b>	<b>-</b>	<b>2,779,919</b>	<b>43,122,676</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,088,454)</b>	<b>854,185</b>	<b>(21,153,444)</b>	<b>728,350</b>	<b>2,463,378</b>	<b>(18,195,985)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Bond proceeds	-	-	-	-	5,835,000	5,835,000
Discount on bond issuance	-	-	-	-	(37,117)	(37,117)
Proceeds from capital lease	465,495	-	-	-	-	465,495
Proceeds from sale of capital assets	54,879	-	-	-	-	54,879
Payment to escrow agent	-	-	-	-	(5,671,163)	(5,671,163)
Transfers in	2,429,994	-	13,477,662	-	1,711,430	17,619,086
Transfers (out)	(589,413)	(517,704)	-	(13,175,579)	(3,336,390)	(17,619,086)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,360,955</b>	<b>(517,704)</b>	<b>13,477,662</b>	<b>(13,175,579)</b>	<b>(1,498,240)</b>	<b>647,094</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,272,501</b>	<b>336,481</b>	<b>(7,675,782)</b>	<b>(12,447,229)</b>	<b>965,138</b>	<b>(17,548,891)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>1,276,439</b>	<b>(1,347,272)</b>	<b>7,722,168</b>	<b>12,447,229</b>	<b>30,813</b>	<b>20,129,377</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 2,548,940</b>	<b>\$ (1,010,791)</b>	<b>\$ 46,386</b>	<b>\$ -</b>	<b>\$ 995,951</b>	<b>\$ 2,580,486</b>

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, 2013

Net change in fund balances - total governmental funds \$ (17,548,891)

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	\$	488,399	
Depreciation		(1,027,706)	
		(539,307)	(539,307)

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		(92,076)	
Increase in compensated absences		(116,457)	
Increase in net pension obligation		(574,406)	
		(782,939)	(782,939)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements. 121,484

The issuance of long-term debt is an other financing source in the fund statements but an increase in long-term liabilities on the government wide statements.

Issuance of General Obligation Bonds	\$	(5,835,000)	
Bond issuance costs		126,720	
Proceeds from capital lease		(465,495)	
Deferred amount on refunding		141,163	
Bond discount		37,117	
		(5,995,495)	(5,995,495)

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	\$	26,381,578	
Accrued interest		(140,176)	
Amortization of issuance costs, discounts, and deferred amounts		(57,552)	
		26,183,850	26,183,850

Change in net position of governmental activities \$ 1,438,702

The accompanying notes are an integral part of this statement.

**CITY OF ZION, ILLINOIS**  
**PROPRIETARY FUNDS**

STATEMENT OF NET POSITION  
April 30, 2013

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Waste Collection	Totals
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and equivalents	\$ 7,895	\$ -	\$ 7,895
Trade accounts receivable	333,391	164,570	497,961
Unbilled trade accounts	513,807	-	513,807
Other receivables	25,483	-	25,483
Inventory	109,188	-	109,188
Prepaid expenses	10,043	18,798	28,841
	<u>999,807</u>	<u>183,368</u>	<u>1,183,175</u>
TOTAL CURRENT ASSETS			
<b>NONCURRENT ASSETS</b>			
Investments	903,750	-	903,750
Due from other funds	2,198,300	-	2,198,300
Capital assets:			
Land	352,575	79,256	431,831
Buildings and improvements	-	45,496	45,496
Water mains and related infrastructure	12,020,083	-	12,020,083
Equipment	1,109,047	171,889	1,280,936
Accumulated depreciation	(8,332,876)	(217,385)	(8,550,261)
Total capital assets, net of accumulated depreciation	<u>5,148,829</u>	<u>79,256</u>	<u>5,228,085</u>
TOTAL NONCURRENT ASSETS	<u>8,250,879</u>	<u>79,256</u>	<u>8,330,135</u>
TOTAL ASSETS	<u>\$ 9,250,686</u>	<u>\$ 262,624</u>	<u>\$ 9,513,310</u>

The accompanying notes are an integral part of this statement.

**CITY OF ZION, ILLINOIS**  
**PROPRIETARY FUNDS**

STATEMENT OF NET POSITION  
April 30, 2013

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Waste Collection	Totals
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 123,217	\$ 129,052	\$ 252,269
Unearned income - unearned collection fees	-	244,856	244,856
Accrued payroll and related expenses	19,117	-	19,117
	142,334	373,908	516,242
<b>TOTAL CURRENT LIABILITIES</b>			
<b>PAYABLE FROM RESTRICTED ASSETS</b>			
Customer deposits	227,528	-	227,528
Current portion of General Obligation Bonds	166,346	-	166,346
Accrued interest	91,625	-	91,625
	485,499	-	485,499
<b>TOTAL PAYABLE FROM RESTRICTED ASSETS</b>			
<b>NONCURRENT LIABILITIES</b>			
Due to other funds	-	881,729	881,729
General Obligation Bonds	1,624,427	-	1,624,427
	1,624,427	881,729	2,506,156
<b>TOTAL NONCURRENT LIABILITIES</b>			
<b>TOTAL LIABILITIES</b>			
	2,252,260	1,255,637	3,507,897
<b>NET POSITION</b>			
Net investment in capital assets	3,358,056	79,256	3,437,312
Restricted for:			
Bond retirement	118,448	-	118,448
Unrestricted net position	3,521,922	(1,072,269)	2,449,653
	6,998,426	(993,013)	6,005,413
<b>TOTAL NET POSITION</b>			
<b>TOTAL LIABILITIES AND NET POSITION</b>			
	\$ 9,250,686	\$ 262,624	\$ 9,513,310

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 POSITION  
For the Year Ended April 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water and Sewer</u>	<u>Waste Collection</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 3,233,215	\$ 1,485,527	\$ 4,718,742
<b>TOTAL REVENUES</b>	<u>3,233,215</u>	<u>1,485,527</u>	<u>4,718,742</u>
<b>OPERATING EXPENSES</b>			
Personal services	702,257	71,821	774,078
Contractual services	1,419,818	1,708,169	3,127,987
Materials and supplies	92,220	19,834	112,054
Repairs and maintenance	566,168	-	566,168
Depreciation	311,112	-	311,112
<b>TOTAL OPERATING EXPENSES</b>	<u>3,091,575</u>	<u>1,799,824</u>	<u>4,891,399</u>
<b>(LOSS) FROM OPERATIONS</b>	<u>141,640</u>	<u>(314,297)</u>	<u>(172,657)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest income	25,180	-	25,180
Interest and fiscal charges	(100,823)	-	(100,823)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(75,643)</u>	<u>-</u>	<u>(75,643)</u>
<b>CHANGE IN NET POSITION</b>	65,997	( 314,297)	( 248,300)
<b>NET POSITION (DEFICIT) - BEGINNING OF YEAR</b>	<u>6,932,429</u>	<u>( 678,716)</u>	<u>6,253,713</u>
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<u>\$ 6,998,426</u>	<u>(\$ 993,013)</u>	<u>\$ 6,005,413</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, 2013

	Business-Type Activities - Enterprise Funds		
	Water and Sewer	Waste Collection	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 3,256,511	\$ 1,495,571	\$ 4,752,082
Cash payments to suppliers for goods and services	(2,152,057)	(1,418,934)	(3,570,991)
Cash payments to employees for services	(770,501)	(71,821)	(842,322)
Cash payments to other funds for services	(82,500)	(82,500)	(165,000)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	251,453	(77,684)	173,769
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Advances to other funds	(77,684)	77,684	-
NET CASH (USED) PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	(77,684)	77,684	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Retirement of bonds	(165,000)	-	(165,000)
Interest paid on bonds	(101,599)	-	(101,599)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(266,599)	-	(266,599)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net investment activity	(11,086)	-	(11,086)
Interest on cash and equivalents	21,897	-	21,897
NET CASH PROVIDED BY INVESTING ACTIVITIES	10,811	-	10,811
<b>NET (DECREASE) IN CASH AND EQUIVALENTS</b>	(82,019)	-	(82,019)
CASH AND EQUIVALENTS - BEGINNING OF YEAR	89,914	-	89,914
CASH AND EQUIVALENTS - END OF YEAR	\$ 7,895	\$ -	\$ 7,895
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
INCOME (LOSS) FROM OPERATIONS	\$ 141,640	(\$ 314,297)	(\$ 172,657)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:			
Depreciation	311,112	-	311,112
Amortization of bond discount	8,653	-	8,653
Changes in assets and liabilities:			
Decrease in accounts receivable	17,969	9,368	27,337
(Increase) in unbilled water usage	(20,179)	-	(20,179)
Decrease in other receivables	9,308	-	9,308
(Increase) in inventory	(109,188)	-	(109,188)
(Increase) decrease in prepaid expenses	(6,591)	105,636	99,045
Increase (decrease) in accounts payable	(49,225)	120,933	71,708
(Decrease) in accrued payroll and related expenses	(68,244)	-	(68,244)
Increase in deferred revenue	-	676	676
Increase in customer deposits	16,198	-	16,198
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 251,453	(\$ 77,684)	\$ 173,769

The accompanying notes are an integral part of this statement.

**CITY OF ZION, ILLINOIS**  
**FIDUCIARY FUNDS**

STATEMENT OF FIDUCIARY NET POSITION  
April 30, 2013

	<b>ASSETS</b>		
	Police Pension	Fireman's Pension	Total
<b>ASSETS</b>			
Cash and equivalents	\$ 546,418	\$ 406,458	\$ 952,876
Investments			
U.S. Government and agency obligations	8,334,920	-	8,334,920
Insurance company contracts	68,817	2,688,513	2,757,330
Fixed income securities	950,703	5,451,583	6,402,286
Money market mutual funds	-	1,447,195	1,447,195
Equity mutual funds	9,080,805	2,459,876	
Common stock	5,101,426	1,020,080	
Receivables			
Prepaid assets	-	516	516
Due from City	765,433	598,452	1,363,885
Accrued interest	85,851	2,168	88,019
<b>TOTAL ASSETS</b>	<b>\$ 24,934,373</b>	<b>\$ 14,074,841</b>	<b>\$ 21,347,027</b>
	<b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES</b>			
Pension withholdings	\$ 1,445	\$ 7,482	\$ 8,927
<b>TOTAL LIABILITIES</b>	<b>1,445</b>	<b>7,482</b>	<b>8,927</b>
<b>NET POSITION</b>			
Held in trust for pension benefits	24,932,928	14,067,359	21,338,100
<b>TOTAL NET POSITION</b>	<b>\$ 24,932,928</b>	<b>\$ 14,067,359</b>	<b>\$ 21,338,100</b>

The accompanying notes are an integral part of this statement.



**CITY OF ZION, ILLINOIS**  
**FIDUCIARY FUNDS**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
April 30, 2013

	<u>Police Pension</u>	<u>Fireman's Pension</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions - Employer	\$ 964,361	\$ 820,316	\$ 1,784,677
Contributions - Plan members	367,285	201,528	568,813
Transfer from IMRF	55,070	-	55,070
Total contributions	<u>1,386,716</u>	<u>1,021,844</u>	<u>2,408,560</u>
Investment income			
Interest and dividends earned	632,127	297,194	929,321
Change in fair market value	1,359,460	478,761	1,838,221
Less investment expenses	<u>(69,696)</u>	<u>(71,169)</u>	<u>(140,865)</u>
	1,921,891	704,786	2,626,677
<b>TOTAL ADDITIONS</b>	<u>3,308,607</u>	<u>1,726,630</u>	<u>5,035,237</u>
<b>DEDUCTIONS</b>			
Administration	45,133	32,439	77,572
Benefit payments	<u>1,795,978</u>	<u>1,140,701</u>	<u>2,936,679</u>
<b>TOTAL DEDUCTIONS</b>	<u>1,841,111</u>	<u>1,173,140</u>	<u>3,014,251</u>
<b>CHANGE IN NET POSITION</b>	1,467,496	553,490	2,020,986
Net position, beginning of year, as restated	<u>23,465,432</u>	<u>13,513,869</u>	<u>36,979,301</u>
Net position, end or year	<u><u>\$ 24,932,928</u></u>	<u><u>\$ 14,067,359</u></u>	<u><u>\$ 39,000,287</u></u>

The accompanying notes are an integral part of this statement.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### **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). The more significant accounting policies established in GAAP and used by the City are discussed below.

#### **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.

#### **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 Position, 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, receivables and deferred outflows as well as long-term debt, obligations and deferred inflows. The City’s net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)</b>
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### **Government-Wide Statements (continued)**

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 are normally covered by general revenue (property, sales or use taxes, intergovernmental revenues, interest, etc.)

### **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, 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.
- c. Any other governmental or enterprise fund that the City believes is important to financial statement users may be reported as a major fund.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### 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 fund balance and changes in fund balance (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 by enacted legislation 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 position, net 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, 2013

### 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 position and changes in net position 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:

<b>Fund</b>	<b>Brief Description</b>
<b><u>Major:</u></b> General	See above for description.
Special Revenue Funds:	
Development TIF Area #1	Accounts for revenues and expenditures for encouraging private and commercial redevelopment and investing through incremental property tax revenues.
Debt Service Funds:	
Bond Debt Service	Accounts for the accumulation of funds for the periodic payment of principal and interest on outstanding bonds.
Capital Projects Funds:	
Capital Projects Hospital	Accounts for financial resources collected and used for the capital additions of local medical facilities.
Enterprise Funds:	
Water and Sewer	Accounts for financial resources collected and used for water and sewer activities.
Waste Collection	Accounts for financial resources collected and used for waste collection activities.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Fund Financial Statements (continued)**

#### **Major and Nonmajor Funds (continued)**

##### **Nonmajor**

##### Special Revenue Funds:

911 Emergency Surcharge	Accounts for revenues and expenditures of the E-911 service that is legally restricted for public safety use.
Zion-Newport Fire Station	Accounts for revenues and expenditures directly related to the operation of the Zion-Newport fire station.
Emergency Service Rescue	Accounts for revenues and expenditures of City rescue efforts and is restricted for public safety use.
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 restricted for encouraging private and commercial redevelopment and investing through incremental property tax revenues.
Development TIF Area #3	Accounts for revenues and expenditures restricted for encouraging private and commercial redevelopment and investing through incremental property tax revenues.
Development TIF Area #4	Accounts for revenues and expenditures restricted for encouraging private and commercial redevelopment and investing through incremental property tax revenues.
Impact Fee	Accounts for restricted revenues and expenditures relating to the impact of development on the City.
Impact Fee – Fire/Rescue	Accounts for restricted revenues and expenditures relating to the impact of development on the fire and rescue district.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Fund Financial Statements (continued)

#### Major and Nonmajor Funds (continued)

#### Nonmajor (continued)

#### Special Revenue Funds (continued):

Impact Fee – Other Government Agencies Accounts for restricted revenues and expenditures relating to the impact of development on other local governmental bodies.

Police Protection Accounts for revenues and expenditures of City law enforcement efforts and is restricted for public safety use.

Liability Insurance Accounts for restricted revenues and expenditures relating to insurance funding requirements of the City.

Audit Accounts for restricted revenues and expenditures relating to financial reporting requirements of the City.

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 restricted revenues and expenditures of promotion City development and growth.

Cable Commission Accounts for revenues and expenditures restricted 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.

Fire Protection Accounts for restricted revenues and expenditures relating to insurance funding requirements of the City.

#### Capital Project Funds:

TIF #1 Capital Projects Accounts for financial resources restricted for the acquisition or construction of major capital additions within the boundaries of the Development TIF Area #1.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Fund Financial Statements (continued)**

#### **Major and Nonmajor Funds (continued)**

##### **Nonmajor (continued)**

##### Capital Project Funds (continued):

Capital Projects	Accounts for financial resources collected and restricted for the capital additions of local medical facilities.
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##### Debt Service Funds:

TIF #1 Bond Series 2002A	Accounts restricted for the accumulation of resources for the periodic payment of principal and interest on Bond Series 2002A.
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Bond Series 2002B Road Bond	Accounts restricted for the accumulation of resources for the periodic payment of principal and interest on Bond Series 2002B.
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Bond Series 2003 Road Bond	Accounts restricted for the accumulation of resources for the periodic payment of principal and interest on Bond Series 2003.
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Area 3 South Sheridan Rd. Project	Accounts restricted for the accumulation of resources for the periodic payment of principal and interest on Bond Series 2004A.
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#### **Measurement Focus and Basis of Accounting**

On the government-wide Statement of Net Position 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, or 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 position (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 position.



# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Measurement Focus and Basis of Accounting (continued)**

##### **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.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, other postemployment benefits and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Sales taxes are considered “measurable” when in the hands of the State Comptroller. 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 Position, 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 90 days 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 Position. See Note K for details of interfund transactions, including receivables and payables at year-end.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Financial Statement Amounts (continued)**

##### **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.
- 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.

##### **Capital Assets:**

The accounting treatment over property, plant, and equipment (capital 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, 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.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Financial Statement Amounts (continued)**

##### Government-wide Statements (continued):

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

##### Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital 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). These benefits are not paid out upon separation from employment.

Vacation benefits accrue based on completed years of service, and are allowed to be carried over annually. Accrued vacation is paid out upon termination, death, and retirement. A liability for these amounts is reported in the governmental-wide statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No such amounts were recorded as of April 30, 2013.

#### **Unearned/Deferred Revenues:**

Deferred revenues include receivables recorded prior to the period of availability and amounts collected before revenue recognition criteria are met. The deferred revenue consists primarily of property and other taxes in the governmental funds.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Financial Statement Amounts (continued)**

##### **Long-Term Debt:**

The accounting treatment of long-term debt depends on whether the proceeds 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, net of any premium or discount. The long-term debt consists primarily of bonds and notes payable. See Note J for details of long-term debt.

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

##### **Equity Classifications:**

#### **Government-wide Statements**

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or any other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position 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 position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

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.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial Statement Amounts (continued)

##### **Fund Balances:**

Within the governmental fund types, the City's fund balances are reported in one of the following classifications:

Nonspendable – includes amounts that cannot be spent because they are either; (1) not in spendable form; or (2) legally or contractually required to be maintained intact.

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either; (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or; (2) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City uses the same action it originally took to commit the amounts to remove the commitment. The specified highest level of decision-making authority rests with the City Council. The City passes ordinances and resolutions to commit their fund balances.

Assigned – includes amounts that are constrained by the City's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: (1) the City Council itself; (2) a body of officials to which the Council has delegated the authority to assign amounts to be used for specific purposes. The City's Council has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund.

Unassigned – includes the residual fund balance that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

The City considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unassigned fund balance is available, followed by committed amounts then assigned amounts. Unassigned amounts are used only after the other categories of fund balance have been fully utilized.

##### **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.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial Statement Amounts (continued)

##### **New Accounting Pronouncements:**

GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The objective of this Statement is to improve financial reporting by addressing uses related to service concession and reserve fund (SCAs), which are a type of public-private or public-public partnership. There was no impact on the City's financial statements as a result of the implementation of Statement No. 60.

GASB Statement No. 61, *The Financial Reporting Entity, Omnibus an amendment of GASB Statements No. 14 and No. 34*, will be effective for the City beginning with its year ending April 30, 2014. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government (blending) in certain circumstances.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, became effective for the City beginning with its year ended April 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

- a) Financial Accounting Standards Board (FASB) Statements and Interpretations
- b) Accounting Principles Board Opinions
- c) Accounting Research Bulletins of the American Institute of Certified Public Accountants (AICPA) Committee on Accounting Procedure

There was no impact on the City's financial statements as a result of the implementation of Statement No. 62.

GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, became effective for the City beginning with its year ending April 30, 2013. 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. The financial reporting impact resulting from the implementation of GASB Statement No. 63 is primarily the change in terminology from Net Assets to Net Position.

GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions-an amendment of GASB Statement No. 53*, became effective for the City beginning with its year ending April 30, 2013. This statement will improve financial reporting by clarifying whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. There was no impact on the City's financial statements as a result of the implementation of Statement No. 64.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial Statement Amounts (continued)

#### **New Accounting Pronouncements (continued):**

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, will be effective for the City beginning with its year ending April 30, 2014. This Statement establishes accounting and financial reporting standards that reclassify and recognize, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements, deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, will be effective for the City beginning with its year ending April 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted for the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10 by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement No. 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate.

GASB Statement No. 67, *Financial Reporting for Pension Plans*, will be effective for the City beginning with its year ended April 30, 2015. This statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This statement enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the City beginning with its year ended April 30, 2016. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, establishes accounting and financial reporting standards related to government combinations and disposals of government operations. Statement No. 69 will be effective for the City beginning with its year ending April 30, 2015. GASB Statement No. 69 requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)</b>
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### **Financial Statement Amounts (continued)**

#### **New Accounting Pronouncements (continued):**

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, establishes accounting and financial reporting standards for financial guarantees that are nonexchange transactions (nonexchange financial guarantees) extended or received by a state or local government. Statement No. 70 will be effective for the City beginning with its year ending April 30, 2015. GASB Statement No. 70 requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units and requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB 68*, addresses an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. There was no impact on the City's financial statements as a result of the implementation of Statement No. 71.

Management has not currently determined what impact, if any, the Statements not currently implemented may have on its financial statements.



# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### **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, 2013:

##### Special Revenue Funds

Fire Protection	\$	571,257
911 Emergency Surcharge		184,531
Street and Bridge		40,036
Illinois Municipal Retirement		187,274
Development TIF Area #1		1,010,791
Impact Fee – Fire/Rescue		68,389
Police Protection		22,929
Drug Traffic Prevention		5,387
FICA		108,935

##### Debt Service Funds

Area 3 South Sheridan Rd. Project	\$	1,538
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##### Enterprise Funds

Waste Collection	\$	993,013
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# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)</b>
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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 transfers out and other finance uses) 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>	\$ 16,550,373	\$ 20,577,124	\$ 18,971,866	\$ 1,605,258
 <u>Special Revenue Funds</u>				
911 Emergency Surcharge	\$ 209,200	\$ 1,209,200	\$ 143,548	\$ 1,065,652
Zion-Newport Fire Station	22,351	98,335	24	98,311
Emergency Service Rescue	627,495	627,495	625,641	1,854
Fire Protection	752,301	752,301	750,073	2,228
Street and Bridge	275,000	275,000	195,231	79,769
Illinois Municipal Retirement Fund	372,623	372,623	381,525	(8,902)
FICA	369,253	253,078	337,189	(84,111)
Development TIF Area #1	1,431,747	1,412,072	1,324,564	87,508
Development TIF Area #3	224,850	222,250	203,188	19,062
Motor Fuel Tax	600,480	600,480	558,092	42,388
Liability Insurance	904,841	904,841	902,177	2,664
Drug Traffic Prevention	74,756	74,756	74,201	555
Industrial Development	375,000	375,000	375,000	-
Hotel/Motel Tax	143,426	94,000	143,245	(49,245)
<u>\$ 6,383,323</u>	<u>\$ 7,271,431</u>	<u>\$ 6,013,698</u>	<u>\$ 1,257,733</u>	
 <u>Capital Projects Funds</u>				
Capital Projects – Hospital	\$ 2,698,600	\$ 2,698,600	\$ 13,175,579	\$ (10,476,979)
<u>\$ 2,698,600</u>	<u>\$ 2,698,600</u>	<u>\$ 13,175,579</u>	<u>\$ (10,476,979)</u>	
 <u>Debt Service Funds</u>				
TIF #1 Bond Series 2002A	\$ 551,605	\$ 551,605	\$ 2,713,820	\$ (2,162,215)
Area 3 South Sheridan Road Project (Debt Service)	200,500	200,500	199,839	661
Bond Debt Service	3,000,683	2,698,600	21,153,444	(18,454,844)
Series 2002B Road Bond	415,480	415,480	2,532,064	(2,116,584)
Series 2003 Road Bond	266,333	266,333	1,689,732	(1,423,399)
Series 2006 Water Bonds	-	258,983	-	258,983
<u>\$ 4,434,601</u>	<u>\$ 4,391,501</u>	<u>\$ 28,288,899</u>	<u>\$ (23,897,398)</u>	
 <u>Enterprise Funds</u>				
Water and Sewer	\$ 3,480,646	\$ 3,480,646	\$ 3,191,398	\$ 289,248
Waste Collection	1,731,899	1,814,399	1,799,824	14,575
<u>\$ 5,295,045</u>	<u>\$ 5,582,569</u>	<u>\$ 4,991,222</u>	<u>\$ 591,347</u>	

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

#### 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, 2013, management asserts the City complied, in all material respects, with these revenue restrictions.

### NOTE C – DEPOSITS AND INVESTMENTS

#### Deposits

As of April 30, 2013, a reconciliation of cash and investments (including fiduciary fund assets) as shown on the Statement of Net Position is as follows:

Carrying amount of deposits	\$ 4,772,427
Carrying amount of investments	37,657,672
Total	<u>\$42,430,099</u>
Government-wide financial statement of net position:	
Cash and cash equivalents	\$ 3,969,555
Investments	903,750
Total	<u>4,873,305</u>
Statement of fiduciary net position:	
Cash and cash equivalents	\$ 952,876
Investments	36,603,918
Total	<u>37,556,794</u>
Total Cash, cash equivalents, and investments	<u>\$ 42,430,099</u>

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

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

#### **Deposits (continued)**

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 \$3,969,555 and the bank balances totaled \$4,019,688. Of the bank balances, \$900,995 was covered by federal depository insurance, \$500,000 was covered by the Securities Investor Protection Corporation, \$1,290,800 was 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, \$2,000,625 was deposited in the Illinois Funds, a state investment pool, and \$403,751 was uninsured/uncollateralized. Due to the nature of the Illinois Funds, they are included as deposit balances on the balance sheet. The City does not have a custodial credit risk policy for deposits.

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, 2013 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.

#### **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.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE C – DEPOSITS AND INVESTMENTS (continued)</b>
--

**Investments (continued)**

As of April 30, 2013, the City had the following investments and maturities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
Mutual Funds	\$ 150,004	\$ 150,004	\$ -	\$ -	\$ -
Certificates of deposit	902,202	96,968	805,234	-	-
Total	\$ 1,052,206	\$ 246,972	\$ 805,234	\$ -	\$ -

**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. The mutual funds held by the City are rate AAAM by Standard & Poor's.

**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.

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.

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 position. Investments and daily activities of the funds are managed by the fund's respective boards.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE C – DEPOSITS AND INVESTMENTS (continued)</b>
--

**Investments (continued)**

**Police Pension Fund**

As of April 30, 2013, 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	\$ 3,923,623	\$ 474,517	\$ 2,154,931	\$ 1,294,175	\$ -
Governmental National Mortgage	176,877	-	-	967	175,910
Federal Farm Credit Bank	578,959	-	578,959	-	-
Federal Home Loan Mortgage	391,437	-	354,623	33,258	3,556
Federal National Mortgage	3,264,024	758,630	1,535,841	30,743	938,810
Corporate Debt Obligations	950,703	-	950,703	-	-
Total	<b>\$ 9,285,623</b>	<b>\$ 1,233,147</b>	<b>\$ 5,575,057</b>	<b>\$ 1,359,143</b>	<b>\$ 1,118,276</b>

**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, 2013, all of the Pension Fund's deposits were covered by federal depository or equivalent insurance.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE C – DEPOSITS AND INVESTMENTS (continued)</b>
--

**Investments (continued)**

**Police Pension Fund (continued)**

**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.

**Firemen’s Pension Fund**

As of April 30, 2013, 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
Corporate Bonds	\$ 3,911,140	\$ 1,927,845	\$ 1,983,295	\$ -	\$ -
Governmental National Mortgage	1,540,443	-	-	6,113	1,534,330
Money Market Mutual Funds	1,447,195	1,447,195	-	-	-
Total	\$ 6,898,778	\$ 3,375,040	\$ 1,983,295	\$ 6,113	\$ 1,534,330

**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.

**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.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE C – DEPOSITS AND INVESTMENTS (continued)</b>
--

**Investments (continued)**

**Firemen’s Pension Fund (continued)**

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, 2013, \$146,118 of the bank balance of the deposits was not covered by federal depository insurance or equivalent insurance or collateral. The Pension Fund’s investment policy requires pledging of collateral with a fair value of 100% of all bank balances in excess of federal depository insurance.

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, 2013, the Pension Fund has investments in agency securities of \$1,540,443 exceeding 5% of net plan assets.

<b>NOTE D – ACCOUNTS RECEIVABLE</b>
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Accounts receivable of the business-type activities of \$1,011,768 consists entirely of utilities trade accounts receivable and related liens. Other accounts receivable of the governmental activities of \$2,031,240 primarily consist of, administrative adjudication (62%) and utility taxes (14%). Remaining categories make up less than 10% individually. Receivables details at April 30, 2013, are as follows:

	Governmental Activities	Business-type Activities	Total
Trade accounts receivable	\$ 1,724,678	\$ 1,011,768	\$ 2,571,273
Other receivables/current assets	306,562	25,483	497,218
Allowance for doubtful accounts	(1,134,818)	-	(1,134,818)
	\$ 896,422	\$ 1,037,251	\$ 1,933,673



# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### 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. 2012 taxes became an enforceable lien on January 1, 2013.

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.

#### **Tax Increment Financing Districts**

The City has established several 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, #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, 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 2012 was as follows:

TIF #1 assessed valuation was \$11,550,506 and the tax extension was \$1,928,357.  
TIF #3 assessed valuation was \$3,682,722 and the tax extension was \$561,045.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE E – PROPERTY TAXES (continued)</b>
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**General Property Taxes (continued)**

Assessed Valuations, Rates, Extensions, and Collections

<u>TAX LEVY YEAR</u>	<u>2013</u>	<u>2012</u>
ASSESSED VALUATIONS	<u>\$ 286,961,971</u>	<u>\$ 346,682,497</u>
<u>TAX RATE/\$100 EAV</u>		
General Fund	0.435	0.438
Fire Fund	0.276	0.217
Street and Bridge Fund	0.100	0.061
IMRF	0.146	0.102
Social Security	0.133	0.073
Police Pension	0.302	0.279
Firemen’s Pension	0.239	0.220
Emergency Rescue Service	0.248	0.181
Liability Insurance Fund	<u>0.336</u>	<u>0.261</u>
TOTALS	<u>2.215</u>	<u>1.832</u>
TAX EXTENSIONS		
<u>TAX LEVY YEAR</u>	<u>2013</u>	<u>2012</u>
Fiscal Year Collected	4/30/2014	4/30/2013
Purpose of Levy:		
General Fund	\$ 1,248,285	\$ 1,518,470
Fire Fund	792,015	752,301
Street and Bridge Fund	286,962	211,476
IMRF	418,964	353,616
Social Security	381,659	253,078
Police Pension	866,625	967,244
Firemen’s Pension	685,839	762,702
Emergency Rescue Service	711,666	627,495
Liability Insurance Fund	<u>964,192</u>	<u>904,841</u>
TOTALS	<u>\$ 6,356,207</u>	<u>\$ 6,351,223</u>
Collections		<u>\$ 6,332,398</u>
% of Collections		<u>99.70%</u>

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE F – CAPITAL ASSETS – GOVERNMENTAL ACTIVITIES</b>
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Capital asset activity for governmental activities for the year ended April 30, 2013 was as follows:

	Balance 5/1/12	Additions	Deletions	Balance 4/30/13
Capital assets not being depreciated:				
Land	\$ 2,120,285	\$ -	\$ -	\$ 2,120,285
Capital assets being depreciated:				
Building and improvements	11,997,548	-	-	11,997,548
Machinery and equipment	5,120,235	488,399	70,325	5,538,309
Roads and bridges	29,259,705	-	-	29,259,705
Total capital assets being depreciated	46,377,488	488,399	70,325	46,795,562
Less accumulated depreciation for:				
Buildings and improvements	5,080,538	217,569	-	5,298,107
Machinery and equipment	4,822,387	224,943	70,325	4,977,005
Road and bridges	6,545,972	585,194	-	7,131,166
Total accumulated depreciation	16,448,897	1,027,706	70,325	17,406,278
Total capital assets being depreciated, net	29,928,591	(539,307)	-	29,389,284
Governmental activities capital assets, net	\$ 32,048,876	\$ (539,307)	\$ -	\$ 31,509,569

