

CITY OF ZION, ILLINOIS

FINANCIAL STATEMENTS
For the Year Ended April 30, 2015

CITY OF ZION, ILLINOIS

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CITY OF ZION, ILLINOIS

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the City Council
City of Zion, Illinois
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, 2015, and the respective budgetary comparison for the General Fund, Development Fund TIF Area #1, Development Fund TIF Area #3, and Fire Protection Fund, 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 \$15,410,280 as of April 30, 2015. 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*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Zion, Illinois as of April 30, 2015, 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, Development Fund TIF Area #3, and Fire Protection Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the City of Zion, Illinois' 2014 financial statements and we expressed an unmodified audit opinion on those financial statements in our report dated October 29, 2014. In our opinion, the summarized comparative information presented for the General Fund, Development TIF Area #1 Fund, Development TIF Area #3 Fund, and the Fire Protection Fund presented herein as of and for the year ended April 30, 2014 is consistent, in all material respects, with the audited financial statements from which it was derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules of funding progress on pages 63 - 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Zion, Illinois's 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.

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

The supplementary information as listed in the table of contents 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 as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2016, on our consideration of the City of Zion, Illinois's 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's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
February 10, 2016

CITY OF ZION, ILLINOIS

BASIC FINANCIAL STATEMENTS

CITY OF ZION, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2015

ASSETS AND DEFERRED OUTFLOWS

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and equivalents	\$ 5,385,685	\$ 849,788	\$ 6,235,473
Investments	202,652	903,205	1,105,857
Taxes receivable, net of allowance for uncollectables	9,543,331	-	9,543,331
Net trade accounts receivable	390,257	1,095,078	1,485,335
Other receivables and current assets	417,448	35,560	453,008
Due from other governmental agencies	1,450,133	-	1,450,133
Inventory	-	28,000	28,000
Prepaid insurance	187,802	14,030	201,832
Capital assets, net of accumulated depreciation	<u>34,119,369</u>	<u>4,692,253</u>	<u>38,811,622</u>
 TOTAL ASSETS	 <u>51,696,677</u>	 <u>7,617,914</u>	 <u>59,314,591</u>
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	<u>79,817</u>	<u>41,092</u>	<u>120,909</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

LIABILITIES			
Accounts payable	802,853	142,067	944,920
Due to other governmental agencies	53,055	-	53,055
Due to fiduciary funds	478,025	-	478,025
Accrued payroll	325,192	103,059	428,251
Unearned revenue	122,928	315,240	438,168
Other liabilities	13,500	-	13,500
Customer deposits	-	263,728	263,728
Accrued interest	163,901	88,115	252,016
Current portion of long-term debt	2,781,154	215,190	2,996,344
Long-term obligations - net of current portion	<u>13,525,058</u>	<u>1,375,224</u>	<u>14,900,282</u>
 TOTAL LIABILITIES	 <u>18,265,666</u>	 <u>2,502,623.00</u>	 <u>20,768,289</u>
 DEFERRED INFLOWS OF RESOURCES			
Subsequent year tax levy	<u>9,543,331</u>	<u>-</u>	<u>9,543,331</u>
 NET POSITION			
Net investment in capital assets	23,736,409	3,101,839	26,838,248.00
Restricted for:			
Debt service		280,717	280,717
Other purposes	2,742,002	-	2,742,002
Unrestricted (deficit)	<u>(2,510,914)</u>	<u>1,773,827</u>	<u>(737,087)</u>
 TOTAL NET POSITION	 <u>\$ 23,967,497</u>	 <u>\$ 5,156,383</u>	 <u>\$ 29,123,880</u>

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS

STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2015

	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
FUNCTIONS/PROGRAMS							
Governmental activities:							
General government	\$ 1,606,663	\$ 5,721,685	\$ 44,176	\$ -	\$ 4,159,198	\$ -	\$ 4,159,198
Public health and safety	14,648,449	1,117,799	38,295	393,710	(13,098,645)	-	(13,098,645)
Public works and engineering	5,015,693	35,458	815,889	-	(4,164,346)	-	(4,164,346)
Economic development and promotion	2,075,822	65,493	88,873	-	(1,921,456)	-	(1,921,456)
Debt service	603,362	-	-	-	(603,362)	-	(603,362)
Total governmental activities	<u>23,949,989</u>	<u>6,940,435</u>	<u>987,233</u>	<u>393,710</u>	<u>(15,628,611)</u>	<u>-</u>	<u>(15,628,611)</u>
Business-type activities:							
Water and sewer	3,783,628	3,400,635	-	-	-	(382,993)	(382,993)
Waste collection	1,718,807	1,900,070	-	-	-	181,263	181,263
Total business-type activities	<u>5,502,435</u>	<u>5,300,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(201,730)</u>	<u>(201,730)</u>
Total primary government	<u>\$ 29,452,424</u>	<u>\$ 12,241,140</u>	<u>\$ 987,233</u>	<u>\$ 393,710</u>	<u>(15,628,611)</u>	<u>(201,730)</u>	<u>(15,830,341)</u>
General revenues:							
Property taxes					9,245,763	-	9,245,763
Other taxes					7,419,057	-	7,419,057
Interest					32,128	28,561	60,689
Gain on sale of capital assets					-	-	-
Miscellaneous					53,376	-	53,376
Total general revenues					<u>16,750,324</u>	<u>28,561</u>	<u>16,725,509</u>
Change in net position					1,121,713	(173,169)	948,544
Net position - beginning					<u>22,845,784</u>	<u>5,329,552</u>	<u>28,175,336</u>
Net position - ending					<u>\$ 23,967,497</u>	<u>\$ 5,156,383</u>	<u>\$ 29,123,880</u>

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2015

ASSETS

	General	Special Revenue Funds				Nonmajor Governmental Funds	Total Governmental Funds
		Development TIF Area #1	Development TIF Area #3	Fire Protection	Capital Projects		
ASSETS							
Cash and equivalents	\$ 2,390,112	210,741	\$ 1,468,233	\$ -	\$ 52,180	\$ 1,264,419	\$ 5,385,685
Investments	202,652	-	-	-	-	-	202,652
Taxes receivable, net of allowance	2,944,252	2,421,765	781,813	778,667	-	2,616,834	9,543,331
Utility taxes and franchise fees	390,257	-	-	-	-	-	390,257
Other receivables	344,207	-	-	-	35,510	37,731	417,448
Due from other governmental agencies	1,393,012	-	-	-	-	57,121	1,450,133
Due from other funds	1,104,819	7	24	-	-	-	1,104,850
Prepaid expenses	187,802	-	-	-	-	-	187,802
TOTAL ASSETS	\$ 8,957,113	\$ 2,632,513	\$ 2,250,070	\$ 778,667	\$ 87,690	\$ 3,976,105	\$ 18,682,158

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

LIABILITIES							
Accounts payable	\$ 441,373	\$ 12,595	\$ 333	\$ -	\$ 4,632	\$ 104,018	\$ 562,951
Due to other governmental agencies	10,100	-	-	-	-	42,955	53,055
Due to other funds	-	-	-	571,258	-	431,399	1,002,657
Advance due to fiduciary funds	478,025	-	-	-	-	-	478,025
Accrued payroll	297,442	-	-	-	-	27,750	325,192
Unearned revenue	122,928	-	-	-	-	-	122,928
Other liabilities	13,500	-	-	-	-	-	13,500
TOTAL LIABILITIES	1,363,368	12,595	333	571,258	4,632	606,122	2,558,308
DEFERRED INFLOWS OF RESOURCES							
Subsequent year tax levy	2,944,252	2,421,765	781,813	778,667	-	2,616,834	9,543,331
Unavailable revenue	657,973	-	-	-	-	-	657,973
TOTAL DEFERRED INFLOWS OF RESOURCES	3,602,225	2,421,765	781,813	778,667	-	2,616,834	10,201,304
FUND BALANCES (DEFICITS)							
Nonspendable	187,802	-	-	-	-	-	187,802
Restricted	-	198,153	1,467,924	-	-	1,187,199	2,853,276
Committed	-	-	-	-	-	8,053	8,053
Unassigned (deficit)	3,803,718	-	-	(571,258)	83,058	(442,103)	2,873,415
TOTAL FUND BALANCES (DEFICITS)	3,991,520	198,153	1,467,924	(571,258)	83,058	753,149	5,922,546
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	\$ 8,957,113	\$ 2,632,513	\$ 2,250,070	\$ 778,667	\$ 87,690	\$ 3,976,105	\$ 18,682,158

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS

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

April 30, 2015

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

Total fund balances - governmental funds		\$ 5,922,546
Capital assets used in governmental activities are not financial resources and therefore are not		
Capital assets	\$ 53,756,874	
Accumulated depreciation	<u>(19,637,505)</u>	
Net capital assets		34,119,369
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.		657,973
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.		(342,095)
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.		79,817
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	\$ 12,245,000	
Capital lease obligations	698,817	
Accrued vacation	618,890	
Other post employment benefits	549,378	
Net pension liability	2,269,985	
Accrued interest	163,901	
Discount on general obligation bonds payable	<u>(75,858)</u>	
Total long-term liabilities		<u>(16,470,113)</u>
Net position of governmental activities		<u><u>23,967,497</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, 2015

	Special Revenue Funds					Nonmajor Governmental Funds	Total Governmental Funds
	General	Development TIF Area #1	Development TIF Area #3	Fire Protection	Capital Projects		
REVENUES							
Property taxes	\$ 2,828,734	\$ 2,322,005	\$ 648,127	\$ 777,772	\$ -	\$ 2,669,125	\$ 9,245,763
Other taxes	7,106,357	-	-	-	-	342,473	7,448,830
Charges for services	642,893	-	-	-	-	-	642,893
Permits and other fees	5,598,280	-	-	-	-	546,196	6,144,476
Intergovernmental	409,210	-	-	-	44,176	815,889	1,269,275
Grants and donations	77,061	-	-	-	-	-	77,061
Interest	5,593	69	69	-	-	26,397	32,128
Sale of easement and other city property	7,702	-	-	-	-	-	7,702
Miscellaneous	30,079	-	-	-	9,425	193,843	233,347
TOTAL REVENUES	16,705,909	2,322,074	648,196	777,772	53,601	4,593,923	25,101,475
EXPENDITURES							
Current:							
General government	1,500,923	-	-	-	-	-	1,500,923
Public health and safety	13,061,337	-	-	-	-	353,609	13,414,946
Public works and engineering	2,566,353	-	-	-	-	1,555,740	4,122,093
Economic development and promotion	853,654	839,639	15,106	-	-	153,757	1,862,156
Debt Service							
Principal retirement	-	-	-	-	249,519	1,460,000	1,709,519
Interest and fiscal charges	80,134	-	-	-	14,829	356,791	451,754
Bond issuance costs	-	-	-	-	-	60,725	60,725
Capital Outlay	59,805	164,080	-	-	4,240,098	-	4,463,983
TOTAL EXPENDITURES	18,122,206	1,003,719	15,106	-	4,504,446	3,940,622	27,586,099
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,416,297)	1,318,355	633,090	777,772	(4,450,845)	653,301	(2,484,624)
OTHER FINANCING SOURCES (USES)							
Bond proceeds	-	-	-	-	-	3,700,000	3,700,000
Discount on bond issuance	-	-	-	-	-	(37,000)	(37,000)
Issuance of capital lease	-	-	-	-	455,987	-	455,987
Transfers in	2,779,861	-	-	-	4,030,407	1,956,600	8,766,868
Transfers (out)	(905,508)	(577,800)	(195,976)	(777,772)	-	(6,309,812)	(8,766,868)
TOTAL OTHER FINANCING SOURCES (USES)	1,874,353	(577,800)	(195,976)	(777,772)	4,486,394	(690,212)	4,118,987
NET CHANGE IN FUND BALANCES	458,056	740,555	437,114	-	35,549	(36,911)	1,634,363
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	3,533,464	(542,402)	1,030,810	(571,258)	47,509	790,060	4,288,183
FUND BALANCES (DEFICITS) - END OF YEAR	\$ 3,991,520	\$ 198,153	\$ 1,467,924	\$ (571,258)	\$ 83,058	\$ 753,149	\$ 5,922,546

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, 2015

Net change in fund balances - total governmental funds \$ 1,634,363

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	\$	4,146,260	
Depreciation		<u>(1,195,355)</u>	
Capital outlay in excess of depreciation and dispositions			<u>2,950,905</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		(62,316)	
Increase in compensated absences		(13,393)	
Increase in net pension obligation		<u>(702,044)</u>	
Total expenses of non-current resources			<u>(777,753)</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. (29,773)

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		(3,700,000)	
Proceeds from capital lease		(455,987)	
Bond discount		<u>37,000</u>	
Net bond issuance			<u>(4,118,987)</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		1,709,519	
Payment to escrow		-	
Accrued interest		(46,651)	
Amortization of discounts and deferred amounts		<u>(44,232)</u>	
Net effect of bond activity			<u>1,618,636</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. (155,678)

Change in net position of governmental activities \$ 1,121,713

CITY OF ZION, ILLINOIS
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended April 30, 2015
(With Comparative information for the Year Ended April 30, 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Taxes	\$ 8,167,573	\$ 8,167,573	\$ 9,935,091	\$ 1,767,518	\$ 9,669,882
Licenses, permits, and fees	4,606,966	4,606,966	5,059,880	452,914	4,313,614
Fines and forfeitures	586,330	586,330	538,400	(47,930)	440,056
Rental revenue	24,100	24,100	20,250	(3,850)	28,623
Charges for services	609,000	609,000	642,893	33,893	600,574
Intergovernmental	211,391	211,391	409,210	197,819	568,664
Donations and grants	65,100	65,100	77,061	11,961	86,878
Interest	1,500	1,500	5,593	4,093	(133)
Sale of easement and other city property	-	-	7,702	7,702	1,266,370
Miscellaneous	53,750	53,750	9,829	(43,921)	32,997
TOTAL REVENUES	14,325,710	14,325,710	16,705,909	2,380,199	17,007,525
EXPENDITURES					
General government	1,471,998	1,471,998	1,581,057	(109,059)	1,564,158
Public health and safety	11,161,782	11,161,782	13,121,142	(1,959,360)	12,732,137
Public works and engineering	2,413,802	2,413,802	2,566,353	(152,551)	2,435,130
Economic development and promotion	904,660	904,660	853,654	51,006	970,852
TOTAL EXPENDITURES	15,952,242	15,952,242	18,122,206	(2,169,964)	17,702,277
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,626,532)	(1,626,532)	(1,416,297)	210,235	(694,752)
OTHER FINANCING SOURCES (USES)					
Transfers in	2,593,257	2,593,257	2,779,861	186,604	2,716,090
Transfers (out)	(927,408)	(927,408)	(905,508)	21,900	(1,036,814)
TOTAL OTHER FINANCING SOURCES (USES)	1,665,849	1,665,849	1,874,353	208,504	1,679,276
NET CHANGE IN FUND BALANCE	39,317	39,317	458,056	418,739	984,524
FUND BALANCE - BEGINNING OF YEAR	3,533,464	3,533,464	3,533,464	-	2,548,940
FUND BALANCE - END OF YEAR	\$ 3,572,781	\$ 3,572,781	\$ 3,991,520	\$ 418,739	\$ 3,533,464

