

# **CITY OF ZION, ILLINOIS**

FINANCIAL STATEMENTS  
For the Year Ended April 30, 2014

# CITY OF ZION, ILLINOIS

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# CITY OF ZION, ILLINOIS

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October 29, 2014

Residents, Honorable Mayor and Commissioners of the City of Zion, Illinois:

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. These statements are to be presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The Annual Financial Report of the City of Zion, Illinois, for the fiscal year ended April 30, 2014 is published and hereby submitted to fulfill this requirement.

This report was prepared utilizing data prepared by the City's Finance Department and contains representations concerning the finances of the City. Responsibility for the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. To provide a reasonable basis for these representations, management has established and maintained a comprehensive framework of internal controls that are designed to ensure that City assets are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow the accurate preparation of financial statements in conformity with GAAP in the United States of America. Internal controls have been designed to provide reasonable assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the presented data is complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included in this report.

As mentioned above, State law requires that the City's financial records be audited annually by independent certified public accountants. Based upon the recommendation of the Director of Accounts and Finance and approval of the Common Council, the City retained the services of CliftonLarsonAllen, LLP to perform its audit. CliftonLarsonAllen, LLP has issued an unmodified ("clean") opinion of the City of Zion, Illinois' financial statements for the year ended April 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE CITY OF ZION

The City, incorporated in 1901 by John Alexander Dowie, is located along Lake Michigan in northeastern Lake County and is approximately 2 miles south of the Wisconsin border. The City is approximately 10 square miles and serves a population of approximately 24,413. The City was one of only a few in the world to have been completely planned out prior to building. The City operates under the Commission form of government wherein voters elect a Mayor and four Commissioners to assume responsibility for municipal affairs, economic development, accounts and finance, public works, public health and safety, public property and code enforcement. The Commissioners and Mayor serve four-year staggered terms with at least two Commissioners elected every two years. The department heads (public affairs, accounts and finance, public works, building, police chief and fire chief) are appointed by the Mayor and confirmed by the Common Council. The City is considered to be a primary government and provides a full range of general governmental services. These services extend, but are not limited to, police, fire and emergency rescue, public works maintenance of streets and utility infrastructure, refuse and recycling collection, water and wastewater utility services, economic development, planning and zoning code enforcement, financial administration and business licensing. The City is empowered to levy a property tax on real property located within its boundaries to provide for a portion of the funding for these services.

## FINANCIAL PLANNING

The City of Zion Annual Financial Report includes all of its governmental and business-type operation funds, pension trust funds and agency funds. The accompanying financial statements include only those funds of the City, as there are no other organizations for which it has financial accountability. The police and fire pension funds are determined to be pension trust funds due to their fiduciary and fiscal relationships with the City as their sole purpose is to provide retirement benefits to the City's sworn police officers and firefighters.

The annual budget serves as the City's basis for financial planning, control and accountability. State law requires that a municipality with less than 500,000 residents pass an annual appropriation ordinance within the first quarter of the fiscal year. The City prepares an annual budget prior to the start of the fiscal year which is more conservative and restrictive than the annual appropriation ordinance. The City utilizes this budget for financial reporting and monitoring throughout the year. The reason that the budget is more restrictive is that the appropriation ordinance takes a higher-level approach to expenditures at the fund level and allows for emergency or disaster situations should they arise. The annual budget adopted drills down to individual line items (personnel, contractual services, materials and supplies, repairs and maintenance, capital outlay and debt service) on a fund and departmental basis. The Director of Accounts and Finance meets with department heads on an annual basis to do a line-by-line analysis of each item in the budget. These items are then compiled and presented to the public through a public hearing process. Upon completion of the public hearing the budget is presented to Common Council for approval prior to the start of the fiscal year.

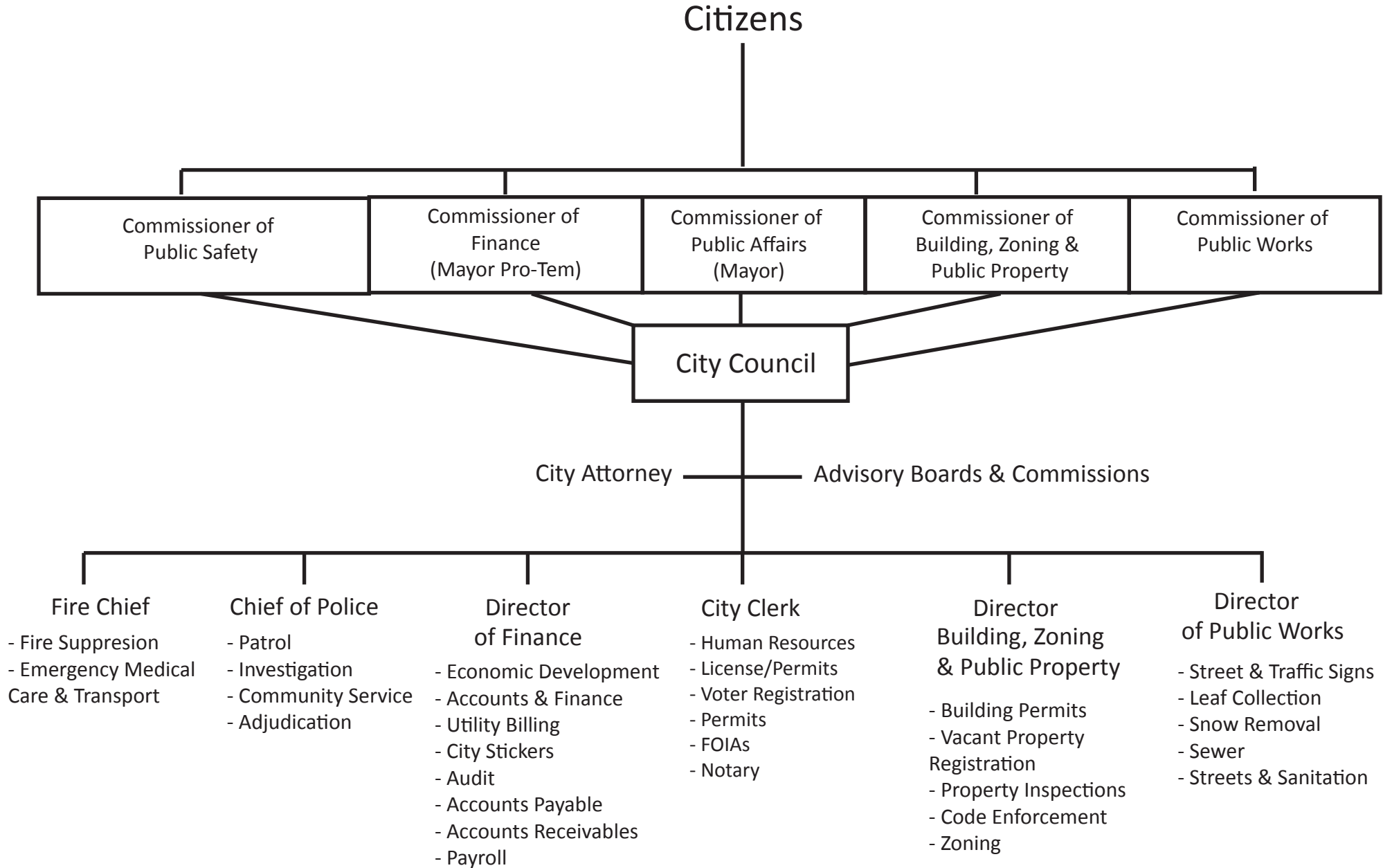
## ACKNOWLEDGEMENTS

The preparation of this report was made possible by the efficient and dedicated services of the entire staff of the Accounts and Finance Department as well as staff of all departments of the City working together in a concerted effort to provide all necessary information. Additionally, the City would like to acknowledge the diligent work of the independent auditors, CliftonLarsonAllen, LLP who have been a great partner throughout the process. We would also like to thank the Common Council for their continued interest and support of the financial operations of the City of Zion.

Respectfully submitted,

David A. Knabel, CPA  
Director of Accounts and Finance  
City of Zion, Illinois

# City of Zion Organization Chart



# City of Zion Organization Chart

## Advisory Boards & Commissions

### **Tax Increment Financing Board of Review**

- Bill Warren
- Margie Taylor
- Dave Miller
- Chris Szymanski
- Tom Handyside
- Juanita Winfrey

### **Liquor Control Board**

- Mayor Lane Harrison
- Juanita Winfrey
- Terry McNabb
- Nadine Thorn

### **Fire & Police Commission**

- Debbie Lewis
- Chris Thomas
- Shaun White

### **Nostalgia Days Commission**

- Sonolito Bronson
- Steve Dumyhan
- Blake Rogers
- Katy Flammini
- Donna Flammini
- Randy Knorr
- Jennifer Ratliff
- Dianne Vehlou
- Julia Ramey
- Delaine Rogers

### **Zion Police Pension Board**

- Tom Handyside
- Terry Richards
- Marian Carlton
- Russel R. Maschek, Sr.
- Eric Barden

### **Planning & Zoning Commission**

- Juanita Winfrey
- Gabe Garriga
- Howard Burkemper
- Bruce Quinn
- Ernest Isley
- Mamie McNutt
- Jim Bowman

### **Lake Mound Cemetery Board**

- Diane Burkemper
- Blake Rogers
- David Knabel

### **E-911 Telephone System Review Board**

- Chief Steve Dumyhan
- Chief John Lewis
- Brandon Busch
- Battalion Chief Eric Troy
- DC Kirk Henderson
- Mayor Lane Harrison
- Commissioner Lloyd DeTienne
- Fred Ray

### **Electrical Commission**

- Rich Ianson
- Merlin Kreis
- John Lewis
- Dave Geer
- Pat Buchanan
- John Hucker

### **Jubilee Days Commission**

- Les Martin
- Mike Ruchti
- Scott Murphy
- Brent Paxton
- Steve Dumyhan
- Cheri Neal
- Christine Wertman
- Carla Villalobos
- Diane Burkemper
- Ann Ennesser
- John Lewis

### **Accident Review Board**

- Lt. Anthony Velardi
- Barbara Fitz-Henley
- Officer Brian Barber
- Don Leicht
- BC Al Town
- Dan Costello
- Commissioner Jim Taylor
- Rich Ianson
- Blake Rogers

### **City Council**

- Mayor Lane Harrison
- Commissioner Frank Flammini
- Commissioner Jim Taylor
- Commissioner Al Hill
- Commissioner Lloyd DeTienne



## 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, 2014, and the respective budgetary comparison for the General Fund and Development Fund TIF Area #1 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 Firefighters' Pension Fund which statements reflect total assets of \$14,725,961 as of April 30, 2014. 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 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, and the respective budgetary comparison for the General Fund and Development Fund TIF Area #1 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, and schedules of funding progress 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.

The introductory section as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 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  
October 29, 2014

## **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, 2014. 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, 2014 was \$28,175,336. The term "net position" represents the difference between total assets and deferred outflows and total liabilities and deferred inflows.
- ◆ Net position increased \$892,720 for the fiscal year ending April 30, 2014.
- ◆ Net position may serve, over time, as a useful indicator of a government's financial position. Of the net position balance, \$2,475,209 is restricted and \$26,349,378 is invested in capital assets net of related debt.
- ◆ The City's long-term liabilities decreased by \$368,354. This is largely due to the City making timely scheduled debt principal retirements and contributions to OPEB and pension liabilities resulting in \$5,236,005 of retirements. This decrease was offset by an increase of \$4,867,651 from bonds issued due to refinancing as well as increases to pension liabilities and other post employment benefit obligations as detailed in Note I 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 \$840,753, 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 \$1,181,858, this results in a difference of \$341,105 representing a reconciling item between the two presentations.

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 expenditures in the fund financial statements. For the year ending April 30, 2014, the net effect of financing activities on the net position of the governmental activities was \$1,146,102.

In accordance with GASB 34 and 45, for the year ending April 30, 2014, net changes 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 \$840,605.

#### **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. 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 basic and 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. Effective May 1, 2013 the City also maintains an internal service fund for self-insurance medical claims and related expenses.
- 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 Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Cash and equivalents	\$ 5,602,437	\$ 3,961,660	\$ 135,567	\$ 7,895	\$ 5,738,004	\$ 3,969,555
Taxes receivable	9,233,590	8,813,829	0	0	9,233,590	8,813,829
Other current assets	2,584,231	3,016,110	1,194,172	1,175,280	3,778,403	4,191,390
Total current assets	17,420,258	15,791,599	1,329,739	1,183,175	18,749,997	16,974,774
Investments	198,554	0	899,040	903,750	1,097,594	903,750
Internal balances	(872,964)	(1,316,571)	872,964	1,316,571	0	0
Deferred outflows of resources	112,901	0	47,941	0	160,842	0
Capital assets, net of depreciation	31,168,464	31,509,569	5,023,219	5,228,085	36,191,683	36,737,654
Total assets	47,914,312	45,984,597	8,124,962	8,631,581	56,039,274	54,616,178
Deferred outflows of resources	112,901	0	47,941	0	160,842	0
Current liabilities	5,131,368	12,664,750	1,252,937	1,010,395	6,384,305	13,675,145
Non-current liabilities	10,816,471	11,779,699	1,590,414	1,615,773	12,406,885	13,395,472
Total liabilities	15,947,839	24,444,449	2,843,351	2,626,168	18,791,190	27,070,617
Deferred inflows of resources	9,233,590	0	0	0	9,233,590	0
Net position						
Net investment in capital assets	23,121,109	22,551,951	3,228,269	3,437,312	26,349,378	25,989,263
Restricted	2,202,976	2,002,169	272,233	118,448	2,475,209	2,120,617
Unrestricted	(2,478,301)	(3,013,972)	1,829,050	2,449,653	(649,251)	(564,319)
Total net position	\$ 22,845,784	\$ 21,540,148	\$ 5,329,552	\$ 6,005,413	\$ 28,175,336	\$ 27,545,561

At April 30, 2014, current assets exceed current liabilities and deferred inflows by \$3,055,300 for governmental activities and \$76,802 for business-type activities.

## Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 5,844,585	\$ 6,737,071	\$ 4,919,224	\$ 4,718,742	\$ 10,763,809	\$ 11,455,813
Operating grants and contributions	890,905	29,736	0	0	890,905	29,736
Capital grants and contributions	552,222	180,201	0	0	552,222	180,201
General revenues						
Property taxes	8,793,838	8,673,279	0	0	8,793,838	8,673,279
Other taxes	7,198,192	8,669,513	0	0	7,198,192	8,669,513
Interest	25,658	758,375	7,060	25,180	32,718	783,555
Other	1,295,726	54,879	0	0	1,295,726	54,879
Total revenues	24,601,126	25,103,054	4,926,284	4,743,922	29,527,410	29,846,976
Expenses						
General government	1,595,591	1,726,287	0	0	1,595,591	1,726,287
Public health and safety	14,057,122	13,557,374	0	0	14,057,122	13,557,374
Public works and engineering	4,774,495	4,167,834	0	0	4,774,495	4,167,834
Economic development and promotion	2,151,151	2,304,262	0	0	2,151,151	2,304,262
Debt service	566,054	1,908,595	0	0	566,054	1,908,595
Water and sewer	0	0	3,774,096	3,192,398	3,774,096	3,192,398
Waste collection	0	0	1,716,181	1,799,824	1,716,181	1,799,824
Total expenses	23,144,413	23,664,352	5,490,277	4,992,222	28,634,690	28,656,574
Increase (decrease) in net assets	1,456,713	1,438,702	(563,993)	(248,300)	892,720	1,190,402
Prior period adjustment	(151,077)	0	(111,868)	0	(262,945)	
Net position – beginning	21,540,148	20,101,446	6,005,413	6,253,713	27,545,561	26,355,159
Net position – ending	\$ 22,845,784	\$ 21,540,148	\$ 5,329,552	\$ 6,005,413	\$ 28,175,336	\$ 27,545,561

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 2014 fiscal year was \$244,018,455. The City, in an effort to relieve the burden of high taxes on residents and businesses, committed not to increase the tax levy for the second year in a row. All departments were presented with new spending guidelines during the budgeting process to address the impact of these factors.

To take advantage of current market rate declines, the City refinanced its Series 2004A bonds in TIF District #3. The term of the bonds was not extended, but the City was able to see a significant savings in debt service over the remaining term of the bonds.

Effective May 1, 2013 the City established an internal service fund to more clearly reflect the results of the City's self-insured employee health insurance plan. In prior periods the results were integrated into the General Fund, which resulted in fluctuations on an annual basis depending on the utilization by employees of these benefits.

Finally, during the fiscal year ended April 30, 2014, the City sold easement rights in its industrial park to a public utility transmission company to run power lines connecting two power plants in the local area. The proceeds of this transaction to the City were \$1,266,370.

## Fund Activity

	Balance		Expenditures/	Other	Balance
	April 30, 2013	Revenues	Expenses	Financing Sources (Uses)	April 30, 2014
Governmental funds					
General	\$ 2,548,940	\$ 17,007,525	\$ 17,702,277	\$ 1,679,276	\$ 3,533,464
Development TIF Area #1	(1,010,791)	1,913,477	947,869	(497,219)	(542,402)
Nonmajor	1,042,337	5,709,083	4,732,838	(721,461)	1,297,121
	<u>\$ 2,580,486</u>	<u>\$ 24,630,085</u>	<u>\$ 23,382,984</u>	<u>\$ 460,596</u>	<u>\$ 4,288,183</u>
Enterprise funds					
Water and Sewer	\$ 6,886,558	\$ 3,229,823	\$ 3,683,802	(\$ 83,234)	\$ 6,349,345
Waste Collection	(993,013)	1,689,401	1,716,181	0	(1,019,793)
	<u>\$ 5,893,545</u>	<u>\$ 4,919,224</u>	<u>\$ 5,399,983</u>	<u>(\$ 83,234)</u>	<u>\$ 5,329,552</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, 2014 is \$31,168,464 for Governmental Funds and \$5,023,219 for Business Type Funds.