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

General government	\$ 35,970
Public health and safety	313,061
Public works and engineering	636,223
Economic development and promotion	42,452
Total depreciation expense - governmental activities	\$ 1,027,706

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### NOTE G – CAPITAL ASSETS – BUSINESS-TYPE ACTIVITIES

Capital asset activity for business-type activities for the year ended April 30, 2013 was as follows:

	Balance 5/1/12	Additions	Deletions	Balance 4/30/13
Capital assets not being depreciated:				
Land	\$ 431,831	\$ -	\$ -	\$ 431,831
Capital assets being depreciated:				
Water mains and plant	12,065,579	-	-	12,065,579
Machinery and equipment	1,280,936	-	-	1,280,936
Total capital assets being depreciated	13,346,515	-	-	13,346,515
Less accumulated depreciation for:				
Water mains and plant	7,016,534	296,327	-	7,312,861
Machinery and equipment	1,222,615	14,785	-	1,237,400
Total accumulated depreciation	8,239,149	311,112	-	8,550,261
Total capital assets being depreciated, net	5,107,366	(311,112)	-	4,796,254
Business-type activities capital assets, net	\$ 5,539,197	\$ (311,112)	\$ -	\$ 5,228,085

### 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](http://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 2012 used by the employer was 11.54% of annual covered payroll. The employer annual required contribution rate for calendar year 2012 was 12.22%. 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, 2013

<b>NOTE H – RETIREMENT FUND COMMITMENTS (continued)</b>
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***Defined Benefit Pension Plan - Illinois Municipal Retirement Fund (continued)***

Annual Pension Cost

For calendar year ending December 31, 2012, the employer's actual contributions for pension cost for the Regular employees were \$383,221. Its required contribution for calendar year 2012 was \$405,802. The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5% 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, 2010 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
12/31/12	\$ 405,802	94 %	\$ 0
12/31/11	398,440	91 %	0
12/31/10	381,577	87 %	0

Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 77.00 percent funded. The actuarial accrued liability for benefits was \$10,694,400 and the actuarial value of assets was \$8,234,783, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,459,617. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$3,320,802 and the ratio of the UAAL to the covered payroll was 74 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, 2013

### 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, 2013 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	46
Total Members	<u>82</u>

##### Benefit Provisions

Although this is a single-employer pension plan, the defined 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.

Covered employees hired before January 1, 2011 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. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011 (Tier 2), shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or one half of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040, the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### 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, 2013 consisted of the following classes of participants:

Retirees and beneficiaries receiving benefits	20
Active members	23
Total Members	<u>43</u>

##### 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.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 112 of the monthly salary attached to the rank held at the date of retirement. The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such salary. Covered Employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5 % of final average salary for each year of service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a firefighter hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or 112 of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded, by the year 2040.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE H – RETIREMENT FUND COMMITMENTS (continued)</b>
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***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, 2013 were as follows:

	Police Pension	Fire Pension
Annual Required Contribution	\$ 1,312,035	\$ 1,047,048
Less: Contributions Made	<u>(964,361)</u>	<u>(820,316)</u>
Change in Net Pension Obligation (Asset)	347,674	226,732
Net Pension Obligation (Asset) – May 1, 2012	<u>384,953</u>	<u>(110,034)</u>
Net Pension Obligation – April 30, 2013	<u><u>\$ 732,627</u></u>	<u><u>\$ 116,698</u></u>

The annual required contribution for the current year was determined as part of the April 30, 2012 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.00% investment rate of return and (b) 5.50% projected salary increases. The method used to determine the actuarial value of assets was their market value. The unfunded actuarial accrued liability is being amortized in accordance with Sec. 3-127 of the IL Pension Code.

	Annual Pension Cost	Percentage Contribution	Net Pension (Asset) Obligation
Police Pension			
4/30/11	\$ 963,072	79.92%	\$ 217,329
4/30/12	967,244	85.23%	384,953
4/30/13	964,361	73.50%	732,627
Firemen’s Pension			
4/30/11	\$ 809,459	94.37%	\$ (118,930)
4/30/12	753,351	98.83%	(110,034)
4/30/13	820,316	78.35%	116,698



# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE H – RETIREMENT FUND COMMITMENTS (continued)</b>
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***Police and Firemen’s Pension Funds Annual Pension Cost and Net Pension Obligation (Asset)  
(continued)***

	Actuarial Valuation Date		
	4/30/2012	4/30/2011	4/30/2010
Police Pension			
Actuarial Accrued Liability (AAL)	\$ 38,480,383	\$ 35,677,194	\$ 36,097,622
Actuarial Value of Assets	25,023,004	24,040,943	21,708,401
Unfunded AAL (UAAL)	\$ 13,457,379	\$ 11,636,251	\$ 14,389,221
Funded Ratio	65.03%	67.40%	60.10%
Covered Payroll	\$3,530,911	\$3,142,185	\$3,327,537
UAAL as % of Covered Payroll	381.13%	370.30%	432.40%

	Actuarial Valuation Date		
	4/30/2012	4/30/2011	4/30/2010
Firemen’s Pension			
Actuarial Accrued Liability (AAL)	\$ 25,047,992	\$ 23,548,513	\$ 22,577,182
Actuarial Value of Assets	14,629,917	13,933,877	13,693,252
Unfunded AAL (UAAL)	\$ 10,418,075	\$ 9,614,636	\$ 8,883,930
Funded Ratio	71.21%	59.20%	60.70%
Covered Payroll	\$1,991,159	\$1,809,402	\$1,760,975
UAAL as % of Covered Payroll	521.12%	531.40%	504.50%

***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 2013, the City’s annual OPEB cost was \$231,276. 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, 2013

<b>NOTE H – RETIREMENT FUND COMMITMENTS (continued)</b>
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***Other Post Employment Benefits (continued)***

Annual Required Contribution	\$ 237,453
Interest on Net OPEB Obligation	9,488
Adjustment to the ARC	<u>(15,665)</u>
Annual OPEB Cost	231,276
Estimated Employer Contributions	<u>(139,200)</u>
Change in Net OPEB Obligation	92,076
Net OPEB Obligation – May 1, 2012	<u>316,256</u>
Net OPEB Obligation – April 30, 2013	<u><u>\$ 408,332</u></u>

	Actuarial Valuation Date <u>5/1/2012</u>
Actuarial Accrued Liability (AAL)	\$ 3,782,638
Actuarial Value of Assets	<u>-</u>
Unfunded AAL	<u><u>\$ 3,782,638</u></u>
 Funded Ratio	 0.00%
 Covered Payroll	 N/A
AAL as % of Covered Payroll	N/A

Actuarial calculations are performed by the City triennially. 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, 2012, 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, 2013

### 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. This note (as well as the related debt - see Note J for related General Obligation Bonds Payable) was paid in full December 1, 2012, therefore there was no balance of the note as of April 30, 2013.

### NOTE J – LONG-TERM LIABILITIES

The following is a summary of the City's general long-term debt activity for the year ended April 30, 2013:

Governmental Activities	5/1/2012	Increases	Retirements	4/30/2013	Current Portion
Other Liabilities					
Accrued Vacation Liability	\$ 445,781	\$ 116,457	\$ -	\$ 562,238	\$ -
Capital Lease	-	465,495	156,578	308,917	152,124
Net OPEB Obligation	316,256	231,276	139,200	408,332	-
Net Pension Liability	274,919	2,359,083	1,784,677	849,325	-
Long-term Obligations					
General Obligation Bonds, Series 2002 (Midwestern Regional Medical Center)	19,475,000	-	19,475,000	-	-
General Obligation Bonds, Series 2002A (Special Tax Allocation Fund)	2,525,000	-	2,525,000	-	-
General Obligations Bonds, Series 2002B (Motor Fuel Tax Road Bonds)	2,355,000	-	2,355,000	-	-
General Obligations Bonds, Series 2003 (Motor Fuel Tax Road Bonds)	1,575,000	-	1,575,000	-	-
General Obligation Bonds, Series 2004A (Special Tax Allocation Fund Alternate Revenue Source)	1,275,000	-	130,000	1,145,000	140,000
General Obligation Limited Tax Debt Certificates, Series 2007	2,035,000	-	165,000	1,870,000	175,000
General Obligation Bonds, Series 2012 (Special Tax Allocation Fund Alternate Revenue Source)	2,500,000	-	-	2,500,000	-
General Obligation Refunding Bonds, Series 2012A (Special Tax Allocation Fund Alternate Revenue Source)	-	2,215,000	-	2,215,000	515,000
General Obligation Refunding Bonds, Series 2012B (Combined Zion Energy LLC Agreement Fees and Motor Fuel Tax) Receipts Alternate Revenue Bonds	-	2,160,000	-	2,160,000	335,000
General Obligation Refunding Bonds, Series 2012C (Combined Zion Energy LLC Agreement Fees and Motor Fuel Tax) Receipts Alternate Revenue Bonds	-	1,460,000	-	1,460,000	225,000
Discount on Long-Term Liabilities	(63,528)	(37,117)	(12,163)	(88,482)	(15,964)
Deferred Gain/Loss on Refunding	-	(141,163)	(28,346)	(112,817)	(28,346)
<b>Governmental Long-Term Liability Totals</b>	<b>\$ 32,713,428</b>	<b>\$ 8,829,031</b>	<b>\$ 28,264,946</b>	<b>\$ 13,277,513</b>	<b>\$ 1,497,814</b>

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE J – LONG-TERM DEBT (continued)</b>
--

Business-Type Activities	5/1/2012	Increases	Retirements	4/30/2013	Current Portion
General Obligation Refunding Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2006	\$ 2,025,000	\$ -	\$ 165,000	\$ 1,860,000	\$ 175,000
Discount on Bonds Issued	(16,242)	-	(1,805)	(14,437)	(1,805)
Deferred Amount of Refund	(61,638)	-	(6,848)	(54,790)	(6,849)
Business-Type Long-Term Liability Totals	1,947,120	-	156,347	1,790,773	166,346
Government Wide Long-Term Liability Totals	\$ 34,660,548	\$ 8,829,031	\$ 28,421,293	\$ 15,068,286	\$ 1,664,160

Debt outstanding as of April 30, 2013, consisted of the following:

### Capital Lease Obligations

On January 20, 2012 the City acquired an ambulance through a lease/purchase agreement. The gross amount of the asset is \$152,906, which is included in capital assets in the governmental activities on the Statement of Net Position. There are three payments due annually with the first payment being made January 20, 2013. The future minimum lease obligations on the agreement are as follows:

Year Ending April 30,	Principal	Interest	Total
2014	\$ 50,951	\$ 3,408	\$ 54,359
2015	52,627	1,732	54,359
	\$ 103,578	\$ 5,140	\$ 108,718

On August 15, 2012 the City acquired ten police vehicles through a lease/purchase agreement. The gross amount of the assets is \$312,589, which is included in capital assets in the governmental activities on the Statement of Net Position. There are three payments due annually with the first payment being made August 15, 2012. The future minimum lease obligations on the agreement are as follows:

Year Ending April 30,	Principal	Interest	Total
2014	\$ 101,173	\$ 6,077	\$ 107,250
2015	104,166	3,084	107,250
	\$ 205,339	\$ 9,161	\$ 214,500

### 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. Effective December 1, 2012, these bonds were paid in their entirety resulting in no outstanding balance as of April 30, 2013.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE J – LONG-TERM DEBT (continued)</b>
--

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
2014	\$ 140,000	\$ 63,515	\$ 203,515
2015	145,000	57,285	202,285
2016	155,000	49,020	204,020
2017	160,000	40,185	200,185
2018	170,000	31,065	201,065
2019 – 2020	375,000	32,490	407,490
	\$ 1,145,000	\$ 273,560	\$ 1,418,560

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
2014	\$ 175,000	\$ 79,987	\$ 254,987
2015	180,000	72,463	252,463
2016	190,000	64,723	254,723
2017	200,000	56,553	256,553
2018	205,000	48,053	253,053
2019 - 2022	920,000	100,718	1,020,718
	\$ 1,870,000	\$ 422,497	\$ 2,292,497

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE J – LONG-TERM DEBT (continued)</b>
--

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
2014	\$ -	\$ 150,000	\$ 150,000
2015	-	150,000	150,000
2016	285,000	150,000	435,000
2017	305,000	132,900	437,900
2018	325,000	114,600	439,600
2019 - 2022	1,585,000	244,200	1,829,200
	\$ 2,500,000	\$ 941,700	\$ 3,441,700

General Obligation Refunding Bonds (Special Tax Allocation Fund Alternate Revenue Source) 2012-A

General Obligation Bonds, Series 2012-A were issued on December 17, 2012 in the amount of \$2,215,000 with an interest rate of 1.80%, payable June 30 and December 30 each year. Proceeds were used to refund the General Obligation Bonds (Special Tax Allocation Fund Alternate Revenue Source), Series 2002-A and to pay the related 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
2014	\$ 515,000	\$ 40,202	\$ 555,202
2015	540,000	30,600	570,600
2016	570,000	20,880	590,880
2017	590,000	10,620	600,620
	\$ 2,215,000	\$ 102,302	\$ 2,317,302

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$57,826. This difference, reported in the accompanying financial statements as a reduction to bonds payable, is being charged to operations through the year 2016 using the straight-line method. The advance refunding was completed to reduce its total debt service payments over the next 4 years by \$95,704 and results in an economic gain (difference between the present values of the old and new debt service payments) of \$35,924.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE J – LONG-TERM DEBT (continued)</b>
--

General Obligation Refunding Bonds (Combined Zion Energy LLC Agreement Fees and Motor Fuel Tax Receipts Alternate Revenue Source), Series 2012-B

General Obligation Bonds, Series 2012-B were issued on December 17, 2012 in the amount of \$2,160,000 with an interest rate of 2.35%, payable June 30 and December 30 each year. Proceeds were used to refund the General Obligation Bonds (Motor Fuel Tax Road Bonds), Series 2002-B and to pay the related 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
2014	\$ 335,000	\$ 51,183	\$ 386,183
2015	340,000	42,888	382,888
2016	355,000	34,898	389,898
2017	370,000	26,555	396,555
2018	375,000	17,860	392,860
2019	385,000	9,048	394,048
	\$ 2,160,000	\$ 182,432	\$ 2,342,432

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$47,669. This difference, reported in the accompanying financial statements as a reduction to bonds payable, is being charged to operations through the year 2018 using the straight-line method. The advance refunding was completed to reduce its total debt service payments over the next 6 years by \$129,381 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$72,654.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE J – LONG-TERM DEBT (continued)</b>
--

General Obligation Refunding Bonds (Combined Zion Energy LLC Agreement Fees and Motor Fuel Tax Receipts Alternate Revenue Source), Series 2012-C

General Obligation Bonds, Series 2012-C were issued on December 17, 2012 in the amount of \$1,460,000 with an interest rate of 2.35%, payable June 30 and December 30 each year. Proceeds were used to refund the General Obligation Bonds (Motor Fuel Tax Road Bonds), Series 2003 and to pay the related 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
2014	\$ 225,000	\$ 34,596	\$ 259,596
2015	235,000	29,023	264,023
2016	240,000	23,500	263,500
2017	250,000	17,860	267,860
2018	250,000	11,985	261,985
2019	260,000	6,110	266,110
	\$ 1,460,000	\$ 123,074	\$ 1,583,074

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$35,668. This difference, reported in the accompanying financial statements as a reduction to bonds payable, is being charged to operations through the year 2018 using the straight-line method. The advance refunding was completed to reduce its total debt service payments over the next 6 years by \$28,771 and resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$3,919.



# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

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

#### 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.

Debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2014	\$ 175,000	\$ 79,458	\$ 254,458
2015	180,000	72,668	252,668
2016	190,000	65,498	255,498
2017	195,000	56,918	251,918
2018	200,000	47,043	247,043
2019 - 2022	920,000	82,646	1,002,646
	<u>\$ 1,860,000</u>	<u>\$ 404,231</u>	<u>\$ 2,264,231</u>

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.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE K – INTERFUND TRANSACTIONS AND BALANCES</b>
---

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, 2013, interfund receivables and payables consisted of the following:

Fund	Due from/ Advance to Other Funds	Due to/ Advance from Other Funds
General Fund		
TIF Area #1	\$ 1,501,029	\$ -
Bond Debt Service	103,614	-
Water and Sewer	-	1,316,571
Nonmajor Governmental	1,469,588	-
	3,074,231	1,316,571
TIF Area #1		
General Fund	-	1,501,029
Nonmajor Governmental	490,238	-
	490,238	1,501,029
Bond Debt Service		
General Fund	-	103,614
	-	103,614
Water and Sewer Fund		
General Fund	1,316,571	-
Waste Collection	881,729	-
	2,198,300	-
Waste Collection		
Water and Sewer Fund	-	881,729
	-	881,729
Nonmajor Governmental		
General Fund	-	1,469,588
TIF Area #1		490,238
Nonmajor Governmental	535,782	535,782
	535,782	2,495,608
Total	\$ 6,298,551	\$ 6,298,551

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### **NOTE K – INTERFUND TRANSACTIONS AND BALANCES (continued)**

#### Due From/Due To Other Funds (continued):

- General Fund - \$1,501,029 is due from Development TIF Area #1 for cash overdrafts deemed to have been funded by the General Fund. \$103,614 is due from Bond Debt Service for cash deemed to be restricted for 2014 debt service per the bond escrow agreement. \$1,469,588 is due from other Nonmajor Governmental funds deemed to have been funded by the General Fund. Additionally, \$1,316,571 is due to the Water and Sewer Fund for a loan to be repaid in equal installments through fiscal year 2021, with the first installment beginning May 1, 2015. The balance shall accrue interest at a rate of 0.25% per annum.
- Development TIF Area #1 - \$1,501,029 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.
- Bond Debt Service - \$103,614 is due to the General Fund for cash to have been funded by the General Fund which is deemed to be restricted for 2014 debt service per the bond escrow agreement; all repayments are expected within one year.
- Water and Sewer Fund – \$881,729 is due from Waste Collection Fund for cash overdrafts deemed to have been funded by the Water and Sewer Fund. Additionally, \$1,316,571 is due from the General Fund for a loan to be repaid in equal installments through fiscal year 2021, with the first installment beginning May 1, 2015. The balance shall accrue interest at a rate of 0.25% per annum.
- Waste Collection - \$881,729 is due to the Water and Sewer Fund for cash overdrafts deemed to have been funded by the Water and Sewer Fund; all repayments are expected within one year.
- Nonmajor Governmental Funds - \$1,469,588 is due to the General Fund for cash overdrafts deemed to have been funded by the General Fund. Additionally \$490,238 is due to Development TIF Area #1 for cash to be funded from debt service funds which is deemed to be restricted for 2014 debt service per the bond escrow agreement.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE K – INTERFUND TRANSACTIONS AND BALANCES (continued)</b>
---

The following transfers were made during the year ended April 30, 2013:

Fund	Transfer In	Transfer Out
General Fund		
Bond Debt Service	\$ -	\$ 302,083
TIF Area #1	7,800	-
Nonmajor Governmental	2,422,194	287,330
	2,429,994	589,413
TIF Area #1		
General Fund	-	7,800
Nonmajor Governmental	-	509,904
	-	517,704
Bond Debt Service		
General Fund	302,083	-
Capital Projects Hospital	13,175,579	-
	13,477,662	-
Capital Projects Hospital		
Bond Debt Service	-	13,175,579
	-	13,175,579
Nonmajor Governmental		
General Fund	287,330	2,422,194
TIF Area #1	509,904	-
Nonmajor Governmental	914,196	914,196
	1,711,430	3,336,390
Total	\$ 17,619,086	\$ 17,619,086

- General Fund - \$302,083 transfer to Bond Debt Service fund for required debt service payments. \$7,800 transfer from TIF Area #1 to reimburse General Fund for TIF eligible expenses incurred. \$2,422,194 of net transfers in from nonmajor governmental funds is the result of transfers in for various purposes to fund governmental services such as fire and rescue, liability insurance, industrial development and police protection offset by transfers out to fund capital projects and payroll tax liabilities.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### **NOTE K – INTERFUND TRANSACTIONS AND BALANCES (continued)**

#### Transfers (continued):

- Development TIF Area #1 - \$7,800 transfer to General Fund for TIF eligible expenses incurred. \$509,904 transfer out to nonmajor governmental funds to cover debt service payments.
- Bond Debt Service Fund - \$302,083 from General Fund for required debt service payments. \$13,175,580 from nonmajor governmental funds to pay scheduled debt service payments as well as early extinguishment of Series 2002 bonds.
- Nonmajor Governmental - \$2,134,864 of net transfers to the General Fund is the result of transfers out for various purposes to fund governmental services such as fire and rescue, liability insurance, industrial development and police protection offset by transfers in to fund capital projects and payroll tax liabilities. \$509,904 net transfer in from TIF Area #1 to cover debt service payments. \$13,175,580 to Bond Debt Service fund to pay scheduled debt service payments as well as early extinguishment of Series 2002 bonds.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE L – NET POSITION</b>
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The following table shows the City's net position restricted for other purposes as shown on the Statement of Net Position:

Activity	Restricted by	Amount
TIF #1 Bond Series 2002A	Bond Ordinance	\$ 64,965
Bond Series 2002B Road Bond	Bond Ordinance	57,979
Bond Series 2003 Road Bond	Bond Ordinance	52,018
Bond Debt Service		46,386
Total Net Position Restricted for Debt Service – Governmental Activities		\$ 221,348

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

Activity	Restricted by	Amount
Liability Insurance	Law	\$ 15,793
Emergency Service Rescue	Law	167,335
Zion-Newport Fire Station	Law	305,895
Development TIF Area #3	Law	671,687
Development TIF Area #4	Law	5,679
Impact Fees	Ordinance	181,485
Motor Fuel Tax	Law	418,055
Audit	Law	13,936
Industrial Development	Ordinance	1,257
Cable Commission		21,571
Hotel/Motel Tax	Law	118,169
Total Restricted Net Position for Other Purposes		\$ 1,920,862

The following tables shows the City's net investment in capital assets:

Description	Governmental Activities Amount	Business-Type Activities Amount
Capital assets, net of accumulated depreciation	\$ 31,509,569	\$ 5,228,085
Less: capital-related debt	(8,957,618)	(1,790,774)
Net investment in capital assets	\$ 22,551,951	\$ 3,437,311

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

<b>NOTE M – FUND BALANCES</b>
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### Categories

At April 30, 2013, the City's fund balances were classified as follows:

	General	Development TIF Area #1	Bond Debt Service	Capital Projects Hospital	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepays	\$ 433,337	\$ -	\$ -	\$ -	\$ -	\$ 433,337
Total Nonspendable	433,337	-	-	-	-	433,337
Restricted for						
Debt service	-	-	46,386	-	-	46,386
Capital projects	-	-	-	-	-	-
Other purposes	-	-	-	-	2,095,959	2,095,959
Total Restricted	-	-	46,386	-	2,095,959	2,142,345
Total Unassigned	2,115,603	(1,010,791)	-	-	(1,100,008)	4,804
Total Fund Balance	\$ 2,548,940	\$ (1,010,791)	\$ 46,386	\$ -	\$ 995,951	\$ 2,580,486

<b>NOTE N – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS</b>
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### 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.

### Contractual Agreements

#### *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 1<sup>st</sup> annually from July 1, 2009 through July 1, 2015.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### **NOTE N – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS (continued)**

#### Contractual Agreements (continued)

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, payments will be due as detailed below with the 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 \$4,136,763 and total remaining payments (upon presentation of supporting documentation referred to within the agreement) to be paid from TIF are scheduled as follows:

Year Ending April 30,	
2014	\$ 730,484
2015	745,622
2016	761,137
2017	777,041
2018	542,342
Total	<u>\$ 3,556,626</u>

### **NOTE O – 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, 2013:

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 (\$1,880,481 in the aggregate).

The City Attorney estimates that the amount of actual or potential claims against the City as of April 30, 2013, 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.



# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2013

### NOTE O – RISK MANAGEMENT AND LITIGATION (continued)

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 P – SUBSEQUENT EVENTS

On June 5, 2013, the City issued 1,230,000 of Taxable General Obligation Refunding Bonds, Series 2013. The bonds were used to refund the remaining outstanding principle balance of \$1,145,000 of Taxable General Obligation Bonds, Series 2004, and the related scheduled interest payment of \$31,757.

Management evaluated subsequent events through February 5, 2014, the date the financial statements were available to be issued. Events or transactions occurring after April 30, 2013, but prior to February 5, 2014 that provided additional evidence about conditions that existed at April 30, 2013, have been recognized in the financial statements for the year ended April 30, 2013. Events or transactions that provided evidence about conditions that did not exist at April 30, 2013 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended April 30, 2013.

### NOTE Q – PRIOR PERIOD ADJUSTMENT

The City of Zion, Illinois Police Pension Fund and the City of Zion, Illinois Firefighters' Pension Fund adjusted beginning net position to correctly reflect the recognition of employer contributions. It was determined that the City of Zion, Illinois Police Pension Fund and the City of Zion, Illinois Firefighters' Pension Fund were recognizing the employer contribution in advance of a formal commitment by the City. The effect of this adjustment is as follows:

	<u>Police Pension</u>	<u>Fireman's Pension</u>
Net position, Balance at April 30, 2012, as reported	\$ 24,376,161	\$ 14,266,170
Adjustment to employer contributions	<u>(910,729)</u>	<u>(752,301)</u>
Net position, Balance as May 1, 2012, as restated	<u>\$ 23,465,432</u>	<u>\$ 13,513,869</u>

This information is an integral part of the accompany financial statements.

**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, 2013

	2013			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 8,088,037	\$ 8,088,037	\$ 10,748,943	\$ 2,660,906
Licenses, permits, and fees	3,302,295	3,302,295	4,207,335	905,040
Fines and forfeitures	508,511	508,511	365,922	(142,589)
Rental revenue	31,995	31,995	55,510	23,515
Charges for services	677,182	759,682	786,891	27,209
Intergovernmental	300,435	300,435	197,017	(103,418)
Donations and grants	82,097	82,097	29,736	(52,361)
Interest	20,000	20,000	3,774	(16,226)
Miscellaneous	996,525	996,525	898,871	(97,654)
<b>TOTAL REVENUES</b>	<u>14,007,077</u>	<u>14,089,577</u>	<u>17,293,999</u>	<u>3,204,422</u>
<b>EXPENDITURES</b>				
General government	2,244,528	2,207,028	1,620,820	586,208
Public health and safety	10,413,870	10,358,870	13,029,380	(2,670,510)
Public works and engineering	2,404,619	2,327,619	2,394,443	(66,824)
Economic development and promotion	1,062,443	1,062,443	1,337,810	(275,367)
<b>TOTAL EXPENDITURES</b>	<u>16,125,460</u>	<u>15,955,960</u>	<u>18,382,453</u>	<u>(2,426,493)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(2,118,383)</u>	<u>(1,866,383)</u>	<u>(1,088,454)</u>	<u>777,929</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from capital lease	-	-	465,495	465,495
Proceeds from sale of capital assets	20,000	20,000	54,879	34,879
Transfers in	2,532,459	2,532,459	2,429,994	(102,465)
Transfers (out)	(424,913)	(594,413)	(589,413)	5,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>2,127,546</u>	<u>1,958,046</u>	<u>2,360,955</u>	<u>402,909</u>
<b>NET CHANGE IN FUND BALANCE</b>	9,163	91,663	1,272,501	1,180,838
<b>FUND BALANCE - BEGINNING OF YEAR</b>	1,276,439	1,276,439	1,276,439	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,285,602</u>	<u>\$ 1,368,102</u>	<u>\$ 2,548,940</u>	<u>\$ 1,180,838</u>

**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, 2013

	2013			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 1,667,334	\$ 1,667,334	\$ 1,661,006	\$ (6,328)
Interest	-	-	39	39
<b>TOTAL REVENUES</b>	<u>1,667,334</u>	<u>1,667,334</u>	<u>1,661,045</u>	<u>(6,289)</u>
<b>EXPENDITURES</b>				
Contractual Services				
Promotional	715,717	715,717	724,692	(8,975)
Surplus distributions	70,000	70,000	70,000	-
Legal and professional	12,250	12,250	11,793	457
Appraisals	1,000	1,000	-	1,000
Miscellaneous	375	375	375	-
Total Contractual Services	<u>799,342</u>	<u>799,342</u>	<u>806,860</u>	<u>(7,518)</u>
Capital Outlay				
Future projects	73,000	73,000	-	73,000
Total Capital Outlay	<u>73,000</u>	<u>73,000</u>	<u>-</u>	<u>73,000</u>
<b>TOTAL EXPENDITURES</b>	<u>872,342</u>	<u>872,342</u>	<u>806,860</u>	<u>65,482</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>794,992</u>	<u>794,992</u>	<u>854,185</u>	<u>59,193</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers (out)	<u>(559,405)</u>	<u>(559,405)</u>	<u>(517,704)</u>	<u>41,701</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(559,405)</u>	<u>(559,405)</u>	<u>(517,704)</u>	<u>41,701</u>
<b>NET CHANGE IN FUND BALANCE</b>	235,587	235,587	336,481	100,894
<b>FUND BALANCE - BEGINNING OF YEAR</b>	(1,347,272)	(1,347,272)	(1,347,272)	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (1,111,685)</u>	<u>\$ (1,111,685)</u>	<u>\$ (1,010,791)</u>	<u>\$ 100,894</u>

**CITY OF ZION, ILLINOIS**

**FIREMEN'S PENSION FUND -  
SCHEDULE OF FUNDING PROGRESS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
4/30/2012	\$ 14,629,917	\$ 25,047,992	\$ 10,418,075	58.41%	\$ 1,999,159	521.12%
4/30/2011	13,933,877	23,548,513	9,614,636	59.17%	1,809,402	531.37%
4/30/2010	13,693,252	22,577,182	8,883,930	60.65%	1,760,975	504.49%

**CITY OF ZION, ILLINOIS**

POLICE PENSION FUND -  
SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
4/30/2012	\$ 25,023,004	\$ 38,480,383	\$ 13,457,379	65.03%	\$ 3,530,911	381.13%
4/30/2011	24,040,943	35,677,194	11,636,251	67.38%	3,142,185	370.32%
4/30/2010	21,708,401	36,097,622	14,389,221	60.14%	3,327,537	432.43%

**CITY OF ZION, ILLINOIS**

ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
4/30/2012	\$ 8,234,783	\$ 10,694,400	\$ 2,459,617	77.00%	\$ 3,320,802	74.07%
4/30/2011	7,739,554	10,130,688	2,391,134	76.40%	3,437,793	69.55%
4/30/2010	7,435,033	9,825,500	2,390,467	75.67%	3,484,725	68.60%

**CITY OF ZION, ILLINOIS**

**OTHER POSTEMPLOYMENT BENEFITS  
SCHEDULE OF FUNDING PROGRESS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
4/30/2010	\$ -	\$ 3,582,705	\$ 3,582,705	0.00%	N/A	N/A



**CITY OF ZION, ILLINOIS**

***SUPPLEMENTARY INFORMATION***

**CITY OF ZION, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET  
April 30, 2013

**ASSETS**

	SPECIAL REVENUE FUNDS			
	911 Emergency Surcharge	Zion - Newport Fire Station	Emergency Service Rescue	Street and Bridge
<b>ASSETS</b>				
Cash and equivalents	\$ -	\$ 206,957	\$ 167,335	\$ -
Taxes receivable, net of allowance for uncollectables of \$46,580	-	-	708,107	285,527
Due from other governmental agencies	-	98,938	-	-
Due from other funds	-	-	-	-
Other assets	112,886	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 112,886</b>	<b>\$ 305,895</b>	<b>\$ 875,442</b>	<b>\$ 285,527</b>