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, 2015
(With Comparative information for the Year Ended April 30, 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 1,913,403	\$ 1,913,403	\$ 2,322,005	\$ 408,602	\$ 1,913,403
Interest	75	75	69	(6)	74
TOTAL REVENUES	<u>1,913,478</u>	<u>1,913,478</u>	<u>2,322,074</u>	<u>408,596</u>	<u>1,913,477</u>
EXPENDITURES					
Contractual Services					
Promotional	745,622	745,622	745,622	-	730,484
Surplus distributions	70,000	70,000	70,000	-	70,000
Legal and professional	1,750	1,750	24,017	(22,267)	2,517
Miscellaneous	750	750	-	750	650
Total Contractual Services	<u>818,122</u>	<u>818,122</u>	<u>839,639</u>	<u>(21,517)</u>	<u>803,651</u>
Capital Outlay					
Future projects	180,000	180,000	164,080	15,920	144,218
Total Capital Outlay	<u>180,000</u>	<u>180,000</u>	<u>164,080</u>	<u>15,920</u>	<u>144,218</u>
TOTAL EXPENDITURES	<u>998,122</u>	<u>998,122</u>	<u>1,003,719</u>	<u>(5,597)</u>	<u>947,869</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>915,356</u>	<u>915,356</u>	<u>1,318,355</u>	<u>402,999</u>	<u>965,608</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	135
Transfers (out)	<u>(577,800)</u>	<u>(577,800)</u>	<u>(577,800)</u>	<u>-</u>	<u>(497,354)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(577,800)</u>	<u>(577,800)</u>	<u>(577,800)</u>	<u>-</u>	<u>(497,219)</u>
NET CHANGE IN FUND BALANCE	337,556	337,556	740,555	402,999	468,389
FUND BALANCE - BEGINNING OF YEAR	<u>(542,402)</u>	<u>(542,402)</u>	<u>(542,402)</u>	<u>-</u>	<u>(1,010,791)</u>
FUND BALANCE - END OF YEAR	<u>\$ (204,846)</u>	<u>\$ (204,846)</u>	<u>\$ 198,153</u>	<u>\$ 402,999</u>	<u>\$ (542,402)</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, 2015
(With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 561,048	\$ 561,048	\$ 648,127	\$ 87,079	\$ 561,048
Interest	75	75	69	(6)	75
TOTAL REVENUES	<u>561,123</u>	<u>561,123</u>	<u>648,196</u>	<u>87,073</u>	<u>561,123</u>
EXPENDITURES					
Contractual Services					
Legal	-	-	7,508	(7,508)	-
Consultants	-	-	4,239	(4,239)	-
Contracted services	-	-	910	(910)	-
Professional	1,250	1,250	1,249	1	2,500
Appraisal	5,000	5,000	1,200	3,800	1,400
Future projects	475,000	475,000	-	475,000	-
Total Contractual Services	<u>481,250</u>	<u>481,250</u>	<u>15,106</u>	<u>466,144</u>	<u>3,900</u>
TOTAL EXPENDITURES	<u>481,250</u>	<u>481,250</u>	<u>15,106</u>	<u>466,144</u>	<u>3,900</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>79,873</u>	<u>79,873</u>	<u>633,090</u>	<u>553,217</u>	<u>557,223</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(195,976)</u>	<u>(195,976)</u>	<u>(195,976)</u>	<u>-</u>	<u>(198,100)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(195,976)</u>	<u>(195,976)</u>	<u>(195,976)</u>	<u>-</u>	<u>(198,100)</u>
NET CHANGE IN FUND BALANCES	(116,103)	(116,103)	437,114	553,217	359,123
FUND BALANCE - BEGINNING OF YEAR	<u>1,030,810</u>	<u>1,030,810</u>	<u>1,030,810</u>	<u>-</u>	<u>671,687</u>
FUND BALANCE - END OF YEAR	<u>\$ 914,707</u>	<u>\$ 914,707</u>	<u>\$ 1,467,924</u>	<u>\$ 553,217</u>	<u>\$ 1,030,810</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, 2015
 (With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 783,299	\$ 783,299	\$ 777,772	\$ (5,527)	\$ 787,633
TOTAL REVENUES	<u>783,299</u>	<u>783,299</u>	<u>777,772</u>	<u>(5,527)</u>	<u>787,633</u>
EXPENDITURES					
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>783,299</u>	<u>783,299</u>	<u>777,772</u>	<u>(5,527)</u>	<u>787,633</u>
OTHER FINANCING SOURCES (USES)					
Transfers (out)	<u>(783,299)</u>	<u>(783,299)</u>	<u>(777,772)</u>	<u>5,527</u>	<u>(787,634)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(783,299)</u>	<u>(783,299)</u>	<u>(777,772)</u>	<u>5,527</u>	<u>(787,634)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	(1)
FUND BALANCE - BEGINNING OF YEAR	<u>(571,258)</u>	<u>(571,258)</u>	<u>(571,258)</u>	<u>-</u>	<u>(571,257)</u>
FUND BALANCE - END OF YEAR	<u>\$ (571,258)</u>	<u>\$ (571,258)</u>	<u>\$ (571,258)</u>	<u>\$ -</u>	<u>\$ (571,258)</u>

CITY OF ZION, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 April 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Waste Collection	Totals	Activities Internal Service Fund
ASSETS				
Current assets:				
Cash and equivalents	\$ 849,788	\$ -	\$ 849,788	\$ -
Trade accounts receivable	354,094	212,599	566,693	-
Unbilled trade accounts	528,385	-	528,385	-
Other receivables	35,560	-	35,560	-
Inventory	28,000	-	28,000	-
Prepaid expenses	14,030	-	14,030	-
TOTAL CURRENT ASSETS	1,809,857	212,599	2,022,456	-
Noncurrent assets:				
Investments	903,205	-	903,205	-
Advance due from other funds	815,145	-	815,145	-
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	(8,985,108)	(217,385)	(9,202,493)	-
Total capital assets, net of accumulated depreciation	4,612,997	79,256	4,692,253	-
TOTAL NONCURRENT ASSETS	6,331,347	79,256	6,410,603	-
TOTAL ASSETS	8,141,204	291,855	8,433,059	-
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	41,092	-	41,092	-
TOTAL DEFERRED outflows OF RESOURCES	41,092	-	41,092	-
LIABILITIES				
Current liabilities				
Accounts payable	142,067	-	142,067	239,902
Unearned revenue - unearned collection fees	-	315,240	315,240	-
Accrued payroll and related expenses	103,059	-	103,059	-
Current portion of capital lease	22,588	-	22,588	-
Customer deposits - restricted assets	263,728	-	263,728	-
Current portion of General Obligation Bonds - restricted assets	192,602	-	192,602	-
Accrued interest - restricted assets	88,115	-	88,115	-
TOTAL CURRENT LIABILITIES	812,159	315,240	1,127,399	239,902
Noncurrent liabilities				
Advance due to other funds	-	815,145	815,145	102,193
General Obligation Bonds	1,328,011	-	1,328,011	-
Capital lease	47,213	-	47,213	-
TOTAL NONCURRENT LIABILITIES	1,375,224	815,145	2,190,369	102,193
TOTAL LIABILITIES	2,187,383	1,130,385	3,317,768	342,095
NET POSITION				
Net investment in capital assets	3,022,583	79,256	3,101,839	-
Restricted for:				
Bond retirement	280,717	-	280,717	-
Unrestricted net position	2,691,613	(917,786)	1,773,827	(342,095)
TOTAL NET POSITION	\$ 5,994,913	\$ (838,530)	\$ 5,156,383	\$ (342,095)

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, 2015

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Waste Collection	Totals	Activities Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 3,400,635	\$ 1,900,070	\$ 5,300,705	\$ 2,036,388
TOTAL REVENUES	<u>3,400,635</u>	<u>1,900,070</u>	<u>5,300,705</u>	<u>2,036,388</u>
OPERATING EXPENSES				
Personal services	880,594	-	880,594	-
Contractual services	1,630,634	1,707,616	3,338,250	-
Materials and supplies	92,914	11,191	104,105	-
Repairs and maintenance	670,863	-	670,863	-
Claims	-	-	-	2,192,104
Capital outlay	90,999	-	90,999	-
Depreciation	330,966	-	330,966	-
TOTAL OPERATING EXPENSES	<u>3,696,970</u>	<u>1,718,807</u>	<u>5,415,777</u>	<u>2,192,104</u>
(LOSS) FROM OPERATIONS	<u>(296,335)</u>	<u>181,263</u>	<u>(115,072)</u>	<u>(155,716)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	28,561	-	28,561	38
Interest and fiscal charges	(86,658)	-	(86,658)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(58,097)</u>	<u>-</u>	<u>(58,097)</u>	<u>38</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	<u>(354,432)</u>	<u>181,263</u>	<u>(173,169)</u>	<u>(155,678)</u>
CHANGE IN NET POSITION	(354,432)	181,263	(173,169)	(155,678)
NET POSITION (DEFICIT) - BEGINNING OF YEAR	<u>6,349,345</u>	<u>(1,019,793)</u>	<u>5,329,552</u>	<u>(186,417)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 5,994,913</u>	<u>\$ (838,530)</u>	<u>\$ 5,156,383</u>	<u>\$ (342,095)</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, 2015

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Waste Collection	Totals	Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 3,463,084	\$ 1,815,034	\$ 5,278,118	\$ -
Cash received from interfund charges for health insurance			-	2,036,388
Cash payments to suppliers for goods and services	(2,421,534)	(1,865,740)	(4,287,274)	(2,233,732)
Cash payments to employees for services	(883,875)		(883,875)	-
Cash payments from (to) other funds for services	(82,500)	82,500	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>75,175</u>	<u>31,794</u>	<u>106,969</u>	<u>(197,344)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Collections on advances to other funds	904,758	-	904,758	102,193
Payment on advances from other funds	-	(31,794)	(31,794)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>904,758</u>	<u>(31,794)</u>	<u>872,964</u>	<u>102,193</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on capital lease	(21,934)	-	(21,934)	-
Principal paid on bonds	(180,000)	-	(180,000)	-
Interest paid on bonds	(88,174)	-	(88,174)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(290,108)</u>	<u>-</u>	<u>(290,108)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Net investment activity	(4,165)	-	(4,165)	-
Interest on cash and equivalents	28,561	-	28,561	38
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>24,396</u>	<u>-</u>	<u>24,396</u>	<u>38</u>
NET (DECREASE) IN CASH AND EQUIVALENTS	<u>714,221</u>	<u>-</u>	<u>714,221</u>	<u>(95,113)</u>
CASH AND EQUIVALENTS - BEGINNING OF YEAR	135,567	-	135,567	95,113
CASH AND EQUIVALENTS - END OF YEAR	<u>\$ 849,788</u>	<u>\$ -</u>	<u>\$ 849,788</u>	<u>\$ -</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
INCOME (LOSS) FROM OPERATIONS	\$ (296,335)	\$ 181,263	\$ (115,072)	\$ (155,716)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	330,966	-	330,966	-
Amortization of bond discount	(2,602)	-	(2,602)	-
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	57,212	(2,053)	55,159	-
Decrease in unbilled water usage	1,740	-	1,740	-
Increase in other receivables	(16,313)	-	(16,313)	-
Increase in inventory	(20,160)	-	(20,160)	-
Decrease in prepaid expenses	1,078	-	1,078	60,565
Decrease in accounts payable	(3,789)	(146,933)	(150,722)	-
Decrease in accrued payroll and related expenses	(3,281)	-	(3,281)	-
Decrease in deferred revenue	-	(483)	(483)	-
Increase deferred outflows	6,849	-	6,849	-
Increase in customer deposits	19,810	-	19,810	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 75,175</u>	<u>\$ 31,794</u>	<u>\$ 106,969</u>	<u>\$ (95,151)</u>

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
April 30, 2015

ASSETS

	<u>Police Pension</u>	<u>Fireman's Pension</u>	<u>Total</u>
ASSETS			
Cash and equivalents	\$ 660,634	\$ 212,538	\$ 873,172
Investments			
Certificates of Deposit		598,560	598,560
U.S. Government and agency obligations	7,549,739	1,099,253	8,648,992
Insurance company contracts	-	3,034,790	3,034,790
Equity Securities	-	1,766,066	1,766,066
Money market mutual funds	-	1,705,928	1,705,928
Equity mutual funds	10,905,591	4,821,278	15,726,869
Corporate Bonds	1,102,435	1,767,720	2,870,155
Common stock	7,443,578		
Receivables			
Prepaid assets	-	1,758	1,758
Due from City	266,563	410,472	677,035
Accrued interest	72,327	1,609	73,936
	<u>\$ 28,000,867</u>	<u>\$ 15,419,972</u>	<u>\$ 35,977,261</u>

LIABILITIES AND NET POSITION

LIABILITIES			
Accounts payable	<u>-</u>	<u>9,692</u>	<u>9,692</u>
NET POSITION			
Held in trust for pension benefits	<u>28,000,867</u>	<u>15,410,280</u>	<u>35,967,569</u>
TOTAL NET POSITION	<u><u>\$ 28,000,867</u></u>	<u><u>\$ 15,410,280</u></u>	<u><u>\$ 35,967,569</u></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, 2015

	<u>Police Pension</u>	<u>Fireman's Pension</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Contributions - Employer	\$ 995,843	\$ 789,443	\$ 1,785,286
Contributions - Plan members	414,277	229,193	643,470
Total contributions	<u>1,410,120</u>	<u>1,018,636</u>	<u>2,428,756</u>
Investment earnings:			
Interest and dividends earned	1,025,424	319,841	1,345,265
Change in fair market value	1,101,997	703,526	1,805,523
Total investment earnings	<u>2,127,421</u>	<u>1,023,367</u>	<u>3,150,788</u>
Less investment expenses	<u>-</u>	<u>73,768</u>	<u>73,768</u>
Net investment earnings	<u>2,127,421</u>	<u>949,599</u>	<u>3,077,020</u>
TOTAL ADDITIONS	<u>3,537,541</u>	<u>1,968,235</u>	<u>5,505,776</u>
DEDUCTIONS			
Administration	45,356	31,266	76,622
Benefit payments	<u>2,044,692</u>	<u>1,241,213</u>	<u>3,285,905</u>
TOTAL DEDUCTIONS	<u>2,090,048</u>	<u>1,272,479</u>	<u>3,362,527</u>
CHANGE IN NET POSITION	1,447,493	695,756	2,143,249
Net position, beginning of year	<u>26,553,374</u>	<u>14,714,524</u>	<u>41,267,898</u>
Net position, end of year	<u>\$ 28,000,867</u>	<u>\$ 15,410,280</u>	<u>\$ 43,411,147</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, 2015

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, 2015

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, 2015

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, 2015

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:

Fund	Brief Description
Major: 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.
Development TIF Area #3	Accounts for revenues and expenditures restricted for encouraging private and commercial redevelopment and investing through incremental property tax revenues.
Fire Protection	Accounts for restricted revenues and expenditures relating to insurance funding requirements of the City.
Capital Project Funds:	
Capital Projects	Accounts for financial resources collected and restricted for the capital additions to the City.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

Major and Nonmajor Funds (continued)

Major (continued):

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.