Capital asset activity for governmental activities for the year ended April 30, 2014 and 2013 are detailed as follows:

	2014	2013	Increase (Decrease)
Capital assets not being depreciated			
Land and improvements	\$ 2,120,285	\$ 2,120,285	\$ 0
Capital assets being depreciated			
Buildings and improvements	12,085,666	11,997,548	88,118
Machinery and equipment	5,964,096	5,538,309	425,787
Roads and bridges	29,586,553	29,259,705	326,848
Total capital assets being depreciated	47,636,315	46,795,562	840,753
Less accumulated depreciation for:			
Buildings and improvements	5,679,527	5,298,107	381,420
Machinery and equipment	5,185,712	4,977,005	208,707
Roads and bridges	7,722,897	7,131,166	591,731
Total accumulated depreciation	18,588,136	17,406,278	1,181,858
Total capital assets being depreciated, net	29,048,179	29,389,284	(341,105)
Governmental activities capital assets, net	\$ 31,168,464	\$ 31,509,569	\$ (341,105)

Capital asset activity for business-type activities for the year ended April 30, 2014 and 2013 was as follows:

	2014	2013	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	1,397,336	1,280,936	116,400
Total capital assets being depreciated	13,462,915	13,346,515	116,400
Less accumulated depreciation for:			
Water mains and plants	7,609,642	7,312,861	296,781
Machinery and equipment	1,261,885	1,237,400	0
Total accumulated depreciation	8,847,042	8,550,261	296,781
Total capital assets being depreciated, net	4,591,388	4,796,254	(180,381)
Business-type activities capital assets, net	\$ 5,023,219	\$ 5,228,085	\$ (180,381)



## Debt

The following is a summary of the City's general long-term debt activity for the year ended April 30, 2014 and 2013.

	2014	2013	Increase (Decrease)
Governmental Activities			
Other Liabilities			
Capital Leases	\$ 492,349	\$ 308,917	\$ 183,432
Net Pension Obligation	1,567,941	849,325	718,616
Net OPEB Obligation	487,062	408,332	78,730
Accrued Vacation Liability	605,497	562,238	43,259
Bonds payable			
General Obligation Bonds, Series 2004A (Special Tax Allocation Fund Alternate)	0	1,145,000	(1,145,000)
General Obligation Limited Tax Debt Certificates, Series 2007	1,695,000	1,870,000	(175,000)
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)	1,700,000	2,215,000	(515,000)
General Obligation Bonds, Series 2012B (Special Tax Allocation Fund Alternate)	1,825,000	2,160,000	(335,000)
General Obligation Bonds, Series 2012C (Special Tax Allocation Fund Alternate)	1,235,000	1,460,000	(225,000)
General Obligation Bonds, Series 2013 (Special Tax Allocation Fund Alternate)	1,050,000	0	1,050,000
Discount on Long-Term Liabilities	(50,006)	(88,482)	38,476
Governmental Long-Term Liability Totals	<u>13,107,843</u>	<u>13,390,330</u>	<u>(282,487)</u>
Business-Type Activities			
Other Liabilities			
Capital Leases	\$ 91,735	0	\$ 91,735
General Obligation Refunding Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2006	1,685,000	1,860,000	(175,000)
Premium on Bonds Issued	18,215	20,817	(2,602)
Deferred Amount of Refund	(47,941)	(54,790)	6,849
Business-Type Long-Term Liability Totals	<u>1,747,009</u>	<u>1,826,027</u>	<u>(79,018)</u>
Government-Wide Long-Term Liability Totals	<u>\$ 14,854,852</u>	<u>\$ 15,216,357</u>	<u>\$ (361,505)</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 in 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. The City is putting significant effort into economic development and promotion and well as stabilizing housing stock in an attempt to stabilize and potentially increase EAV and therefore related tax revenues.

The Estimated Assessed Valuation (EAV) of property within the City decreased by \$42,943,516 during the 2013 assessment year to \$244,018,455.

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 2014-2015 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, 2014

**ASSETS AND DEFERRED OUTFLOWS**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and equivalents	\$ 5,602,437	\$ 135,567	\$ 5,738,004
Investments	198,554	899,040	1,097,594
Taxes receivable, net of allowance for uncollectables	9,233,590	-	9,233,590
Net trade accounts receivable	-	1,151,977	1,151,977
Other receivables and current assets	907,171	19,247	926,418
Due from other governmental agencies	1,332,200	-	1,332,200
Internal balances	(872,964)	872,964	-
Inventory	-	7,840	7,840
Prepaid insurance	344,860	15,108	359,968
Capital assets, net of accumulated depreciation	31,168,464	5,023,219	36,191,683
<b>TOTAL ASSETS</b>	<u>47,914,312</u>	<u>8,124,962</u>	<u>56,039,274</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred charge on refunding	112,901	47,941	160,842
Total deferred outflows of resources	<u>112,901</u>	<u>47,941</u>	<u>160,842</u>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**

**LIABILITIES**

Accounts payable	945,729	292,789	1,238,518
Due to other governmental agencies	166,625	-	166,625
Due to fiduciary funds	1,127,957	-	1,127,957
Current portion of long-term debt	2,291,372	204,536	2,495,908
Accrued payroll	323,479	106,340	429,819
Unearned revenue	145,456	315,723	461,179
Other liabilities	13,500	-	13,500
Customer deposits	-	243,918	243,918
Accrued interest	117,250	89,631	206,881
Long-term obligations - net of current portion	10,816,471	1,590,414	12,406,885
<b>TOTAL LIABILITIES</b>	<u>15,947,839</u>	<u>2,843,351</u>	<u>18,791,190</u>

**DEFERRED INFLOWS OF RESOURCES**

Subsequent year tax levy	9,233,590	-	9,233,590
Total deferred inflows of resources	<u>9,233,590</u>	<u>-</u>	<u>9,233,590</u>

**NET POSITION**

Net investment in capital assets	23,121,109	3,228,269	26,349,378
Restricted for:			
Debt service	39,153	272,233	311,386
Other purposes	2,163,823	-	2,163,823
Unrestricted (deficit)	<u>( 2,478,301)</u>	<u>1,829,050</u>	<u>( 649,251)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 22,845,784</u>	<u>\$ 5,329,552</u>	<u>\$ 28,175,336</u>

The accompanying notes are an integral part of this statement.

**CITY OF ZION, ILLINOIS**

STATEMENT OF ACTIVITIES  
For the Year Ended April 30, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	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	\$ 1,595,591	\$ 4,720,097	\$ -	\$ -	\$ 3,124,506	\$ -	\$ 3,124,506
Public health and safety	14,057,122	992,652	57,480	552,222	(12,454,768)	-	(12,454,768)
Public works and engineering	4,774,495	70,112	721,007	-	(3,983,376)	-	(3,983,376)
Economic development and promotion	2,151,151	61,724	112,418	-	(1,977,009)	-	(1,977,009)
Debt service	566,054	-	-	-	(566,054)	-	(566,054)
Total governmental activities	<u>23,144,413</u>	<u>5,844,585</u>	<u>890,905</u>	<u>552,222</u>	<u>(15,856,701)</u>	<u>-</u>	<u>(15,856,701)</u>
Business-type activities:							
Water and sewer	3,774,096	3,229,823	-	-	-	(544,273)	(544,273)
Waste collection	1,716,181	1,689,401	-	-	-	(26,780)	(26,780)
Total business-type activities	<u>5,490,277</u>	<u>4,919,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(571,053)</u>	<u>(571,053)</u>
Total primary government	<u>\$ 28,634,690</u>	<u>\$ 10,763,809</u>	<u>\$ 890,905</u>	<u>\$ 552,222</u>	<u>(15,856,701)</u>	<u>(571,053)</u>	<u>(16,427,754)</u>
General revenues:							
Property taxes					8,793,838	-	8,793,838
Other taxes					7,198,192	-	7,198,192
Interest					25,658	7,060	32,718
Gain on sale of capital assets					-	-	-
Miscellaneous					1,295,726	-	1,295,726
Total general revenues					<u>17,313,414</u>	<u>7,060</u>	<u>16,024,748</u>
Change in net position					1,456,713	(563,993)	892,720
Net position - beginning (restated)					<u>21,389,071</u>	<u>5,893,545</u>	<u>27,282,616</u>
Net position - ending					<u>\$ 22,845,784</u>	<u>\$ 5,329,552</u>	<u>\$ 28,175,336</u>

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS

GOVERNMENTAL FUNDS  
BALANCE SHEET  
April 30, 2014

ASSETS

	General	Development TIF Area #1	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and equivalents	\$ 1,924,882	\$ -	\$ 3,582,442	\$ 5,507,324
Investments	198,554	-	-	198,554
Taxes receivable, net of allowance	2,816,461	2,318,147	4,098,982	9,233,590
Utility taxes and franchise fees	366,700	-	-	366,700
Other receivables	504,338	-	36,133	540,471
Due from other governmental agencies	1,286,853	-	45,347	1,332,200
Due from other funds	2,585,861	570,616	786,682	3,943,159
Prepaid expenses	344,860	-	-	344,860
<b>TOTAL ASSETS</b>	<u>\$ 10,028,509</u>	<u>\$ 2,888,763</u>	<u>\$ 8,549,586</u>	<u>\$ 21,466,858</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)

LIABILITIES

Accounts payable	\$ 529,685	\$ 72,663	\$ 61,851	\$ 664,199
Due to other governmental agencies	-	-	166,625	166,625
Due to other funds	-	1,040,355	2,902,804	3,943,159
Advance due to fiduciary funds	1,127,957	-	-	1,127,957
Accrued payroll	301,276	-	22,203	323,479
Advance from water and sewer fund	872,964	-	-	872,964
Unearned revenue	145,456	-	-	145,456
Other liabilities	13,500	-	-	13,500
<b>TOTAL LIABILITIES</b>	<u>2,990,838</u>	<u>1,113,018</u>	<u>3,153,483</u>	<u>7,257,339</u>

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes	2,816,461	2,318,147	4,098,982	9,233,590
Unavailable revenue - other	687,746	-	-	687,746
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>3,504,207</u>	<u>2,318,147</u>	<u>4,098,982</u>	<u>9,921,336</u>

FUND BALANCES (DEFICITS)

Nonspendable	344,860	-	-	344,860
Restricted	-	-	2,320,226	2,320,226
Unassigned (deficit)	3,188,604	(542,402)	(1,023,105)	1,623,097
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>3,533,464</u>	<u>(542,402)</u>	<u>1,297,121</u>	<u>4,288,183</u>

TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES,  
AND FUND BALANCES (DEFICITS)

	<u>\$ 10,028,509</u>	<u>\$ 2,888,763</u>	<u>\$ 8,549,586</u>	<u>\$ 21,466,858</u>
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**CITY OF ZION, ILLINOIS**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

April 30, 2014

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

Total fund balances - governmental funds		\$ 4,288,183
Capital assets used in governmental activities are not financial resources and therefore are not		
Capital assets	\$ 49,756,589	
Accumulated depreciation	<u>(18,588,125)</u>	
Net capital assets		31,168,464
Some receivables that are not currently available are reported as deferred inflows in the fund financial statements but are recognized as revenue when earned in the government-wide statements.		687,746
Internal service funds are used by management to charge the cost the City of Zion's self insurance. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		(186,417)
Deferred outflows of resources relating to the bond refunding loss on previously issued debt is not recorded on the fund statements, but is recognized on the government-wide statement of net position.		112,901
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	\$ 10,005,000	
Capital lease obligations	492,349	
Accrued vacation	605,497	
Other post employment benefits	487,062	
Net pension liability	1,567,941	
Accrued interest	117,250	
Discount on general obligation bonds payable	<u>(50,006)</u>	
Total long-term liabilities		<u>(13,225,093)</u>
Net position of governmental activities		<u><u>\$ 22,845,784</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF ZION, ILLINOIS**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
April 30, 2014

	<b>General</b>	<b>Development TIF Area #1</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property taxes	\$ 2,783,477	\$ 1,913,403	\$ 4,096,958	\$ 8,793,838
Other taxes	6,886,405	-	340,746	7,227,151
Charges for services	600,574	-	-	600,574
Permits and other fees	4,753,670	-	374,999	5,128,669
Intergovernmental	568,664	-	721,007	1,289,671
Grants and donations	86,878	-	-	86,878
Interest	(133)	74	25,717	25,658
Sale of easement and other city property	1,266,370	-	-	1,266,370
Miscellaneous	61,620	-	149,656	211,276
<b>TOTAL REVENUES</b>	<b>17,007,525</b>	<b>1,913,477</b>	<b>5,709,083</b>	<b>24,630,085</b>
<b>EXPENDITURES</b>				
Current:				
General government	1,482,604	-	-	1,482,604
Public health and safety	12,538,422	-	140,080	12,678,502
Public works and engineering	2,425,430	-	1,398,089	3,823,519
Economic development and promotion	970,852	803,651	162,690	1,937,193
Debt Service				
Principal retirement	-	-	1,672,355	1,672,355
Interest and fiscal charges	81,208	-	427,628	508,836
Bond issuance costs	-	-	1,265	1,265
Capital Outlay	203,761	144,218	897,563	1,245,542
<b>TOTAL EXPENDITURES</b>	<b>17,702,277</b>	<b>947,869</b>	<b>4,699,670</b>	<b>23,349,816</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(694,752)</b>	<b>965,608</b>	<b>1,009,413</b>	<b>1,280,269</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of city property	-	-	-	-
Bond proceeds	-	-	1,230,000	1,230,000
Discount on bond issuance	-	-	(7,319)	(7,319)
Payment to escrow agent	-	-	(1,178,168)	(1,178,168)
Issuance of capital lease	-	-	425,787	425,787
Transfers in	2,716,090	135	2,386,643	5,102,868
Transfers (out)	(1,036,814)	(497,354)	(3,611,572)	(5,145,740)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,679,276</b>	<b>(497,219)</b>	<b>(754,629)</b>	<b>427,428</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>984,524</b>	<b>468,389</b>	<b>254,784</b>	<b>1,707,697</b>
<b>FUND BALANCES (DEFICITS) - BEGINNING OF YEAR</b>	<b>2,548,940</b>	<b>(1,010,791)</b>	<b>1,042,337</b>	<b>2,580,486</b>
<b>FUND BALANCES (DEFICITS) - END OF YEAR</b>	<b>\$ 3,533,464</b>	<b>\$ (542,402)</b>	<b>\$ 1,297,121</b>	<b>\$ 4,288,183</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, 2014

Net change in fund balances - total governmental funds \$ 1,707,697

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	\$	840,753	
Depreciation		<u>(1,181,858)</u>	
Capital outlay in excess of depreciation and dispositions			<u>(341,105)</u>

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		(78,730)	
Increase in compensated absences		(43,259)	
Increase in net pension obligation		<u>(718,616)</u>	
Total expenses of non-current resources			<u>(840,605)</u>

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. (28,959)

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	\$	(1,230,000)	
Proceeds from capital lease		(425,787)	
Bond discount		<u>7,319</u>	
Net bond issuance			<u>(1,648,468)</u>

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	\$	1,672,355	
Payment to escrow		1,178,168	
Accrued interest		22,926	
Amortization of discounts and deferred amounts		<u>(78,879)</u>	
Net effect of bond activity			<u>2,794,570</u>

The internal service fund is used by management to charge the costs of self insurance to individual funds. The net expenditures of certain activities of internal service funds is reported with governmental activities. (186,417)

Change in net position of governmental activities \$ 1,456,713

**CITY OF ZION, ILLINOIS**  
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended April 30, 2014  
(With Comparative information for the Year Ended April 30, 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Taxes	\$ 7,940,946	\$ 7,940,946	\$ 9,669,882	\$ 1,728,936	\$ 10,748,943
Licenses, permits, and fees	4,398,405	4,434,283	4,313,614	(120,669)	4,207,335
Fines and forfeitures	534,288	532,419	440,056	(92,363)	365,922
Rental revenue	35,105	35,105	28,623	(6,482)	55,510
Charges for services	690,000	690,000	600,574	(89,426)	786,891
Intergovernmental	298,886	482,558	568,664	86,106	197,017
Donations and grants	86,878	86,878	86,878	-	29,736
Interest	4,500	4,500	(133)	(4,633)	3,774
Sale of easement and other city property	-	-	1,266,370	1,266,370	-
Miscellaneous	80,250	80,250	32,997	(47,253)	898,871
<b>TOTAL REVENUES</b>	<b>14,069,258</b>	<b>14,286,939</b>	<b>17,007,525</b>	<b>2,720,586</b>	<b>17,293,999</b>
<b>EXPENDITURES</b>					
General government	1,917,702	1,917,702	1,564,158	353,544	1,620,820
Public health and safety	10,664,814	10,866,521	12,732,137	(1,865,616)	13,029,380
Public works and engineering	2,126,122	2,126,122	2,435,130	(309,008)	2,394,443
Economic development and promotion	901,782	901,782	970,852	(69,070)	1,337,810
<b>TOTAL EXPENDITURES</b>	<b>15,610,420</b>	<b>15,812,127</b>	<b>17,702,277</b>	<b>(1,890,150)</b>	<b>18,382,453</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,541,162)</b>	<b>(1,525,188)</b>	<b>(694,752)</b>	<b>830,436</b>	<b>(1,088,454)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from capital lease	-	-	-	-	465,495
Proceeds from sale of capital assets	-	-	-	-	54,879
Transfers in	2,543,535	2,543,535	2,716,090	172,555	2,429,994
Transfers (out)	(919,147)	(919,147)	(1,036,814)	(117,667)	(589,413)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,624,388</b>	<b>1,624,388</b>	<b>1,679,276</b>	<b>54,888</b>	<b>2,360,955</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>83,226</b>	<b>99,200</b>	<b>984,524</b>	<b>885,324</b>	<b>1,272,501</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>2,548,940</b>	<b>2,548,940</b>	<b>2,548,940</b>	<b>-</b>	<b>1,276,439</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 2,632,166</b>	<b>\$ 2,648,140</b>	<b>\$ 3,533,464</b>	<b>\$ 885,324</b>	<b>\$ 2,548,940</b>

**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, 2014  
(With Comparative information for the Year Ended April 30, 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 1,667,334	\$ 1,667,334	\$ 1,913,403	\$ 246,069	\$ 1,661,006
Interest	-	-	74	74	39
<b>TOTAL REVENUES</b>	<u>1,667,334</u>	<u>1,667,334</u>	<u>1,913,477</u>	<u>246,143</u>	<u>1,661,045</u>
<b>EXPENDITURES</b>					
Contractual Services					
Promotional	730,484	730,484	730,484	-	724,692
Surplus distributions	70,000	70,000	70,000	-	70,000
Legal and professional	1,250	1,250	2,517	(1,267)	11,793
Miscellaneous	-	-	650	(650)	375
Total Contractual Services	<u>801,734</u>	<u>801,734</u>	<u>803,651</u>	<u>(1,917)</u>	<u>806,860</u>
Capital Outlay					
Future projects	180,000	180,000	144,218	35,782	
Total Capital Outlay	<u>180,000</u>	<u>180,000</u>	<u>144,218</u>	<u>35,782</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>981,734</u>	<u>981,734</u>	<u>947,869</u>	<u>33,865</u>	<u>806,860</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>685,600</u>	<u>685,600</u>	<u>965,608</u>	<u>280,008</u>	<u>854,185</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	135	135	-
Transfers (out)	(561,603)	(561,603)	(497,354)	64,249	(517,704)
Sale of city property	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(561,603)</u>	<u>(561,603)</u>	<u>(497,219)</u>	<u>64,384</u>	<u>(517,704)</u>
<b>NET CHANGE IN FUND BALANCE</b>	123,997	123,997	468,389	344,392	336,481
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>(1,010,791)</u>	<u>(1,010,791)</u>	<u>(1,010,791)</u>	<u>-</u>	<u>(1,347,272)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (886,794)</u>	<u>\$ (886,794)</u>	<u>\$ (542,402)</u>	<u>\$ 344,392</u>	<u>\$ (1,010,791)</u>

**CITY OF ZION, ILLINOIS**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 April 30, 2014

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water and Sewer</b>	<b>Waste Collection</b>	<b>Totals</b>	<b>Activities Internal Service Fund</b>
<b>ASSETS</b>				
Current assets:				
Cash and equivalents	\$ 135,567	\$ -	\$ 135,567	\$ 95,113
Trade accounts receivable	411,306	210,546	621,852	-
Unbilled trade accounts	530,125	-	530,125	-
Other receivables	19,247	-	19,247	-
Inventory	7,840	-	7,840	-
Prepaid expenses	15,108	-	15,108	-
<b>TOTAL CURRENT ASSETS</b>	<b>1,119,193</b>	<b>210,546</b>	<b>1,329,739</b>	<b>95,113</b>
Noncurrent assets:				
Investments	899,040	-	899,040	-
Advance due from other funds	1,719,903	-	1,719,903	-
Capital assets:				
Land	352,575	79,256	431,831	-
Buildings and improvements	-	45,496	45,496	-
Water mains and related infrastructure	12,020,080	-	12,020,080	-
Equipment	1,225,450	171,889	1,397,339	-
Accumulated depreciation	(8,654,142)	(217,385)	(8,871,527)	-
Total capital assets, net of accumulated depreciation	4,943,963	79,256	5,023,219	-
<b>TOTAL NONCURRENT ASSETS</b>	<b>7,562,906</b>	<b>79,256</b>	<b>7,642,162</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>\$ 8,682,099</b>	<b>\$ 289,802</b>	<b>\$ 8,971,901</b>	<b>\$ 95,113</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	\$ 47,941	\$ -	\$ 47,941	\$ -
<b>TOTAL DEFERRED outflows OF RESOURCES</b>	<b>47,941</b>	<b>-</b>	<b>47,941</b>	<b>-</b>

The accompanying notes are an integral part of this statement.