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>				
Accounts payable	\$ 5,775	\$ -	\$ -	\$ 8,663
Due to other governmental agencies	-	-	-	-
Due to other funds	291,642	-	-	31,373
Accrued payroll	-	-	-	-
Deferred revenue - property taxes	-	-	708,107	285,527
<b>TOTAL LIABILITIES</b>	<b>297,417</b>	<b>-</b>	<b>708,107</b>	<b>325,563</b>
<b>FUND BALANCES (DEFICIT)</b>				
Restricted	-	305,895	167,335	-
Unassigned (deficit)	(184,531)	-	-	(40,036)
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b>(184,531)</b>	<b>305,895</b>	<b>167,335</b>	<b>(40,036)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 112,886</b>	<b>\$ 305,895</b>	<b>\$ 875,442</b>	<b>\$ 285,527</b>

SPECIAL REVENUE FUNDS

Illinois Municipal Retirement	FICA	Motor Fuel Tax	Development TIF Area #2	Development TIF Area #3	Development TIF Area #4	Impact Fee
\$ -	\$ -	\$ 47,244	\$ -	\$ 671,686	\$ 5,679	\$ 181,485
416,870	379,751	-	-	561,046	-	-
-	-	41,984	-	-	-	-
-	-	328,204	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 416,870</u>	<u>\$ 379,751</u>	<u>\$ 417,432</u>	<u>\$ -</u>	<u>\$ 1,232,732</u>	<u>\$ 5,679</u>	<u>\$ 181,485</u>
\$ -	\$ -	\$ 1,305	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
176,364	99,775	-	-	-	-	-
10,910	9,160	-	-	-	-	-
416,870	379,751	-	-	561,045	-	-
<u>604,144</u>	<u>488,686</u>	<u>1,305</u>	<u>-</u>	<u>561,045</u>	<u>-</u>	<u>-</u>
-	-	416,127	-	671,687	5,679	181,485
(187,274)	(108,935)	-	-	-	-	-
<u>(187,274)</u>	<u>(108,935)</u>	<u>416,127</u>	<u>-</u>	<u>671,687</u>	<u>5,679</u>	<u>181,485</u>
<u>\$ 416,870</u>	<u>\$ 379,751</u>	<u>\$ 417,432</u>	<u>\$ -</u>	<u>\$ 1,232,732</u>	<u>\$ 5,679</u>	<u>\$ 181,485</u>

**CITY OF ZION, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET  
April 30, 2013

**ASSETS**

	SPECIAL REVENUE FUNDS		
	Impact Fee - Fire/Rescue	Impact Fee - Other Gov't Agencies	Police Protection
<b>ASSETS</b>			
Cash and equivalents	\$ -	\$ 2,788	\$ -
Taxes receivable, net of allowance for uncollectables of \$46,580	-	-	-
Due from other governmental agencies	-	-	-
Due from other funds	-	-	-
Other assets	-	-	-
	-	-	-
<b>TOTAL ASSETS</b>	\$ -	\$ 2,788	\$ -

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other governmental agencies	-	860	-
Due to other funds	68,389	-	22,929
Accrued payroll	-	-	-
Deferred revenue - property taxes	-	-	-
	-	-	-
<b>TOTAL LIABILITIES</b>	68,389	860	22,929
<b>FUND BALANCES (DEFICIT)</b>			
Restricted	-	1,928	-
Unassigned (deficit)	(68,389)	-	(22,929)
	(68,389)	1,928	(22,929)
<b>TOTAL FUND BALANCES</b>	(68,389)	1,928	(22,929)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	\$ -	\$ 2,788	\$ -

SPECIAL REVENUE FUNDS

Liability Insurance	Audit	Drug Traffic Prevention	Industrial Development	Cable Commission	Hotel/Motel Tax
\$ 15,793	\$ 13,936	\$ 65,338	\$ -	\$ 21,571	\$ 129,909
959,371	-	-	-	-	-
-	-	-	-	-	-
-	-	-	207,578	-	-
-	-	-	-	-	13,865
<u>\$ 975,164</u>	<u>\$ 13,936</u>	<u>\$ 65,338</u>	<u>\$ 207,578</u>	<u>\$ 21,571</u>	<u>\$ 143,774</u>
\$ -	\$ -	\$ 370	\$ -	\$ -	\$ 25,605
-	-	70,355	-	-	-
-	-	-	206,321	-	-
-	-	-	-	-	-
959,371	-	-	-	-	-
<u>959,371</u>	<u>-</u>	<u>70,725</u>	<u>206,321</u>	<u>-</u>	<u>25,605</u>
15,793	13,936	-	1,257	21,571	118,169
-	-	(5,387)	-	-	-
<u>15,793</u>	<u>13,936</u>	<u>(5,387)</u>	<u>1,257</u>	<u>21,571</u>	<u>118,169</u>
<u>\$ 975,164</u>	<u>\$ 13,936</u>	<u>\$ 65,338</u>	<u>\$ 207,578</u>	<u>\$ 21,571</u>	<u>\$ 143,774</u>

**CITY OF ZION, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING BALANCE SHEET  
April 30, 2013

**ASSETS**

	<u>SPECIAL REVENUE FUNDS</u>		<u>DEBT SERVICE FUNDS</u>	
	Fire Protection	Total Special Revenue Funds	TIF #1 Bond Series 2002A	Bond Series 2002B Road Bond
<b>ASSETS</b>				
Cash and equivalents	\$ -	\$ 1,529,721	\$ 555,203	\$ 386,183
Taxes receivable, net of allowance for uncollectables of \$46,580	788,055	4,098,727	-	-
Due from other governmental agencies	-	140,922	-	-
Due from other funds	-	535,782	-	-
Other assets	-	126,751	-	-
<b>TOTAL ASSETS</b>	<u>\$ 788,055</u>	<u>\$ 6,431,903</u>	<u>\$ 555,203</u>	<u>\$ 386,183</u>

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 41,718	\$ -	\$ -
Due to other governmental agencies	-	71,215	-	-
Due to other funds	571,257	1,468,050	490,238	328,204
Accrued payroll	-	20,070	-	-
Deferred revenue - property taxes	788,055	4,098,726	-	-
<b>TOTAL LIABILITIES</b>	<u>1,359,312</u>	<u>5,699,779</u>	<u>490,238</u>	<u>328,204</u>
<b>FUND BALANCES (DEFICIT)</b>				
Restricted	-	1,920,862	64,965	57,979
Unassigned (deficit)	<u>(571,257)</u>	<u>(1,188,738)</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUND BALANCES</b>	<u>(571,257)</u>	<u>732,124</u>	<u>64,965</u>	<u>57,979</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 788,055</u>	<u>\$ 6,431,903</u>	<u>\$ 555,203</u>	<u>\$ 386,183</u>

DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS			Total Nonmajor Governmental Funds
Bond Series 2003 Road Bond	Area 3 South Sheridan Rd. Project	Total Debt Service Funds	TIF #1 Capital Projects	Capital Projects	Total Capital Projects Funds	
\$ 259,596	\$ -	\$ 1,200,982	\$ 135	\$ 90,268	\$ 90,403	\$ 2,821,106
-	-	-	-	-	-	4,098,727
-	-	-	-	-	-	140,922
-	-	-	-	-	-	535,782
-	-	-	-	-	-	126,751
<u>\$ 259,596</u>	<u>\$ -</u>	<u>\$ 1,200,982</u>	<u>\$ 135</u>	<u>\$ 90,268</u>	<u>\$ 90,403</u>	<u>\$ 7,723,288</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,718
-	-	-	-	-	-	71,215
207,578	1,538	1,027,558	-	-	-	2,495,608
-	-	-	-	-	-	20,070
-	-	-	-	-	-	4,098,726
<u>207,578</u>	<u>1,538</u>	<u>1,027,558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,727,337</u>
52,018	-	174,962	135	-	135	2,095,959
-	(1,538)	(1,538)	-	90,268	90,268	(1,100,008)
<u>52,018</u>	<u>(1,538)</u>	<u>173,424</u>	<u>135</u>	<u>90,268</u>	<u>90,403</u>	<u>995,951</u>
<u>\$ 259,596</u>	<u>\$ -</u>	<u>\$ 1,200,982</u>	<u>\$ 135</u>	<u>\$ 90,268</u>	<u>\$ 90,403</u>	<u>\$ 7,723,288</u>

**CITY OF ZION, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 For the Year Ended April 30, 2013

	SPECIAL REVENUE FUNDS			
	911 Emergency Surcharge	Zion - Newport Fire Station	Emergency Service Rescue	Street and Bridge
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 625,641	\$ 210,869
Other taxes	169,594	-	-	-
Permits and other fees	-	-	-	-
Intergovernmental	-	-	-	-
Interest	25,200	388	-	-
Miscellaneous	42,000	-	-	-
<b>TOTAL REVENUES</b>	<u>236,794</u>	<u>388</u>	<u>625,641</u>	<u>210,869</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public health and safety	111,865	24	-	-
Public works and engineering	-	-	-	195,231
Economic development and promotion	-	-	-	-
Capital Outlay	31,683	-	-	-
Debt Service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total Debt Service</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>143,548</u>	<u>24</u>	<u>-</u>	<u>195,231</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>93,246</u>	<u>364</u>	<u>625,641</u>	<u>15,638</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	-	-	-	-
Discount on bond issuance	-	-	-	-
Payment to escrow agent	-	-	-	-
Transfers in	-	98,938	-	-
Transfers (out)	-	-	(625,641)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>98,938</u>	<u>(625,641)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	93,246	99,302	-	15,638
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	(277,777)	206,593	167,335	(55,674)
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ (184,531)</u>	<u>\$ 305,895</u>	<u>\$ 167,335</u>	<u>\$ (40,036)</u>



SPECIAL REVENUE FUNDS

Illinois Municipal Retirement	FICA	Motor Fuel Tax	Development TIF Area #2	Development TIF Area #3	Development TIF Area #4	Impact Fee
\$ 352,588	\$ 252,346	\$ -	\$ -	\$ 640,849	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	680,636	-	-	-	-
-	-	585	-	39	-	-
-	-	-	-	-	-	-
<u>352,588</u>	<u>252,346</u>	<u>681,221</u>	<u>-</u>	<u>640,888</u>	<u>-</u>	<u>-</u>
89,583	60,159	-	-	-	-	-
89,750	145,849	-	-	-	-	-
195,685	126,852	184,313	-	-	-	-
6,507	4,329	-	-	750	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>381,525</u>	<u>337,189</u>	<u>184,313</u>	<u>-</u>	<u>750</u>	<u>-</u>	<u>-</u>
<u>(28,937)</u>	<u>(84,843)</u>	<u>496,908</u>	<u>-</u>	<u>640,138</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	117,830	-	-	-	-	-
-	-	(373,779)	-	(202,438)	-	-
<u>-</u>	<u>117,830</u>	<u>(373,779)</u>	<u>-</u>	<u>(202,438)</u>	<u>-</u>	<u>-</u>
(28,937)	32,987	123,129	-	437,700	-	-
(158,337)	(141,922)	292,998	-	233,987	5,679	181,485
<u>\$ (187,274)</u>	<u>\$ (108,935)</u>	<u>\$ 416,127</u>	<u>\$ -</u>	<u>\$ 671,687</u>	<u>\$ 5,679</u>	<u>\$ 181,485</u>

**CITY OF ZION, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 For the Year Ended April 30, 2013

	SPECIAL REVENUE FUNDS		
	Impact Fee - Fire/Rescue	Impact Fee - Other Gov't Agencies	Police Protection
<b>REVENUES</b>			
Property taxes	\$ -	\$ -	\$ -
Other taxes	-	-	-
Permits and other fees	-	-	-
Intergovernmental	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>			
Current			
General government	-	-	-
Public health and safety	-	-	-
Public works and engineering	-	-	-
Economic development and promotion	-	-	-
Capital Outlay	-	-	-
Debt Service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs	-	-	-
Total Debt Service	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bond proceeds	-	-	-
Discount on bond issuance	-	-	-
Payment to escrow agent	-	-	-
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<b>(68,389)</b>	<b>1,928</b>	<b>(22,929)</b>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<b>\$ (68,389)</b>	<b>\$ 1,928</b>	<b>\$ (22,929)</b>

SPECIAL REVENUE FUNDS

Liability Insurance	Audit	Drug Traffic Prevention	Industrial Development	Cable Commission	Hotel/Motel Tax
\$ 902,177	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	206,586
-	-	-	375,000	-	-
-	-	-	-	-	-
-	-	8,726	-	-	-
<u>902,177</u>	<u>-</u>	<u>8,726</u>	<u>375,000</u>	<u>-</u>	<u>206,586</u>
-	-	-	-	-	-
-	-	10,345	-	-	-
-	-	-	-	-	-
-	-	-	-	-	99,819
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>10,345</u>	<u>-</u>	<u>-</u>	<u>99,819</u>
<u>902,177</u>	<u>-</u>	<u>(1,619)</u>	<u>375,000</u>	<u>-</u>	<u>106,767</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(902,177)</u>	<u>-</u>	<u>(63,856)</u>	<u>(375,000)</u>	<u>-</u>	<u>(43,426)</u>
<u>(902,177)</u>	<u>-</u>	<u>(63,856)</u>	<u>(375,000)</u>	<u>-</u>	<u>(43,426)</u>
-	-	(65,475)	-	-	63,341
15,793	13,936	60,088	1,257	21,571	54,828
<u>\$ 15,793</u>	<u>\$ 13,936</u>	<u>\$ (5,387)</u>	<u>\$ 1,257</u>	<u>\$ 21,571</u>	<u>\$ 118,169</u>

**CITY OF ZION, ILLINOIS**  
**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 For the Year Ended April 30, 2013

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS	
	Fire Protection	Total Special Revenue Funds	TIF #1 Bond Series 2002A	Bond Series 2002B Road Bond
<b>REVENUES</b>				
Property taxes	\$ 750,073	\$ 3,734,543	\$ -	\$ -
Other taxes	-	376,180	-	-
Permits and other fees	-	375,000	-	-
Intergovernmental	-	680,636	-	-
Interest	-	26,212	-	-
Miscellaneous	-	50,726	-	-
<b>TOTAL REVENUES</b>	<u>750,073</u>	<u>5,243,297</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current				
General government	-	149,742	-	-
Public health and safety	-	357,833	-	-
Public works and engineering	-	702,081	-	-
Economic development and promotion	-	111,405	-	-
Capital Outlay	-	31,683	-	-
Debt Service				
Principal retirement	-	-	430,000	300,000
Interest and fiscal charges	-	-	68,820	72,064
Bond issuance costs	-	-	45,185	45,321
Total Debt Service	<u>-</u>	<u>-</u>	<u>544,005</u>	<u>417,385</u>
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>1,352,744</u>	<u>544,005</u>	<u>417,385</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>750,073</u>	<u>3,890,553</u>	<u>(544,005)</u>	<u>(417,385)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	-	-	2,215,000	2,160,000
Discount on bond issuance	-	-	(16,989)	(12,010)
Payment to escrow agent	-	-	(2,152,826)	(2,102,669)
Operating transfers in	-	216,768	509,904	373,779
Operating transfers (out)	<u>(750,073)</u>	<u>(3,336,390)</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(750,073)</u>	<u>(3,119,622)</u>	<u>555,089</u>	<u>419,100</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	770,931	11,084	1,715
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	(571,257)	(38,807)	53,881	56,264
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ (571,257)</u>	<u>\$ 732,124</u>	<u>\$ 64,965</u>	<u>\$ 57,979</u>

DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS			Total Nonmajor Governmental Funds
Bond Series 2003 Road Bond	Area 3 South Sheridan Rd. Project	Total Debt Service Funds	TIF #1 Capital Projects	Capital Projects	Total Capital Projects Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,734,543
-	-	-	-	-	-	376,180
-	-	-	-	-	-	375,000
-	-	-	-	-	-	680,636
-	-	-	-	-	-	26,212
-	-	-	-	-	-	50,726
-	-	-	-	-	-	5,243,297
-	-	-	-	-	-	149,742
-	-	-	-	-	-	357,833
-	-	-	-	-	-	702,081
-	-	-	-	-	-	111,405
-	-	-	-	-	-	31,683
195,000	130,000	1,055,000	-	-	-	1,055,000
34,732	69,839	245,455	-	-	-	245,455
36,214	-	126,720	-	-	-	126,720
<u>265,946</u>	<u>199,839</u>	<u>1,427,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,427,175</u>
<u>265,946</u>	<u>199,839</u>	<u>1,427,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,779,919</u>
<u>(265,946)</u>	<u>(199,839)</u>	<u>(1,427,175)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,463,378</u>
1,460,000	-	5,835,000	-	-	-	5,835,000
(8,118)	-	(37,117)	-	-	-	(37,117)
(1,415,668)	-	(5,671,163)	-	-	-	(5,671,163)
241,640	199,839	1,325,162	-	169,500	169,500	1,711,430
-	-	-	-	-	-	(3,336,390)
<u>277,854</u>	<u>199,839</u>	<u>1,451,882</u>	<u>-</u>	<u>169,500</u>	<u>169,500</u>	<u>(1,498,240)</u>
11,908	-	24,707	-	169,500	169,500	965,138
40,110	(1,538)	148,717	135	(79,232)	(79,097)	30,813
<u>\$ 52,018</u>	<u>\$ (1,538)</u>	<u>\$ 173,424</u>	<u>\$ 135</u>	<u>\$ 90,268</u>	<u>\$ 90,403</u>	<u>\$ 995,951</u>

**CITY OF ZION, ILLINOIS**  
**GENERAL FUND**

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

For the Year Ended April 30, 2013  
(With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Taxes					
Property	\$ 1,518,469	\$ 1,518,469	\$ 3,277,730	\$ 1,759,261	\$ 796,012
Sales	2,343,982	2,343,982	2,174,942	(169,040)	2,263,284
Utility	1,776,481	1,776,481	1,743,570	(32,911)	1,785,950
Income	1,957,922	1,957,922	2,425,148	467,226	2,026,398
Replacement	476,096	476,096	1,114,090	637,994	350,857
Entertainment	15,087	15,087	13,463	(1,624)	15,087
Total Taxes	<u>8,088,037</u>	<u>8,088,037</u>	<u>10,748,943</u>	<u>2,660,906</u>	<u>7,237,588</u>
Licenses, Permits, and Fees					
Business licenses	73,292	73,292	88,885	15,593	68,570
Vehicle licenses	157,729	157,729	137,380	(20,349)	120,522
Permits	768,470	768,470	940,867	172,397	763,221
Franchise fees	249,274	249,274	268,964	19,690	264,431
Host fees	1,449,780	1,449,780	2,084,796	635,016	1,449,780
Game licenses	1,000	1,000	-	(1,000)	-
Gas generating fee	50,000	50,000	50,000	-	50,000
Ambulance Fees	542,750	542,750	618,062	75,312	634,215
Other	10,000	10,000	18,381	8,381	56,533
Total Licenses, Permits, and Fees	<u>3,302,295</u>	<u>3,302,295</u>	<u>4,207,335</u>	<u>905,040</u>	<u>3,407,272</u>
Fines and Forfeitures					
Property violation fines	188,058	188,058	109,889	(78,169)	145,183
Animal control fines	8,547	8,547	8,718	171	7,828
Traffic fines	220,759	220,759	200,686	(20,073)	247,541
Non-traffic fines	91,147	91,147	46,629	(44,518)	25,034
Total Fines and Forfeitures	<u>508,511</u>	<u>508,511</u>	<u>365,922</u>	<u>(142,589)</u>	<u>425,586</u>
Rental Revenue	31,995	31,995	55,510	23,515	102,731
Charges for Services					
Water department service charges	82,500	82,500	82,500	-	82,500
Waste department service charges	-	82,500	82,500	-	82,500
Other public works charges	45,982	45,982	85,421	39,439	77,140
Insurance payments	300,000	300,000	258,599	(41,401)	261,641
Reimbursement of City expenses	248,700	248,700	277,871	29,171	106,563
Total Charges for Services	<u>677,182</u>	<u>759,682</u>	<u>786,891</u>	<u>27,209</u>	<u>610,344</u>
Intergovernmental	300,435	300,435	197,017	(103,418)	328,463
Donations and Grants	82,097	82,097	29,736	(52,361)	165,389
Interest	20,000	20,000	3,774	(16,226)	8,023
Sale of City Property	20,000	20,000	54,879	34,879	52,487
Miscellaneous	996,525	996,525	898,871	(97,654)	14,357
<b>TOTAL REVENUES</b>	<u>\$ 14,027,077</u>	<u>\$ 14,109,577</u>	<u>\$ 17,348,878</u>	<u>\$ 3,239,301</u>	<u>\$ 12,352,240</u>

**CITY OF ZION, ILLINOIS**  
**GENERAL FUND**

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

For the Year Ended April 30, 2013  
(With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>EXPENDITURES</b>					
General Government					
Legislative					
Personal services	\$ 230,911	\$ 230,911	\$ 230,747	\$ 164	\$ 265,230
Contractual services	76,045	76,045	61,037	15,008	99,218
Materials and supplies	6,000	6,000	5,219	781	7,438
Repairs and maintenance	2,000	2,000	620	1,380	48
	<u>314,956</u>	<u>314,956</u>	<u>297,623</u>	<u>17,333</u>	<u>371,934</u>
Public Affairs - Legal					
Contractual services	625,000	625,000	389,194	235,806	309,130
	<u>625,000</u>	<u>625,000</u>	<u>389,194</u>	<u>235,806</u>	<u>309,130</u>
Accounts and Finance					
Personal services	331,220	331,220	330,102	1,118	305,934
Contractual services	192,812	192,812	188,669	4,143	215,181
Materials and supplies	39,904	39,904	33,140	6,764	18,644
Repairs and maintenance	1,000	1,000	-	1,000	-
	<u>564,936</u>	<u>564,936</u>	<u>551,911</u>	<u>13,025</u>	<u>539,759</u>
Public Property					
Contractual services	146,324	146,324	194,621	(48,297)	173,929
Materials and supplies	1,700	1,700	2,132	(432)	4,606
Repairs and maintenance	105,262	67,762	61,383	6,379	28,751
Capital outlay	33,500	33,500	15,410	18,090	123,875
	<u>286,786</u>	<u>249,286</u>	<u>273,546</u>	<u>(24,260)</u>	<u>331,161</u>
Debt Service					
Interest and fiscal charges	452,850	452,850	108,546	344,304	-
	<u>452,850</u>	<u>452,850</u>	<u>108,546</u>	<u>344,304</u>	<u>-</u>
<b>Total General Government</b>	<u>2,244,528</u>	<u>2,207,028</u>	<u>1,620,820</u>	<u>586,208</u>	<u>1,551,984</u>
Public Health and Safety					
Police Department					
Personal services	4,562,763	4,562,763	5,692,123	(1,129,360)	4,729,770
Contractual services	1,468,781	1,468,781	1,717,167	(248,386)	1,323,706
Materials and supplies	254,146	254,146	274,092	(19,946)	279,147
Repairs and maintenance	104,580	104,580	129,849	(25,269)	95,922
Capital outlay	213,738	158,738	152,134	6,604	69,859
	<u>6,604,008</u>	<u>6,549,008</u>	<u>7,965,365</u>	<u>(1,416,357)</u>	<u>6,498,404</u>

**CITY OF ZION, ILLINOIS**  
**GENERAL FUND**

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

For the Year Ended April 30, 2013  
(With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>EXPENDITURES (continued)</b>					
Public Health and Safety (continued)					
Fire Department					
Personal services	\$ 2,342,938	\$ 2,342,938	\$ 3,131,612	\$ (788,674)	\$ 2,240,424
Contractual services	996,062	996,062	1,018,070	(22,008)	1,125,442
Materials and supplies	99,438	99,438	120,969	(21,531)	88,958
Repairs and maintenance	99,380	99,380	101,654	(2,274)	87,988
Capital outlay	77,677	77,677	543,172	(465,495)	21,941
	<u>3,615,495</u>	<u>3,615,495</u>	<u>4,915,477</u>	<u>(1,299,982)</u>	<u>3,564,753</u>
Civil Defense					
Personal services	10,000	10,000	10,059	(59)	9,809
Contractual services	13,150	13,150	14,121	(971)	41,167
Materials and supplies	28,000	28,000	14,327	13,673	16,128
Repairs and maintenance	20,000	20,000	10,915	9,085	18,304
	<u>71,150</u>	<u>71,150</u>	<u>49,422</u>	<u>21,728</u>	<u>85,408</u>
Public Health					
Personal services	55,584	55,584	56,697	(1,113)	57,061
Contractual services	21,558	21,558	19,192	2,366	22,340
Materials and supplies	1,250	1,250	1,020	230	1,292
Repairs and maintenance	2,250	2,250	3,348	(1,098)	3,106
	<u>80,642</u>	<u>80,642</u>	<u>80,257</u>	<u>385</u>	<u>83,799</u>
Fire and Police Commission					
Personal services	1,800	1,800	1,164	636	1,200
Contractual services	40,775	40,775	17,695	23,080	22,866
	<u>42,575</u>	<u>42,575</u>	<u>18,859</u>	<u>23,716</u>	<u>24,066</u>
Total Public Health and Safety	<u>10,413,870</u>	<u>10,358,870</u>	<u>13,029,380</u>	<u>(2,670,510)</u>	<u>10,256,430</u>
Public Works and Engineering					
Planning and Zoning					
Personal services	1,200	1,200	-	1,200	-
Contractual services	11,400	11,400	7,093	4,307	10,927
	<u>12,600</u>	<u>12,600</u>	<u>7,093</u>	<u>5,507</u>	<u>10,927</u>
Public Works					
Personal services	725,337	725,337	758,215	(32,878)	828,313
Contractual services	634,782	614,782	670,241	(55,459)	672,130
Materials and supplies	266,504	266,504	269,614	(3,110)	223,033
Repairs and maintenance	98,500	98,500	89,040	9,460	91,817
	<u>1,725,123</u>	<u>1,705,123</u>	<u>1,787,110</u>	<u>(81,987)</u>	<u>1,815,293</u>
Public Service Program					
Personal services	82,420	82,420	90,931	(8,511)	93,841
Contractual services	14,538	14,538	15,662	(1,124)	10,966
Materials and supplies	12,900	12,900	3,516	9,384	3,289
	<u>109,858</u>	<u>109,858</u>	<u>110,109</u>	<u>(251)</u>	<u>108,096</u>



**CITY OF ZION, ILLINOIS**  
**GENERAL FUND**

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

For the Year Ended April 30, 2013  
(With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>EXPENDITURES (continued)</b>					
Public Works and Engineering (continued)					
Inspection					
Personal services	\$ 332,886	\$ 332,886	\$ 302,881	\$ 30,005	\$ 247,551
Contractual services	197,692	140,692	164,899	(24,207)	154,239
Materials and supplies	17,950	17,950	18,160	(210)	15,610
Repairs and maintenance	3,400	3,400	4,097	(697)	1,789
	<u>551,928</u>	<u>494,928</u>	<u>490,037</u>	<u>4,891</u>	<u>419,189</u>
Lake Mound Cemetery					
Contractual services	110	110	94	16	103
Repairs and maintenance	5,000	5,000	-	5,000	6
	<u>5,110</u>	<u>5,110</u>	<u>94</u>	<u>5,016</u>	<u>109</u>
Total Public Works and Engineering	<u>2,404,619</u>	<u>2,327,619</u>	<u>2,394,443</u>	<u>(66,824)</u>	<u>2,353,614</u>
Economic Development and Promotion					
Community Economic Development					
Personal services	52,978	52,978	52,999	(21)	73,051
Contractual services	443,228	443,228	419,094	24,134	1,681,162
Materials and supplies	4,300	4,300	2,596	1,704	4,402
Repairs and maintenance	2,500	2,500	752	1,748	356
Capital outlay	-	-	-	-	1,203,850
	<u>503,006</u>	<u>503,006</u>	<u>475,441</u>	<u>27,565</u>	<u>2,962,821</u>
Liquor Commission					
Personal services	1,500	1,500	1,564	(64)	1,400
Contractual services	1,450	1,450	1,649	(199)	1,450
	<u>2,950</u>	<u>2,950</u>	<u>3,213</u>	<u>(263)</u>	<u>2,850</u>
City Contributions					
Contractual services	523,628	523,628	827,792	(304,164)	568,643
	<u>523,628</u>	<u>523,628</u>	<u>827,792</u>	<u>(304,164)</u>	<u>568,643</u>
Jubilee Days					
Contractual services	32,859	32,859	31,364	1,495	31,404
	<u>32,859</u>	<u>32,859</u>	<u>31,364</u>	<u>1,495</u>	<u>31,404</u>
Total Economic Development and Promotion	<u>1,062,443</u>	<u>1,062,443</u>	<u>1,337,810</u>	<u>(275,367)</u>	<u>3,565,718</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 16,125,460</u>	<u>\$ 15,955,960</u>	<u>\$ 18,382,453</u>	<u>\$ (2,426,493)</u>	<u>\$ 17,727,746</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ 231
<b>TOTAL REVENUES</b>	-	-	-	-	231
<b>EXPENDITURES</b>					
Debt Service					
Principal retirement	1,615,000	1,615,000	19,796,578	(18,181,578)	1,510,000
Interest and fiscal charges	1,385,683	1,385,683	1,356,866	28,817	1,426,938
Total Debt Service	<u>3,000,683</u>	<u>3,000,683</u>	<u>21,153,444</u>	<u>(18,152,761)</u>	<u>2,936,938</u>
<b>TOTAL EXPENDITURES</b>	<u>3,000,683</u>	<u>3,000,683</u>	<u>21,153,444</u>	<u>(18,152,761)</u>	<u>2,936,938</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(3,000,683)</u>	<u>(3,000,683)</u>	<u>(21,153,444)</u>	<u>(18,152,761)</u>	<u>(2,936,707)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	<u>3,000,683</u>	<u>3,000,683</u>	<u>13,477,662</u>	<u>10,476,979</u>	<u>3,057,614</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>3,000,683</u>	<u>3,000,683</u>	<u>13,477,662</u>	<u>10,476,979</u>	<u>3,057,614</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	(7,675,782)	(7,675,782)	120,907
<b>FUND BALANCE - BEGINNING OF YEAR</b>	7,722,168	7,722,168	7,722,168	-	7,601,261
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 7,722,168</u>	<u>\$ 7,722,168</u>	<u>\$ 46,386</u>	<u>\$ (7,675,782)</u>	<u>\$ 7,722,168</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ 2,698,600	\$ 2,698,600	\$ 728,350	\$ (1,970,250)	\$ 1,297,818
TOTAL REVENUES	<u>2,698,600</u>	<u>2,698,600</u>	<u>728,350</u>	<u>(1,970,250)</u>	<u>1,297,818</u>
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,698,600</u>	<u>2,698,600</u>	<u>728,350</u>	<u>(1,970,250)</u>	<u>1,297,818</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (out)	<u>(2,698,600)</u>	<u>(2,698,600)</u>	<u>(13,175,579)</u>	<u>(10,476,979)</u>	<u>(2,689,485)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,698,600)</u>	<u>(2,698,600)</u>	<u>(13,175,579)</u>	<u>(10,476,979)</u>	<u>(2,689,485)</u>
NET CHANGE IN FUND BALANCES	-	-	(12,447,229)	(12,447,229)	(1,391,667)
FUND BALANCE - BEGINNING OF YEAR	12,447,229	12,447,229	12,447,229	-	13,838,896
FUND BALANCE - END OF YEAR	<u>\$ 12,447,229</u>	<u>\$ 12,447,229</u>	<u>\$ -</u>	<u>\$ (12,447,229)</u>	<u>\$ 12,447,229</u>