Nonmajor

Special Revenues Funds:

911 Emergency Surcharge Accounts for revenues and expenditures of the E-911 service that is legally restricted for public safety use.

Zion-Newport Fire Station Accounts for revenues and expenditures directly related to the operation of the Zion-Newport fire station.

Emergency Service Rescue Accounts for revenues and expenditures of City rescue efforts and is restricted for public safety use.

Street and Bridge Accounts for revenues and expenditures of upkeep and maintenance of City infrastructure and is restricted for that purpose.

Illinois Municipal Retirement Accounts for employer contributions to the Illinois Municipal Retirement Fund and is restricted for that use.

FICA Accounts for employer contributions to the Social Security Administration and is restricted for that use.

Motor Fuel Tax Accounts for revenues and expenditures relating to the funds received from the State of Illinois for the City's share of motor fuel taxes.

Development TIF Area #4 Accounts for revenues and expenditures restricted for encouraging private and commercial redevelopment and investing through incremental property tax revenues.

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

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

Major and Nonmajor Funds (continued)

Nonmajor (continued)

Special Revenues Funds (continued):

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.

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.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

Major and Nonmajor Funds (continued)

Nonmajor (continued)

Debt Service Funds (continued):

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

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred or when the economic asset is used. Revenues, expenses, gains, losses, assets, deferred inflows of resources, liabilities, and deferred outflows of resources 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, 2015

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, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
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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, 2015, the total accrued vacation recorded as a liability is \$73,885 for enterprise funds and \$618,890 for governmental activities.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

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 reports 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 unavailable revenues. 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, 2015

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, 2015

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, and 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. 67, *Financial Reporting for Pension Plans*, was 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 had no effect on the City's financial statements.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
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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 had not impact on the City's financial statements.

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*. GASB Statement No. 71 will be effective for the City beginning with its year ended April 30, 2016. 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.

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*, an accounting standard that provides guidance for determining a fair value measurement for financial reporting purposes and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The City will implement the requirements of this standard beginning with the year ending April 30, 2016.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, establishes accounting and financial reporting standards for defined benefit pensions that are not with in the scope of GASB Statements 67 and 68. The Statement also clarifies certain provisions of Statement 67 and 68. Statement No. 73 will be effective for the City beginning with its year ending April 30, 2017.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for government pension plans whose employees are provided with OPEB. This Statement replaces Statements No. 43, 57 and 25. Statement No. 74 will be effective for the City beginning with its year ending April 30, 2018.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
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Financial Statement Amounts (continued)

New Accounting Pronouncements (continued):

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, establishes new accounting and financial reporting requirements for the OPEB provided to employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures of OPEB plans, including methods and assumptions to be used for defined benefit OPEB. Statement No. 75 will be effective for the City beginning with its year ended April 30, 2019.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, identifies the hierarchy of GAAP as it relates to the governmental entities. Statement No. 76 will be effective for the City beginning with its year ended April 30, 2017. There was no impact on the City's financial statements as a result of the implementation of Statement No. 76.

GASB Statement No. 77, *Tax Abatement Disclosures*, establishes reporting requirements for governments that enter into tax abatement agreements. Statement No. 77 will be effective for the City beginning with its year ended April 30, 2017.

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, 2015

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, 2015:

Special Revenue Funds

Fire Protection	\$	571,258
911 Emergency Surcharge		54,974
Street and Bridge		13,271
Illinois Municipal Retirement		216,514
FICA		134,385
Police Protection		22,929

Debt Service Funds

TIF #1 Bond Series 2002A	\$	6
Area 3 South Sheridan Rd, Project		24

Enterprise Funds

Waste Collection	\$	838,530
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Internal Service Fund	\$	342,095
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CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

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

The following is detail of the appropriation ordinance, amended budget, and actual expenditures/expenses (including 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>	\$ 16,879,650	\$ 20,849,650	\$ 19,027,714	\$ 1,821,936
 <u>Special Revenue Funds</u>				
911 Emergency Surcharge	\$ 140,500	\$ 141,000	\$ 129,603	\$ 11,397
Zion-Newport Fire Station	20	20	198,840	(198,820)
Emergency Service Rescue	610,046	610,046	605,769	4,277
Fire Protection	783,299	783,299	777,772	5,527
Street and Bridge	426,015	926,015	455,159	470,856
Illinois Municipal Retirement Fund	474,299	474,299	449,635	24,664
FICA	395,345	395,345	401,874	(6,529)
Development TIF Area #1	1,575,922	1,575,922	1,581,519	(5,597)
Development TIF Area #3	677,226	677,226	211,082	466,144
Motor Fuel Tax	534,088	579,088	633,160	(54,072)
Liability Insurance	972,345	972,345	949,833	22,512
Drug Traffic Prevention	5,700	6,900	25,166	(18,266)
Industrial Development	539,400	539,400	539,399	1
Hotel/Motel Tax	173,283	173,283	148,451	24,832
	\$ 7,307,488	\$ 7,854,188	\$ 7,107,262	\$ 746,926
 <u>Capital Projects Funds</u>				
Capital Projects Fund	\$ 859,614	\$ 859,614	\$ 4,504,446	\$ (3,644,832)
 <u>Debt Service Funds</u>				
TIF #1 Bond Series 2002A	\$ 571,800	\$ 571,800	\$ 571,865	\$ (65)
Area 3 South Sheridan Road Project (Debt Service)	192,976	192,976	193,020	(44)
Bond Debt Service	404,987	404,987	463,188	(58,201)
Series 2002B Road Bond	384,088	384,088	384,154	(66)
Series 2003 Road Bond	265,222	265,222	265,289	(67)
	\$ 1,819,073	\$ 1,819,073	\$ 1,877,516	\$ (58,443)
 <u>Enterprise Funds</u>				
Water and Sewer	\$ 3,757,001	\$ 4,108,133	\$ 3,783,628	\$ 324,505
Waste Collection	1,671,611	1,671,611	1,718,807	(47,196)
	\$ 5,428,612	\$ 5,779,744	\$ 5,502,435	\$ 277,309

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)
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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, 2015, management asserts the City complied, in all material respects, with these revenue restrictions.

NOTE C – DEPOSITS AND INVESTMENTS
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Deposits

As of April 30, 2015, a reconciliation of cash and investments as shown on the Statement of Net Position is as follows:

	Carrying Value	Bank Balance
Checking accounts	\$ 784,233	\$ 1,314,867
Money market and savings accounts	1,317,252	1,306,012
Money market mutual funds - restricted	2,096,653	1,872,052
Certificate of deposits	1,105,857	1,105,857
Illinois Funds	2,005,417	2,005,417
Cash with escrow agent	30,868	30,868
Cash on hand	1,050	
Total	\$7,341,330	

A reconciliation to the financial statements is shown below:

Statement of Net Position - governmental activities	
Cash and equivalents	\$5,385,685
Investments	202,652
Statement of Net Position - business-type activities	
Cash and equivalents	849,788
Investments	903,205
	\$7,341,330

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE C – DEPOSITS AND INVESTMENTS (continued)
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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 \$2,101,485 and the bank balances totaled \$2,620,879. Of the bank balances, \$956,190 was covered by federal depository insurance, \$1,664,689 was uninsured and collateralized by U.S. Government securities or Municipal 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, 2015, the City had the following investments subject to interest rate risk, including maturities:

	Fair Value	Investment Maturities (in Years)			Greater than 10
		Less Than 1	1-5	6-10	
Money market mutual funds	\$ 2,096,653	\$ 2,096,653	\$ -	\$ -	\$ -
Illinois Funds	2,005,417	2,005,417	-	-	-
Certificates of deposit	1,105,857	-	1,105,857	-	-
Total	\$ 5,207,927	\$ 4,102,070	\$ 1,105,857	\$ -	\$ -

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

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 rated 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, 2015 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, 2015

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

Police Pension Fund

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.

As of April 30, 2015, the Police Pension Fund had the following investments subject to interest rate risk, including maturities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury Notes	\$ 4,047,596	\$ 501,484	\$ 1,745,309	\$ 1,800,803	\$ -
U.S. Treasury Strip	537,044	-	537,044	-	-
U.S. Treasury Bond	511,347	-	511,347	-	-
Governmental National Mortgage	108,449	-	-	265	108,184
Federal Farm Credit Bank	536,251	-	536,251	-	-
Federal Home Loan Mortgage	318,879	286,932	15,157	14,655	2,135
Federal National Mortgage	1,490,173	458,018	828,451	12,598	191,106
Corporate Debt Obligations	1,102,435	200,191	825,292	76,952	-
Total	\$ 8,652,174	\$ 1,446,625	\$ 4,998,851	\$ 1,905,273	\$ 301,425

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, 2015, 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, 2015

NOTE C – DEPOSITS AND INVESTMENTS (continued)
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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

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.

As of April 30, 2015, the Firemen’s Pension Fund had the following investments subject to interest rate risk, including maturities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
Corporate Bonds	\$ 1,767,720	\$ -	\$ 1,767,720	\$ -	\$ -
Certificates of Deposit	598,560	-	-	598,560	-
Government National Mortgage	1,099,253	-	-	21,350	1,077,903
Money Market Mutual Funds	1,705,928	1,705,928	-	-	-
Total	\$ 5,171,461	\$ 1,705,928	\$ 1,767,720	\$ 619,910	\$ 1,077,903

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, 2015

NOTE C – DEPOSITS AND INVESTMENTS (continued)
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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. US Treasury and government agency security are rated by Standard & Poor’s rating agency as 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, 2015, 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, 2015, the Pension Fund has investments in agency securities of \$770,514 exceeding 5% of net plan assets.

NOTE D – ACCOUNTS RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES

Accounts Receivable

Accounts receivable of the business-type activities of \$1,130,638 consists primarily of utilities trade accounts receivable and related liens (97%). Accounts receivables, other than taxes, of the governmental activities of \$807,705 primarily consist of, host fees (22%) and utility taxes (39%). Remaining categories make up less than 10% individually. Receivables details at April 30, 2015, are as follows:

	Governmental Activities	Business-type Activities	Total
Trade accounts receivable	\$ 1,970,173	\$ 1,095,078	\$ 3,065,251
Other receivables/current assets	425,767	60,079	485,846
Allowance for doubtful accounts	(1,588,235)	(24,519)	(1,612,754)
	\$ 807,705	\$ 1,130,638	\$ 1,938,343

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

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:

	Unavailable	Subsequent Year Tax Levy	Total
Property taxes	\$ -	\$ 9,543,331	\$ 9,543,331
Income taxes	437,617	-	437,617
Veolia host fees	178,168	-	178,168
Other	42,188	-	42,188
	\$ 657,973	\$ 9,543,331	\$ 10,201,304

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. 2014 taxes became an enforceable lien on January 1, 2015.

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

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

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

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 2015 was as follows:

TIF #1 assessed valuation was \$11,477,722 and the tax extension was \$2,433,934.
 TIF #3 assessed valuation was \$4,198,150 and the tax extension was \$785,741.
 TIF #4 assessed valuation was \$16,428 and the tax extension was \$2,916.

Assessed Valuations, Rates, Extensions, and Collections

<u>TAX LEVY YEAR</u>	2015	2014
ASSESSED VALUATIONS	\$ 226,282,384	\$ 244,018,455
<u>TAX RATE/\$100 EAV</u>		
General Fund	0.392	0.438
Fire Fund	0.346	0.321
Street and Bridge Fund	0.100	0.100
IMRF	0.214	0.190
Social Security	0.175	0.158
Police Pension	0.508	0.411
Firemen's Pension	0.407	0.311
Emergency Rescue Squad	0.250	0.250
Liability Insurance Fund	0.422	0.392
TOTALS	2.814	2.571
 <u>TAX EXTENSIONS</u>		
<u>TAX LEVY YEAR</u>	2015	2014
Fiscal Year Collected	4/30/2015	4/30/2014
Purpose of Levy:		
General Fund	\$ 887,042	\$ 1,068,801
Fire Fund	782,578	783,299
Street and Bridge Fund	226,760	244,018
IMRF	483,610	463,635
Social Security	395,955	385,549
Police Pension	1,150,811	1,002,916
Firemen's Pension	921,192	758,897
Emergency Rescue Squad	566,899	610,046
Liability Insurance Fund	955,512	956,552
TOTAL	\$ 6,370,359	\$ 6,273,713
Collections		\$ 6,247,621
% of Collections		99.58%

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE F – CAPITAL ASSETS – GOVERNMENTAL ACTIVITIES
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Capital asset activity for governmental activities for the year ended April 30, 2015 was as follows:

	Balance 5/1/14	Additions	Deletions	Balance 4/30/15
Capital assets not being depreciated:				
Land	\$ 2,120,285	\$ 3,605,000	\$ -	\$ 5,725,285
Capital assets being depreciated:				
Building and improvements	12,085,666	-	-	12,085,666
Machinery and equipment	5,964,096	541,260	145,986	6,359,370
Roads and bridges	29,586,553	-	-	29,586,553
Total capital assets being depreciated	47,636,315	541,260	145,986	48,031,589
Less accumulated depreciation for:				
Buildings and improvements	5,679,527	348,658	-	6,028,185
Machinery and equipment	5,185,712	254,966	145,986	5,294,692
Road and bridges	7,722,897	591,731	-	8,314,628
Total accumulated depreciation	18,588,136	1,195,355	145,986	19,637,505
Total capital assets being depreciated, net	29,048,179	(654,095)	-	28,394,084
Governmental activities capital assets, net	\$ 31,168,464	\$ 2,950,905	\$ -	\$ 34,119,369

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

General government	\$ 47,317
Public health and safety	252,475
Public works and engineering	681,529
Economic development and promotion	214,034
	\$ 1,195,355
Total depreciation expense - governmental activities	\$ 1,195,355

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE G – CAPITAL ASSETS – BUSINESS-TYPE ACTIVITIES

Capital asset activity for business-type activities for the year ended April 30, 2015 was as follows:

	Balance 5/1/14	Additions	Deletions	Balance 4/30/15
Capital assets not being depreciated:				
Land	\$ 431,831	\$ -	\$ -	\$ 431,831
Capital assets being depreciated:				
Water mains and plant	12,065,576	-	-	12,065,576
Machinery and equipment	1,397,339	-	-	1,397,339
Total capital assets being depreciated	13,462,915	-	-	13,462,915
Less accumulated depreciation for:				
Water mains and plant	7,609,642	296,780	-	7,906,422
Machinery and equipment	1,261,885	34,186	-	1,296,071
Total accumulated depreciation	8,871,527	330,966	-	9,202,493
Total capital assets being depreciated, net	4,591,388	(330,966)	-	4,260,422
Business-type activities capital assets, net	\$ 5,023,219	\$ (330,966)	\$ -	\$ 4,692,253

NOTE H – RETIREMENT FUND COMMITMENTS

Defined Benefit Pension Plan - Illinois Municipal Retirement Fund

Plan Description

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

Funding Policy

As set by statute, your employer Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2014 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, 2015

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

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

Annual Pension Cost

The required contribution for calendar year 2014 was \$460,633. The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, 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, 2012 is being amortized as a level percentage of projected payrolls on an open 29 year basis.

Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2014	\$ 460,633	100.00%	\$ -
12/31/2013	442,056	100.00%	-
12/31/2012	405,802	94.00%	-

Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 85.22 percent funded. The actuarial accrued liability for benefits was \$12,654,151 and the actuarial value of assets was \$10,783,636, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,870,515. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$3,702,840 and the ratio of the UAAL to the covered payroll was 51 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, 2015

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, 2015 consisted of the following classes of participants:

Retirees and beneficiaries receiving benefits	38
Members entitled to benefits but not yet receiving them	1
Active non-vested members	19
Active vested members	28
Total Members	<u>86</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, 2015

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, 2015 consisted of the following classes of participants:

Retirees and beneficiaries receiving benefits	30
Retirees entitled but not receiving benefits	3
Active members	33
Total Members	<u>66</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 through two tiers as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ 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 annual benefit 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. Employees with at least eight years but less than 20 years of credited services may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter 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.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service with the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800 for the calendar year of 2011, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit 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. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. $\frac{1}{2}$ % for each month under 55). The monthly benefit for a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, effective each January 1st thereafter. The increase is the lesser of 3% or $\frac{1}{2}$ of the change in the Consumer Price Index for the preceding calendar year.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

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

Benefit Provisions (continued)

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.

The City’s annual pension cost and net pension obligation (asset) for the year ended April 30, 2015 were as follows:

	Police Pension	Fire Pension
Annual Required Contribution	1,698,417	1,047,048
Less: Contributions Made	(995,843)	(789,443)
Change in Net Pension Obligation	702,574	257,605
Net Pension Obligation - May 1, 2014	863,707	481,576
Net Pension Obligation - April 30, 2015	\$ 1,566,281	\$ 739,181

The annual required contribution for the current year was determined as part of the April 30, 2015 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.00% investment rate of return, (b) 5.50% projected salary increases, and (c) 2.5% inflation rate. The method used to determine the actuarial value of assets was their market value. The unfunded actuarial accrued liability is being amortized in accordance with Sec. 3-127 of the IL Pension Code.

	Annual Pension Cost	Percentage Contribution	Net Pension (Asset) Obligation
Police Pension			
4/30/2013	964,361	73.50%	732,627
4/30/2014	867,020	71.02%	1,086,365
4/30/2015	1,698,417	58.63%	1,566,281
Firemen's Pension			
4/30/2013	820,316	78.35%	116,698
4/30/2014	682,170	65.15%	481,576
4/30/2015	789,443	75.40%	739,181

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

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

	Actuarial Valuation Date		
	4/30/2015	4/30/2013	4/30/2012
Police Pension			
Actuarial Accrued Liability (AAL)	\$ 49,236,132	\$ 40,595,288	\$ 38,480,383
Actuarial Value of Assets	28,000,867	25,985,055	24,376,160
Unfunded AAL (UAAL)	\$ 21,235,265	\$ 14,610,233	\$ 14,104,223
Funded Ratio	56.87%	64.01%	63.35%
Covered Payroll	\$ 4,086,319	\$ 3,683,466	\$ 3,530,911
UAAL as % of Covered Payroll	519.67%	396.64%	399.45%

	Actuarial Valuation Date		
	4/30/2015	4/30/2013	4/30/2012
Firemen's Pension			
Actuarial Accrued Liability (AAL)	\$ 32,786,884	\$ 27,382,464	\$ 25,047,992
Actuarial Value of Assets	15,410,280	15,355,748	14,629,917
Unfunded AAL (UAAL)	\$ 17,376,604	\$ 12,026,716	\$ 10,418,075
Funded Ratio	47.00%	56.08%	58.41%
Covered Payroll	\$ 2,267,983	\$ 2,176,585	\$ 1,999,159
UAAL as % of Covered Payroll	766.17%	552.55%	521.12%

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 2015, the City’s annual OPEB cost was \$227,939. 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, 2015

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Other Post Employment Benefits (continued)

Annual Required Contribution	\$ 237,453
Interest on Net OPEB Obligation	14,612
Adjustment to ARC	(24,126)
Annual OPEB Cost	227,939
Estimated Employer Contributions	(165,623)
Change in Net OPEB Obligation	62,316
Net OPEB Obligation - May 1, 2014	487,062
Net OPEB Obligation - April 30, 2015	\$ 549,378

	Actuarial Valuation Date 5/1/2012
Actuarial Accrued Liability (AAL)	\$ 3,782,638
Actuarial Value of Assets	-
Unfunded AAL	\$ 3,782,638
 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, 2015

NOTE I – LONG-TERM LIABILITIES

The following is a summary of the City's general long-term debt activity for the year ended April 30, 2015:

Governmental Activities Other Liabilities	5/1/2014	Increases	Retirements	4/30/2015	Current Portion
Accrued Vacation Liability	\$ 605,497	\$ 618,890	\$ 605,497	\$ 618,890	\$ 618,890
Capital Lease	492,349	455,987	249,519	698,817	229,766
Net OPEB Obligation	487,062	227,939	165,623	549,378	-
Net Pension Liability	1,567,941	2,487,330	1,785,286	2,269,985	-
Long-Term Obligations					
General Obligation Limited Tax Debt Certificates, Series 2007	1,695,000	-	180,000	1,515,000	190,000
General Obligation Bonds, Series 2012 (Special Tax Allocation Fund Alternate Revenue Source)	2,500,000	-	-	2,500,000	285,000
General Obligation Refunding Bonds, Series 2012A (Special Tax Allocation Fund Alternate Revenue Source)	1,700,000	-	540,000	1,160,000	570,000
General Obligation Refunding Bonds, Series 2012B (Combined Zion Energy LLC Agreement Fees and Motor Fuel Tax) Receipts Alternate Revenue Bonds	1,825,000	-	340,000	1,485,000	355,000
General Obligation Refunding Bonds, Series 2012C (Combined Zion Energy LLC Agreement Fees and Motor Fuel Tax) Receipts Alternate Revenue Bonds	1,235,000	-	235,000	1,000,000	240,000
General Obligation Refunding Bonds, Series 2013 (Area 3 South Sheridan Road Special Tax Allocation Fund Alternate Revenue Bonds)	1,050,000	-	165,000	885,000	170,000
General Obligation Taxable Debt Certificates, Series 2014	-	3,700,000	-	3,700,000	140,000
Discount on Long-Term Liabilities	(50,006)	(37,000)	(11,148)	(75,858)	(17,502)
Governmental Long-Term Liability Totals	\$ 13,107,843	\$ 7,453,146	\$ 4,254,777	\$ 16,306,212	\$ 2,781,154

Debt outstanding as of April 30, 2015, consisted of the following:

Business-Type Activities	5/1/2014	Increases	Retirements	4/30/2015	Current Portion
Capital Lease	\$ 91,735	\$ -	\$ 21,934	\$ 69,801	\$ 22,588
General Obligation Refunding Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2006	1,685,000	-	180,000	1,505,000	190,000
Premium on Bonds Issued	18,215	-	2,602	15,613	2,602
Business-Type Long-Term Liability Totals	1,794,950	-	204,536	1,590,414	215,190
Government Wide Long-Term Liability Totals	\$ 14,902,793	\$ 7,453,146	\$ 4,459,312	\$ 17,896,627	\$ 2,996,344

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

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

Capital Lease Obligations

On August 15, 2014 the City acquired an police vehicle through a lease/purchase agreement. The gross amount of the asset is \$37,485, 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, 2014. The future minimum lease obligations on the agreement are as follows:

Year Ending April 30,	Principal	Interest	Total
2016	11,503	992	12,495
2017	11,989	506	12,495
	<u>\$ 23,492</u>	<u>\$ 1,498</u>	<u>\$ 24,990</u>

On April 30, 2015 the City acquired police and ambulance vehicles through a lease/purchase agreement. The gross amount of the assets is \$446,991, 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 May 2, 2015. The future minimum lease obligations on the agreement are as follows:

Year Ending April 30,	Principal	Interest	Total
2016	135,641	13,356	148,997
2017	139,955	9,042	148,997
2018	144,404	4,593	148,997
	<u>\$ 420,000</u>	<u>\$ 26,991</u>	<u>\$ 446,991</u>

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
2016	82,622	7,609	90,231
2017	85,084	5,147	90,231
2018	87,620	2,611	90,231
	<u>\$ 255,326</u>	<u>\$ 15,367</u>	<u>\$ 270,693</u>

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

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

Capital Lease Obligations (continued)

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
2016	22,588	2,080	24,668
2017	23,261	1,407	24,668
2018	23,952	716	24,668
	<u>\$ 69,801</u>	<u>\$ 4,203</u>	<u>\$ 74,004</u>

General Obligation Debt

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
2016	\$ 190,000	\$ 64,723	\$ 254,723
2017	200,000	56,553	256,553
2018	205,000	48,053	253,053
2019	215,000	39,340	254,340
2020 - 2022	705,000	61,376	766,376
	<u>\$ 1,515,000</u>	<u>\$ 270,045</u>	<u>\$ 1,785,045</u>

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

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

General Obligation Debt (continued)

General Obligation Limited Tax Debt Certificates, Series 2014

General Obligation Limited Tax Debt Certificates, Series 2014 were issued on November 5, 2014 in the amount of \$3,700,000 with an interest rate of 3.55%, payable June 1 and December 1 each year, commencing June 1, 2015. 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
2016	\$ 140,000	\$ 135,728	\$ 275,728
2017	160,000	126,380	286,380
2018	200,000	120,700	320,700
2019	200,000	113,600	313,600
2020 - 2022	3,000,000	106,500	3,106,500
	\$ 3,700,000	\$ 602,908	\$ 4,302,908

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
2016	\$ 285,000	\$ 150,000	\$ 435,000
2017	305,000	132,900	437,900
2018	325,000	114,600	439,600
2019	365,000	95,100	460,100
2020 - 2022	1,220,000	149,100	1,369,100
	\$ 2,500,000	\$ 641,700	\$ 3,141,700

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

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

General Obligation Debt (continued)

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
2016	\$ 570,000	\$ 20,880	\$ 590,880
2017	590,000	10,620	600,620
	\$ 1,160,000	\$ 31,500	\$ 1,191,500

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
2016	\$ 355,000	\$ 34,897	\$ 389,897
2017	370,000	26,555	396,555
2018	375,000	17,860	392,860
2019	385,000	9,048	394,048
	\$ 1,485,000	\$ 88,360	\$ 1,573,360

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

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

General Obligation Debt (continued)

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 April 30,	Principal	Interest	Total
2016	\$ 240,000	\$ 23,500	\$ 263,500
2017	250,000	17,860	267,860
2018	250,000	11,985	261,985
2019	260,000	6,110	266,110
	\$ 1,000,000	\$ 59,455	\$ 1,059,455

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, 2015

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

General Obligation Debt (continued)

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
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	190,000	4,845	194,845
	\$ 885,000	\$ 68,979	\$ 953,979

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, 2015

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

General Obligation Debt (continued)

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

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

Debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2016	\$ 190,000	\$ 65,498	\$ 255,498
2017	195,000	56,918	251,918
2018	200,000	47,043	247,043
2019	215,000	36,668	251,668
2020 - 2022	705,000	45,977	750,977
	\$ 1,505,000	\$ 252,104	\$ 1,757,104

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.

NOTE J – INTERFUND TRANSACTIONS AND BALANCES

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

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE J – INTERFUND TRANSACTIONS AND BALANCES

Due From/Due To Other Funds:

At April 30, 2015, interfund receivables, payables, and advances consisted of the following:

Fund	Due from/ Advance to Other Funds	Due to/ Advance from Other Funds
General Fund		
Fire Protection Fund	\$ 571,258	\$ -
Internal Service Fund	102,193	-
Nonmajor Governmental Funds	431,368	-
	1,104,819	-
TIF Area #1		
Nonmajor Governmental	7	-
	7	-
TIF Area #3		
Nonmajor Governmental	24	-
	24	-
Water and Sewer Fund		
Waste Collection	815,145	-
	815,145	-
Internal Service Fund		
General fund	-	102,193
	-	102,193
Fire Protection Fund		
General fund	-	571,258
	-	571,258
Waste Collection		
Water and Sewer Fund	-	815,145
	-	815,145
Nonmajor Governmental		
General Fund	-	431,368
TIF Area #1	-	7
TIF Area #3	-	24
	-	431,399
Total	\$ 1,919,995	\$ 1,919,995

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE J – INTERFUND TRANSACTIONS AND BALANCES (continued)

The principal reason for the above interfund amounts is to fund cash overdrafts. For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The following transfers were made during the year ended April 30, 2015:

Fund	Transfer In	Transfer Out
General Fund		
TIF Area #1 Fund	\$ 6,000	\$ -
TIF Area #3 Fund	3,000	-
Fire Protection Fund	713,858	-
Capital Project Fund	-	426,907
Nonmajor Governmental Funds	2,057,003	478,601
	2,779,861	905,508
TIF Area #1 Fund		
General Fund	-	6,000
Nonmajor Governmental Funds	-	571,800
	-	577,800
TIF Area #3 Fund		
General Fund	-	3,000
Nonmajor Governmental Funds	-	192,976
	-	195,976
Fire Protection Fund		
General Fund	-	713,858
Nonmajor Governmental Funds	-	63,914
	-	777,772
Capital Projects Fund		
General Fund	426,907	-
Nonmajor Governmental Funds	3,603,500	-
	4,030,407	-
Nonmajor Governmental		
General Fund	478,601	2,057,003
TIF Area #1 Fund	571,800	-
TIF Area #3 Fund	192,976	-
Fire Protection Fund	63,914	-
Capital Projects	-	3,603,500
Nonmajor Governmental	649,309	649,309
	1,956,600	6,309,812
Total	\$8,766,868	\$8,766,868

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE J – INTERFUND TRANSACTIONS AND BALANCES (continued)

Transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, or (2) move receipts restricted to capital projects from funds collecting the receipts to the capital projects fund.