**CITY OF ZION, ILLINOIS**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 April 30, 2014

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water and Sewer</b>	<b>Waste Collection</b>	<b>Totals</b>	<b>Activities Internal Service Fund</b>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	145,856	146,933	292,789	281,530
Unearned revenue - unearned collection fees	-	315,723	315,723	-
Accrued payroll and related expenses	106,340	-	106,340	-
Current portion of capital lease	21,934	-	21,934	-
Customer deposits - restricted assets	243,918	-	243,918	-
Current portion of General Obligation Bonds - restricted assets	182,602	-	182,602	-
Accrued interest - restricted assets	89,631	-	89,631	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>790,281</b>	<b>462,656</b>	<b>1,252,937</b>	<b>281,530</b>
Noncurrent liabilities				
Advance due to other funds	-	846,939	846,939	-
General Obligation Bonds	1,520,613	-	1,520,613	-
Capital lease	69,801	-	69,801	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>1,590,414</b>	<b>846,939</b>	<b>2,437,353</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>2,380,695</b>	<b>1,309,595</b>	<b>3,690,290</b>	<b>281,530</b>
<b>NET POSITION</b>				
Net investment in capital assets	3,149,013	79,256	3,228,269	-
Restricted for:				
Bond retirement	272,233	-	272,233	-
Unrestricted net position	2,928,099	(1,099,049)	1,829,050	(186,417)
<b>TOTAL NET POSITION</b>	<b>\$ 6,349,345</b>	<b>\$ (1,019,793)</b>	<b>\$ 5,329,552</b>	<b>\$ (186,417)</b>

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 For the Year Ended April 30, 2014

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water and Sewer</b>	<b>Waste Collection</b>	<b>Totals</b>	<b>Activities Internal Service Fund</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,229,823	\$ 1,689,401	\$ 4,919,224	\$ 1,705,800
<b>TOTAL REVENUES</b>	<u>3,229,823</u>	<u>1,689,401</u>	<u>4,919,224</u>	<u>1,705,800</u>
<b>OPERATING EXPENSES</b>				
Personal services	883,883	-	883,883	-
Contractual services	1,469,096	1,706,020	3,175,116	-
Materials and supplies	108,116	10,161	118,277	-
Repairs and maintenance	901,441	-	901,441	-
Claims	-	-	-	1,935,119
Depreciation	321,266	-	321,266	-
<b>TOTAL OPERATING EXPENSES</b>	<u>3,683,802</u>	<u>1,716,181</u>	<u>5,399,983</u>	<u>1,935,119</u>
(LOSS) FROM OPERATIONS	<u>(453,979)</u>	<u>(26,780)</u>	<u>(480,759)</u>	<u>(229,319)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	7,060	-	7,060	30
Interest and fiscal charges	(90,294)	-	(90,294)	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(83,234)</u>	<u>-</u>	<u>(83,234)</u>	<u>30</u>
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	<u>(537,213)</u>	<u>(26,780)</u>	<u>(563,993)</u>	<u>(229,289)</u>
Transfers in	-	-	-	42,872
<b>CHANGE IN NET POSITION</b>	<u>( 537,213)</u>	<u>( 26,780)</u>	<u>( 563,993)</u>	<u>( 186,417)</u>
<b>NET POSITION (DEFICIT) - BEGINNING OF YEAR</b>	<u>6,886,558</u>	<u>( 993,013)</u>	<u>5,893,545</u>	<u>-</u>
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<u>\$ 6,349,345</u>	<u>(\$ 1,019,793)</u>	<u>\$ 5,329,552</u>	<u>(\$ 186,417)</u>

The accompanying notes are an integral part of this statement.

**CITY OF ZION, ILLINOIS**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended April 30, 2014

	<b>Business-Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water and Sewer</b>	<b>Waste Collection</b>	<b>Totals</b>	<b>Activities Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 3,151,980	\$ 1,631,792	\$ 4,783,772	\$ -
Cash received from interfund charges for health insurance	-	-	-	1,705,800
Cash payments to suppliers for goods and services	(2,261,135)	(1,679,502)	(3,940,637)	(1,653,589)
Cash payments to employees for services	(796,660)	-	(796,660)	-
Cash payments to other funds for services	(82,500)	82,500	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	11,685	34,790	46,475	52,211
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Advances to other funds	478,397	(34,790)	443,607	-
Transfers (to) from other funds	-	-	-	42,872
NET CASH (USED) PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	478,397	(34,790)	443,607	42,872
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(116,400)	-	(116,400)	-
Issuance of capital lease	91,735	-	91,735	-
Retirement of bonds	(180,000)	-	(180,000)	-
Interest paid on bonds	(159,985)	-	(159,985)	-
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(364,650)	-	(364,650)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net investment activity	4,710	-	4,710	-
Interest on cash and equivalents	7,060	-	7,060	30
NET CASH PROVIDED BY INVESTING ACTIVITIES	11,770	-	11,770	30
<b>NET (DECREASE) IN CASH AND EQUIVALENTS</b>	137,202	-	137,202	95,113
CASH AND EQUIVALENTS - BEGINNING OF YEAR	7,895	-	7,895	-
CASH AND EQUIVALENTS - END OF YEAR	\$ 145,097	\$ -	\$ 145,097	\$ 95,113
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
INCOME (LOSS) FROM OPERATIONS	(\$ 453,979)	(\$ 26,780)	(\$ 480,759)	(\$ 229,319)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	321,266	-	321,266	-
Amortization of bond discount	16,096	-	16,096	-
Changes in assets and liabilities:				
Decrease in accounts receivable	(77,915)	(45,976)	(123,891)	-
(Increase) in unbilled water usage	(16,318)	-	(16,318)	-
Decrease in other receivables	-	-	-	-
(Increase) in inventory	101,348	-	101,348	-
(Increase) decrease in prepaid expenses	(5,065)	18,798	13,733	281,530
Increase (decrease) in accounts payable	22,639	17,881	40,520	-
(Decrease) in accrued payroll and related expenses	87,223	-	87,223	-
Increase in deferred revenue	-	70,867	70,867	-
Increase in customer deposits	16,390	-	16,390	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 11,685	\$ 34,790	\$ 46,475	\$ 52,211

The accompanying notes are an integral part of this statement.

**CITY OF ZION, ILLINOIS**

STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
April 30, 2014

**ASSETS**

	<u>Police Pension</u>	<u>Fireman's Pension</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and equivalents	\$ 1,086,572	\$ 171,787	\$ 1,258,359
Investments			
U.S. Government and agency obligations	6,766,805	-	6,766,805
Insurance company contracts	-	3,227,793	3,227,793
Fixed income securities	1,169,636	3,698,956	4,868,592
Money market mutual funds	-	3,112,206	3,112,206
Equity mutual funds	11,455,570	2,819,203	14,274,773
Common stock	5,485,358	1,094,476	6,579,834
Receivables			
Prepaid assets	-	1,092	1,092
Due from City	517,789	598,452	1,116,241
Accrued interest	72,951	1,996	74,947
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL ASSETS	<u>\$ 26,554,681</u>	<u>\$ 14,725,961</u>	<u>\$ 41,280,642</u>

**LIABILITIES AND NET POSITION**

<b>LIABILITIES</b>			
Pension withholdings	-	-	-
Accounts payable	1,307	11,438	12,745
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL LIABILITIES	<u>1,307</u>	<u>11,438</u>	<u>12,745</u>
<b>NET POSITION</b>			
Held in trust for pension benefits	26,553,374	14,714,523	41,267,897
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL NET POSITION	<u>\$ 26,553,374</u>	<u>\$ 14,714,523</u>	<u>\$ 41,267,897</u>

The accompanying notes are an integral part of this statement.



**CITY OF ZION, ILLINOIS**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS

For the Year Ended April 30, 2014

	<u>Police Pension</u>	<u>Fireman's Pension</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions:			
Contributions - Employer	\$ 867,020	\$ 682,170	\$ 1,549,190
Contributions - Plan members	390,362	222,729	613,091
Transfer from IMRF	132,036	-	132,036
Total contributions	<u>1,389,418</u>	<u>904,899</u>	<u>2,294,317</u>
Investment earnings:			
Interest and dividends earned	826,917	217,254	1,044,171
Change in fair market value	1,423,900	789,420	2,213,320
Total investment earnings	<u>2,250,817</u>	<u>1,006,674</u>	<u>3,257,491</u>
Less investment expenses	<u>-</u>	<u>69,062</u>	<u>69,062</u>
Net investment earnings	<u>2,250,817</u>	<u>937,612</u>	<u>3,188,429</u>
<b>TOTAL ADDITIONS</b>	<u>3,640,235</u>	<u>1,842,511</u>	<u>5,482,746</u>
<b>DEDUCTIONS</b>			
Administration	135,027	30,446	165,473
Benefit payments	<u>1,884,762</u>	<u>1,164,901</u>	<u>3,049,663</u>
<b>TOTAL DEDUCTIONS</b>	<u>2,019,789</u>	<u>1,195,347</u>	<u>3,215,136</u>
<b>CHANGE IN NET POSITION</b>	1,620,446	647,164	2,267,610
Net position, beginning of year, as restated	<u>24,932,928</u>	<u>14,067,359</u>	<u>39,000,287</u>
Net position, end of year	<u><u>\$ 26,553,374</u></u>	<u><u>\$ 14,714,523</u></u>	<u><u>\$ 41,267,897</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, 2014

### **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 reported on a full accrual, economic resource basis, which recognizes all long-term assets, receivables and deferred outflows of resources as well as long-term debt, obligations and deferred inflows of resources. 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, 2014

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

#### **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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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, 2014

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

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

The following fund types are used by the City:

#### **Governmental Fund Types:**

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 fund types 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 Fund Types:**

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 fund types 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, 2014

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

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

- **Internal Service Fund** – The Internal Service Fund is used to account for the payment by the City for active employees of group health charges for services and stop loss insurance charges and the billing of departments or agencies of the City on a cost-reimbursement basis for the services received.

#### **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.
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.
<b><u>Nonmajor</u></b> Special Revenues Funds:	
911 Emergency Surcharge	Accounts for revenues and expenditures of the E-911 service that is legally restricted for public safety use.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

#### Fund Financial Statements (continued)

#### Major and Nonmajor Funds (continued)

##### Nonmajor

##### Special Revenue Funds:

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

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

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

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

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

#### Special Revenue Funds (continued):

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.

Capital Projects Accounts for financial resources collected and restricted for the capital additions of local medical facilities

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

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

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

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

#### Debt Service Funds:

Bond Debt Service	Accounts for the accumulation of funds for the periodic payment of principal and interest on outstanding bonds.
TIF #1 Bond Series 2002A	Accounts restricted for the accumulation of resources for the periodic payment of principal and interest on Bond Series 2002A.
Bond Series 2002B Road Bond	Accounts restricted for the accumulation of resources for the periodic payment of principal and interest on Bond Series 2002B.
Bond Series 2003 Road Bond	Accounts restricted for the accumulation of resources for the periodic payment of principal and interest on Bond Series 2003.
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.
Internal Service Fund	Accounts for the payment by the City for active employees of group health charges for services and stop loss insurance charges and the billing of departments or agencies of the City on a cost-reimbursement basis for the services received

#### **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.



# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

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

- 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.

#### **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).

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

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

##### **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.

##### **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.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

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

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

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

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

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

##### 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 government-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. As of April 30, 2014, the total accrued vacation recorded as a liability is \$83,205 for enterprise funds and \$605,497 for governmental activities.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

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

##### **Deferred outflows/inflows of resources:**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City reports a deferred charge on refunding reported in the government-wide statement of net position in the deferred outflows category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

##### **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 I 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.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

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

#### **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.

#### **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.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

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

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 unrestricted 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.

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

GASB Statement No. 61, *The Financial Reporting Entity, Omnibus an amendment of GASB Statements No. 14 and No. 34*, was 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. 65, *Items Previously Reported as Assets and Liabilities*, was 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.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

#### Financial Statement Amounts (continued)

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

GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*, was 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, 2014

<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, 2014

### **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, 2014:

##### Special Revenue Funds

Fire Protection	\$	571,258
911 Emergency Surcharge		128,412
Street and Bridge		5,442
Illinois Municipal Retirement		227,250
Development TIF Area #1		542,402
Police Protection		22,929
FICA		115,323

##### Enterprise Funds

Waste Collection	\$	1,019,793
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Internal Service Fund	\$	186,417
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# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

<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>	\$ 16,731,274	\$ 22,082,031	\$ 18,739,091	\$ 3,342,940
 <u>Special Revenue Funds</u>				
911 Emergency Surcharge	\$ 147,500	\$ 147,500	\$ 133,106	\$ 14,394
Zion-Newport Fire Station	98,963	98,963	12	98,951
Emergency Service Rescue	711,137	711,137	707,756	3,381
Fire Protection	790,784	790,784	787,634	3,150
Street and Bridge	463,000	463,000	470,801	(7,801)
Illinois Municipal Retirement Fund	401,700	401,700	456,651	(54,951)
FICA	359,600	359,600	385,944	(26,344)
Development TIF Area #1	1,543,337	1,543,337	1,445,223	98,114
Development TIF Area #3	207,766	357,766	202,000	155,766
Motor Fuel Tax	731,783	731,783	799,056	(67,273)
Liability Insurance	964,302	964,302	958,898	5,404
Drug Traffic Prevention	4,408	4,408	6,962	(2,554)
Industrial Development	375,000	375,000	375,000	-
Hotel/Motel Tax	177,121	177,121	171,911	5,210
Impact Fee Fund	-	-	181,485	(181,485)
Impact Fee - Other Government Agency	-	-	1,928	(1,928)
	\$ 6,976,401	\$ 7,126,401	\$ 7,084,367	\$ 42,034
 <u>Capital Projects Funds</u>				
Capital Projects Fund	\$ 336,340	\$ 375,740	\$ 822,555	\$ (446,815)
TIF #1 Capital Projects	-	-	135	(135)
	\$ 336,340	\$ 375,740	\$ 822,690	\$ (446,950)
 <u>Debt Service Funds</u>				
TIF #1 Bond Series 2002A	\$ 555,803	\$ 555,803	\$ 556,534	\$ (731)
Area 3 South Sheridan Road Project (Debt Service)	204,116	204,116	238,180	(34,064)
Bond Debt Service	404,988	404,988	406,253	(1,265)
Series 2002B Road Bond	386,783	386,783	387,514	(731)
Series 2003 Road Bond	260,196	260,196	260,927	(731)
Series 2006 Water Bonds	-	256,733	-	256,733
	\$ 1,811,886	\$ 2,068,619	\$ 1,849,408	\$ 219,211
 <u>Enterprise Funds</u>				
Water and Sewer	\$ 3,553,811	\$ 3,540,345	\$ 3,774,096	\$ (233,751)
Waste Collection	1,706,200	1,706,200	1,716,181	(9,981)
	\$ 5,260,011	\$ 5,246,545	\$ 5,490,277	\$ (243,732)

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

<b>NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)</b>
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**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, 2014, management asserts the City complied, in all material respects, with these revenue restrictions.

<b>NOTE C – DEPOSITS AND INVESTMENTS</b>
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**Deposits**

As of April 30, 2014, a reconciliation of cash and investments as shown on the Statement of Net Position is as follows:

	<b>Carrying Value</b>	<b>Bank Balance</b>
Checking accounts	\$ 1,325,047	\$ 1,735,199
Money market and savings accounts	1,117,318	1,106,078
Money market mutual funds - restricted	1,852,405	1,852,405
Certificate of deposits	1,097,594	1,097,594
Illinois Funds	1,442,184	1,442,184
Cash on hand	1,050	
<b>Total</b>	<b>\$ 6,835,598</b>	

A reconciliation to the financial statements is shown below:

Statement of Net Position - governmental activities	
Cash and equivalents	\$ 5,602,437
Investments	198,554
Statement of Net Position - business-type activities	
Cash and equivalents	135,567
Investments	899,040
	<b>\$ 6,835,598</b>

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

<b>NOTE C – DEPOSITS AND INVESTMENTS (continued)</b>
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**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 \$2,442,365 and the bank balances totaled \$2,841,277. Of the bank balances, \$597,780 was covered by federal depository insurance, \$2,243,497 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. The City does not have a custodial credit risk policy for deposits.