**CITY OF ZION, ILLINOIS**  
**WATER AND SEWER FUND**

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

For the Year Ended April 30, 2013  
(With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>OPERATING REVENUES</b>					
Water sales	\$ 2,328,031	\$ 2,328,031	\$ 2,366,239	\$ 38,208	\$ 2,331,555
Sewer service charge	708,737	708,737	721,225	12,488	713,283
Connection fees	14,500	14,500	23,300	8,800	17,244
Turn on fees and miscellaneous	78,838	78,838	72,876	(5,962)	101,241
Penalties	37,409	37,409	40,296	2,887	40,221
Meter sales and repairs	4,500	4,500	9,279	4,779	5,392
<b>TOTAL REVENUES</b>	<b>3,172,015</b>	<b>3,172,015</b>	<b>3,233,215</b>	<b>61,200</b>	<b>3,208,936</b>
<b>OPERATING EXPENSES</b>					
Personal Services					
Regular water	752,609	752,609	640,836	111,773	787,832
Overtime	27,302	27,302	30,336	(3,034)	29,013
Administrative	31,349	31,349	31,085	264	31,996
Total Personal Services	811,260	811,260	702,257	109,003	848,841
Contractual Services					
Purchase of water	950,000	950,000	1,068,479	(118,479)	1,019,361
Consultants and legal	20,000	20,000	8,733	11,267	4,400
Memberships	1,000	1,000	531	469	329
Consultant - IT	10,000	10,000	9,007	993	6,475
Service charge	82,500	82,500	82,500	-	82,500
Insurance	26,665	26,665	42,808	(16,143)	59,963
Hospitalization and life	250,134	250,134	171,405	78,729	132,508
Telephone	13,500	13,500	13,256	244	12,736
Travel and conference	5,000	5,000	-	5,000	1,755
Professional	3,000	3,000	3,000	-	29
Contingent	3,000	3,000	832	2,168	831
Newsletter	6,500	6,500	5,037	1,463	4,934
Utilities	20,000	20,000	12,358	7,642	9,369
Equipment rental	2,500	2,500	488	2,012	-
Training	3,500	3,500	1,384	2,116	15
Total Contractual Services	1,397,299	1,397,299	1,419,818	(22,519)	1,335,205
Materials and Supplies					
Uniforms	14,604	14,604	13,232	1,372	4,299
Gas and oil	55,000	55,000	44,486	10,514	50,535
Office and related expenses	12,000	12,000	17,120	(5,120)	17,771
Computer software	2,000	2,000	-	2,000	2,625
Computer supplies	2,500	2,500	1,327	1,173	796
Meter repair parts	5,000	5,000	1,752	3,248	-
Small tools	5,000	5,000	1,213	3,787	3,322
Miscellaneous	35,000	35,000	13,090	21,910	19,635
Total Materials and Supplies	131,104	131,104	92,220	38,884	98,983

**CITY OF ZION, ILLINOIS**  
**WATER AND SEWER FUND**

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

For the Year Ended April 30, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>OPERATING EXPENSES (continued)</b>					
Repairs and Maintenance					
Repair parts	\$ 2,500	\$ 2,500	\$ 693	\$ 1,807	\$ 50
Sanitary sewer system	40,000	40,000	7,862	32,138	39,966
Sewer equipment	25,000	25,000	2,459	22,541	2,721
Office equipment	1,000	1,000	-	1,000	314
Distribution system	509,000	509,000	408,156	100,844	508,368
Motor equipment	47,500	47,500	34,564	12,936	50,756
Buildings and grounds	20,000	20,000	11,887	8,113	19,874
Water meters	150,000	150,000	100,547	49,453	163,288
Total Repairs and Maintenance	<u>795,000</u>	<u>795,000</u>	<u>566,168</u>	<u>228,832</u>	<u>785,337</u>
Capital Outlay					
Motor equipment	30,000	30,000	-	30,000	-
Sewer projects	50,000	50,000	-	50,000	-
Total Capital Outlay	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>80,000</u>	<u>-</u>
Depreciation	-	-	311,112	(311,112)	307,005
<b>TOTAL OPERATING EXPENSES</b>	<u>3,214,663</u>	<u>3,214,663</u>	<u>3,091,575</u>	<u>123,088</u>	<u>3,375,371</u>
<b>(LOSS) INCOME FROM OPERATIONS</b>	<u>(42,648)</u>	<u>(42,648)</u>	<u>141,640</u>	<u>184,288</u>	<u>(166,435)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	-	-	25,180	25,180	9,976
Principal	(175,000)	(175,000)	-	175,000	-
Interest and fiscal charges	(90,983)	(90,983)	(100,823)	(9,840)	(102,913)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(265,983)</u>	<u>(265,983)</u>	<u>(75,643)</u>	<u>190,340</u>	<u>(92,937)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (out)	-	-	-	-	(4,964,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,964,000)</u>
<b>CHANGE IN NET POSITION</b>	(308,631)	(308,631)	65,997	374,628	(5,223,372)
<b>NET POSITION - BEGINNING OF YEAR</b>	6,932,429	6,932,429	6,932,429	-	12,155,801
<b>NET POSITION - END OF YEAR</b>	<u>\$ 6,623,798</u>	<u>\$ 6,623,798</u>	<u>\$ 6,998,426</u>	<u>\$ 374,628</u>	<u>\$ 6,932,429</u>

**CITY OF ZION, ILLINOIS**  
**WASTE COLLECTION FUND**

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

For the Year Ended April 30, 2013  
(With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>OPERATING REVENUES</b>					
Waste collection fees	\$ 1,422,600	\$ 1,422,600	\$ 1,459,679	\$ 37,079	\$ 1,474,647
Garbage cart revenue	20,000	20,000	25,848	5,848	23,552
<b>TOTAL REVENUES</b>	<b>1,442,600</b>	<b>1,442,600</b>	<b>1,485,527</b>	<b>42,927</b>	<b>1,498,199</b>
<b>OPERATING EXPENSES</b>					
Personal Services					
Leaf collection wages	125,000	125,000	71,821	53,179	-
Total Personal Services	125,000	125,000	71,821	53,179	-
Contractual Services					
Contracted waste collection	951,237	951,237	1,018,420	(67,183)	995,813
Garbage cart lease	38,364	38,364	34,961	3,403	35,655
Compost dumping	209,343	209,343	202,026	7,317	202,003
Leaf and chip dumping	40,000	40,000	35,715	4,285	39,690
Recycling	268,780	268,780	259,629	9,151	259,598
Recycling bins	675	675	675	-	1,350
Service charge	-	82,500	82,500	-	82,500
Landfill closing costs	75,000	75,000	74,243	757	78,521
Legal fees	2,500	2,500	-	2,500	2,216
Total Contractual Services	1,585,899	1,668,399	1,708,169	(39,770)	1,697,346
Materials and Supplies					
Fuel and oil	12,000	12,000	9,724	2,276	-
Office and related expenses	9,000	9,000	10,110	(1,110)	10,027
Total Materials and Supplies	21,000	21,000	19,834	1,166	10,027
<b>TOTAL OPERATING EXPENSES</b>	<b>1,731,899</b>	<b>1,814,399</b>	<b>1,799,824</b>	<b>14,575</b>	<b>1,707,373</b>
<b>INCOME FROM OPERATIONS</b>	<b>(289,299)</b>	<b>(371,799)</b>	<b>(314,297)</b>	<b>57,502</b>	<b>(209,174)</b>
<b>CHANGE IN NET POSITION</b>	<b>(289,299)</b>	<b>(371,799)</b>	<b>(314,297)</b>	<b>57,502</b>	<b>(209,174)</b>
<b>NET POSITION (DEFICIT) - BEGINNING OF YEAR</b>	<b>(678,716)</b>	<b>(678,716)</b>	<b>(678,716)</b>	<b>-</b>	<b>(469,542)</b>
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<b>\$ (968,015)</b>	<b>\$ (1,050,515)</b>	<b>\$ (993,013)</b>	<b>\$ 57,502</b>	<b>\$ (678,716)</b>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Emergency surcharge tax	\$ 170,000	\$ 170,000	\$ 169,594	\$ (406)	\$ 169,289
Rental revenue	25,200	25,200	25,200	-	25,200
Miscellaneous	14,000	14,000	42,000	28,000	-
<b>TOTAL REVENUES</b>	<b>209,200</b>	<b>209,200</b>	<b>236,794</b>	<b>27,594</b>	<b>194,489</b>
<b>EXPENDITURES</b>					
Contractual Services					
Consultant - IT	9,000	9,000	385	8,615	-
Telephone service	41,500	41,500	28,172	13,328	43,488
Total Contractual Services	50,500	50,500	28,557	21,943	43,488
Repairs and Maintenance					
Equipment	82,877	82,877	83,308	(431)	80,053
Capital Outlay					
Building and equipment	32,000	32,000	31,683	317	31,979
Debt Service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Debt Service	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>165,377</b>	<b>165,377</b>	<b>143,548</b>	<b>21,829</b>	<b>155,520</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>43,823</b>	<b>43,823</b>	<b>93,246</b>	<b>49,423</b>	<b>38,969</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers (out)	(43,823)	(43,823)	-	43,823	(38,969)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(43,823)</b>	<b>(43,823)</b>	<b>-</b>	<b>43,823</b>	<b>(38,969)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>93,246</b>	<b>93,246</b>	<b>-</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>(277,777)</b>	<b>(277,777)</b>	<b>(277,777)</b>	<b>-</b>	<b>(277,777)</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ (277,777)</b>	<b>\$ (277,777)</b>	<b>\$ (184,531)</b>	<b>\$ 93,246</b>	<b>\$ (277,777)</b>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ 388	\$ 388	\$ 237
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>388</u>	<u>388</u>	<u>237</u>
<b>EXPENDITURES</b>					
Distribution to Newport Fire	22,155	22,155	-	22,155	-
Miscellaneous	<u>196</u>	<u>196</u>	<u>24</u>	<u>172</u>	<u>99</u>
<b>TOTAL EXPENDITURES</b>	<u>22,351</u>	<u>22,351</u>	<u>24</u>	<u>22,327</u>	<u>99</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(22,351)</u>	<u>(22,351)</u>	<u>364</u>	<u>22,715</u>	<u>138</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in	<u>22,351</u>	<u>22,351</u>	<u>98,938</u>	<u>76,587</u>	<u>98,139</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>22,351</u>	<u>22,351</u>	<u>98,938</u>	<u>76,587</u>	<u>98,139</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	99,302	99,302	98,277
<b>FUND BALANCE - BEGINNING OF YEAR</b>	206,593	206,593	206,593	-	108,316
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 206,593</u>	<u>\$ 206,593</u>	<u>\$ 305,895</u>	<u>\$ 99,302</u>	<u>\$ 206,593</u>



**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 627,495	\$ 627,495	\$ 625,641	\$ (1,854)	\$ 748,834
TOTAL REVENUES	<u>627,495</u>	<u>627,495</u>	<u>625,641</u>	<u>(1,854)</u>	<u>748,834</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>627,495</u>	<u>627,495</u>	<u>625,641</u>	<u>(1,854)</u>	<u>748,834</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (out)	<u>(627,495)</u>	<u>(627,495)</u>	<u>(625,641)</u>	<u>1,854</u>	<u>(748,834)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(627,495)</u>	<u>(627,495)</u>	<u>(625,641)</u>	<u>1,854</u>	<u>(748,834)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	167,335	167,335	167,335	-	167,335
FUND BALANCE - END OF YEAR	<u>\$ 167,335</u>	<u>\$ 167,335</u>	<u>\$ 167,335</u>	<u>\$ -</u>	<u>\$ 167,335</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 211,476	\$ 211,476	\$ 210,869	\$ (607)	\$ 250,938
Donations and grants	-	-	-	-	87,568
<b>TOTAL REVENUES</b>	<u>211,476</u>	<u>211,476</u>	<u>210,869</u>	<u>(607)</u>	<u>338,506</u>
<b>EXPENDITURES</b>					
Contractual Services					
Streets and alleys	275,000	275,000	195,231	79,769	381,438
Total Contractual Services	<u>275,000</u>	<u>275,000</u>	<u>195,231</u>	<u>79,769</u>	<u>381,438</u>
<b>TOTAL EXPENDITURES</b>	<u>275,000</u>	<u>275,000</u>	<u>195,231</u>	<u>79,769</u>	<u>381,438</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(63,524)</u>	<u>(63,524)</u>	<u>15,638</u>	<u>79,162</u>	<u>(42,932)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	(63,524)	(63,524)	15,638	79,162	(42,932)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	(55,674)	(55,674)	(55,674)	-	(12,742)
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (119,198)</u>	<u>\$ (119,198)</u>	<u>\$ (40,036)</u>	<u>\$ 79,162</u>	<u>\$ (55,674)</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 353,616	\$ 353,616	\$ 352,588	\$ (1,028)	\$ 350,518
TOTAL REVENUES	353,616	353,616	352,588	(1,028)	350,518
<b>EXPENDITURES</b>					
Contractual Services					
Illinois Municipal Retirement Fund					
City contributions	372,623	372,623	381,525	(8,902)	387,532
TOTAL EXPENDITURES	372,623	372,623	381,525	(8,902)	387,532
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,007)	(19,007)	(28,937)	(9,930)	(37,014)
FUND BALANCE - BEGINNING OF YEAR	(158,337)	(158,337)	(158,337)	-	(121,323)
FUND BALANCE - END OF YEAR	<u>\$ (196,351)</u>	<u>\$ (177,344)</u>	<u>\$ (187,274)</u>	<u>\$ (9,930)</u>	<u>\$ (158,337)</u>

**CITY OF ZION, ILLINOIS**  
**FICA FUND**

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

For the Year Ended April 30, 2013  
(With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 253,078	\$ 253,078	\$ 252,346	\$ (732)	\$ 250,939
TOTAL REVENUES	<u>253,078</u>	<u>253,078</u>	<u>252,346</u>	<u>(732)</u>	<u>250,939</u>
<b>EXPENDITURES</b>					
Contractual Services					
FICA City share	<u>369,253</u>	<u>369,253</u>	<u>337,189</u>	<u>32,064</u>	<u>373,935</u>
TOTAL EXPENDITURES	<u>369,253</u>	<u>369,253</u>	<u>337,189</u>	<u>32,064</u>	<u>373,935</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(116,175)</u>	<u>(116,175)</u>	<u>(84,843)</u>	<u>31,332</u>	<u>(122,996)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	<u>117,830</u>	<u>117,830</u>	<u>117,830</u>	<u>-</u>	<u>49,367</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>117,830</u>	<u>117,830</u>	<u>117,830</u>	<u>-</u>	<u>49,367</u>
NET CHANGE IN FUND BALANCE	1,655	1,655	32,987	31,332	(73,629)
FUND BALANCE - BEGINNING OF YEAR	(141,922)	(141,922)	(141,922)	-	(68,293)
FUND BALANCE - END OF YEAR	<u>\$ (140,267)</u>	<u>\$ (140,267)</u>	<u>\$ (108,935)</u>	<u>\$ 31,332</u>	<u>\$ (141,922)</u>