For the statement of net position, interfund transfers within the governmental or business-type activities are netted and eliminated.

NOTE K – NET POSITION

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	75,032
Development TIF Area #1	Law	198,153
Development TIF Area #3	Law	1,467,924
Drug Traffic Prevention	Law	106,984
Motor Fuel Tax	Law	520,977
Audit	Law	13,936
Cable Commission	Law	21,571
Hotel/Motel Tax	Law	154,300
Total Restricted Net Position for Other Purposes		\$ 2,742,002

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

Description	Governmental Activities Amount	Business-Type Activities Amount
Capital assets, net of accumulated depreciation	\$ 34,119,369	\$ 4,692,254
Less: capital-related debt	(10,382,960)	(1,590,414)
Net investment in capital assets	\$ 23,736,409	\$ 3,101,840

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

NOTE L – FUND BALANCES

Categories

At April 30, 2015, the City's fund balances were classified as follows:

	General	Development TIF Area #1	Development TIF Area #3	Fire Protection	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Prepays	\$ 187,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 187,802
Total Nonspendable	187,802	-	-	-	-	-	187,802
Restricted for							
Debt service	-	-	-	-	-	111,274	111,274
Liability Insurance	-	-	-	-	-	15,790	15,790
Emergency Service Rescue	-	-	-	-	-	167,335	167,335
Zion-Newport Fire Station	-	-	-	-	-	75,032	75,032
Development TIF Area #1	-	198,153	-	-	-	-	198,153
Development TIF Area #3	-	-	1,467,924	-	-	-	1,467,924
Drug Traffic Prevention	-	-	-	-	-	106,984	106,984
Motor Fuel Tax	-	-	-	-	-	520,977	520,977
Audit	-	-	-	-	-	13,936	13,936
Cable Commission	-	-	-	-	-	21,571	21,571
Hotel/Motel Tax	-	-	-	-	-	154,300	154,300
Total Restricted	-	198,153	1,467,924	-	-	1,187,199	2,853,276
Committed for							
Industrial Development	-	-	-	-	83,058	8,053	91,111
Total Committed	-	-	-	-	83,058	8,053	91,111
Total Unassigned	3,803,718	-	-	(571,258)	-	(442,103)	2,790,357
Total Fund Balance	\$ 3,991,520	\$ 198,153	\$ 1,467,924	\$ (571,258)	\$ 83,058	\$ 753,149	\$ 5,922,546

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

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 1st annually from July 1, 2009 through July 1, 2015.

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 \$4,121,625 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,	
2016	761,137
2017	777,041
2018	542,342
Total	<u>\$ 2,826,142</u>

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2015

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, 2015:

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 (\$1,893,383 in the aggregate).

The City Attorney estimates that the amount of actual or potential claims against the City as of April 30, 2015, will be within the covered limits of the City's insurance policies and will not materially affect the financial condition of the City. Therefore, there is no provision for significant estimated claims.

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

The City is 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.

This information is an integral part of the accompanying 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>
4/30/2015	\$ 15,410,280	\$ 32,786,884	\$ 17,376,604	47.00%	\$ 2,267,983	766.17%
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%

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>
4/30/2015	\$ 28,000,867	\$ 49,236,132	21,235,265	56.87%	\$ 4,086,319	519.67%
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%

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>
12/31/2014	\$ 10,783,636	\$ 12,654,151	\$ 1,870,515	85.22%	\$ 3,702,840	50.52%
12/31/2013	9,814,869	11,814,208	1,999,339	83.08%	3,553,507	56.26%
12/31/2012	8,234,783	10,694,400	2,459,617	77.00%	3,320,802	74.07%

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>
4/30/2012	-	3,782,638	3,782,638	0.00%	N/A	N/A
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, 2015

	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 #4
ASSETS								
Cash and equivalents	\$ -	\$ 74,691	\$ 167,336	\$ -	\$ -	\$ -	471,042	\$ 33,689
Taxes receivable, net of allowance for uncollectables of \$46,580	-	-	562,877	225,151	481,193	393,976	-	2,901
Utility taxes and franchise fees	-	-	-	-	-	-	-	-
Other receivables and current assets	21,949	-	-	-	-	-	-	-
Due from other governmental agencies	-	341	-	-	-	-	56,780	-
Total assets	<u>\$ 21,949</u>	<u>\$ 75,032</u>	<u>\$ 730,213</u>	<u>\$ 225,151</u>	<u>\$ 481,193</u>	<u>\$ 393,976</u>	<u>\$ 527,822</u>	<u>\$ 36,590</u>
LIABILITIES								
Accounts payable	4,373	-	-	531	-	-	6,845	33,689
Due to other governmental agencies	-	-	-	-	-	-	-	-
Due to other funds	72,550	-	-	12,740	202,096	121,053	-	-
Accrued payroll	-	-	-	-	14,418	13,332	-	-
Total liabilities	<u>76,923</u>	<u>-</u>	<u>-</u>	<u>13,271</u>	<u>216,514</u>	<u>134,385</u>	<u>6,845</u>	<u>33,689</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	-	562,878	225,151	481,193	393,976	-	2,901
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>562,878</u>	<u>225,151</u>	<u>481,193</u>	<u>393,976</u>	<u>-</u>	<u>2,901</u>
FUND BALANCES (DEFICITS)								
Restricted	-	75,032	167,335	-	-	-	520,977	-
Committed	-	-	-	-	-	-	-	-
Unassigned (deficit)	<u>(54,974)</u>	<u>-</u>	<u>-</u>	<u>(13,271)</u>	<u>(216,514)</u>	<u>(134,385)</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES (DEFICITS)	<u>(54,974)</u>	<u>75,032</u>	<u>167,335</u>	<u>(13,271)</u>	<u>(216,514)</u>	<u>(134,385)</u>	<u>520,977</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	<u>\$ 21,949</u>	<u>\$ 75,032</u>	<u>\$ 730,213</u>	<u>\$ 225,151</u>	<u>\$ 481,193</u>	<u>\$ 393,976</u>	<u>\$ 527,822</u>	<u>\$ 36,590</u>

CITY OF ZION, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
April 30, 2015

	Police Protection	Liability Insurance	Audit	Drug Traffic Prevention	Industrial Development	Cable Commission	Hotel/Motel Tax	Total Special Revenue Funds
ASSETS								
Cash and equivalents	\$ -	\$ 15,789	\$ 13,936	\$ 149,939	8,053	\$ 21,571	\$ 197,098	\$ 1,153,144
Taxes receivable, net of allowance for uncollectables of \$46,580	-	950,736	-	-	-	-	-	2,616,834
Utility taxes and franchise fees	-	-	-	-	-	-	-	-
Other receivables and current assets	-	-	-	-	-	-	15,782	37,731
Due from other governmental agencies	-	-	-	-	-	-	-	57,121
Total assets	<u>\$ -</u>	<u>\$ 966,525</u>	<u>\$ 13,936</u>	<u>\$ 149,939</u>	<u>\$ 8,053</u>	<u>\$ 21,571</u>	<u>\$ 212,880</u>	<u>\$ 3,864,830</u>
LIABILITIES								
Accounts payable	-	-	-	-	-	-	58,580	104,018
Due to other governmental agencies	-	-	-	42,955	-	-	-	42,955
Due to other funds	22,929	-	-	-	-	-	-	431,368
Accrued payroll	-	-	-	-	-	-	-	27,750
Total liabilities	<u>22,929</u>	<u>-</u>	<u>-</u>	<u>42,955</u>	<u>-</u>	<u>-</u>	<u>58,580</u>	<u>606,091</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	950,735	-	-	-	-	-	2,616,834
Total deferred inflows of resources	<u>-</u>	<u>950,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,616,834</u>
FUND BALANCES (DEFICITS)								
Restricted	-	15,790	13,936	106,984	-	21,571	154,300	1,075,925
Committed	-	-	-	-	8,053	-	-	8,053
Unassigned (deficit)	<u>(22,929)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(442,073)</u>
TOTAL FUND BALANCES (DEFICITS)	<u>(22,929)</u>	<u>15,790</u>	<u>13,936</u>	<u>106,984</u>	<u>8,053</u>	<u>21,571</u>	<u>154,300</u>	<u>641,905</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ 966,525</u>	<u>\$ 13,936</u>	<u>\$ 149,939</u>	<u>\$ 8,053</u>	<u>\$ 21,571</u>	<u>\$ 212,880</u>	<u>\$ 3,864,830</u>

CITY OF ZION, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
April 30, 2015

	DEBT SERVICE 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	
ASSETS							
Cash and equivalents	\$ 1,323	\$ 1	\$ 57,964	\$ 51,987	\$ -	\$ 111,275	\$ 1,264,419
Taxes receivable, net of allowance for uncollectables of \$46,580	-	-	-	-	-	-	2,616,834
Utility taxes and franchise fees	-	-	-	-	-	-	-
Other receivables and current assets	-	-	-	-	-	-	37,731
Due from other governmental agencies	-	-	-	-	-	-	57,121
Total assets	<u>\$ 1,323</u>	<u>\$ 1</u>	<u>\$ 57,964</u>	<u>\$ 51,987</u>	<u>\$ -</u>	<u>\$ 111,275</u>	<u>\$ 3,976,105</u>
LIABILITIES							
Accounts payable	-	-	-	-	-	-	104,018
Due to other governmental agencies	-	-	-	-	-	-	42,955
Due to other funds	-	7	-	-	24	31	431,399
Accrued payroll	-	-	-	-	-	-	27,750
Total liabilities	<u>-</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>24</u>	<u>31</u>	<u>606,122</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	-	-	-	-	-	-	2,616,834
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,616,834</u>
FUND BALANCES (DEFICITS)							
Restricted	1,323	-	57,964	51,987	-	111,274	1,187,199
Committed	-	-	-	-	-	-	8,053
Unassigned (deficit)	-	(6)	-	-	(24)	(30)	(442,103)
TOTAL FUND BALANCES (DEFICITS)	<u>1,323</u>	<u>(6)</u>	<u>57,964</u>	<u>51,987</u>	<u>(24)</u>	<u>111,244</u>	<u>753,149</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	<u>\$ 1,323</u>	<u>\$ 1</u>	<u>\$ 57,964</u>	<u>\$ 51,987</u>	<u>\$ -</u>	<u>\$ 111,275</u>	<u>\$ 3,976,105</u>

CITY OF ZION, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Year Ended April 30, 2015

	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 #4
REVENUES								
Property taxes	\$ -	\$ -	\$ 605,769	\$ 242,330	\$ 460,371	\$ 382,812	\$ -	\$ 28,010
Other taxes	162,890	-	-	-	-	-	-	-
Permits and other fees	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	815,889	-
Interest	26,151	-	-	-	-	-	76	-
Miscellaneous	14,000	-	-	85,000	-	-	-	-
Total revenues	<u>203,041</u>	<u>-</u>	<u>605,769</u>	<u>327,330</u>	<u>460,371</u>	<u>382,812</u>	<u>815,965</u>	<u>28,010</u>
EXPENDITURES								
Current:								
Public health and safety	129,603	198,840	-	-	-	-	-	-
Public works and engineering	-	-	-	455,159	449,635	401,874	249,072	-
Economic development and promotion	-	-	-	-	-	-	-	33,689
Debt Service								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>129,603</u>	<u>198,840</u>	<u>-</u>	<u>455,159</u>	<u>449,635</u>	<u>401,874</u>	<u>249,072</u>	<u>33,689</u>
Excess (deficiency) of revenues over expenditures	<u>73,438</u>	<u>(198,840)</u>	<u>605,769</u>	<u>(127,829)</u>	<u>10,736</u>	<u>(19,062)</u>	<u>566,893</u>	<u>(5,679)</u>
OTHER FINANCING SOURCES (USES)								
Bond proceeds	-	-	-	-	-	-	-	-
Discount on bond issuance	-	-	-	-	-	-	-	-
Transfers in	-	63,913	-	120,000	-	-	-	-
Transfers (out)	-	(198,840)	(605,769)	-	-	-	(384,088)	-
Total other financing sources (uses)	<u>-</u>	<u>(134,927)</u>	<u>(605,769)</u>	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>(384,088)</u>	<u>-</u>
Net change in fund balances	73,438	(333,767)	-	(7,829)	10,736	(19,062)	182,805	(5,679)
Fund balances (deficits) - beginning	(128,412)	408,799	167,335	(5,442)	(227,250)	(115,323)	338,172	5,679
Fund balances (deficits) - ending	<u>\$ (54,974)</u>	<u>\$ 75,032</u>	<u>\$ 167,335</u>	<u>\$ (13,271)</u>	<u>\$ (216,514)</u>	<u>\$ (134,385)</u>	<u>\$ 520,977</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, 2015

	Police Protection	Liability Insurance	Audit	Drug Traffic Prevention	Industrial Development	Cable Commission	Hotel/Motel Tax	Total Special Revenue Funds
REVENUES								
Property taxes	\$ -	\$ 949,833	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,669,125
Other taxes	-	-	-	-	-	-	179,583	342,473
Permits and other fees	-	-	-	-	546,196	-	-	546,196
Intergovernmental	-	-	-	-	-	-	-	815,889
Interest	-	-	-	-	-	-	-	26,227
Miscellaneous	-	-	-	94,843	-	-	-	193,843
Total revenues	<u>-</u>	<u>949,833</u>	<u>-</u>	<u>94,843</u>	<u>546,196</u>	<u>-</u>	<u>179,583</u>	<u>4,593,753</u>
EXPENDITURES								
Current:								
Public health and safety	-	-	-	25,166	-	-	-	353,609
Public works and engineering	-	-	-	-	-	-	-	1,555,740
Economic development and promotion	-	-	-	-	-	-	120,068	153,757
Debt Service								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,166</u>	<u>-</u>	<u>-</u>	<u>120,068</u>	<u>2,063,106</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>949,833</u>	<u>-</u>	<u>69,677</u>	<u>546,196</u>	<u>-</u>	<u>59,515</u>	<u>2,530,647</u>
OTHER FINANCING SOURCES (USES)								
Bond proceeds	-	-	-	-	-	-	-	-
Discount on bond issuance	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	183,913
Transfers (out)	-	(949,833)	-	-	(539,399)	-	(28,383)	(2,706,312)
Total other financing sources (uses)	<u>-</u>	<u>(949,833)</u>	<u>-</u>	<u>-</u>	<u>(539,399)</u>	<u>-</u>	<u>(28,383)</u>	<u>(2,522,399)</u>
Net change in fund balances	-	-	-	69,677	6,797	-	31,132	8,248
Fund balances (deficits) - beginning	(22,929)	15,790	13,936	37,307	1,256	21,571	123,168	633,657
Fund balances (deficits) - ending	<u>\$ (22,929)</u>	<u>\$ 15,790</u>	<u>\$ 13,936</u>	<u>\$ 106,984</u>	<u>\$ 8,053</u>	<u>\$ 21,571</u>	<u>\$ 154,300</u>	<u>\$ 641,905</u>