**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.

As of April 30, 2014, the City had the following investments and maturities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
Money market mutual funds	\$ 1,852,405	\$ 1,852,405	\$ -	\$ -	\$ -
Illinois Funds	1,442,184	1,442,184	-	-	-
Certificates of deposit	1,097,594	-	1,097,594	-	-
Total	\$ 4,392,183	\$ 3,294,589	\$ 1,097,594	\$ -	\$ -

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

#### **Investments (continued)**

**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.

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, 2014 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.

The certificates of deposit held by the City are not rated.

**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, 2014

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

**Investments (continued)**

**Police Pension Fund**

As of April 30, 2014, the Police Pension Fund had the following investments and maturities:

***POLICE PENSION FUND***

	Fair Value	Investment Maturities (in Years)			Greater than 10
		Less Than 1	1-5	6-10	
U.S. Treasury Bonds, Notes	\$ 4,146,029	\$ 488,891	\$ 2,072,592	\$ 1,584,546	\$ -
Governmental National Mortgage	133,835	-	-	516	133,319
Federal Farm Credit Bank	554,195	-	554,195	-	-
Federal Home Loan Mortgage	349,106	-	325,502	21,222	2,382
Federal National Mortgage	1,583,640	-	1,319,162	19,102	245,376
Corporate Debt Obligations	1,169,619	175,524	994,095	-	-
Total	\$ 7,936,424	\$ 664,415	\$ 5,265,546	\$ 1,625,386	\$ 381,077

**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, 2014, 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, 2014

<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, 2014, the Firemen’s Pension Fund had the following investments and maturities:

	Fair Value	Investment Maturities (in Years)			Greater than 10
		Less Than 1	1-5	6-10	
Corporate Bonds	\$ 2,294,086	\$ 533,275	\$ 1,165,731	\$ 595,080	\$ -
Government National Mortgage	1,404,870	-	-	24,195	1,380,675
Money Market Mutual Funds	3,112,206	3,112,206	-	-	-
Total	\$ 6,811,162	\$ 3,645,481	\$ 1,165,731	\$ 619,275	\$ 1,380,675

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, 2014

<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. In August 2011, US Treasury and government agency security ratings were downgraded by Standard & Poor’s rating agency to AA+. 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 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, 2014, all bank balances were 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, 2014, the Pension Fund has investments in agency securities of \$735,726 exceeding 5% of net plan assets.

<b>NOTE D – ACCOUNTS RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES</b>
---

**Accounts Receivable**

Accounts receivable of the business-type activities of \$1,171,224 consists entirely of utilities trade accounts receivable and related liens. Other accounts receivable of the governmental activities of \$2,477,654 primarily consist of, administrative adjudication (70%) and utility taxes (14%). Remaining categories make up less than 10% individually. Receivables details at April 30, 2014, are as follows:

	Governmental Activities	Business-type Activities	Total
Trade accounts receivable	\$ 2,110,954	\$ 1,151,977	\$ 3,262,931
Other receivables/current assets	366,700	19,247	385,947
Allowance for doubtful accounts	(1,570,483)	-	(1,570,483)
	\$ 907,171	\$ 1,171,224	\$ 2,078,395



# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

### NOTE D – ACCOUNTS RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES (continued)

#### Deferred Inflows of Resources

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current periods. Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, various components of deferred inflows reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Property Taxes</u>	<u>Total</u>
Property taxes	\$ -	\$ 9,233,590	\$ 9,233,590
Income taxes	368,989	-	368,989
Veolia host fees	232,797	-	232,797
Other	85,960	-	85,960
	<u>\$ 687,746</u>	<u>\$ 9,233,590</u>	<u>\$ 9,921,336</u>

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

### 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. 2013 taxes became an enforceable lien on January 1, 2014.

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 \$11,941,549 and the tax extension was \$2,318,147.

TIF #3 assessed valuation was \$3,734,444 and the tax extension was \$645,228.

TIF #4 assessed valuation was \$171,331 and the tax extension was \$27,869.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

<b>NOTE E – PROPERTY TAXES (continued)</b>
--

**General Property Taxes (continued)**

Assessed Valuations, Rates, Extensions, and Collections

<u>TAX LEVY YEAR</u>	<u>2014</u>	<u>2013</u>
ASSESSED VALUATIONS	<u>\$ 244,018,455</u>	<u>\$ 286,961,971</u>
<u>TAX RATE/\$100 EAV</u>		
General Fund	0.438	0.435
Fire Fund	0.321	0.276
Street and Bridge Fund	0.100	0.100
IMRF	0.190	0.146
Social Security	0.158	0.133
Police Pension	0.411	0.302
Firemen’s Pension	0.311	0.239
Emergency Rescue Service	0.250	0.248
Liability Insurance Fund	<u>0.392</u>	<u>0.336</u>
TOTALS	<u>2.571</u>	<u>2.215</u>
TAX EXTENSIONS		
<u>TAX LEVY YEAR</u>	<u>2014</u>	<u>2013</u>
Fiscal Year Collected	4/30/2014	4/30/2013
Purpose of Levy:		
General Fund	\$ 1,068,801	\$ 1,248,285
Fire Fund	783,299	792,015
Street and Bridge Fund	244,018	286,962
IMRF	463,635	418,964
Social Security	385,549	381,659
Police Pension	1,002,916	866,625
Firemen’s Pension	758,897	685,839
Emergency Rescue Service	610,046	711,666
Liability Insurance Fund	<u>956,552</u>	<u>964,192</u>
TOTALS	<u>\$ 6,273,714</u>	<u>\$ 6,356,207</u>
Collections		<u>\$ 6,319,387</u>
% of Collections		<u>99.42%</u>

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

<b>NOTE F – CAPITAL ASSETS – GOVERNMENTAL ACTIVITIES</b>
--

Capital asset activity for governmental activities for the year ended April 30, 2014 was as follows:

	Balance 5/1/13	Additions	Deletions	Balance 4/30/14
Capital assets not being depreciated:				
Land	\$ 2,120,285	\$ -	\$ -	\$ 2,120,285
Capital assets being depreciated:				
Building and improvements	11,997,548	88,118	-	12,085,666
Machinery and equipment	5,538,309	425,787	-	5,964,096
Roads and bridges	29,259,705	326,848	-	29,586,553
Total capital assets being depreciated	46,795,562	840,753	-	47,636,315
Less accumulated depreciation for:				
Buildings and improvements	5,298,107	381,420	-	5,679,527
Machinery and equipment	4,977,005	208,707	-	5,185,712
Road and bridges	7,131,166	591,731	-	7,722,897
Total accumulated depreciation	17,406,278	1,181,858	-	18,588,136
 Total capital assets being depreciated, net	 29,389,284	 (341,105)	 -	 29,048,179
 Governmental activities capital assets, net	 \$ 31,509,569	 \$ (341,105)	 \$ -	 \$ 31,168,464

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

General government	\$ 34,733
Public health and safety	261,205
Public works and engineering	671,886
Economic development and promotion	214,034
 Total depreciation expense - governmental activities	 \$ 1,181,858

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

<b>NOTE G – CAPITAL ASSETS – BUSINESS-TYPE ACTIVITIES</b>
---

Capital asset activity for business-type activities for the year ended April 30, 2014 was as follows:

	Balance 5/1/13	Additions	Deletions	Balance 4/30/14
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	116,400	-	1,397,336
Total capital assets being depreciated	13,346,515	116,400	-	13,462,915
Less accumulated depreciation for:				
Water mains and plant	7,312,861	296,781	-	7,609,642
Machinery and equipment	1,237,400	24,485	-	1,261,885
Total accumulated depreciation	8,550,261	321,266	-	8,871,527
Total capital assets being depreciated, net	4,796,254	(204,866)	-	4,591,388
Business-type activities capital assets, net	\$ 5,228,085	\$ (204,866)	\$ -	\$ 5,023,219

<b>NOTE H – RETIREMENT FUND COMMITMENTS</b>
---

### ***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 annual required contribution rate for calendar year 2013 was 12.44%. 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, 2014

<b>NOTE H – RETIREMENT FUND COMMITMENTS (continued)</b>
---

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

Annual Pension Cost

The required contribution for calendar year 2013 was \$442,056. The required contribution for 2013 was determined as part of the December 31, 2011, 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 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of 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, 2011 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
12/31/2013	\$ 442,056	100.00%	\$ -
12/31/2012	405,802	94.00%	-
12/31/2011	398,440	91.00%	-

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 83.08 percent funded. The actuarial accrued liability for benefits was \$11,814,208 and the actuarial value of assets was \$9,814,869, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,999,339. The covered payroll for calendar year 201,32 (annual payroll of active employees covered by the plan) was \$3,553,507 and the ratio of the UAAL to the covered payroll was 56 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, 2014

### 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, 2014 consisted of the following classes of participants:

Retirees and beneficiaries receiving benefits	36
Members entitled to benefits but not yet receiving them	0
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, 2014

### 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, 2014 consisted of the following classes of participants:

Retirees and beneficiaries receiving benefits	24
Active members	26
Total Members	<u>50</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, 2014

<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, 2014 were as follows:

	Police Pension	Fire Pension
Annual Required Contribution	1,220,758	1,047,048
Less: Contributions Made	(867,020)	(682,170)
Change in Net Pension Obligation	353,738	364,878
Net Pension Obligation - May 1, 2013	732,627	116,698
Net Pension Obligation - April 30, 2014	\$ 1,086,365	\$ 481,576

The annual required contribution for the current year was determined as part of the April 30, 2013 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
<b>Police Pension</b>			
4/30/2012	\$ 967,244	85.23%	\$ 384,953
4/30/2013	964,361	73.50%	732,627
4/30/2014	867,020	71.02%	1,086,365
<b>Firemen’s Pension</b>			
4/30/2012	\$ 753,351	98.83%	\$ (110,034)
4/30/2013	820,316	78.35%	116,698
4/30/2014	682,170	65.15%	481,576

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

<b>NOTE H – RETIREMENT FUND COMMITMENTS (continued)</b>
---

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

	Actuarial Valuation Date		
	4/30/2013	4/30/2012	4/30/2011
Police Pension			
Actuarial Accrued Liability (AAL)	\$ 40,595,288	\$ 38,480,383	\$ 35,677,194
Actuarial Value of Assets	25,985,055	24,376,160	24,040,943
Unfunded AAL (UAAL)	\$ 14,610,233	\$ 14,104,223	\$ 11,636,251
Funded Ratio	64.01%	63.35%	67.38%
Covered Payroll	\$ 3,683,466	\$ 3,530,911	\$ 3,142,185
UAAL as % of Covered Payroll	396.64%	399.45%	370.32%

	Actuarial Valuation Date		
	4/30/2013	4/30/2012	4/30/2011
Firemen's Pension			
Actuarial Accrued Liability (AAL)	\$ 27,382,464	\$ 25,047,992	\$ 23,548,513
Actuarial Value of Assets	15,355,748	14,629,917	13,933,877
Unfunded AAL (UAAL)	\$ 12,026,716	\$ 10,418,075	\$ 9,614,636
Funded Ratio	56.08%	58.41%	59.17%
Covered Payroll	\$ 2,176,585	\$ 1,999,159	\$ 1,809,402
UAAL as % of Covered Payroll	552.55%	521.12%	531.37%

***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 2014, the City’s annual OPEB cost was \$229,477. 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, 2014

<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	12,250
Adjustment to ARC	<u>(20,226)</u>
Annual OPEB Cost	229,477
Estimated Employer Contributions	(150,747)
Change in Net OPEB Obligation	78,730
Net OPEB Obligation - May 1, 2013	<u>408,332</u>
Net OPEB Obligation - April 30, 2014	<u>\$ 487,062</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>\$ 3,782,638</u>
Funded Ratio	0.00%
Covered Payroll	N/A
AAL as % of Covered Payroll	N/A

Actuarial calculations are performed by the City triennially. 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, 2014

<b>NOTE I – LONG-TERM LIABILITIES</b>
---------------------------------------

The following is a summary of the City’s general long-term debt activity for the year ended April 30, 2014:

Governmental Activities	5/1/2013	Increases	Retirements	4/30/2014	Current Portion
Other Liabilities					
Accrued Vacation Liability	\$ 562,238	\$ 605,497	\$ 562,238	\$ 605,497	\$ 605,497
Capital Lease	308,917	425,787	242,355	492,349	237,023
Net OPEB Obligation	408,332	229,477	150,747	487,062	-
Net Pension Liability	849,325	2,267,806	1,549,190	1,567,941	-
Long-term Obligations					
General Obligation Bonds, Series					
2004A (Special Tax Allocation Fund					
Alternate Revenue Source)	1,145,000	-	1,145,000	-	-
General Obligation Limited Tax Debt					
Certificates, Series 2007	1,870,000	-	175,000	1,695,000	180,000
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	-	515,000	1,700,000	540,000
General Obligation Refunding Bonds, Series					
2012B (Combined Zion Energy LLC					
Agreement Fees and Motor Fuel Tax)	2,160,000	-	335,000	1,825,000	340,000
General Obligation Refunding Bonds, Series					
2012C (Combined Zion Energy LLC					
Agreement Fees and Motor Fuel Tax)	1,460,000	-	225,000	1,235,000	235,000
General Obligation Refunding Bonds, Series					
2013 (Area 3 South Sheridan Road					
Special Tax Allocation Fund Alternate					
Revenue Bonds)	-	1,230,000	180,000	1,050,000	165,000
Discount on Long-Term Liabilities	(88,482)	(7,319)	(45,795)	(50,006)	(11,148)
Governmental Long-Term Liability Totals	<b>\$13,390,330</b>	<b>\$4,751,248</b>	<b>\$ 5,033,735</b>	<b>\$13,107,843</b>	<b>\$ 2,291,372</b>

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

Debt outstanding as of April 30, 2014, consisted of the following:

Business-Type Activities	5/1/2013	Increases	Retirements	4/30/2014	Current Portion
Capital Lease	\$ -	\$ 116,403	\$ 24,668	\$ 91,735	\$ 21,934
General Obligation Refunding Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2006	1,860,000	-	175,000	1,685,000	180,000
Premium on Bonds Issued	20,817	-	2,602	18,215	2,602
<b>Business-Type Long-Term Liability Totals</b>	<b>1,880,817</b>	<b>116,403</b>	<b>202,270</b>	<b>1,794,950</b>	<b>204,536</b>
 Government Wide Long-Term Liability Totals	 \$15,271,147	 \$4,867,651	 \$ 5,236,005	 \$14,902,793	 \$ 2,495,908

### **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
2015	\$ 52,627	\$ 1,732	\$ 54,359
	\$ 52,627	\$ 1,732	\$ 54,359

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
2015	\$ 104,166	\$ 3,084	\$ 107,250
	\$ 104,166	\$ 3,084	\$ 107,250

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

***Capital Lease Obligations (continued)***

On May 15, 2013 the City acquired dump and sweeper trucks through a lease/purchase agreement. The gross amount of the assets is \$335,555, which is included in capital assets in the governmental activities on the Statement of New Position. There are five payments due annually with the first payment being made May 15, 2013. The future minimum lease obligations on the agreement are as follows:

Year Ending April 30,	Principal	Interest	Total
2015	\$ 80,230	\$ 10,001	\$ 90,231
2016	82,622	7,609	90,231
2017	85,084	5,147	90,231
2018	87,620	2,611	90,231
	\$ 335,556	\$ 25,368	\$ 360,924

On May 15, 2013 the City acquired a truck through a lease/purchase agreement. The gross amount of the assets is \$116,403, which is included in capital assets in the business-type activities on the Statement of New Position. There are five payments due annually with the first payment being made May 15, 2013. The future minimum lease obligations on the agreement are as follows:

Year Ending April 30,	Principal	Interest	Total
2015	\$ 21,934	\$ 2,734	\$ 24,668
2016	22,588	2,080	24,668
2017	23,261	1,407	24,668
2018	23,952	716	24,668
	\$ 91,735	\$ 6,937	\$ 98,672

**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 cost 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. Effective June 25, 2013, these bonds were advance refunded by the issuance of the GO Refunding Bonds Series 2013, resulting in no outstanding balance as of June 25, 2013.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

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
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
	<u>\$ 1,695,000</u>	<u>\$ 342,510</u>	<u>\$ 2,037,510</u>

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
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
	<u>\$ 2,500,000</u>	<u>\$ 791,700</u>	<u>\$ 3,291,700</u>

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

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
2015	\$ 540,000	\$ 30,600	\$ 570,600
2016	570,000	20,880	590,880
2017	590,000	10,620	600,620
	<u>\$ 1,700,000</u>	<u>\$ 62,100</u>	<u>\$ 1,762,100</u>

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.

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
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
	<u>\$ 1,825,000</u>	<u>\$ 131,249</u>	<u>\$ 1,956,249</u>



# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

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.

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 <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 1,235,000</u>	<u>\$ 88,478</u>	<u>\$ 1,323,478</u>

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, 2014

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

Taxable General Obligation Refunding Bonds (Area 3 South Sheridan Road Special Tax Allocation Fund Alternate Revenue Source), Series 2013

Taxable General Obligation Bonds (Area 3 South Sheridan Road Special Tax Allocation Fund Alternate Revenue Source), Series 2013 were issued on June 25, 2013 in the amount of \$1,230,000 with an interest rate of 2.55%, payable June 30 and December 30 each year. Proceeds were used to refund the General Obligation Bonds (Area 3 South Sheridan Road Special Tax Allocation Fund Alternate Revenue Source), Series 2004 and to pay the related costs of issuance. These bonds are secured by (a) incremental taxes received from the Area 3 South Sheridan Road Redevelopment Project Area, as deposited into the Area 3 South Sheridan Road Redevelopment Project Area Special Tax Allocation Fund, and (b) 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
2015	\$ 165,000	\$ 26,775	\$ 191,775
2016	170,000	22,568	192,568
2017	170,000	18,233	188,233
2018	175,000	13,898	188,898
2019	180,000	9,435	189,435
2020-2022	190,000	4,845	194,845
	<u>\$ 1,050,000</u>	<u>\$ 95,754</u>	<u>\$ 1,145,754</u>

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$33,168. This difference, reported in the accompanying financial statements as a reduction to bonds payable, is being charged to operations through the year 2022 using the straight-line method. The advance refunding was completed to reduce its total debt service payments over the next 8 years by \$44,932 and resulted in an economic gain (difference between the present values of the old and new debt service payments) of (\$38,475).