**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, 2013  
(With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Motor fuel tax allotments	\$ 602,004	\$ 602,004	\$ 680,636	\$ 78,632	\$ 709,727
Interest	-	-	585	585	695
<b>TOTAL REVENUES</b>	<u>602,004</u>	<u>602,004</u>	<u>681,221</u>	<u>79,217</u>	<u>710,422</u>
<b>EXPENDITURES</b>					
Contracted Projects					
Miscellaneous projects	150,000	150,000	150,000	-	143,863
12-00000-00-GM Gen Maintenance	35,000	35,000	21,201	13,799	-
08-00000-00-GM	-	-	-	-	5,436
11-00000-00-GM Gen Maint	-	-	13,112	(13,112)	23,803
Total Contracted Projects	<u>185,000</u>	<u>185,000</u>	<u>184,313</u>	<u>687</u>	<u>173,102</u>
<b>TOTAL EXPENDITURES</b>	<u>185,000</u>	<u>185,000</u>	<u>184,313</u>	<u>687</u>	<u>173,102</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>417,004</u>	<u>417,004</u>	<u>496,908</u>	<u>79,904</u>	<u>537,320</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (out)	<u>(415,480)</u>	<u>(415,480)</u>	<u>(373,779)</u>	<u>41,701</u>	<u>(396,645)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(415,480)</u>	<u>(415,480)</u>	<u>(373,779)</u>	<u>41,701</u>	<u>(396,645)</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,524	1,524	123,129	121,605	140,675
<b>FUND BALANCE - BEGINNING OF YEAR</b>	292,998	292,998	292,998	-	152,323
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 294,522</u>	<u>\$ 294,522</u>	<u>\$ 416,127</u>	<u>\$ 121,605</u>	<u>\$ 292,998</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
<b>EXPENDITURES</b>					
Contractual Services					
Other contractual services	-	-	-	-	9,612
Total Contractual Services	-	-	-	-	9,612
TOTAL EXPENDITURES	-	-	-	-	9,612
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	(9,612)
NET CHANGE IN FUND BALANCE	-	-	-	-	(9,612)
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-	9,612
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 640,188	\$ 640,188	\$ 640,849	\$ 661	\$ 643,817
Interest	-	-	39	39	-
<b>TOTAL REVENUES</b>	<u>640,188</u>	<u>640,188</u>	<u>640,888</u>	<u>700</u>	<u>643,817</u>
<b>EXPENDITURES</b>					
Contractual Services					
Legal	-	-	-	-	95
Professional	750	750	750	-	750
Appraisal	1,000	1,000	-	1,000	-
Future projects	20,000	20,000	-	20,000	-
Total Contractual Services	<u>21,750</u>	<u>21,750</u>	<u>750</u>	<u>21,000</u>	<u>845</u>
<b>TOTAL EXPENDITURES</b>	<u>21,750</u>	<u>21,750</u>	<u>750</u>	<u>21,000</u>	<u>845</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>618,438</u>	<u>618,438</u>	<u>640,138</u>	<u>21,700</u>	<u>642,972</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (out)	<u>(203,100)</u>	<u>(203,100)</u>	<u>(202,438)</u>	<u>662</u>	<u>(622,004)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(203,100)</u>	<u>(203,100)</u>	<u>(202,438)</u>	<u>662</u>	<u>(622,004)</u>
<b>NET CHANGE IN FUND BALANCES</b>	415,338	415,338	437,700	22,362	20,968
<b>FUND BALANCE - BEGINNING OF YEAR</b>	233,987	233,987	233,987	-	213,019
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 649,325</u>	<u>\$ 649,325</u>	<u>\$ 671,687</u>	<u>\$ 22,362</u>	<u>\$ 233,987</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	5,679	5,679	5,679	-	5,679
FUND BALANCE - END OF YEAR	<u>\$ 5,679</u>	<u>\$ 5,679</u>	<u>\$ 5,679</u>	<u>\$ -</u>	<u>\$ 5,679</u>



**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Impact fees	\$ -	\$ -	\$ -	\$ -	\$ 10,600
TOTAL REVENUES	-	-	-	-	10,600
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	10,600
FUND BALANCE - BEGINNING OF YEAR	181,485	181,485	181,485	-	170,885
FUND BALANCE - END OF YEAR	<u>\$ 181,485</u>	<u>\$ 181,485</u>	<u>\$ 181,485</u>	<u>\$ -</u>	<u>\$ 181,485</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Impact fees	\$ -	\$ -	\$ -	\$ -	\$ 10,000
TOTAL REVENUES	-	-	-	-	10,000
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	10,000
FUND BALANCE - BEGINNING OF YEAR	(68,389)	(68,389)	(68,389)	-	(78,389)
FUND BALANCE - END OF YEAR	<u>\$ (68,389)</u>	<u>\$ (68,389)</u>	<u>\$ (68,389)</u>	<u>\$ -</u>	<u>\$ (68,389)</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	1,928	1,928	1,928	-	1,928
FUND BALANCE - END OF YEAR	<u>\$ 1,928</u>	<u>\$ 1,928</u>	<u>\$ 1,928</u>	<u>\$ -</u>	<u>\$ 1,928</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	(22,929)	(22,929)	(22,929)	-	(22,929)
FUND BALANCE - END OF YEAR	<u>\$ (22,929)</u>	<u>\$ (22,929)</u>	<u>\$ (22,929)</u>	<u>\$ -</u>	<u>\$ (22,929)</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 904,841	\$ 904,841	\$ 902,177	\$ (2,664)	\$ 900,195
TOTAL REVENUES	<u>904,841</u>	<u>904,841</u>	<u>902,177</u>	<u>(2,664)</u>	<u>900,195</u>
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>904,841</u>	<u>904,841</u>	<u>902,177</u>	<u>(2,664)</u>	<u>900,195</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (out)	<u>(904,841)</u>	<u>(904,841)</u>	<u>(902,177)</u>	<u>2,664</u>	<u>(900,195)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(904,841)</u>	<u>(904,841)</u>	<u>(902,177)</u>	<u>2,664</u>	<u>(900,195)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	15,793	15,793	15,793	-	15,793
FUND BALANCE - END OF YEAR	<u>\$ 15,793</u>	<u>\$ 15,793</u>	<u>\$ 15,793</u>	<u>\$ -</u>	<u>\$ 15,793</u>

**CITY OF ZION, ILLINOIS**  
**AUDIT FUND**

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

For the Year Ended April 30, 2013  
(With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
<b>EXPENDITURES</b>					
Contractual Services					
Professional fees	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	13,936	13,936	13,936	-	13,936
FUND BALANCE - END OF YEAR	<u>\$ 13,936</u>	<u>\$ 13,936</u>	<u>\$ 13,936</u>	<u>\$ -</u>	<u>\$ 13,936</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Forfeitures	\$ 20,000	\$ 20,000	\$ 4,319	\$ (15,681)	\$ 18,594
Grants	5,900	5,900	4,407	(1,493)	5,900
<b>TOTAL REVENUES</b>	<b>25,900</b>	<b>25,900</b>	<b>8,726</b>	<b>(17,174)</b>	<b>24,494</b>
<b>EXPENDITURES</b>					
Contractual Services					
Miscellaneous	-	-	-	-	40,513
Total Contractual Services	-	-	-	-	40,513
Materials and Supplies					
Contraband	5,000	5,000	5,000	-	-
K-9 unit	5,900	5,900	5,345	555	-
Total Materials and Supplies	10,900	10,900	10,345	555	-
<b>TOTAL EXPENDITURES</b>	<b>10,900</b>	<b>10,900</b>	<b>10,345</b>	<b>555</b>	<b>40,513</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>15,000</b>	<b>15,000</b>	<b>(1,619)</b>	<b>(16,619)</b>	<b>(16,019)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (out)	(63,856)	(63,856)	(63,856)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(63,856)</b>	<b>(63,856)</b>	<b>(63,856)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(48,856)</b>	<b>(48,856)</b>	<b>(65,475)</b>	<b>(16,619)</b>	<b>(16,019)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>60,088</b>	<b>60,088</b>	<b>60,088</b>	<b>-</b>	<b>76,107</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 11,232</b>	<b>\$ 11,232</b>	<b>\$ (5,387)</b>	<b>\$ (33,238)</b>	<b>\$ 60,088</b>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Host fees	\$ 375,000	\$ 375,000	\$ 375,000	\$ -	\$ 375,000
<b>TOTAL REVENUES</b>	<u>375,000</u>	<u>375,000</u>	<u>375,000</u>	<u>-</u>	<u>375,000</u>
<b>EXPENDITURES</b>					
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>375,000</u>	<u>375,000</u>	<u>375,000</u>	<u>-</u>	<u>375,000</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (out)	<u>(375,000)</u>	<u>(375,000)</u>	<u>(375,000)</u>	<u>-</u>	<u>(374,285)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(375,000)</u>	<u>(375,000)</u>	<u>(375,000)</u>	<u>-</u>	<u>(374,285)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-	715
<b>FUND BALANCE - BEGINNING OF YEAR</b>	1,257	1,257	1,257	-	542
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,257</u>	<u>\$ 1,257</u>	<u>\$ 1,257</u>	<u>\$ -</u>	<u>\$ 1,257</u>



**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	21,571	21,571	21,571	-	21,571
FUND BALANCE - END OF YEAR	<u>\$ 21,571</u>	<u>\$ 21,571</u>	<u>\$ 21,571</u>	<u>\$ -</u>	<u>\$ 21,571</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Hotel/motel room tax	\$ 156,000	\$ 156,000	\$ 206,586	\$ 50,586	\$ 121,877
<b>TOTAL REVENUES</b>	<u>156,000</u>	<u>156,000</u>	<u>206,586</u>	<u>50,586</u>	<u>121,877</u>
<b>EXPENDITURES</b>					
Contractual Services					
Promotional	10,000	10,000	10,000	-	-
Tax rebate	90,000	90,000	89,819	181	111,919
Total Contractual Services	<u>100,000</u>	<u>100,000</u>	<u>99,819</u>	<u>181</u>	<u>111,919</u>
<b>TOTAL EXPENDITURES</b>	<u>100,000</u>	<u>100,000</u>	<u>99,819</u>	<u>181</u>	<u>111,919</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	56,000	56,000	106,767	50,767	9,958
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (out)	<u>(43,426)</u>	<u>(43,426)</u>	<u>(43,426)</u>	-	<u>(40,000)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(43,426)</u>	<u>(43,426)</u>	<u>(43,426)</u>	-	<u>(40,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	12,574	12,574	63,341	50,767	(30,042)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	54,828	54,828	54,828	-	84,870
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 67,402</u>	<u>\$ 67,402</u>	<u>\$ 118,169</u>	<u>\$ 50,767</u>	<u>\$ 54,828</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 752,301	\$ 752,301	\$ 750,073	\$ (2,228)	\$ 900,194
TOTAL REVENUES	<u>752,301</u>	<u>752,301</u>	<u>750,073</u>	<u>(2,228)</u>	<u>900,194</u>
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>752,301</u>	<u>752,301</u>	<u>750,073</u>	<u>(2,228)</u>	<u>900,194</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (out)	<u>(752,301)</u>	<u>(752,301)</u>	<u>(750,073)</u>	<u>2,228</u>	<u>(900,194)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(752,301)</u>	<u>(752,301)</u>	<u>(750,073)</u>	<u>2,228</u>	<u>(900,194)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	(571,257)	(571,257)	(571,257)	-	(571,257)
FUND BALANCE - END OF YEAR	<u>\$ (571,257)</u>	<u>\$ (571,257)</u>	<u>\$ (571,257)</u>	<u>\$ -</u>	<u>\$ (571,257)</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
Debt Service					
Principal retirement	430,000	430,000	430,000	-	395,000
Interest and fiscal charges	121,605	121,605	68,820	52,785	138,270
Bond issuance costs	-	-	45,185	(45,185)	-
Total Debt Service	<u>551,605</u>	<u>551,605</u>	<u>544,005</u>	<u>7,600</u>	<u>533,270</u>
<b>TOTAL EXPENDITURES</b>	<u>551,605</u>	<u>551,605</u>	<u>544,005</u>	<u>7,600</u>	<u>533,270</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(551,605)</u>	<u>(551,605)</u>	<u>(544,005)</u>	<u>7,600</u>	<u>(533,270)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	2,215,000	2,215,000	-
Discount on bond issuance	-	-	(16,989)	(16,989)	-
Other financing uses - bond refunding	-	-	(2,152,826)	(2,152,826)	-
Transfers in	551,605	551,605	509,904	(41,701)	533,270
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>551,605</u>	<u>551,605</u>	<u>555,089</u>	<u>3,484</u>	<u>533,270</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	11,084	11,084	-
<b>FUND BALANCE - BEGINNING OF YEAR</b>	53,881	53,881	53,881	-	53,881
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 53,881</u>	<u>\$ 53,881</u>	<u>\$ 64,965</u>	<u>\$ 11,084</u>	<u>\$ 53,881</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
Debt Service					
Principal retirement	300,000	300,000	300,000	-	270,000
Interest and fiscal charges	115,480	115,480	72,064	43,416	126,645
Bond issuance costs	-	-	45,321	(45,321)	-
<b>Total Debt Service</b>	<u>415,480</u>	<u>415,480</u>	<u>417,385</u>	<u>(1,905)</u>	<u>396,645</u>
<b>TOTAL EXPENDITURES</b>	<u>415,480</u>	<u>415,480</u>	<u>417,385</u>	<u>(1,905)</u>	<u>396,645</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(415,480)</u>	<u>(415,480)</u>	<u>(417,385)</u>	<u>(1,905)</u>	<u>(396,645)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	2,160,000	2,160,000	-
Costs of issuance	-	-	(12,010)	(12,010)	-
Other financing uses - bond refunding	-	-	(2,102,669)	(2,102,669)	-
Transfers in	415,480	415,480	373,779	(41,701)	396,645
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>415,480</u>	<u>415,480</u>	<u>419,100</u>	<u>3,620</u>	<u>396,645</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>1,715</u>	<u>1,715</u>	<u>-</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	56,264	56,264	56,264	-	56,264
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 56,264</u>	<u>\$ 56,264</u>	<u>\$ 57,979</u>	<u>\$ 1,715</u>	<u>\$ 56,264</u>

**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, 2012  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
Debt Service					
Principal	195,000	195,000	195,000	-	185,000
Interest and fiscal charges	71,333	71,333	34,732	36,601	77,833
Bond issuance costs	-	-	36,214	(36,214)	-
Total Debt Service	<u>266,333</u>	<u>266,333</u>	<u>265,946</u>	<u>387</u>	<u>262,833</u>
<b>TOTAL EXPENDITURES</b>	<u>266,333</u>	<u>266,333</u>	<u>265,946</u>	<u>387</u>	<u>262,833</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(266,333)</u>	<u>(266,333)</u>	<u>(265,946)</u>	<u>387</u>	<u>(262,833)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	1,460,000	1,460,000	-
Costs of issuance	-	-	(8,118)	(8,118)	-
Payment to escrow agent	-	-	(1,415,668)	(1,415,668)	-
Transfers in	<u>266,333</u>	<u>266,333</u>	<u>241,640</u>	<u>(24,693)</u>	<u>262,833</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>266,333</u>	<u>266,333</u>	<u>277,854</u>	<u>11,521</u>	<u>262,833</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	11,908	11,908	-
<b>FUND BALANCE - BEGINNING OF YEAR</b>	40,110	40,110	40,110	-	40,110
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 40,110</u>	<u>\$ 40,110</u>	<u>\$ 52,018</u>	<u>\$ 11,908</u>	<u>\$ 40,110</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>					
Debt Service					
Principal retirement	130,000	130,000	130,000	-	125,000
Interest and fiscal charges	70,500	70,500	69,839	661	75,328
Total Debt Service	<u>200,500</u>	<u>200,500</u>	<u>199,839</u>	<u>661</u>	<u>200,328</u>
TOTAL EXPENDITURES	<u>200,500</u>	<u>200,500</u>	<u>199,839</u>	<u>661</u>	<u>200,328</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(200,500)</u>	<u>(200,500)</u>	<u>(199,839)</u>	<u>661</u>	<u>(200,328)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	<u>200,500</u>	<u>200,500</u>	<u>199,839</u>	<u>(661)</u>	<u>200,328</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>200,500</u>	<u>200,500</u>	<u>199,839</u>	<u>(661)</u>	<u>200,328</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	(1,538)	(1,538)	(1,538)	-	(1,538)
FUND BALANCE - END OF YEAR	<u>\$ (1,538)</u>	<u>\$ (1,538)</u>	<u>\$ (1,538)</u>	<u>\$ -</u>	<u>\$ (1,538)</u>

**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	135	135	135	-	135
FUND BALANCE - END OF YEAR	<u>\$ 135</u>	<u>\$ 135</u>	<u>\$ 135</u>	<u>\$ -</u>	<u>\$ 135</u>



**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, 2013  
 (With Comparative Actual Totals for 2012)

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	-	169,500	169,500	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	169,500	169,500	-	-
NET CHANGE IN FUND BALANCES	-	169,500	169,500	-	-
FUND BALANCE - BEGINNING OF YEAR	(79,232)	(79,232)	(79,232)	-	(79,232)
FUND BALANCE - END OF YEAR	<u>\$ (79,232)</u>	<u>\$ 90,268</u>	<u>\$ 90,268</u>	<u>\$ -</u>	<u>\$ (79,232)</u>