CITY OF ZION, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Year Ended April 30, 2015

	DEBT SERVICE FUNDS					Total Debt Service 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		
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,669,125
Other taxes	-	-	-	-	-	-	342,473
Permits and other fees	-	-	-	-	-	-	546,196
Intergovernmental	-	-	-	-	-	-	815,889
Interest	23	59	40	28	20	170	26,397
Miscellaneous	-	-	-	-	-	-	193,843
TOTAL REVENUES	23	59	40	28	20	170	4,593,923
EXPENDITURES							
Current							
Public health and safety	-	-	-	-	-	-	353,609
Public works and engineering	-	-	-	-	-	-	1,555,740
Economic development and promotion	-	-	-	-	-	-	153,757
Debt Service							
Principal retirement	180,000	540,000	340,000	235,000	165,000	1,460,000	1,460,000
Interest and fiscal charges	222,463	31,865	44,154	30,289	28,020	356,791	356,791
Bond issuance costs	60,725	-	-	-	-	60,725	60,725
TOTAL EXPENDITURES	463,188	571,865	384,154	265,289	193,020	1,877,516	3,940,622
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(463,165)	(571,806)	(384,114)	(265,261)	(193,000)	(1,877,346)	653,301
OTHER FINANCING SOURCES (USES)							
Bond proceeds	3,700,000	-	-	-	-	3,700,000	3,700,000
Discount on bond issuance	(37,000)	-	-	-	-	(37,000)	(37,000)
Operating transfers in	358,601	571,800	384,088	265,222	192,976	1,772,687	1,956,600
Operating transfers (out)	(3,603,500)	-	-	-	-	(3,603,500)	(6,309,812)
TOTAL OTHER FINANCING SOURCES (USES)	418,101	571,800	384,088	265,222	192,976	1,832,187	(690,212)
NET CHANGE IN FUND BALANCES	(45,064)	(6)	(26)	(39)	(24)	(45,159)	(36,911)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	46,387	-	57,990	52,026	-	156,403	790,060
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 1,323	\$ (6)	\$ 57,964	\$ 51,987	\$ (24)	\$ 111,244	\$ 753,149

CITY OF ZION, ILLINOIS
GENERAL FUND

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

For the Year Ended April 30, 2015
(With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Taxes					
Property	\$ 1,068,801	\$ 1,068,801	\$ 2,828,734	\$ 1,759,933	\$ 2,783,477
Sales	2,396,037	2,396,037	2,443,722	47,685	2,289,348
Utility	1,803,713	1,803,713	1,717,650	(86,063)	1,802,986
Income	2,346,266	2,346,266	2,390,878	44,612	2,378,953
Replacement	545,256	545,256	541,684	(3,572)	407,850
Entertainment	7,500	7,500	12,423	4,923	7,268
Total Taxes	<u>8,167,573</u>	<u>8,167,573</u>	<u>9,935,091</u>	<u>1,767,518</u>	<u>9,669,882</u>
Licenses, Permits, and Fees					
Business licenses	79,000	79,000	76,546	(2,454)	64,775
Vehicle licenses	129,000	129,000	120,975	(8,025)	98,987
Permits	1,145,000	1,145,000	1,171,600	26,600	1,020,292
Franchise fees	273,912	273,912	293,662	19,750	275,508
Host fees	2,131,054	2,131,054	2,541,742	410,688	2,078,467
Game licenses	-	-	-	-	-
Gas generating fee	50,000	50,000	50,000	-	50,000
Ambulance Fees	744,000	744,000	769,168	25,168	684,907
Other	55,000	55,000	36,187	(18,813)	40,678
Total Licenses, Permits, and Fees	<u>4,606,966</u>	<u>4,606,966</u>	<u>5,059,880</u>	<u>452,914</u>	<u>4,313,614</u>
Fines and Forfeitures					
Property violation fines	212,000	212,000	233,235	21,235	178,939
Animal control fines	10,000	10,000	10,189	189	12,739
Traffic fines	250,000	250,000	184,153	(65,847)	202,247
Non-traffic fines	114,330	114,330	110,823	(3,507)	46,131
Total Fines and Forfeitures	<u>586,330</u>	<u>586,330</u>	<u>538,400</u>	<u>(47,930)</u>	<u>440,056</u>
Rental Revenue	24,100	24,100	20,250	(3,850)	28,623
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	100,000	100,000	35,458	(64,542)	70,112
Insurance payments	245,000	245,000	212,946	(32,054)	230,754
Reimbursement of City expenses	99,000	99,000	229,489	130,489	134,708
Total Charges for Services	<u>609,000</u>	<u>609,000</u>	<u>642,893</u>	<u>33,893</u>	<u>600,574</u>
Intergovernmental	211,391	211,391	409,210	197,819	568,664
Donations and Grants	65,100	65,100	77,061	11,961	86,878
Interest	1,500	1,500	5,593	4,093	(133)
Sale of City Property	-	-	-	-	-
Sale of Easement and other City Property	-	-	7,702	7,702	1,266,370
Miscellaneous	53,750	53,750	9,829	(43,921)	32,997
TOTAL REVENUES	<u>\$ 14,325,710</u>	<u>\$ 14,325,710</u>	<u>\$ 16,705,909</u>	<u>\$ 2,372,497</u>	<u>\$ 15,741,155</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, 2015
(With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
EXPENDITURES					
General Government					
Legislative					
Personal services	\$ 251,076	\$ 251,076	\$ 252,104	\$ (1,028)	\$ 239,198
Contractual services	109,123	109,123	216,838	(107,715)	87,801
Materials and supplies	6,400	6,400	6,801	(401)	6,288
Repairs and maintenance	-	-	-	-	-
	<u>366,599</u>	<u>366,599</u>	<u>475,743</u>	<u>(109,144)</u>	<u>333,287</u>
Public Affairs - Legal					
Contractual services	335,250	335,250	268,864	66,386	390,140
	<u>335,250</u>	<u>335,250</u>	<u>268,864</u>	<u>66,386</u>	<u>390,140</u>
Accounts and Finance					
Personal services	377,902	377,902	380,161	(2,259)	369,150
Contractual services	193,122	193,122	208,306	(15,184)	200,008
Materials and supplies	24,650	24,650	32,262	(7,612)	27,381
Repairs and maintenance	-	-	-	-	-
	<u>595,674</u>	<u>595,674</u>	<u>620,729</u>	<u>(25,055)</u>	<u>596,539</u>
Public Property					
Contractual services	145,825	145,825	116,824	29,001	143,124
Materials and supplies	5,600	5,600	4,201	1,399	1,473
Repairs and maintenance	23,050	23,050	14,562	8,488	18,041
Capital outlay	-	-	0	-	346
	<u>174,475</u>	<u>174,475</u>	<u>135,587</u>	<u>38,888</u>	<u>162,984</u>
Debt Service					
Interest and fiscal charges	-	-	80,134	(80,134)	81,208
	<u>-</u>	<u>-</u>	<u>80,134</u>	<u>(80,134)</u>	<u>81,208</u>
Total General Government	<u>1,471,998</u>	<u>1,471,998</u>	<u>1,581,057</u>	<u>(109,059)</u>	<u>1,564,158</u>
Public Health and Safety					
Police Department					
Personal services	5,079,031	5,079,031	6,144,677	(1,065,646)	5,887,131
Contractual services	1,668,090	1,668,090	1,604,934	63,156	1,550,815
Materials and supplies	289,426	289,426	266,801	22,625	298,525
Repairs and maintenance	93,142	93,142	111,035	(17,893)	136,697
Capital outlay	32,700	32,700	32,135	565	28,121
	<u>7,162,389</u>	<u>7,162,389</u>	<u>8,159,582</u>	<u>(997,193)</u>	<u>7,901,289</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, 2015
(With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
EXPENDITURES (continued)					
Public Health and Safety (continued)					
Fire Department					
Personal services	\$ 2,570,172	\$ 2,570,172	\$ 3,427,330	\$ (857,158)	\$ 3,269,802
Contractual services	1,020,783	1,020,783	1,089,402	(68,619)	1,039,915
Materials and supplies	143,535	143,535	126,088	17,447	124,179
Repairs and maintenance	95,311	95,311	144,985	(49,674)	90,964
Capital outlay	-	-	27,670	(27,670)	165,594
	<u>3,829,801</u>	<u>3,829,801</u>	<u>4,815,475</u>	<u>(985,674)</u>	<u>4,690,454</u>
Civil Defense					
Personal services	10,000	10,000	10,000	-	9,464
Contractual services	8,680	8,680	9,982	(1,302)	8,351
Materials and supplies	21,000	21,000	20,311	689	16,982
Repairs and maintenance	9,500	9,500	8,452	1,048	13,797
	<u>49,180</u>	<u>49,180</u>	<u>48,745</u>	<u>435</u>	<u>48,594</u>
Public Health					
Personal services	64,124	64,124	64,423	(299)	63,364
Contractual services	27,513	27,513	8,582	18,931	8,937
Materials and supplies	1,100	1,100	987	113	1,173
Repairs and maintenance	800	800	597	203	651
	<u>93,537</u>	<u>93,537</u>	<u>74,589</u>	<u>18,948</u>	<u>74,125</u>
Fire and Police Commission					
Personal services	1,800	1,800	1,490	310	336
Contractual services	25,075	25,075	21,261	3,814	17,339
	<u>26,875</u>	<u>26,875</u>	<u>22,751</u>	<u>4,124</u>	<u>17,675</u>
Total Public Health and Safety	<u>11,161,782</u>	<u>11,161,782</u>	<u>13,121,142</u>	<u>(1,959,360)</u>	<u>12,732,137</u>
Public Works and Engineering					
Planning and Zoning					
Personal services	-	-	-	-	-
Contractual services	9,200	9,200	5,420	3,780	7,371
	<u>9,200</u>	<u>9,200</u>	<u>5,420</u>	<u>3,780</u>	<u>7,371</u>
Public Works					
Personal services	896,966	896,966	888,712	8,254	876,406
Contractual services	575,198	575,198	640,759	(65,561)	583,658
Materials and supplies	126,250	126,250	123,394	2,856	148,977
Repairs and maintenance	129,000	129,000	154,305	(25,305)	160,216
Capital outlay	-	-	-	-	-
	<u>1,727,414</u>	<u>1,727,414</u>	<u>1,807,170</u>	<u>(79,756)</u>	<u>1,769,257</u>
Public Service Program					
Personal services	80,197	80,197	94,198	(14,001)	82,922
Contractual services	21,768	21,768	20,925	843	26,567
Materials and supplies	1,200	1,200	233	967	824
	<u>103,165</u>	<u>103,165</u>	<u>115,356</u>	<u>(12,191)</u>	<u>110,313</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, 2015
(With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
EXPENDITURES (continued)					
Public Works and Engineering (continued)					
Inspection					
Personal services	\$ 354,610	\$ 354,610	\$ 344,663	\$ 9,947	\$ 327,310
Contractual services	186,513	186,513	272,824	(86,311)	191,003
Materials and supplies	30,300	30,300	14,539	15,761	18,168
Repairs and maintenance	2,500	2,500	900	1,600	1,910
Capital outlay	-	-	-	-	9,700
	<u>573,923</u>	<u>573,923</u>	<u>632,926</u>	<u>(59,003)</u>	<u>548,091</u>
Lake Mound Cemetery					
Contractual services	100	100	113	(13)	98
Repairs and maintenance	-	-	5,368	(5,368)	-
	<u>100</u>	<u>100</u>	<u>5,481</u>	<u>(5,381)</u>	<u>98</u>
Total Public Works and Engineering	<u>2,413,802</u>	<u>2,413,802</u>	<u>2,566,353</u>	<u>(152,551)</u>	<u>2,435,130</u>
Economic Development and Promotion					
Community Economic Development					
Personal services	54,667	54,667	58,743	(4,076)	57,498
Contractual services	598,619	598,619	520,975	77,644	623,368
Materials and supplies	4,500	4,500	4,132	368	3,873
Repairs and maintenance	1,000	1,000	542	458	273
Capital outlay	-	-	-	-	-
	<u>658,786</u>	<u>658,786</u>	<u>584,392</u>	<u>74,394</u>	<u>685,012</u>
Liquor Commission					
Personal services	1,700	1,700	1,300	400	936
Contractual services	1,450	1,450	480	970	530
	<u>3,150</u>	<u>3,150</u>	<u>1,780</u>	<u>1,370</u>	<u>1,466</u>
City Contributions					
Contractual services	209,224	209,224	235,716	(26,492)	250,807
	<u>209,224</u>	<u>209,224</u>	<u>235,716</u>	<u>(26,492)</u>	<u>250,807</u>
Jubilee Days					
Contractual services	33,500	33,500	31,766	1,734	33,567
	<u>33,500</u>	<u>33,500</u>	<u>31,766</u>	<u>1,734</u>	<u>33,567</u>
Total Economic Development and Promotion	<u>904,660</u>	<u>904,660</u>	<u>853,654</u>	<u>51,006</u>	<u>970,852</u>
TOTAL EXPENDITURES	<u>\$ 15,952,242</u>	<u>\$ 15,952,242</u>	<u>\$ 18,122,206</u>	<u>\$ (2,169,964)</u>	<u>\$ 17,702,277</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, 2015
 (With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Grants	\$ -	\$ -	\$ 44,176	\$ (44,176)	\$ -
Miscellaneous	-	-	9,425	(9,425)	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>53,601</u>	<u>(53,601)</u>	<u>-</u>
EXPENDITURES					
Debt Service					
Principal retirement	-	-	249,519	(249,519)	242,355
Interest and fiscal charges	-	-	14,829	(14,829)	9,485
Total Debt Service	<u>-</u>	<u>-</u>	<u>264,348</u>	<u>(264,348)</u>	<u>251,840</u>
Capital Outlay					
Equipment	859,614	859,614	4,240,098	(3,380,484)	570,715
Total Capital Outlay	<u>859,614</u>	<u>859,614</u>	<u>4,240,098</u>	<u>(3,380,484)</u>	<u>570,715</u>
TOTAL EXPENDITURES	<u>859,614</u>	<u>859,614</u>	<u>4,504,446</u>	<u>(3,644,832)</u>	<u>822,555</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(859,614)</u>	<u>(859,614)</u>	<u>(4,450,845)</u>	<u>(3,698,433)</u>	<u>(822,555)</u>
OTHER FINANCING SOURCES (USES)					
Inception of capital lease	397,024	397,024	455,987	58,963	425,787
Operating transfers in	426,907	426,907	4,030,407	3,603,500	354,009
TOTAL OTHER FINANCING SOURCES (USES)	<u>823,931</u>	<u>823,931</u>	<u>4,486,394</u>	<u>3,662,463</u>	<u>779,796</u>
NET CHANGE IN FUND BALANCES	(35,683)	(35,683)	35,549	(35,970)	(42,759)
FUND BALANCE - BEGINNING OF YEAR	<u>47,509</u>	<u>47,509</u>	<u>47,509</u>	<u>-</u>	<u>90,268</u>
FUND BALANCE - END OF YEAR	<u>\$ 11,826</u>	<u>\$ 11,826</u>	<u>\$ 83,058</u>	<u>\$ (35,970)</u>	<u>\$ 47,509</u>