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

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
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
	\$ 1,685,000	\$ 324,773	\$ 2,009,773

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, 2014

<b>NOTE J – 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, 2014, interfund receivables, payables and advances consisted of the following:

Fund	Due from/ Advance to Other Funds	Due to/ Advance from Other Funds
General Fund		
TIF Area #1	\$ 1,040,355	\$ -
Water and Sewer	-	872,964
Nonmajor Governmental	1,545,506	-
	2,585,861	872,964
TIF Area #1		
General Fund	-	1,040,355
Nonmajor Governmental	570,616	-
	570,616	1,040,355
Water and Sewer Fund		
General Fund	872,964	-
Waste Collection	846,939	-
	1,719,903	-
Waste Collection		
Water and Sewer Fund	-	846,939
	-	846,939
Nonmajor Governmental		
General Fund	-	1,545,506
TIF Area #1	-	570,616
Nonmajor Governmental	786,682	786,682
	786,682	2,902,804
Total	\$ 5,663,062	\$ 5,663,062

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

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

- General Fund - \$1,040,355 is due from Development TIF Area #1 for cash overdrafts deemed to have been funded by the General Fund. \$178,628 is due from Bond Debt Service for cash deemed to be restricted for 2015 debt service per the bond escrow agreement. \$1,371,500 is due from other Nonmajor Governmental funds deemed to have been funded by the General Fund. Additionally, \$872,964 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 - \$1,040,355 is due to the General Fund for cash overdrafts deemed to have been funded by the General Fund; all repayments are expected within one year.
- Water and Sewer Fund - \$764,439 is due from Waste Collection Fund for cash overdrafts deemed to have been funded by the Water and Sewer Fund. Additionally, \$872,964 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 - \$764,439 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 - \$1,371,500 is due to the General Fund for cash overdrafts deemed to have been funded by the General Fund. \$178,628 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. Additionally, \$570,616 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, 2014

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

The following transfers were made during the year ended April 30, 2014:

Fund	Transfer In	Transfer Out
General Fund		
TIF Area #1	\$ 5,800	\$ -
Internal Service Fund	-	42,872
Nonmajor Governmental	2,710,290	993,942
	2,716,090	1,036,814
TIF Area #1		
General Fund	-	5,800
Nonmajor Governmental	135	491,554
	135	497,354
Internal Service Fund	42,872	-
Nonmajor Governmental		
General Fund	993,942	2,710,290
TIF Area #1	491,554	135
Nonmajor Governmental	901,147	901,147
	2,386,643	3,611,572
Total	\$5,145,740	\$ 5,145,740

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

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

#### Transfers (continued):

- General Fund - \$42,872 transfer to the Internal Service Fund for creation of the Fund during the fiscal year ended April 30, 2014. \$5,800 transfer from TIF Area #1 to reimburse General Fund for TIF eligible expenses incurred. \$1,716,348 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.
- Development TIF Area #1 - \$491,554 transfer out to nonmajor governmental funds to cover debt service payments.
- Nonmajor Governmental - \$1,716,348 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. \$491,554 net transfer in from TIF Area #1 to cover debt service payments.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

<b>NOTE K – NET POSITION</b>
------------------------------

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
Liability Insurance	Law	\$ 15,790
Emergency Service Rescue	Law	167,335
Zion-Newport Fire Station	Law	408,799
Development TIF Area #3	Law	1,030,810
Development TIF Area #4	Law	5,679
Drug Traffic Prevention	Law	37,307
Impact Fees	Ordinance	
Motor Fuel Tax	Law	338,172
Audit	Law	13,936
Industrial Development	Ordinance	1,256
Cable Commission	Law	21,571
Hotel/Motel Tax	Law	123,168
Total Restricted Net Position for Other Purposes		\$ 2,163,823

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	\$ 31,168,464	\$ 5,023,219
Less: capital-related debt	(8,047,355)	(1,794,950)
Net investment in capital assets	\$ 23,121,109	\$ 3,228,269



# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

<b>NOTE L – FUND BALANCES</b>
-------------------------------

### Categories

At April 30, 2014, the City's fund balances were classified as follows:

	General	Development TIF Area #1	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepays	\$ 344,860	\$ -	\$ -	\$ 344,860
Total Nonspendable	344,860	-	-	344,860
Restricted for				
Debt service	-	-	156,403	156,403
Liability Insurance	-	-	15,790	15,790
Emergency Service Rescue	-	-	167,335	167,335
Zion-Newport Fire Station	-	-	408,799	408,799
Development TIF Area #3	-	-	1,030,810	1,030,810
Development TIF Area #4	-	-	5,679	5,679
Drug Traffic Prevention	-	-	37,307	37,307
Motor Fuel Tax	-	-	338,172	338,172
Audit	-	-	13,936	13,936
Industrial Development	-	-	1,256	1,256
Cable Commission	-	-	21,571	21,571
Hotel/Motel Tax	-	-	123,168	123,168
Total Restricted	-	-	2,320,226	2,320,226
Total Unassigned	3,188,604	(542,402)	(1,023,105)	1,623,097
Total Fund Balance	\$ 3,533,464	\$ (542,402)	\$ 1,297,121	\$ 4,288,183

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

### **NOTE M – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS**

#### Federal and State Grants

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

#### 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, 2014

### **NOTE M – 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 \$4,867,247 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,	
2015	745,622
2016	761,137
2017	777,041
2018	542,342
Total	<u>\$ 2,826,142</u>

### **NOTE N – RISK MANAGEMENT AND LITIGATION**

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

The City is covered by commercial insurers for losses relating to liability (law, public officials, general liability and auto liability) and workers' compensation up to the following limits through April 30, 2014:

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, 2014, 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, 2014

### **NOTE N – RISK MANAGEMENT AND LITIGATION (continued)**

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, 2014:

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, 2014, 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.

### **NOTE O – SUBSEQUENT EVENTS**

Management evaluated subsequent events through October 29, 2014, the date the financial statements were available to be issued. Events or transactions occurring after April 30, 2014, but prior to October 29, 2014 that provided additional evidence about conditions that existed at April 30, 2014, have been recognized in the financial statements for the year ended April 30, 2014. Events or transactions that provided evidence about conditions that did not exist at April 30, 2014 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, 2014.

# CITY OF ZION, ILLINOIS

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2014

<b>NOTE P – PRIOR PERIOD ADJUSTMENT</b>
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The City of Zion, Illinois implemented GASB 65, effective May 1, 2013, which resulted in the expensing of the debt issuance costs that were previously reported as an other asset on the statement of net position. In addition, an accrual for compensated absences on the Water and Sewer Fund and the corresponding Business-Type Activities was recorded. The effects of the restatements are as follows:

	Government-Wide	Business-Type	Water and Sewer Fund
Net position, Balance at April 30, 2013, as reported	\$ 21,540,148	\$ 6,005,413	\$ 6,998,426
Adjustment to recognize beginning compensated absences	-	(76,614)	(76,614)
Adjustment to implement GASB 65	(151,077)	(35,254)	(35,254)
Net position, Balance at May 1, 2013, as restated	\$ 21,389,071	\$ 5,893,545	\$ 6,886,558

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

**CITY OF ZION, ILLINOIS**

***REQUIRED SUPPLEMENTARY  
INFORMATION***

**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>
4/30/2013	\$ 15,355,748	\$ 27,382,464	\$ 12,026,716	56.08%	\$ 2,176,585	552.55%
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%

**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>
4/30/2013	\$ 25,985,055	\$ 40,595,288	\$ 14,610,233	64.01%	\$ 3,683,466	396.64%
4/30/2012	24,376,160	38,480,383	14,104,223	63.35%	3,530,911	399.45%
4/30/2011	24,090,943	35,677,194	11,636,251	67.52%	3,142,185	370.32%



**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>
4/30/2013	\$ 9,814,869	\$ 11,814,208	\$ 1,999,339	83.08%	\$ 3,553,507	56.26%
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%

**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, 2014

	SPECIAL REVENUE FUNDS										
	911 Emergency Surcharge	Zion - Newport Fire Station	Emergency Service Rescue	Street and Bridge	Illinois Municipal Retirement	FICA	Motor Fuel Tax	Development TIF Area #3	Development TIF Area #4	Impact Fee	Impact Fee - Fire/Rescue
<b>ASSETS</b>											
Cash and equivalents	\$ -	\$ 408,458	\$ 167,335	\$ -	\$ (1)	\$ -	\$ -	\$ 839,203	\$ 5,679	\$ -	\$ -
Taxes receivable, net of allowance for uncollectables of \$46,580	-	-	606,996	242,798	461,317	383,621	-	645,228	27,869	-	-
Utility taxes and franchise fees	-	-	-	-	-	-	-	-	-	-	-
Other receivables and current assets	20,815	-	-	-	-	-	-	-	-	-	-
Due from other governmental agencies	-	341	-	-	-	-	45,006	-	-	-	-
Due from other funds	-	-	-	-	-	-	382,898	191,780	-	-	-
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 20,815</u>	<u>\$ 408,799</u>	<u>\$ 774,331</u>	<u>\$ 242,798</u>	<u>\$ 461,316</u>	<u>\$ 383,621</u>	<u>\$ 427,904</u>	<u>\$ 1,676,211</u>	<u>\$ 33,548</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>											
Accounts payable	-	-	-	-	-	-	2,827	173	-	-	-
Due to other governmental agencies	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	149,227	-	-	5,442	215,204	105,165	86,905	-	-	-	-
Due to fiduciary funds	-	-	-	-	-	-	-	-	-	-	-
Accrued payroll	-	-	-	-	12,045	10,158	-	-	-	-	-
Deferred revenue - other	-	-	-	-	-	-	-	-	-	-	-
Advance from water and sewer fund	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>149,227</u>	<u>-</u>	<u>-</u>	<u>5,442</u>	<u>227,249</u>	<u>115,323</u>	<u>89,732</u>	<u>173</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unavailable revenue - property taxes	-	-	606,996	242,798	461,317	383,621	-	645,228	27,869	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>606,996</u>	<u>242,798</u>	<u>461,317</u>	<u>383,621</u>	<u>-</u>	<u>645,228</u>	<u>27,869</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	408,799	167,335	-	-	-	338,172	1,030,810	5,679	-	-
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	(128,412)	-	-	(5,442)	(227,250)	(115,323)	-	-	-	-	-
Total fund balances (deficits)	<u>(128,412)</u>	<u>408,799</u>	<u>167,335</u>	<u>(5,442)</u>	<u>(227,250)</u>	<u>(115,323)</u>	<u>338,172</u>	<u>1,030,810</u>	<u>5,679</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 20,815</u>	<u>\$ 408,799</u>	<u>\$ 774,331</u>	<u>\$ 242,798</u>	<u>\$ 461,316</u>	<u>\$ 383,621</u>	<u>\$ 427,904</u>	<u>\$ 1,676,211</u>	<u>\$ 33,548</u>	<u>\$ -</u>	<u>\$ -</u>

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

COMBINING BALANCE SHEET  
April 30, 2014

	SPECIAL REVENUE FUNDS									
	Impact Fee - Other Gov't Agencies	Police Protection	Liability Insurance	Audit	Drug Traffic Prevention	Industrial Development	Cable Commission	Hotel/Motel Tax	Fire Protection	Total Special Revenue Funds
<b>ASSETS</b>										
Cash and equivalents	\$ -	\$ -	\$ 15,790	\$ 13,936	\$ 204,216	\$ -	\$ 21,571	\$ 166,417	\$ -	\$ 1,842,604
Taxes receivable, net of allowance for uncollectables of \$46,580	-	-	951,770	-	-	-	-	-	779,383	4,098,982
Utility taxes and franchise fees	-	-	-	-	-	-	-	-	-	-
Other receivables and current assets	-	-	-	-	17	-	-	15,301	-	36,133
Due from other governmental agencies	-	-	-	-	-	-	-	-	-	45,347
Due from other funds	-	-	-	-	-	212,004	-	-	-	786,682
Prepaid insurance	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 967,560</b>	<b>\$ 13,936</b>	<b>\$ 204,233</b>	<b>\$ 212,004</b>	<b>\$ 21,571</b>	<b>\$ 181,718</b>	<b>\$ 779,383</b>	<b>\$ 6,809,748</b>
<b>LIABILITIES</b>										
Accounts payable	-	-	-	-	301	-	-	58,550	-	61,851
Due to other governmental agencies	-	-	-	-	166,625	-	-	-	-	166,625
Due to other funds	-	22,929	-	-	-	210,748	-	-	571,258	1,366,878
Due to fiduciary funds	-	-	-	-	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-	-	-	-	22,203
Deferred revenue - other	-	-	-	-	-	-	-	-	-	-
Advance from water and sewer fund	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>22,929</b>	<b>-</b>	<b>-</b>	<b>166,926</b>	<b>210,748</b>	<b>-</b>	<b>58,550</b>	<b>571,258</b>	<b>1,617,557</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Unavailable revenue - property taxes	-	-	951,770	-	-	-	-	-	779,383	4,098,982
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>951,770</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>779,383</b>	<b>4,098,982</b>
<b>FUND BALANCES (DEFICITS)</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	15,790	13,936	37,307	1,256	21,571	123,168	-	2,163,823
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	(22,929)	-	-	-	-	-	-	(571,258)	(1,070,614)
<b>Total fund balances (deficits)</b>	<b>-</b>	<b>(22,929)</b>	<b>15,790</b>	<b>13,936</b>	<b>37,307</b>	<b>1,256</b>	<b>21,571</b>	<b>123,168</b>	<b>(571,258)</b>	<b>1,093,209</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 967,560</b>	<b>\$ 13,936</b>	<b>\$ 204,233</b>	<b>\$ 212,004</b>	<b>\$ 21,571</b>	<b>\$ 181,718</b>	<b>\$ 779,383</b>	<b>\$ 6,809,748</b>

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

COMBINING BALANCE SHEET  
April 30, 2014

	DEBT SERVICE FUNDS					CAPITAL PROJECTS FUNDS			Total Nonmajor Governmental Funds	
	Bond Debt Service	TIF #1 Bond Series 2002A	Bond Series 2002B Road Bond	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
<b>ASSETS</b>										
Cash and equivalents	\$ 225,015	\$ 570,616	\$ 440,888	\$ 264,030	\$ 191,780	\$ 1,692,329	\$ -	\$ 47,509	\$ 47,509	\$ 3,582,442
Taxes receivable, net of allowance for uncollectables of \$46,580	-	-	-	-	-	-	-	-	-	4,098,982
Utility taxes and franchise fees	-	-	-	-	-	-	-	-	-	-
Other receivables and current assets	-	-	-	-	-	-	-	-	-	36,133
Due from other governmental agencies	-	-	-	-	-	-	-	-	-	45,347
Due from other funds	-	-	-	-	-	-	-	-	-	786,682
Prepaid insurance	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 225,015</u>	<u>\$ 570,616</u>	<u>\$ 440,888</u>	<u>\$ 264,030</u>	<u>\$ 191,780</u>	<u>\$ 1,692,329</u>	<u>\$ -</u>	<u>\$ 47,509</u>	<u>\$ 47,509</u>	<u>\$ 8,549,586</u>
<b>LIABILITIES</b>										
Accounts payable	-	-	-	-	-	-	-	-	-	61,851
Due to other governmental agencies	-	-	-	-	-	-	-	-	-	166,625
Due to other funds	178,628	570,616	382,898	212,004	191,780	1,535,926	-	-	-	2,902,804
Due to fiduciary funds	-	-	-	-	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-	-	-	-	22,203
Deferred revenue - other	-	-	-	-	-	-	-	-	-	-
Advance from water and sewer fund	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>178,628</u>	<u>570,616</u>	<u>382,898</u>	<u>212,004</u>	<u>191,780</u>	<u>1,535,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,153,483</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-	-	4,098,982
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,098,982</u>
<b>FUND BALANCES (DEFICITS)</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	46,387	-	57,990	52,026	-	156,403	-	-	-	2,320,226
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	47,509	47,509	(1,023,105)
Total fund balances (deficits)	<u>46,387</u>	<u>-</u>	<u>57,990</u>	<u>52,026</u>	<u>-</u>	<u>156,403</u>	<u>-</u>	<u>47,509</u>	<u>47,509</u>	<u>1,297,121</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 225,015</u>	<u>\$ 570,616</u>	<u>\$ 440,888</u>	<u>\$ 264,030</u>	<u>\$ 191,780</u>	<u>\$ 1,692,329</u>	<u>\$ -</u>	<u>\$ 47,509</u>	<u>\$ 47,509</u>	<u>\$ 8,549,586</u>

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

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
For the Year Ended April 30, 2014

**SPECIAL REVENUE FUNDS**

	<b>911 Emergency Surcharge</b>	<b>Zion - Newport Fire Station</b>	<b>Emergency Service Rescue</b>	<b>Street and Bridge</b>	<b>Illinois Municipal Retirement</b>	<b>FICA</b>	<b>Motor Fuel Tax</b>	<b>Development TIF Area #3</b>	<b>Development TIF Area #4</b>	<b>Impact Fee</b>	<b>Impact Fee - Fire/Rescue</b>
<b>REVENUES</b>											
Property taxes	\$ -	\$ -	\$ 707,756	\$ 285,395	\$ 416,675	\$ 379,556	\$ -	\$ 561,048	\$ -	\$ -	\$ -
Other taxes	163,836	-	-	-	-	-	-	-	-	-	-
Permits and other fees	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	721,007	-	-	-	-
Interest	25,389	106	-	-	-	-	94	75	-	-	-
Miscellaneous	-	-	-	100,000	-	-	-	-	-	-	-
Total revenues	<u>189,225</u>	<u>106</u>	<u>707,756</u>	<u>385,395</u>	<u>416,675</u>	<u>379,556</u>	<u>721,101</u>	<u>561,123</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>											
Current:											
General government	-	-	-	-	-	-	-	-	-	-	-
Public health and safety	133,106	12	-	-	-	-	-	-	-	-	-
Public works and engineering	-	-	-	143,953	456,651	385,944	411,541	-	-	-	-
Economic development and promotion	-	-	-	-	-	-	-	3,900	-	-	-
Debt Service											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	326,848	-	-	-	-	-	-	-
Total expenditures	<u>133,106</u>	<u>12</u>	<u>-</u>	<u>470,801</u>	<u>456,651</u>	<u>385,944</u>	<u>411,541</u>	<u>3,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>56,119</u>	<u>94</u>	<u>707,756</u>	<u>(85,406)</u>	<u>(39,976)</u>	<u>(6,388)</u>	<u>309,560</u>	<u>557,223</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>											
Sale of city property	-	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-	-	-	-
Discount on bond issuance	-	-	-	-	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-	-
Issuance of capital lease	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	102,810	-	120,000	-	-	-	-	-	-	68,389
Transfers (out)	-	-	(707,756)	-	-	-	(387,515)	(198,100)	-	(181,485)	-
Total other financing sources (uses)	<u>-</u>	<u>102,810</u>	<u>(707,756)</u>	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>(387,515)</u>	<u>(198,100)</u>	<u>-</u>	<u>(181,485)</u>	<u>68,389</u>
Net change in fund balances	56,119	102,904	-	34,594	(39,976)	(6,388)	(77,955)	359,123	-	(181,485)	68,389
Fund balances (deficits) - beginning	(184,531)	305,895	167,335	(40,036)	(187,274)	(108,935)	416,127	671,687	5,679	181,485	(68,389)
Fund balances (deficits) - ending	<u>\$ (128,412)</u>	<u>\$ 408,799</u>	<u>\$ 167,335</u>	<u>\$ (5,442)</u>	<u>\$ (227,250)</u>	<u>\$ (115,323)</u>	<u>\$ 338,172</u>	<u>\$ 1,030,810</u>	<u>\$ 5,679</u>	<u>\$ -</u>	<u>\$ -</u>

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

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
For the Year Ended April 30, 2014

	<b>SPECIAL REVENUE FUNDS</b>									
	<b>Impact</b>	<b>Police</b>	<b>Liability</b>	<b>Audit</b>	<b>Drug</b>	<b>Industrial</b>	<b>Cable</b>	<b>Hotel/Motel</b>	<b>Fire</b>	<b>Total Special</b>
	<b>Fee - Other</b>				<b>Traffic</b>					
	<b>Gov't Agencies</b>	<b>Protection</b>	<b>Insurance</b>		<b>Prevention</b>				<b>Protection</b>	<b>Funds</b>
<b>REVENUES</b>										
Property taxes	\$ -	\$ -	\$ 958,895	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 787,633	\$ 4,096,958
Other taxes	-	-	-	-	-	-	176,910	-	-	340,746
Permits and other fees	-	-	-	-	-	374,999	-	-	-	374,999
Intergovernmental	-	-	-	-	-	-	-	-	-	721,007
Interest	-	-	-	-	-	-	-	-	-	25,664
Miscellaneous	-	-	-	-	49,656	-	-	-	-	149,656
Total revenues	<u>-</u>	<u>-</u>	<u>958,895</u>	<u>-</u>	<u>49,656</u>	<u>374,999</u>	<u>-</u>	<u>176,910</u>	<u>787,633</u>	<u>5,709,030</u>
<b>EXPENDITURES</b>										
Current:										
General government	-	-	-	-	-	-	-	-	-	-
Public health and safety	-	-	-	-	6,962	-	-	-	-	140,080
Public works and engineering	-	-	-	-	-	-	-	-	-	1,398,089
Economic development and promotion	-	-	-	-	-	-	158,790	-	-	162,690
Debt Service										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	326,848
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,962</u>	<u>-</u>	<u>-</u>	<u>158,790</u>	<u>-</u>	<u>2,027,707</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>958,895</u>	<u>-</u>	<u>42,694</u>	<u>374,999</u>	<u>-</u>	<u>18,120</u>	<u>787,633</u>	<u>3,681,323</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Sale of city property	-	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-	-	-
Discount on bond issuance	-	-	-	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-
Issuance of capital lease	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	291,199
Transfers (out)	(1,928)	-	(958,898)	-	-	(375,000)	-	(13,121)	(787,634)	(3,611,437)
Total other financing sources (uses)	<u>(1,928)</u>	<u>-</u>	<u>(958,898)</u>	<u>-</u>	<u>-</u>	<u>(375,000)</u>	<u>-</u>	<u>(13,121)</u>	<u>(787,634)</u>	<u>(3,320,238)</u>
Net change in fund balances	(1,928)	-	(3)	-	42,694	(1)	-	4,999	(1)	361,085
Fund balances (deficits) - beginning	1,928	(22,929)	15,793	13,936	(5,387)	1,257	21,571	118,169	(571,257)	732,124
Fund balances (deficits) - ending	<u>\$ -</u>	<u>\$ (22,929)</u>	<u>\$ 15,790</u>	<u>\$ 13,936</u>	<u>\$ 37,307</u>	<u>\$ 1,256</u>	<u>\$ 21,571</u>	<u>\$ 123,168</u>	<u>\$ (571,258)</u>	<u>\$ 1,093,209</u>



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

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
For the Year Ended April 30, 2014

	DEBT SERVICE FUNDS					CAPITAL PROJECTS FUNDS			Total Nonmajor Governmental Funds
	Bond Debt Service	TIF #1 Bond Series 2002A	Bond Series 2002B Road Bond	Bond Series 2003 Road Bond	Area 3 South Sheridan Rd. Project	Total Debt Service Funds	TIF #1 Capital Projects	Capital Projects	
<b>REVENUES</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,096,958
Other taxes	-	-	-	-	-	-	-	-	340,746
Permits and other fees	-	-	-	-	-	-	-	-	374,999
Intergovernmental	-	-	-	-	-	-	-	-	721,007
Interest	16	15	10	7	5	53	-	-	25,717
Miscellaneous	-	-	-	-	-	-	-	-	149,656
<b>TOTAL REVENUES</b>	<u>16</u>	<u>15</u>	<u>10</u>	<u>7</u>	<u>5</u>	<u>53</u>	<u>-</u>	<u>-</u>	<u>5,709,083</u>
<b>EXPENDITURES</b>									
Current									
General government	-	-	-	-	-	-	-	-	-
Public health and safety	-	-	-	-	-	-	-	-	140,080
Public works and engineering	-	-	-	-	-	-	-	-	1,398,089
Economic development and promotion	-	-	-	-	-	-	-	-	162,690
Debt Service									
Principal retirement	175,000	515,000	335,000	225,000	180,000	1,430,000	-	242,355	1,672,355
Interest and fiscal charges	229,988	41,534	52,514	35,927	58,180	418,143	-	9,485	427,628
Bond issuance costs	1,265	-	-	-	-	1,265	-	-	1,265
Capital Outlay	-	-	-	-	-	-	-	570,715	897,563
<b>TOTAL EXPENDITURES</b>	<u>406,253</u>	<u>556,534</u>	<u>387,514</u>	<u>260,927</u>	<u>238,180</u>	<u>1,849,408</u>	<u>-</u>	<u>822,555</u>	<u>4,699,670</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(406,237)</u>	<u>(556,519)</u>	<u>(387,504)</u>	<u>(260,920)</u>	<u>(238,175)</u>	<u>(1,849,355)</u>	<u>-</u>	<u>(822,555)</u>	<u>1,009,413</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Sale of city property	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	1,230,000	1,230,000	-	-	1,230,000
Discount on bond issuance	-	-	-	-	(7,319)	(7,319)	-	-	(7,319)
Payment to escrow agent	-	-	-	-	(1,178,168)	(1,178,168)	-	-	(1,178,168)
Issuance of capital lease	-	-	-	-	-	-	-	425,787	425,787
Operating transfers in	406,238	491,554	387,515	260,928	195,200	1,741,435	-	354,009	2,386,643
Operating transfers (out)	-	-	-	-	-	-	(135)	-	(3,611,572)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>406,238</u>	<u>491,554</u>	<u>387,515</u>	<u>260,928</u>	<u>239,713</u>	<u>1,785,948</u>	<u>(135)</u>	<u>779,796</u>	<u>(754,629)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>1</u>	<u>(64,965)</u>	<u>11</u>	<u>8</u>	<u>1,538</u>	<u>(63,407)</u>	<u>(135)</u>	<u>(42,759)</u>	<u>254,784</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>46,386</u>	<u>64,965</u>	<u>57,979</u>	<u>52,018</u>	<u>(1,538)</u>	<u>219,810</u>	<u>135</u>	<u>90,268</u>	<u>1,042,337</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 46,387</u>	<u>\$ -</u>	<u>\$ 57,990</u>	<u>\$ 52,026</u>	<u>\$ -</u>	<u>\$ 156,403</u>	<u>\$ -</u>	<u>\$ 47,509</u>	<u>\$ 1,297,121</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, 2014

(With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Taxes					
Property	\$ 1,277,969	\$ 1,277,969	\$ 2,783,477	\$ 1,505,508	\$ 3,277,730
Sales	2,187,600	2,187,600	2,289,348	101,748	2,174,942
Utility	1,772,377	1,772,377	1,802,986	30,609	1,743,570
Income	2,234,600	2,234,600	2,378,953	144,353	2,425,148
Replacement	453,400	453,400	407,850	(45,550)	1,114,090
Entertainment	15,000	15,000	7,268	(7,732)	13,463
Total Taxes	<u>7,940,946</u>	<u>7,940,946</u>	<u>9,669,882</u>	<u>1,728,936</u>	<u>10,748,943</u>
Licenses, Permits, and Fees					
Business licenses	79,000	79,000	64,775	(14,225)	88,885
Vehicle licenses	168,000	168,000	98,987	(69,013)	137,380
Permits	875,000	875,000	1,020,292	145,292	940,867
Franchise fees	267,000	267,000	275,508	8,508	268,964
Host fees	2,220,500	2,220,500	2,078,467	(142,033)	2,084,796
Game licenses	-	-	-	-	-
Gas generating fee	50,000	50,000	50,000	-	50,000
Ambulance Fees	734,105	734,105	684,907	(49,198)	618,062
Other	4,800	40,678	40,678	-	18,381
Total Licenses, Permits, and Fees	<u>4,398,405</u>	<u>4,434,283</u>	<u>4,313,614</u>	<u>(120,669)</u>	<u>4,207,335</u>
Fines and Forfeitures					
Property violation fines	100,000	100,000	178,939	78,939	109,889
Animal control fines	8,580	8,580	12,739	4,159	8,718
Traffic fines	377,708	377,708	202,247	(175,461)	200,686
Non-traffic fines	48,000	46,131	46,131	-	46,629
Total Fines and Forfeitures	<u>534,288</u>	<u>532,419</u>	<u>440,056</u>	<u>(92,363)</u>	<u>365,922</u>
Rental Revenue	<u>35,105</u>	<u>35,105</u>	<u>28,623</u>	<u>(6,482)</u>	<u>55,510</u>
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	-	82,500
Other public works charges	75,000	75,000	70,112	(4,888)	85,421
Insurance payments	265,000	265,000	230,754	(34,246)	258,599
Reimbursement of City expenses	185,000	185,000	134,708	(50,292)	277,871
Total Charges for Services	<u>690,000</u>	<u>690,000</u>	<u>600,574</u>	<u>(89,426)</u>	<u>786,891</u>
Intergovernmental	<u>298,886</u>	<u>482,558</u>	<u>568,664</u>	<u>86,106</u>	<u>197,017</u>
Donations and Grants	<u>86,878</u>	<u>86,878</u>	<u>86,878</u>	<u>-</u>	<u>29,736</u>
Interest	<u>4,500</u>	<u>4,500</u>	<u>(133)</u>	<u>(4,633)</u>	<u>3,774</u>
Sale of City Property	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,879</u>
Sale of Easement and other City Property	<u>-</u>	<u>-</u>	<u>1,266,370</u>	<u>1,266,370</u>	<u>-</u>
Miscellaneous	<u>80,250</u>	<u>80,250</u>	<u>32,997</u>	<u>(47,253)</u>	<u>898,871</u>
<b>TOTAL REVENUES</b>	<u><u>\$ 14,069,258</u></u>	<u><u>\$ 14,286,939</u></u>	<u><u>\$ 17,007,525</u></u>	<u><u>\$ 1,454,216</u></u>	<u><u>\$ 17,348,878</u></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, 2014  
(With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>EXPENDITURES</b>					
General Government					
Legislative					
Personal services	\$ 244,311	\$ 244,311	\$ 239,198	\$ 5,113	\$ 230,747
Contractual services	89,778	89,778	87,801	1,977	61,037
Materials and supplies	6,000	6,000	6,288	(288)	5,219
Repairs and maintenance	-	-	-	-	620
	<u>340,089</u>	<u>340,089</u>	<u>333,287</u>	<u>6,802</u>	<u>297,623</u>
Public Affairs - Legal					
Contractual services	350,250	350,250	390,140	(39,890)	389,194
	<u>350,250</u>	<u>350,250</u>	<u>390,140</u>	<u>(39,890)</u>	<u>389,194</u>
Accounts and Finance					
Personal services	368,653	368,653	369,150	(497)	330,102
Contractual services	181,310	181,310	200,008	(18,698)	188,669
Materials and supplies	22,350	22,350	27,381	(5,031)	33,140
Repairs and maintenance	-	-	-	-	-
	<u>572,313</u>	<u>572,313</u>	<u>596,539</u>	<u>(24,226)</u>	<u>551,911</u>
Public Property					
Contractual services	127,175	127,175	143,124	(15,949)	194,621
Materials and supplies	1,950	1,950	1,473	477	2,132
Repairs and maintenance	30,385	30,385	18,041	12,344	61,383
Capital outlay	-	-	346	(346)	15,410
	<u>159,510</u>	<u>159,510</u>	<u>162,984</u>	<u>(3,474)</u>	<u>273,546</u>
Debt Service					
Interest and fiscal charges	495,540	495,540	81,208	414,332	108,546
	<u>495,540</u>	<u>495,540</u>	<u>81,208</u>	<u>414,332</u>	<u>108,546</u>
Total General Government	<u>1,917,702</u>	<u>1,917,702</u>	<u>1,564,158</u>	<u>353,544</u>	<u>1,620,820</u>
Public Health and Safety					
Police Department					
Personal services	4,870,641	4,870,641	5,887,131	(1,016,490)	5,692,123
Contractual services	1,473,387	1,473,387	1,550,815	(77,428)	1,717,167
Materials and supplies	259,381	259,381	298,525	(39,144)	274,092
Repairs and maintenance	77,527	77,527	136,697	(59,170)	129,849
Capital outlay	27,545	27,545	28,121	(576)	152,134
	<u>6,708,481</u>	<u>6,708,481</u>	<u>7,901,289</u>	<u>(1,192,808)</u>	<u>7,965,365</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, 2014  
(With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>EXPENDITURES (continued)</b>					
Public Health and Safety (continued)					
Fire Department					
Personal services	\$ 2,517,815	\$ 2,517,815	\$ 3,269,802	\$ (751,987)	\$ 3,131,612
Contractual services	1,061,433	1,061,433	1,039,915	21,518	1,018,070
Materials and supplies	103,873	103,873	124,179	(20,306)	120,969
Repairs and maintenance	85,400	85,400	90,964	(5,564)	101,654
Capital outlay	20,469	222,176	165,594	56,582	543,172
	<u>3,788,990</u>	<u>3,990,697</u>	<u>4,690,454</u>	<u>(699,757)</u>	<u>4,915,477</u>
Civil Defense					
Personal services	10,250	10,250	9,464	786	10,059
Contractual services	8,950	8,950	8,351	599	14,121
Materials and supplies	19,000	19,000	16,982	2,018	14,327
Repairs and maintenance	12,000	12,000	13,797	(1,797)	10,915
	<u>50,200</u>	<u>50,200</u>	<u>48,594</u>	<u>1,606</u>	<u>49,422</u>
Public Health					
Personal services	62,302	62,302	63,364	(1,062)	56,697
Contractual services	27,316	27,316	8,937	18,379	19,192
Materials and supplies	1,350	1,350	1,173	177	1,020
Repairs and maintenance	800	800	651	149	3,348
	<u>91,768</u>	<u>91,768</u>	<u>74,125</u>	<u>17,643</u>	<u>80,257</u>
Fire and Police Commission					
Personal services	1,800	1,800	336	1,464	1,164
Contractual services	23,575	23,575	17,339	6,236	17,695
	<u>25,375</u>	<u>25,375</u>	<u>17,675</u>	<u>7,700</u>	<u>18,859</u>
<b>Total Public Health and Safety</b>	<u>10,664,814</u>	<u>10,866,521</u>	<u>12,732,137</u>	<u>(1,865,616)</u>	<u>13,029,380</u>
Public Works and Engineering					
Planning and Zoning					
Personal services	-	-	-	-	-
Contractual services	6,200	6,200	7,371	(1,171)	7,093
	<u>6,200</u>	<u>6,200</u>	<u>7,371</u>	<u>(1,171)</u>	<u>7,093</u>
Public Works					
Personal services	832,571	832,571	876,406	(43,835)	758,215
Contractual services	510,848	510,848	583,658	(72,810)	670,241
Materials and supplies	102,400	102,400	148,977	(46,577)	269,614
Repairs and maintenance	83,000	83,000	160,216	(77,216)	89,040
	<u>1,528,819</u>	<u>1,528,819</u>	<u>1,769,257</u>	<u>(240,438)</u>	<u>1,787,110</u>
Public Service Program					
Personal services	88,184	88,184	82,922	5,262	90,931
Contractual services	19,825	19,825	26,567	(6,742)	15,662
Materials and supplies	1,100	1,100	824	276	3,516
	<u>109,109</u>	<u>109,109</u>	<u>110,313</u>	<u>(1,204)</u>	<u>110,109</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, 2014  
(With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>EXPENDITURES (continued)</b>					
Public Works and Engineering (continued)					
Inspection					
Personal services	\$ 323,785	\$ 323,785	\$ 327,310	\$ (3,525)	\$ 302,881
Contractual services	126,419	126,419	191,003	(64,584)	164,899
Materials and supplies	19,200	19,200	18,168	1,032	18,160
Repairs and maintenance	2,500	2,500	1,910	590	4,097
Capital outlay	10,000	10,000	9,700	300	-
	<u>481,904</u>	<u>481,904</u>	<u>548,091</u>	<u>(66,187)</u>	<u>490,037</u>
Lake Mound Cemetery					
Contractual services	90	90	98	(8)	94
Repairs and maintenance	-	-	-	-	-
	<u>90</u>	<u>90</u>	<u>98</u>	<u>(8)</u>	<u>94</u>
Total Public Works and Engineering	<u>2,126,122</u>	<u>2,126,122</u>	<u>2,435,130</u>	<u>(309,008)</u>	<u>2,394,443</u>
Economic Development and Promotion					
Community Economic Development					
Personal services	53,105	53,105	57,498	(4,393)	52,999
Contractual services	396,854	396,854	623,368	(226,514)	419,094
Materials and supplies	3,700	3,700	3,873	(173)	2,596
Repairs and maintenance	1,500	1,500	273	1,227	752
Capital outlay	-	-	-	-	-
	<u>455,159</u>	<u>455,159</u>	<u>685,012</u>	<u>(229,853)</u>	<u>475,441</u>
Liquor Commission					
Personal services	1,700	1,700	936	764	1,564
Contractual services	2,150	2,150	530	1,620	1,649
	<u>3,850</u>	<u>3,850</u>	<u>1,466</u>	<u>2,384</u>	<u>3,213</u>
City Contributions					
Contractual services	411,523	411,523	250,807	160,716	827,792
	<u>411,523</u>	<u>411,523</u>	<u>250,807</u>	<u>160,716</u>	<u>827,792</u>
Jubilee Days					
Contractual services	31,250	31,250	33,567	(2,317)	31,364
	<u>31,250</u>	<u>31,250</u>	<u>33,567</u>	<u>(2,317)</u>	<u>31,364</u>
Total Economic Development and Promotion	<u>901,782</u>	<u>901,782</u>	<u>970,852</u>	<u>(69,070)</u>	<u>1,337,810</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$ 15,610,420</u></u>	<u><u>\$ 15,812,127</u></u>	<u><u>\$ 17,702,277</u></u>	<u><u>\$ (1,890,150)</u></u>	<u><u>\$ 18,382,453</u></u>