CITY OF ZION, ILLINOIS
WATER AND SEWER FUND

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

For the Year Ended April 30, 2015
(With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
OPERATING REVENUES					
Water sales	\$ 2,545,807	\$ 2,545,807	\$ 2,463,918	\$ (81,889)	\$ 2,361,161
Sewer service charge	770,516	770,516	747,126	(23,390)	711,274
Connection fees	40,000	40,000	56,400	16,400	46,500
Turn on fees and miscellaneous	65,000	65,000	77,568	12,568	58,071
Penalties	40,000	40,000	44,585	4,585	41,001
Meter sales and repairs	8,500	8,500	11,038	2,538	11,816
	<u>3,469,823</u>	<u>3,469,823</u>	<u>3,400,635</u>	<u>(69,188)</u>	<u>3,229,823</u>
OPERATING EXPENSES					
Personal Services					
Regular water	826,751	826,751	807,408	19,343	784,233
Overtime	37,500	37,500	40,428	(2,928)	67,540
Administrative	32,715	32,715	32,758	(43)	32,110
Total Personal Services	<u>896,966</u>	<u>896,966</u>	<u>880,594</u>	<u>16,372</u>	<u>883,883</u>
Contractual Services					
Purchase of water	989,000	989,000	1,194,160	(205,160)	1,094,331
Consultants and legal	5,000	-	3,074	(3,074)	3,625
Memberships	1,250	1,250	300	950	1,584
Consultant - IT	10,000	10,000	7,496	2,504	5,863
Service charge	82,500	82,500	82,500	-	82,500
Insurance	115,565	115,565	131,232	(15,667)	79,541
Hospitalization and life	177,016	177,016	174,786	2,230	158,636
Telephone	10,500	10,500	14,111	(3,611)	12,172
Travel and conference	5,000	5,000	-	5,000	-
Professional	5,000	5,000	5,000	-	5,000
Contingent	-	-	67	(67)	-
Newsletter	6,500	6,500	5,068	1,432	5,027
Utilities	10,500	10,500	11,652	(1,152)	20,563
Equipment rental	1,000	1,000	1,100	(100)	225
Training	2,000	2,000	85	1,915	-
Miscellaneous	50	50	3	47	29
Total Contractual Services	<u>1,420,881</u>	<u>1,415,881</u>	<u>1,630,634</u>	<u>(214,753)</u>	<u>1,469,096</u>
Materials and Supplies					
Uniforms	10,000	10,000	5,756	4,244	8,154
Gas and oil	50,000	50,000	46,285	3,715	53,979
Office and related expenses	14,000	14,000	20,336	(6,336)	19,849
Computer software	7,500	7,500	-	7,500	1,689
Computer supplies	1,500	1,500	2,071	(571)	181
Meter repair parts	1,000	1,000	-	1,000	-
Small tools	2,500	2,500	2,319	181	3,260
Miscellaneous	30,000	30,000	16,147	13,853	21,004
Total Materials and Supplies	<u>116,500</u>	<u>116,500</u>	<u>92,914</u>	<u>23,586</u>	<u>108,116</u>

CITY OF ZION, ILLINOIS
WATER AND SEWER FUND

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

For the Year Ended April 30, 2015
(With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
OPERATING EXPENSES (continued)					
Repairs and Maintenance					
Repair parts	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -
Sanitary sewer system	25,000	25,000	11,557	13,443	14,823
Sewer equipment	15,000	15,000	5,001	9,999	-
Office equipment	250	250	-	250	276
Distribution system	487,000	487,000	405,836	81,164	517,277
Motor equipment	65,000	65,000	67,359	(2,359)	44,776
Buildings and grounds	13,500	13,500	11,616	1,884	16,722
Water meters	180,000	180,000	169,494	10,506	307,567
Total Repairs and Maintenance	<u>786,750</u>	<u>786,750</u>	<u>670,863</u>	<u>115,887</u>	<u>901,441</u>
Capital Outlay					
Motor equipment	24,668	24,668	-	24,668	-
Sewer projects	-	-	90,999	(90,999)	-
Total Capital Outlay	<u>24,668</u>	<u>24,668</u>	<u>90,999</u>	<u>(66,331)</u>	<u>-</u>
Depreciation	-	-	330,966	(330,966)	321,266
TOTAL OPERATING EXPENSES	<u>3,245,765</u>	<u>3,240,765</u>	<u>3,696,970</u>	<u>(456,205)</u>	<u>3,683,802</u>
(LOSS) INCOME FROM OPERATIONS	<u>224,058</u>	<u>229,058</u>	<u>(296,335)</u>	<u>(525,393)</u>	<u>(453,979)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest income	2,700	2,700	28,561	25,861	7,060
Principal	(180,000)	(180,000)	-	180,000	-
Interest and fiscal charges	(82,368)	(82,368)	(86,658)	(4,290)	(90,294)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(259,668)</u>	<u>(259,668)</u>	<u>(58,097)</u>	<u>201,571</u>	<u>(83,234)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	353,868	253,868	353,868	100,000	-
Transfers (out)	(353,868)	(253,868)	(353,868)	(100,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	(35,610)	(30,610)	(354,432)	(323,822)	(537,213)
NET POSITION - BEGINNING OF YEAR	6,349,345	6,349,345	6,349,345	-	6,886,558
NET POSITION - END OF YEAR	<u>\$ 6,313,735</u>	<u>\$ 6,318,735</u>	<u>\$ 5,994,913</u>	<u>\$ (323,822)</u>	<u>\$ 6,349,345</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, 2015
 (With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
OPERATING REVENUES					
Waste collection fees	\$ 1,775,000	\$ 1,775,000	\$ 1,884,360	\$ 109,360	\$ 1,667,815
Garbage cart revenue	25,000	25,000	15,710	(9,290)	21,586
TOTAL REVENUES	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,900,070</u>	<u>100,070</u>	<u>1,689,401</u>
OPERATING EXPENSES					
Contractual Services					
Contracted waste collection	985,111	985,111	963,632	21,479	991,796
Garbage cart lease	37,500	37,500	11,400	26,100	27,553
Compost dumping	165,000	165,000	318,354	(153,354)	260,498
Leaf and chip dumping	30,000	30,000	7,125	22,875	-
Recycling	285,000	285,000	272,646	12,354	275,531
Recycling bins	1,000	1,000	-	1,000	-
Service charge	82,500	82,500	82,500	-	82,500
Landfill closing costs	75,000	75,000	51,959	23,041	68,142
Legal fees	1,500	1,500	-	1,500	-
Total Contractual Services	<u>1,662,611</u>	<u>1,662,611</u>	<u>1,707,616</u>	<u>(45,005)</u>	<u>1,706,020</u>
Materials and Supplies					
Fuel and oil	-	-	-	-	-
Office and related expenses	9,000	9,000	11,191	(2,191)	10,161
Total Materials and Supplies	<u>9,000</u>	<u>9,000</u>	<u>11,191</u>	<u>(2,191)</u>	<u>10,161</u>
TOTAL OPERATING EXPENSES	<u>1,671,611</u>	<u>1,671,611</u>	<u>1,718,807</u>	<u>(47,196)</u>	<u>1,716,181</u>
INCOME FROM OPERATIONS	<u>128,389</u>	<u>128,389</u>	<u>181,263</u>	<u>52,874</u>	<u>(26,780)</u>
CHANGE IN NET POSITION	128,389	128,389	181,263	52,874	(26,780)
NET POSITION (DEFICIT) - BEGINNING OF YEAR	(1,019,793)	(1,019,793)	(1,019,793)	-	(993,013)
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ (891,404)</u>	<u>\$ (891,404)</u>	<u>\$ (838,530)</u>	<u>\$ 52,874</u>	<u>\$ (1,019,793)</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, 2015
 (With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Emergency surcharge tax	\$ 160,000	\$ 160,000	\$ 162,890	\$ 2,890	\$ 163,836
Rental revenue	25,956	25,956	26,151	195	25,389
Miscellaneous	-	-	14,000	14,000	-
TOTAL REVENUES	<u>185,956</u>	<u>185,956</u>	<u>203,041</u>	<u>17,085</u>	<u>189,225</u>
EXPENDITURES					
Contractual Services					
Consultant - IT	9,000	9,000	4,571	4,429	5,951
Telephone service	36,500	36,500	44,866	(8,366)	37,729
Travel and conference	500	-	-	-	369
Total Contractual Services	<u>46,000</u>	<u>45,500</u>	<u>49,437</u>	<u>(3,937)</u>	<u>44,049</u>
Repairs and Maintenance					
Equipment	95,000	95,000	80,166	14,834	89,057
Capital Outlay					
Building and equipment	-	-	-	-	-
TOTAL EXPENDITURES	<u>141,000</u>	<u>140,500</u>	<u>129,603</u>	<u>10,897</u>	<u>133,106</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>44,956</u>	<u>45,456</u>	<u>73,438</u>	<u>27,982</u>	<u>56,119</u>
FUND BALANCE - BEGINNING OF YEAR	<u>(128,412)</u>	<u>(128,412)</u>	<u>(128,412)</u>	<u>-</u>	<u>(184,531)</u>
FUND BALANCE - END OF YEAR	<u>\$ (83,456)</u>	<u>\$ (82,956)</u>	<u>\$ (54,974)</u>	<u>\$ 27,982</u>	<u>\$ (128,412)</u>

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, 2015
 (With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ 150	\$ 150	\$ -	\$ (150)	\$ 106
TOTAL REVENUES	150	150	-	(150)	106
EXPENDITURES					
Distribution to Newport Fire	-	-	198,840	(198,840)	-
Miscellaneous	20	20	-	20	12
TOTAL EXPENDITURES	20	20	198,840	(198,820)	12
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	130	130	(198,840)	(198,970)	94
OTHER FINANCING SOURCES					
Transfers in	105,894	105,894	63,913	(41,981)	102,810
Transfers (out)	-	-	(198,840)	198,840	-
TOTAL OTHER FINANCING SOURCES (USES)	105,894	105,894	(134,927)	156,859	102,810
NET CHANGE IN FUND BALANCE	106,024	106,024	(333,767)	(42,111)	102,904
FUND BALANCE - BEGINNING OF YEAR	408,799	408,799	408,799	-	305,895
FUND BALANCE - END OF YEAR	\$ 514,823	\$ 514,823	\$ 75,032	\$ (42,111)	\$ 408,799