**CITY OF ZION, ILLINOIS**  
**BOND DEBT SERVICE FUND**

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

For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ 16	\$ 16	\$ -
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>	<u>-</u>
<b>EXPENDITURES</b>					
Debt Service					
Principal retirement	175,000	175,000	175,000	-	19,796,578
Interest and fiscal charges	229,988	229,988	229,988	-	1,356,866
Bond issuance costs	-	-	1,265	(1,265)	-
Total Debt Service	<u>404,988</u>	<u>404,988</u>	<u>406,253</u>	<u>(1,265)</u>	<u>21,153,444</u>
<b>TOTAL EXPENDITURES</b>	<u>404,988</u>	<u>404,988</u>	<u>406,253</u>	<u>(1,265)</u>	<u>21,153,444</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(404,988)</u>	<u>(404,988)</u>	<u>(406,237)</u>	<u>(1,249)</u>	<u>(21,153,444)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	<u>404,988</u>	<u>404,988</u>	<u>406,238</u>	<u>1,250</u>	<u>13,477,662</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>404,988</u>	<u>404,988</u>	<u>406,238</u>	<u>1,250</u>	<u>13,477,662</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	-	1	1	(7,675,782)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>46,386</u>	<u>46,386</u>	<u>46,386</u>	<u>-</u>	<u>7,722,168</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 46,386</u>	<u>\$ 46,386</u>	<u>\$ 46,387</u>	<u>\$ 1</u>	<u>\$ 46,386</u>

**CITY OF ZION, ILLINOIS**  
**CAPITAL PROJECTS - HOSPITAL FUND**

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ 728,350
TOTAL REVENUES	-	-	-	-	728,350
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	728,350
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (out)	-	-	-	-	(13,175,579)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(13,175,579)
NET CHANGE IN FUND BALANCES	-	-	-	-	(12,447,229)
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-	12,447,229
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>OPERATING REVENUES</b>					
Water sales	\$ 2,415,360	\$ 2,415,360	\$ 2,361,161	\$ (54,199)	\$ 2,366,239
Sewer service charge	725,000	725,000	711,274	(13,726)	721,225
Connection fees	14,500	14,500	46,500	32,000	23,300
Turn on fees and miscellaneous	78,838	78,838	58,071	(20,767)	72,876
Penalties	40,500	40,500	41,001	501	40,296
Meter sales and repairs	8,500	8,500	11,816	3,316	9,279
<b>TOTAL REVENUES</b>	<b>3,282,698</b>	<b>3,282,698</b>	<b>3,229,823</b>	<b>(52,875)</b>	<b>3,233,215</b>
<b>OPERATING EXPENSES</b>					
Personal Services					
Regular water	773,675	773,675	784,233	(10,558)	717,450
Overtime	28,121	28,121	67,540	(39,419)	30,336
Administrative	32,275	32,275	32,110	165	31,085
Total Personal Services	834,071	834,071	883,883	(49,812)	778,871
Contractual Services					
Purchase of water	1,062,758	1,062,758	1,094,331	(31,573)	1,068,479
Consultants and legal	5,000	5,000	3,625	1,375	8,733
Memberships	1,000	1,000	1,584	(584)	531
Consultant - IT	10,000	10,000	5,863	4,137	9,007
Service charge	82,500	82,500	82,500	-	82,500
Insurance	113,332	113,332	79,541	33,791	42,808
Hospitalization and life	209,516	209,516	158,636	50,880	171,405
Telephone	10,500	10,500	12,172	(1,672)	13,256
Travel and conference	5,000	5,000	-	5,000	-
Professional	5,000	5,000	5,000	-	3,000
Contingent	-	-	-	-	832
Newsletter	6,500	6,500	5,027	1,473	5,037
Utilities	10,000	10,000	20,563	(10,563)	12,358
Equipment rental	1,000	1,000	225	775	488
Training	2,000	2,000	-	2,000	1,384
Miscellaneous	-	-	29	(29)	-
Total Contractual Services	1,524,106	1,524,106	1,469,096	55,010	1,419,818
Materials and Supplies					
Uniforms	13,500	13,500	8,154	5,346	13,232
Gas and oil	50,000	50,000	53,979	(3,979)	44,486
Office and related expenses	12,000	12,000	19,849	(7,849)	17,120
Computer software	10,000	10,000	1,689	8,311	-
Computer supplies	1,500	1,500	181	1,319	1,327
Meter repair parts	1,000	1,000	-	1,000	1,752
Small tools	2,500	2,500	3,260	(760)	1,213
Miscellaneous	20,000	20,000	21,004	(1,004)	13,090
Total Materials and Supplies	110,500	110,500	108,116	2,384	92,220



**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, 2014  
(With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>OPERATING EXPENSES (continued)</b>					
Repairs and Maintenance					
Repair parts	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ 693
Sanitary sewer system	25,000	25,000	14,823	10,177	7,862
Sewer equipment	15,000	15,000	-	15,000	2,459
Office equipment	-	-	276	(276)	-
Distribution system	367,000	367,000	517,277	(150,277)	408,156
Motor equipment	40,000	40,000	44,776	(4,776)	34,564
Buildings and grounds	12,000	12,000	16,722	(4,722)	11,887
Water meters	80,000	80,000	307,567	(227,567)	100,547
Total Repairs and Maintenance	<u>540,000</u>	<u>540,000</u>	<u>901,441</u>	<u>(361,441)</u>	<u>566,168</u>
Capital Outlay					
Motor equipment	24,668	24,668	-	24,668	-
Sewer projects	-	-	-	-	-
Total Capital Outlay	<u>24,668</u>	<u>24,668</u>	<u>-</u>	<u>24,668</u>	<u>-</u>
Depreciation	-	-	321,266	(321,266)	311,112
<b>TOTAL OPERATING EXPENSES</b>	<u>3,033,345</u>	<u>3,033,345</u>	<u>3,683,802</u>	<u>(650,457)</u>	<u>3,168,189</u>
<b>(LOSS) INCOME FROM OPERATIONS</b>	<u>249,353</u>	<u>249,353</u>	<u>(453,979)</u>	<u>(703,332)</u>	<u>65,026</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	20,000	20,000	7,060	(12,940)	25,180
Principal	(180,000)	(180,000)	-	180,000	-
Interest and fiscal charges	(83,733)	(83,733)	(90,294)	(6,561)	(136,077)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(243,733)</u>	<u>(243,733)</u>	<u>(83,234)</u>	<u>160,499</u>	<u>(110,897)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	256,733	256,733	-	(256,733)	-
Transfers (out)	(256,733)	(256,733)	-	256,733	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	5,620	5,620	(537,213)	(542,833)	(45,871)
<b>NET POSITION - BEGINNING OF YEAR</b>	6,886,558	6,886,558	6,886,558	-	6,932,429
<b>NET POSITION - END OF YEAR</b>	<u>\$ 6,892,178</u>	<u>\$ 6,892,178</u>	<u>\$ 6,349,345</u>	<u>\$ (542,833)</u>	<u>\$ 6,886,558</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, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>OPERATING REVENUES</b>					
Waste collection fees	\$ 1,440,000	\$ 1,440,000	\$ 1,667,815	\$ 227,815	\$ 1,459,679
Garbage cart revenue	25,000	25,000	21,586	(3,414)	25,848
<b>TOTAL REVENUES</b>	<u>1,465,000</u>	<u>1,465,000</u>	<u>1,689,401</u>	<u>224,401</u>	<u>1,485,527</u>
<b>OPERATING EXPENSES</b>					
Personal Services					
Leaf collection wages	72,000	72,000	-	72,000	71,821
Total Personal Services	<u>72,000</u>	<u>72,000</u>	<u>-</u>	<u>72,000</u>	<u>71,821</u>
Contractual Services					
Contracted waste collection	915,000	915,000	991,796	(76,796)	1,018,420
Garbage cart lease	37,500	37,500	27,553	9,947	34,961
Compost dumping	203,000	203,000	260,498	(57,498)	202,026
Leaf and chip dumping	40,000	40,000	-	40,000	35,715
Recycling	259,700	259,700	275,531	(15,831)	259,629
Recycling bins	1,000	1,000	-	1,000	675
Service charge	82,500	82,500	82,500	-	82,500
Landfill closing costs	75,000	75,000	68,142	6,858	74,243
Legal fees	2,500	2,500	-	2,500	-
Total Contractual Services	<u>1,616,200</u>	<u>1,616,200</u>	<u>1,706,020</u>	<u>(89,820)</u>	<u>1,708,169</u>
Materials and Supplies					
Fuel and oil	9,000	9,000	-	9,000	9,724
Office and related expenses	9,000	9,000	10,161	(1,161)	10,110
Total Materials and Supplies	<u>18,000</u>	<u>18,000</u>	<u>10,161</u>	<u>7,839</u>	<u>19,834</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>1,706,200</u>	<u>1,706,200</u>	<u>1,716,181</u>	<u>(9,981)</u>	<u>1,799,824</u>
<b>INCOME FROM OPERATIONS</b>	<u>(241,200)</u>	<u>(241,200)</u>	<u>(26,780)</u>	<u>214,420</u>	<u>(314,297)</u>
<b>CHANGE IN NET POSITION</b>	<u>(241,200)</u>	<u>(241,200)</u>	<u>(26,780)</u>	<u>214,420</u>	<u>(314,297)</u>
<b>NET POSITION (DEFICIT) - BEGINNING OF YEAR</b>	(993,013)	(993,013)	(993,013)	-	(678,716)
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<u>\$ (1,234,213)</u>	<u>\$ (1,234,213)</u>	<u>\$ (1,019,793)</u>	<u>\$ 214,420</u>	<u>\$ (993,013)</u>

**CITY OF ZION, ILLINOIS**  
**911 EMERGENCY SURCHARGE FUND**

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

For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Emergency surcharge tax	\$ 175,000	\$ 175,000	\$ 163,836	\$ (11,164)	\$ 169,594
Rental revenue	25,200	25,200	25,389	189	25,200
Miscellaneous	42,000	42,000	-	(42,000)	42,000
<b>TOTAL REVENUES</b>	<b>242,200</b>	<b>242,200</b>	<b>189,225</b>	<b>(52,975)</b>	<b>236,794</b>
<b>EXPENDITURES</b>					
Contractual Services					
Consultant - IT	9,000	9,000	5,951	3,049	385
Telephone service	36,500	36,500	37,729	(1,229)	28,172
Travel and conference	-	-	369	(369)	-
<b>Total Contractual Services</b>	<b>45,500</b>	<b>45,500</b>	<b>44,049</b>	<b>1,451</b>	<b>28,557</b>
Repairs and Maintenance					
Equipment	102,000	102,000	89,057	12,943	83,308
Capital Outlay					
Building and equipment	-	-	-	-	31,683
<b>TOTAL EXPENDITURES</b>	<b>147,500</b>	<b>147,500</b>	<b>133,106</b>	<b>14,394</b>	<b>143,548</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>94,700</b>	<b>94,700</b>	<b>56,119</b>	<b>(38,581)</b>	<b>93,246</b>
FUND BALANCE - BEGINNING OF YEAR	(184,531)	(184,531)	(184,531)	-	(277,777)
FUND BALANCE - END OF YEAR	<b>\$ (89,831)</b>	<b>\$ (89,831)</b>	<b>\$ (128,412)</b>	<b>\$ (38,581)</b>	<b>\$ (184,531)</b>

**CITY OF ZION, ILLINOIS**  
**ZION-NEWPORT FIRE STATION**

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

For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ 106	\$ 106	\$ 388
TOTAL REVENUES	-	-	106	106	388
<b>EXPENDITURES</b>					
Distribution to Newport Fire	98,938	98,938	-	98,938	-
Miscellaneous	25	25	12	13	24
TOTAL EXPENDITURES	98,963	98,963	12	98,951	24
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(98,963)	(98,963)	94	99,057	364
<b>OTHER FINANCING SOURCES</b>					
Transfers in	98,963	98,963	102,810	3,847	98,938
TOTAL OTHER FINANCING SOURCES (USES)	98,963	98,963	102,810	3,847	98,938
NET CHANGE IN FUND BALANCE	-	-	102,904	102,904	99,302
FUND BALANCE - BEGINNING OF YEAR	305,895	305,895	305,895	-	206,593
FUND BALANCE - END OF YEAR	<u>\$ 305,895</u>	<u>\$ 305,895</u>	<u>\$ 408,799</u>	<u>\$ 102,904</u>	<u>\$ 305,895</u>

**CITY OF ZION, ILLINOIS**  
**EMERGENCY SERVICE RESCUE FUND**

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 711,137	\$ 711,137	\$ 707,756	\$ (3,381)	\$ 625,641
TOTAL REVENUES	<u>711,137</u>	<u>711,137</u>	<u>707,756</u>	<u>(3,381)</u>	<u>625,641</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>711,137</u>	<u>711,137</u>	<u>707,756</u>	<u>(3,381)</u>	<u>625,641</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	<u>(711,137)</u>	<u>(711,137)</u>	<u>(707,756)</u>	<u>3,381</u>	<u>(625,641)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(711,137)</u>	<u>(711,137)</u>	<u>(707,756)</u>	<u>3,381</u>	<u>(625,641)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>167,335</u>	<u>167,335</u>	<u>167,335</u>	<u>-</u>	<u>167,335</u>
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, EXPENSES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL

For the Year Ended April 30, 2014  
(With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 284,455	\$ 284,455	\$ 285,395	\$ 940	\$ 210,869
Miscellaneous	75,000	75,000	100,000	25,000	-
<b>TOTAL REVENUES</b>	<u>359,455</u>	<u>359,455</u>	<u>385,395</u>	<u>25,940</u>	<u>210,869</u>
<b>EXPENDITURES</b>					
Contractual Services					
Streets and alleys	463,000	463,000	143,953	319,047	195,231
Total Contractual Services	<u>463,000</u>	<u>463,000</u>	<u>143,953</u>	<u>319,047</u>	<u>195,231</u>
Capital Outlay					
Streets and alleys	-	-	326,848	(326,848)	-
Total Materials and Supplies	<u>-</u>	<u>-</u>	<u>326,848</u>	<u>(326,848)</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>463,000</u>	<u>463,000</u>	<u>470,801</u>	<u>(7,801)</u>	<u>195,231</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(103,545)</u>	<u>(103,545)</u>	<u>(85,406)</u>	<u>18,139</u>	<u>15,638</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	120,000	120,000	120,000	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	16,455	16,455	34,594	18,139	15,638
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>(40,036)</u>	<u>(40,036)</u>	<u>(40,036)</u>	<u>-</u>	<u>(55,674)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (23,581)</u>	<u>\$ (23,581)</u>	<u>\$ (5,442)</u>	<u>\$ 18,139</u>	<u>\$ (40,036)</u>

**CITY OF ZION, ILLINOIS**  
ILLINOIS MUNICIPAL RETIREMENT FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
For the Year Ended April 30, 2014  
(With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	<u>\$ 418,149</u>	<u>\$ 418,149</u>	<u>\$ 416,675</u>	<u>\$ (1,474)</u>	<u>\$ 352,588</u>
TOTAL REVENUES	<u>418,149</u>	<u>418,149</u>	<u>416,675</u>	<u>(1,474)</u>	<u>352,588</u>
<b>EXPENDITURES</b>					
Contractual Services					
Illinois Municipal Retirement Fund					
City contributions	<u>401,700</u>	<u>401,700</u>	<u>456,651</u>	<u>(54,951)</u>	<u>381,525</u>
TOTAL EXPENDITURES	<u>401,700</u>	<u>401,700</u>	<u>456,651</u>	<u>(54,951)</u>	<u>381,525</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>16,449</u>	<u>16,449</u>	<u>(39,976)</u>	<u>(56,425)</u>	<u>(28,937)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>(187,274)</u>	<u>(187,274)</u>	<u>(187,274)</u>	<u>-</u>	<u>(158,337)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (170,825)</u></u>	<u><u>\$ (170,825)</u></u>	<u><u>\$ (227,250)</u></u>	<u><u>\$ (56,425)</u></u>	<u><u>\$ (187,274)</u></u>

**CITY OF ZION, ILLINOIS**  
FICA FUND

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

For the Year Ended April 30, 2014  
(With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 384,014	\$ 384,014	\$ 379,556	\$ (4,458)	\$ 252,346
Interest	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>384,014</u>	<u>384,014</u>	<u>379,556</u>	<u>(4,458)</u>	<u>252,346</u>
<b>EXPENDITURES</b>					
Contractual Services					
FICA City share	359,600	359,600	385,944	(26,344)	337,189
<b>TOTAL EXPENDITURES</b>	<u>359,600</u>	<u>359,600</u>	<u>385,944</u>	<u>(26,344)</u>	<u>337,189</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>24,414</u>	<u>24,414</u>	<u>(6,388)</u>	<u>(30,802)</u>	<u>(84,843)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	117,830
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,830</u>
<b>NET CHANGE IN FUND BALANCE</b>	24,414	24,414	(6,388)	(30,802)	32,987
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>(108,935)</u>	<u>(108,935)</u>	<u>(108,935)</u>	<u>-</u>	<u>(141,922)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (84,521)</u>	<u>\$ (84,521)</u>	<u>\$ (115,323)</u>	<u>\$ (30,802)</u>	<u>\$ (108,935)</u>



**CITY OF ZION, ILLINOIS**  
**MOTOR FUEL TAX FUND**

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

For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Motor fuel tax allotments	\$ 597,000	\$ 597,000	\$ 721,007	\$ 124,007	\$ 680,636
Interest	700	700	94	(606)	585
<b>TOTAL REVENUES</b>	<u>597,700</u>	<u>597,700</u>	<u>721,101</u>	<u>123,401</u>	<u>681,221</u>
<b>EXPENDITURES</b>					
Contracted Projects					
Comprehensive patching program	150,000	150,000	194,453	(44,453)	-
Miscellaneous projects	150,000	150,000	186,567	(36,567)	150,000
11-00000-00-Gen Maintenance	-	-	-	-	13,112
12-00000-00-Gen Maintenance	-	-	4,672	(4,672)	21,201
13-00000-00-Gen Maintenance	45,000	45,000	25,849	19,151	-
Total Contracted Projects	<u>345,000</u>	<u>345,000</u>	<u>411,541</u>	<u>(66,541)</u>	<u>184,313</u>
<b>TOTAL EXPENDITURES</b>	<u>345,000</u>	<u>345,000</u>	<u>411,541</u>	<u>(66,541)</u>	<u>184,313</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>252,700</u>	<u>252,700</u>	<u>309,560</u>	<u>56,860</u>	<u>496,908</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	<u>(386,783)</u>	<u>(386,783)</u>	<u>(387,515)</u>	<u>(732)</u>	<u>(373,779)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(386,783)</u>	<u>(386,783)</u>	<u>(387,515)</u>	<u>(732)</u>	<u>(373,779)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(134,083)	(134,083)	(77,955)	56,128	123,129
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>416,127</u>	<u>416,127</u>	<u>416,127</u>	<u>-</u>	<u>292,998</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 282,044</u>	<u>\$ 282,044</u>	<u>\$ 338,172</u>	<u>\$ 56,128</u>	<u>\$ 416,127</u>

**CITY OF ZION, ILLINOIS**  
DEVELOPMENT TIF AREA #3 FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
For the Year Ended April 30, 2014  
(With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 640,188	\$ 640,188	\$ 561,048	\$ (79,140)	\$ 640,849
Interest	-	-	75	75	39
<b>TOTAL REVENUES</b>	<u>640,188</u>	<u>640,188</u>	<u>561,123</u>	<u>(79,065)</u>	<u>640,888</u>
<b>EXPENDITURES</b>					
Contractual Services					
Professional	750	750	2,500	(1,750)	750
Appraisal	-	-	1,400	(1,400)	-
Total Contractual Services	<u>750</u>	<u>750</u>	<u>3,900</u>	<u>(3,150)</u>	<u>750</u>
<b>TOTAL EXPENDITURES</b>	<u>750</u>	<u>750</u>	<u>3,900</u>	<u>(3,150)</u>	<u>750</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>639,438</u>	<u>639,438</u>	<u>557,223</u>	<u>(82,215)</u>	<u>640,138</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(198,100)	(207,016)	(198,100)	8,916	(202,438)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(198,100)</u>	<u>(207,016)</u>	<u>(198,100)</u>	<u>8,916</u>	<u>(202,438)</u>
<b>NET CHANGE IN FUND BALANCES</b>	441,338	432,422	359,123	(73,299)	437,700
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>671,687</u>	<u>671,687</u>	<u>671,687</u>	<u>-</u>	<u>233,987</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,113,025</u>	<u>\$ 1,104,109</u>	<u>\$ 1,030,810</u>	<u>\$ (73,299)</u>	<u>\$ 671,687</u>

**CITY OF ZION, ILLINOIS**  
**DEVELOPMENT TIF AREA #4 FUND**

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

For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	5,679	5,679	5,679	-	5,679
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 5,679</u></u>	<u><u>\$ 5,679</u></u>	<u><u>\$ 5,679</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,679</u></u>

**CITY OF ZION, ILLINOIS**  
**IMPACT FEE FUND**

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

For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Impact fees	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	-	(181,485)	-	-
TOTAL OTHER FINANCING SOURCES	-	-	(181,485)	-	-
NET CHANGE IN FUND BALANCES	-	-	(181,485)	-	-
FUND BALANCE - BEGINNING OF YEAR	181,485	181,485	181,485	-	181,485
FUND BALANCE - END OF YEAR	<u>\$ 181,485</u>	<u>\$ 181,485</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,485</u>

**CITY OF ZION, ILLINOIS**  
**IMPACT FEES - FIRE/RESCUE**

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	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>					
Transfers in	-	-	68,389	68,389	-
TOTAL OTHER FINANCING SOURCES	-	-	68,389	68,389	-
NET CHANGE IN FUND BALANCES	-	-	68,389	68,389	-
FUND BALANCE - BEGINNING OF YEAR	(68,389)	(68,389)	(68,389)	-	(68,389)
FUND BALANCE - END OF YEAR	<u>\$ (68,389)</u>	<u>\$ (68,389)</u>	<u>\$ -</u>	<u>\$ 68,389</u>	<u>\$ (68,389)</u>

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

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	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>					
Transfers out	-	-	(1,928)	-	-
TOTAL OTHER FINANCING SOURCES	-	-	(1,928)	-	-
NET CHANGE IN FUND BALANCES	-	-	(1,928)	-	-
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>\$ -</u>	<u>\$ -</u>	<u>\$ 1,928</u>

**CITY OF ZION, ILLINOIS**  
**POLICE PROTECTION FUND**

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

For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	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, EXPENSES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	964,302	964,302	958,895	\$ (5,407)	\$ 902,177
TOTAL REVENUES	<u>964,302</u>	<u>964,302</u>	<u>958,895</u>	<u>(5,407)</u>	<u>902,177</u>
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>964,302</u>	<u>964,302</u>	<u>958,895</u>	<u>(5,407)</u>	<u>902,177</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	<u>(964,302)</u>	<u>(964,302)</u>	<u>(958,898)</u>	<u>5,404</u>	<u>(902,177)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(964,302)</u>	<u>(964,302)</u>	<u>(958,898)</u>	<u>5,404</u>	<u>(902,177)</u>
NET CHANGE IN FUND BALANCE	-	-	(3)	(3)	-
FUND BALANCE - BEGINNING OF YEAR	<u>15,793</u>	<u>15,793</u>	<u>15,793</u>	<u>-</u>	<u>15,793</u>
FUND BALANCE - END OF YEAR	<u>\$ 15,793</u>	<u>\$ 15,793</u>	<u>\$ 15,790</u>	<u>\$ (3)</u>	<u>\$ 15,793</u>



**CITY OF ZION, ILLINOIS**  
AUDIT FUND

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

For the Year Ended April 30, 2014  
(With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>					
Contractual Services	-	-	-	-	-
Professional fees	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
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, EXPENSES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL

For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Forfeitures	\$ 15,000	\$ 15,000	\$ 43,956	\$ 28,956	\$ 4,319
Grants	4,408	4,408	5,700	1,292	4,407
<b>TOTAL REVENUES</b>	<u>19,408</u>	<u>19,408</u>	<u>49,656</u>	<u>30,248</u>	<u>8,726</u>
<b>EXPENDITURES</b>					
Materials and Supplies					
Contraband	-	-	2,028	(2,028)	5,000
K-9 unit	4,408	4,408	4,934	(526)	5,345
Total Materials and Supplies	<u>4,408</u>	<u>4,408</u>	<u>6,962</u>	<u>(2,554)</u>	<u>10,345</u>
<b>TOTAL EXPENDITURES</b>	<u>4,408</u>	<u>4,408</u>	<u>6,962</u>	<u>(2,554)</u>	<u>10,345</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	15,000	15,000	42,694	27,694	(1,619)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	-	-	-	(63,856)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,856)</u>
<b>NET CHANGE IN FUND BALANCE</b>	15,000	15,000	42,694	27,694	(65,475)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>(5,387)</u>	<u>(5,387)</u>	<u>(5,387)</u>	<u>-</u>	<u>60,088</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 9,613</u>	<u>\$ 9,613</u>	<u>\$ 37,307</u>	<u>\$ 55,388</u>	<u>\$ (5,387)</u>

**CITY OF ZION, ILLINOIS**  
**INDUSTRIAL DEVELOPMENT FUND**

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

For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Host fees	\$ 375,000	\$ 375,000	\$ 374,999	\$ (1)	\$ 375,000
TOTAL REVENUES	<u>375,000</u>	<u>375,000</u>	<u>374,999</u>	<u>(1)</u>	<u>375,000</u>
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>375,000</u>	<u>375,000</u>	<u>374,999</u>	<u>(1)</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>(375,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(375,000)</u>	<u>(375,000)</u>	<u>(375,000)</u>	<u>-</u>	<u>(375,000)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>	<u>-</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,257</u>	<u>1,257</u>	<u>1,257</u>	<u>-</u>	<u>1,257</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,257</u>	<u>\$ 1,257</u>	<u>\$ 1,256</u>	<u>\$ (1)</u>	<u>\$ 1,257</u>

**CITY OF ZION, ILLINOIS**  
**CABLE COMMISSION FUND**

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

For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	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, EXPENSES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL

For the Year Ended April 30, 2014  
(With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Hotel/motel room tax	\$ 172,000	\$ 172,000	\$ 176,910	\$ 4,910	\$ 206,586
<b>TOTAL REVENUES</b>	<u>172,000</u>	<u>172,000</u>	<u>176,910</u>	<u>4,910</u>	<u>206,586</u>
<b>EXPENDITURES</b>					
Contractual Services					
Memberships	10,000	10,000	10,000	-	-
Promotional	60,000	60,000	49,837	10,163	10,000
Tax rebate	94,000	94,000	85,037	8,963	89,819
<b>Total Contractual Services</b>	<u>164,000</u>	<u>164,000</u>	<u>144,874</u>	<u>19,126</u>	<u>99,819</u>
Materials and Supplies	-	-	13,916	(13,916)	-
<b>TOTAL EXPENDITURES</b>	<u>164,000</u>	<u>164,000</u>	<u>158,790</u>	<u>5,210</u>	<u>99,819</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	8,000	8,000	18,120	10,120	106,767
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(13,121)	(13,121)	(13,121)	-	(43,426)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(13,121)</u>	<u>(13,121)</u>	<u>(13,121)</u>	<u>-</u>	<u>(43,426)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(5,121)	(5,121)	4,999	10,120	63,341
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>118,169</u>	<u>118,169</u>	<u>118,169</u>	<u>-</u>	<u>54,828</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 113,048</u>	<u>\$ 113,048</u>	<u>\$ 123,168</u>	<u>\$ 10,120</u>	<u>\$ 118,169</u>

**CITY OF ZION, ILLINOIS**  
**FIRE PROTECTION FUND**

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

For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Property taxes	\$ 790,784	\$ 790,784	\$ 787,633	\$ (3,151)	\$ 750,073
TOTAL REVENUES	<u>790,784</u>	<u>790,784</u>	<u>787,633</u>	<u>(3,151)</u>	<u>750,073</u>
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>790,784</u>	<u>790,784</u>	<u>787,633</u>	<u>(3,151)</u>	<u>750,073</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (out)	<u>(790,784)</u>	<u>(790,784)</u>	<u>(787,634)</u>	<u>3,150</u>	<u>(750,073)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(790,784)</u>	<u>(790,784)</u>	<u>(787,634)</u>	<u>3,150</u>	<u>(750,073)</u>
NET CHANGE IN FUND BALANCE	-	-	(1)	1	-
FUND BALANCE - BEGINNING OF YEAR	<u>(571,257)</u>	<u>(571,257)</u>	<u>(571,257)</u>	-	<u>(571,257)</u>
FUND BALANCE - END OF YEAR	<u>\$ (571,257)</u>	<u>\$ (571,257)</u>	<u>\$ (571,258)</u>	<u>\$ 1</u>	<u>\$ (571,257)</u>

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

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

For the Year Ended April 30, 2014  
(With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ 15	\$ 15	\$ -
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>	<u>-</u>
<b>EXPENDITURES</b>					
Debt Service					
Principal retirement	515,000	515,000	515,000	-	430,000
Interest and fiscal charges	40,803	40,803	41,534	(731)	68,820
Bond issuance costs	-	-	-	-	45,185
<b>Total Debt Service</b>	<u>555,803</u>	<u>555,803</u>	<u>556,534</u>	<u>(731)</u>	<u>544,005</u>
<b>TOTAL EXPENDITURES</b>	<u>555,803</u>	<u>555,803</u>	<u>556,534</u>	<u>(731)</u>	<u>544,005</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(555,803)</u>	<u>(555,803)</u>	<u>(556,519)</u>	<u>(716)</u>	<u>(544,005)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	-	2,215,000
Discount on bond issuance	-	-	-	-	(16,989)
Other financing uses - bond refunding	-	-	-	-	(2,152,826)
Transfers in	555,803	555,803	491,554	(64,249)	509,904
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>555,803</u>	<u>555,803</u>	<u>491,554</u>	<u>(64,249)</u>	<u>555,089</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(64,965)	(64,965)	11,084
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>64,965</u>	<u>64,965</u>	<u>64,965</u>	<u>-</u>	<u>53,881</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 64,965</u>	<u>\$ 64,965</u>	<u>\$ -</u>	<u>\$ (64,965)</u>	<u>\$ 64,965</u>

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

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ 10	\$ 10	\$ -
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>	<u>-</u>
<b>EXPENDITURES</b>					
Debt Service					
Principal retirement	335,000	335,000	335,000	-	300,000
Interest and fiscal charges	51,783	51,783	52,514	(731)	72,064
Bond issuance costs	-	-	-	-	45,321
<b>Total Debt Service</b>	<u>386,783</u>	<u>386,783</u>	<u>387,514</u>	<u>(731)</u>	<u>417,385</u>
<b>TOTAL EXPENDITURES</b>	<u>386,783</u>	<u>386,783</u>	<u>387,514</u>	<u>(731)</u>	<u>417,385</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(386,783)</u>	<u>(386,783)</u>	<u>(387,504)</u>	<u>(721)</u>	<u>(417,385)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds			-	-	2,160,000
Costs of issuance			-	-	(12,010)
Other financing uses - bond refunding			-	-	(2,102,669)
Transfers in	386,783	386,783	387,515	732	373,779
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>386,783</u>	<u>386,783</u>	<u>387,515</u>	<u>732</u>	<u>419,100</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	11	11	1,715
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>57,979</u>	<u>57,979</u>	<u>57,979</u>	<u>-</u>	<u>56,264</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 57,979</u>	<u>\$ 57,979</u>	<u>\$ 57,990</u>	<u>\$ 11</u>	<u>\$ 57,979</u>



**CITY OF ZION, ILLINOIS**  
**BOND SERIES 2003 ROAD BOND FUND**

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ 7	\$ 7	\$ -
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>	<u>-</u>
<b>EXPENDITURES</b>					
Debt Service					
Principal	225,000	225,000	225,000	-	195,000
Interest and fiscal charges	35,196	35,196	35,927	(731)	34,732
Bond issuance costs	-	-	-	-	36,214
<b>Total Debt Service</b>	<u>260,196</u>	<u>260,196</u>	<u>260,927</u>	<u>(731)</u>	<u>265,946</u>
<b>TOTAL EXPENDITURES</b>	<u>260,196</u>	<u>260,196</u>	<u>260,927</u>	<u>(731)</u>	<u>265,946</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(260,196)</u>	<u>(260,196)</u>	<u>(260,920)</u>	<u>(724)</u>	<u>(265,946)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	-	1,460,000
Costs of issuance	-	-	-	-	(8,118)
Payment to escrow agent	-	-	-	-	(1,415,668)
Transfers in	260,196	260,196	260,928	732	241,640
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>260,196</u>	<u>260,196</u>	<u>260,928</u>	<u>732</u>	<u>277,854</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	8	8	11,908
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>52,018</u>	<u>52,018</u>	<u>52,018</u>	<u>-</u>	<u>40,110</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 52,018</u>	<u>\$ 52,018</u>	<u>\$ 52,026</u>	<u>\$ 8</u>	<u>\$ 52,018</u>

**CITY OF ZION, ILLINOIS**  
**AREA 3 SOUTH SHERIDAN ROAD PROJECT (DEBT SERVICE)**

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ 5	\$ 5	\$ -
TOTAL REVENUES	-	-	5	5	-
<b>EXPENDITURES</b>					
Debt Service					
Principal retirement	140,000	140,000	180,000	(40,000)	130,000
Interest and fiscal charges	64,116	64,116	58,180	5,936	69,839
Total Debt Service	<u>204,116</u>	<u>204,116</u>	<u>238,180</u>	<u>(34,064)</u>	<u>199,839</u>
TOTAL EXPENDITURES	<u>204,116</u>	<u>204,116</u>	<u>238,180</u>	<u>(34,064)</u>	<u>199,839</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(204,116)</u>	<u>(204,116)</u>	<u>(238,175)</u>	<u>(34,059)</u>	<u>(199,839)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	1,230,000	1,230,000	-
Bond discount	-	-	(7,319)	(7,319)	-
Payment to escrow agent	-	-	(1,178,168)	(1,178,168)	-
Transfers in	<u>204,116</u>	<u>204,116</u>	<u>195,200</u>	<u>(8,916)</u>	<u>199,839</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>204,116</u>	<u>204,116</u>	<u>239,713</u>	<u>35,597</u>	<u>199,839</u>
NET CHANGE IN FUND BALANCE	-	-	1,538	1,538	-
FUND BALANCE - BEGINNING OF YEAR	<u>(1,538)</u>	<u>(1,538)</u>	<u>(1,538)</u>	<u>-</u>	<u>(1,538)</u>
FUND BALANCE - END OF YEAR	<u>\$ (1,538)</u>	<u>\$ (1,538)</u>	<u>\$ -</u>	<u>\$ 1,538</u>	<u>\$ (1,538)</u>

**CITY OF ZION, ILLINOIS**  
**TIF #1 CAPITAL PROJECTS FUND**

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
<b>EXPENDITURES</b>					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	-	(135)	(135)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(135)	(135)	-
NET CHANGE IN FUND BALANCES	-	-	(135)	(135)	-
FUND BALANCE - BEGINNING OF YEAR	135	135	135	-	135
FUND BALANCE - END OF YEAR	<u>\$ 135</u>	<u>\$ 135</u>	<u>\$ -</u>	<u>\$ (135)</u>	<u>\$ 135</u>

**CITY OF ZION, ILLINOIS**  
**CAPITAL PROJECTS FUND**

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

For the Year Ended April 30, 2014  
 (With Comparative Actual Totals for 2013)

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual		Actual
	Original	Final			
<b>REVENUES</b>					
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>					
Debt Service					
Principal retirement	-	-	242,355	(242,355)	-
Interest and fiscal charges	-	-	9,485	(9,485)	-
Total Debt Service	-	-	251,840	(251,840)	-
Capital Outlay					
Equipment	375,740	336,340	570,715	(234,375)	-
Total Capital Outlay	375,740	336,340	570,715	(234,375)	-
TOTAL EXPENDITURES	375,740	336,340	822,555	(486,215)	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(375,740)	(336,340)	(822,555)	(486,215)	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Inception of capital lease	-	-	425,787	425,787	-
Operating transfers in	354,009	354,009	354,009	-	169,500
TOTAL OTHER FINANCING SOURCES (USES)	354,009	354,009	779,796	425,787	169,500
NET CHANGE IN FUND BALANCES	(21,731)	17,669	(42,759)	(60,428)	169,500
FUND BALANCE - BEGINNING OF YEAR	90,268	90,268	90,268	-	(79,232)
FUND BALANCE - END OF YEAR	\$ 68,537	\$ 107,937	\$ 47,509	\$ (60,428)	\$ 90,268