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, 2015
 (With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 610,046	\$ 610,046	\$ 605,769	\$ (4,277)	\$ 707,756
TOTAL REVENUES	<u>610,046</u>	<u>610,046</u>	<u>605,769</u>	<u>(4,277)</u>	<u>707,756</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>610,046</u>	<u>610,046</u>	<u>605,769</u>	<u>(4,277)</u>	<u>707,756</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(610,046)</u>	<u>(610,046)</u>	<u>(605,769)</u>	<u>4,277</u>	<u>(707,756)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(610,046)</u>	<u>(610,046)</u>	<u>(605,769)</u>	<u>4,277</u>	<u>(707,756)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>167,335</u>	<u>167,335</u>	<u>167,335</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, 2015
(With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 244,018	\$ 244,018	\$ 242,330	\$ (1,688)	\$ 285,395
Miscellaneous	85,000	85,000	85,000	-	100,000
TOTAL REVENUES	<u>329,018</u>	<u>329,018</u>	<u>327,330</u>	<u>(1,688)</u>	<u>385,395</u>
EXPENDITURES					
Contractual Services					
Streets and alleys	426,015	426,015	455,159	(29,144)	143,953
Total Contractual Services	<u>426,015</u>	<u>426,015</u>	<u>455,159</u>	<u>(29,144)</u>	<u>143,953</u>
Capital Outlay					
Streets and alleys	-	-	-	-	326,848
Total Materials and Supplies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>326,848</u>
TOTAL EXPENDITURES	<u>426,015</u>	<u>426,015</u>	<u>455,159</u>	<u>(29,144)</u>	<u>470,801</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(96,997)</u>	<u>(96,997)</u>	<u>(127,829)</u>	<u>(30,832)</u>	<u>(85,406)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	120,000	120,000	120,000	-	120,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>-</u>	<u>120,000</u>
NET CHANGE IN FUND BALANCE	23,003	23,003	(7,829)	(30,832)	34,594
FUND BALANCE - BEGINNING OF YEAR	<u>(5,442)</u>	<u>(5,442)</u>	<u>(5,442)</u>	<u>-</u>	<u>(40,036)</u>
FUND BALANCE - END OF YEAR	<u>\$ 17,561</u>	<u>\$ 17,561</u>	<u>\$ (13,271)</u>	<u>\$ (30,832)</u>	<u>\$ (5,442)</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, 2015
(With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	<u>\$ 463,635</u>	<u>\$ 463,635</u>	<u>\$ 460,371</u>	<u>\$ (3,264)</u>	<u>\$ 416,675</u>
TOTAL REVENUES	<u>463,635</u>	<u>463,635</u>	<u>460,371</u>	<u>(3,264)</u>	<u>416,675</u>
EXPENDITURES					
Contractual Services					
Illinois Municipal Retirement Fund					
City contributions	<u>474,299</u>	<u>474,299</u>	<u>449,635</u>	<u>24,664</u>	<u>456,651</u>
TOTAL EXPENDITURES	<u>474,299</u>	<u>474,299</u>	<u>449,635</u>	<u>24,664</u>	<u>456,651</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(10,664)</u>	<u>(10,664)</u>	<u>10,736</u>	<u>21,400</u>	<u>(39,976)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>(227,250)</u>	<u>(227,250)</u>	<u>(227,250)</u>	<u>-</u>	<u>(187,274)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (237,914)</u></u>	<u><u>\$ (237,914)</u></u>	<u><u>\$ (216,514)</u></u>	<u><u>\$ 21,400</u></u>	<u><u>\$ (227,250)</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, 2015
(With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 385,549	\$ 385,549	\$ 382,812	\$ (2,737)	\$ 379,556
Interest	-	-	-	-	-
TOTAL REVENUES	<u>385,549</u>	<u>385,549</u>	<u>382,812</u>	<u>(2,737)</u>	<u>379,556</u>
EXPENDITURES					
Contractual Services					
FICA City share	<u>395,345</u>	<u>395,345</u>	<u>401,874</u>	<u>(6,529)</u>	<u>385,944</u>
TOTAL EXPENDITURES	<u>395,345</u>	<u>395,345</u>	<u>401,874</u>	<u>(6,529)</u>	<u>385,944</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(9,796)</u>	<u>(9,796)</u>	<u>(19,062)</u>	<u>(9,266)</u>	<u>(6,388)</u>
NET CHANGE IN FUND BALANCE	(9,796)	(9,796)	(19,062)	(9,266)	(6,388)
FUND BALANCE - BEGINNING OF YEAR	<u>(115,323)</u>	<u>(115,323)</u>	<u>(115,323)</u>	<u>-</u>	<u>(108,935)</u>
FUND BALANCE - END OF YEAR	<u>\$ (125,119)</u>	<u>\$ (125,119)</u>	<u>\$ (134,385)</u>	<u>\$ (9,266)</u>	<u>\$ (115,323)</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, 2015
 (With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Motor fuel tax allotments	\$ 580,000	\$ 580,000	\$ 815,889	\$ 235,889	\$ 721,007
Interest	100	100	76	(24)	94
TOTAL REVENUES	<u>580,100</u>	<u>580,100</u>	<u>815,965</u>	<u>235,865</u>	<u>721,101</u>
EXPENDITURES					
Contracted Projects					
Comprehensive patching program	-	-	-	-	194,453
Miscellaneous projects	150,000	150,000	162,241	(12,241)	186,567
12-00000-00-Gen Maintenance	-	-	-	-	4,672
13-00000-00-Gen Maintenance	-	-	-	-	25,849
14-00000-00-Gen Maintenance	45,000	45,000	86,831	-	-
Total Contracted Projects	<u>195,000</u>	<u>150,000</u>	<u>249,072</u>	<u>(12,241)</u>	<u>411,541</u>
TOTAL EXPENDITURES	<u>195,000</u>	<u>150,000</u>	<u>249,072</u>	<u>(12,241)</u>	<u>411,541</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>385,100</u>	<u>430,100</u>	<u>566,893</u>	<u>223,624</u>	<u>309,560</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(384,088)</u>	<u>(384,088)</u>	<u>(384,088)</u>	-	<u>(387,515)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(384,088)</u>	<u>(384,088)</u>	<u>(384,088)</u>	-	<u>(387,515)</u>
NET CHANGE IN FUND BALANCE	1,012	46,012	182,805	223,624	(77,955)
FUND BALANCE - BEGINNING OF YEAR	<u>338,172</u>	<u>338,172</u>	<u>338,172</u>	-	<u>416,127</u>
FUND BALANCE - END OF YEAR	<u>\$ 339,184</u>	<u>\$ 384,184</u>	<u>\$ 520,977</u>	<u>\$ 223,624</u>	<u>\$ 338,172</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, 2015
 (With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ -	\$ -	\$ 28,010	\$ 28,010	\$ -
TOTAL REVENUES	-	-	28,010	28,010	-
EXPENDITURES					
Miscellaneous	-	-	33,689	33,689	-
TOTAL EXPENDITURES	-	-	33,689	(33,689)	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(5,679)	(5,679)	-
FUND BALANCE - BEGINNING OF YEAR	5,679	5,679	5,679	-	5,679
FUND BALANCE - END OF YEAR	<u>\$ 5,679</u>	<u>\$ 5,679</u>	<u>\$ -</u>	<u>\$ (5,679)</u>	<u>\$ 5,679</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, 2015
 (With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	956,552	956,552	949,833	\$ (6,719)	\$ 958,895
TOTAL REVENUES	<u>956,552</u>	<u>956,552</u>	<u>949,833</u>	<u>(6,719)</u>	<u>958,895</u>
EXPENDITURES					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>956,552</u>	<u>956,552</u>	<u>949,833</u>	<u>(6,719)</u>	<u>958,895</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(972,342)</u>	<u>(972,345)</u>	<u>(949,833)</u>	<u>22,512</u>	<u>(958,898)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(972,342)</u>	<u>(972,345)</u>	<u>(949,833)</u>	<u>22,512</u>	<u>(958,898)</u>
NET CHANGE IN FUND BALANCE	(15,790)	(15,793)	-	15,793	(3)
FUND BALANCE - BEGINNING OF YEAR	<u>15,790</u>	<u>15,790</u>	<u>15,790</u>	-	<u>15,793</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ (3)</u>	<u>\$ 15,790</u>	<u>\$ 15,793</u>	<u>\$ 15,790</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, 2015
 (With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Forfeitures	\$ 19,000	\$ 19,000	\$ 87,943	\$ 68,943	\$ 43,956
Grants	5,700	5,700	5,700	-	5,700
Miscellaneous	-	-	1,200	1,200	-
TOTAL REVENUES	24,700	24,700	94,843	70,143	49,656
EXPENDITURES					
Materials and Supplies					
Contraband	-	-	7,638	(7,638)	2,028
K-9 unit	5,700	5,700	7,504	(1,804)	4,934
Miscellaneous	1,200	1,200	10,024	(8,824)	-
Total Materials and Supplies	5,700	5,700	25,166	(9,442)	6,962
TOTAL EXPENDITURES	6,900	5,700	25,166	(9,442)	6,962
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	17,800	19,000	69,677	60,701	42,694
FUND BALANCE - BEGINNING OF YEAR	37,307	37,307	37,307	-	(5,387)
FUND BALANCE - END OF YEAR	\$ 55,107	\$ 56,307	\$ 106,984	\$ 121,402	\$ 37,307

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, 2015
 (With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Host fees	\$ 539,400	\$ 539,400	\$ 546,196	\$ 6,796	\$ 374,999
TOTAL REVENUES	<u>539,400</u>	<u>539,400</u>	<u>546,196</u>	<u>6,796</u>	<u>374,999</u>
EXPENDITURES					
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>539,400</u>	<u>539,400</u>	<u>546,196</u>	<u>6,796</u>	<u>374,999</u>
OTHER FINANCING SOURCES (USES)					
Transfers (out)	<u>(539,400)</u>	<u>(539,400)</u>	<u>(539,399)</u>	<u>1</u>	<u>(375,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(539,400)</u>	<u>(539,400)</u>	<u>(539,399)</u>	<u>1</u>	<u>(375,000)</u>
NET CHANGE IN FUND BALANCE	-	-	6,797	6,797	(1)
FUND BALANCE - BEGINNING OF YEAR	<u>1,256</u>	<u>1,256</u>	<u>1,256</u>	<u>-</u>	<u>1,257</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,256</u>	<u>\$ 1,256</u>	<u>\$ 8,053</u>	<u>\$ 6,797</u>	<u>\$ 1,256</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, 2015
(With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Hotel/motel room tax	\$ 170,000	\$ 170,000	\$ 179,583	\$ 9,583	\$ 176,910
TOTAL REVENUES	<u>170,000</u>	<u>170,000</u>	<u>179,583</u>	<u>9,583</u>	<u>176,910</u>
EXPENDITURES					
Contractual Services					
Memberships	10,000	10,000	10,000	-	10,000
Promotional	40,900	40,900	24,691	16,209	49,837
Tax rebate	94,000	94,000	84,731	9,269	85,037
Total Contractual Services	<u>144,900</u>	<u>144,900</u>	<u>119,422</u>	<u>25,478</u>	<u>144,874</u>
Materials and Supplies	-	-	646	(646)	13,916
TOTAL EXPENDITURES	<u>144,900</u>	<u>144,900</u>	<u>120,068</u>	<u>24,832</u>	<u>158,790</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	25,100	25,100	59,515	34,415	18,120
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(28,383)</u>	<u>(28,383)</u>	<u>(28,383)</u>	-	<u>(13,121)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(28,383)</u>	<u>(28,383)</u>	<u>(28,383)</u>	-	<u>(13,121)</u>
NET CHANGE IN FUND BALANCE	(3,283)	(3,283)	31,132	34,415	4,999
FUND BALANCE - BEGINNING OF YEAR	<u>123,168</u>	<u>123,168</u>	<u>123,168</u>	-	<u>118,169</u>
FUND BALANCE - END OF YEAR	<u>\$ 119,885</u>	<u>\$ 119,885</u>	<u>\$ 154,300</u>	<u>\$ 34,415</u>	<u>\$ 123,168</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, 2015
 (With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ -	\$ -	\$ 23	\$ 23	\$ 16
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>23</u>	<u>23</u>	<u>16</u>
EXPENDITURES					
Debt Service					
Principal retirement	175,000	175,000	180,000	(5,000)	175,000
Interest and fiscal charges	229,987	229,987	222,463	7,524	229,988
Bond issuance costs	-	-	60,725	(60,725)	1,265
Total Debt Service	<u>404,987</u>	<u>404,987</u>	<u>463,188</u>	<u>(58,201)</u>	<u>406,253</u>
TOTAL EXPENDITURES	<u>404,987</u>	<u>404,987</u>	<u>463,188</u>	<u>(58,201)</u>	<u>406,253</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(404,987)</u>	<u>(404,987)</u>	<u>(463,165)</u>	<u>(58,178)</u>	<u>(406,237)</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	3,700,000	(3,700,000)	
Bond discount	-	-	(37,000)	37,000	
Transfers out	-	-	(3,603,500)	3,603,500	
Transfers in	<u>358,601</u>	<u>358,601</u>	<u>358,601</u>	<u>-</u>	<u>406,238</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>358,601</u>	<u>358,601</u>	<u>418,101</u>	<u>-</u>	<u>406,238</u>
NET CHANGE IN FUND BALANCES	(46,386)	(46,386)	(45,064)	(58,178)	1
FUND BALANCE - BEGINNING OF YEAR	<u>46,387</u>	<u>46,387</u>	<u>46,387</u>	<u>-</u>	<u>46,386</u>
FUND BALANCE - END OF YEAR	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1,323</u>	<u>\$ (58,178)</u>	<u>\$ 46,387</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, 2015
(With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ -	\$ -	\$ 59	\$ 59	\$ 15
TOTAL REVENUES	-	-	59	59	15
EXPENDITURES					
Debt Service					
Principal retirement	540,000	540,000	540,000	-	515,000
Interest and fiscal charges	31,800	31,800	31,865	(65)	41,534
Bond issuance costs	-	-	-	-	-
Total Debt Service	<u>571,800</u>	<u>571,800</u>	<u>571,865</u>	<u>(65)</u>	<u>556,534</u>
TOTAL EXPENDITURES	<u>571,800</u>	<u>571,800</u>	<u>571,865</u>	<u>(65)</u>	<u>556,534</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(571,800)</u>	<u>(571,800)</u>	<u>(571,806)</u>	<u>(6)</u>	<u>(556,519)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>571,800</u>	<u>571,800</u>	<u>571,800</u>	-	<u>491,554</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>571,800</u>	<u>571,800</u>	<u>571,800</u>	-	<u>491,554</u>
NET CHANGE IN FUND BALANCE	-	-	(6)	(6)	(64,965)
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-	64,965
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6)</u>	<u>\$ (6)</u>	<u>\$ -</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, 2015
 (With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ -	\$ -	\$ 40	\$ 40	\$ 10
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>40</u>	<u>40</u>	<u>10</u>
EXPENDITURES					
Debt Service					
Principal retirement	340,000	340,000	340,000	-	335,000
Interest and fiscal charges	44,088	44,088	44,154	(66)	52,514
Bond issuance costs	-	-	-	-	-
Total Debt Service	<u>384,088</u>	<u>384,088</u>	<u>384,154</u>	<u>(66)</u>	<u>387,514</u>
TOTAL EXPENDITURES	<u>384,088</u>	<u>384,088</u>	<u>384,154</u>	<u>(66)</u>	<u>387,514</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(384,088)</u>	<u>(384,088)</u>	<u>(384,114)</u>	<u>(26)</u>	<u>(387,504)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>384,088</u>	<u>384,088</u>	<u>384,088</u>	<u>-</u>	<u>387,515</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>384,088</u>	<u>384,088</u>	<u>384,088</u>	<u>-</u>	<u>387,515</u>
NET CHANGE IN FUND BALANCE	-	-	(26)	(26)	11
FUND BALANCE - BEGINNING OF YEAR	<u>57,990</u>	<u>57,990</u>	<u>57,990</u>	<u>-</u>	<u>57,979</u>
FUND BALANCE - END OF YEAR	<u>\$ 57,990</u>	<u>\$ 57,990</u>	<u>\$ 57,964</u>	<u>\$ (26)</u>	<u>\$ 57,990</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, 2015
 (With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ -	\$ -	\$ 28	\$ 28	\$ 7
TOTAL REVENUES	-	-	28	28	7
EXPENDITURES					
Debt Service					
Principal	235,000	235,000	235,000	-	225,000
Interest and fiscal charges	30,222	30,222	30,289	(67)	35,927
Total Debt Service	265,222	265,222	265,289	(67)	260,927
TOTAL EXPENDITURES	265,222	265,222	265,289	(67)	260,927
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(265,222)	(265,222)	(265,261)	(39)	(260,920)
OTHER FINANCING SOURCES (USES)					
Transfers in	265,222	265,222	265,222	-	260,928
TOTAL OTHER FINANCING SOURCES (USES)	265,222	265,222	265,222	-	260,928
NET CHANGE IN FUND BALANCE	-	-	(39)	(39)	8
FUND BALANCE - BEGINNING OF YEAR	52,026	52,026	52,026	-	52,018
FUND BALANCE - END OF YEAR	\$ 52,026	\$ 52,026	\$ 51,987	\$ (39)	\$ 52,026

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, 2015
 (With Comparative Actual Totals for 2014)

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ -	\$ -	\$ 20	\$ 20	\$ 5
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>20</u>	<u>20</u>	<u>5</u>
EXPENDITURES					
Debt Service					
Principal retirement	165,000	165,000	165,000	-	180,000
Interest and fiscal charges	27,976	27,976	28,020	(44)	58,180
Total Debt Service	<u>192,976</u>	<u>192,976</u>	<u>193,020</u>	<u>(44)</u>	<u>238,180</u>
TOTAL EXPENDITURES	<u>192,976</u>	<u>192,976</u>	<u>193,020</u>	<u>(44)</u>	<u>238,180</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(192,976)</u>	<u>(192,976)</u>	<u>(193,000)</u>	<u>(24)</u>	<u>(238,175)</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	1,230,000
Bond discount	-	-	-	-	(7,319)
Payment to escrow agent	-	-	-	-	(1,178,168)
Transfers in	<u>192,976</u>	<u>192,976</u>	<u>192,976</u>	<u>-</u>	<u>195,200</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>192,976</u>	<u>192,976</u>	<u>192,976</u>	<u>-</u>	<u>239,713</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(24)</u>	<u>(24)</u>	<u>1,538</u>
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,538)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24)</u>	<u>\$ (24)</u>	<u>\$ -</u>