

CITY OF ZION, ILLINOIS

FINANCIAL STATEMENTS
For the Year Ended April 30, 2016

CITY OF ZION, ILLINOIS

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Zion, Illinois, as of and for the year ended April 30, 2016, and the respective budgetary comparison for the General Fund, Development Fund TIF Area #1, and the Development Fund TIF Area #3 Fund, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Zion, Illinois Police Pension Fund, whose statements reflect total assets of \$26,760,780 as of April 30, 2016. We did not audit the financial statements of the City of Zion, Illinois Firefighters' Pension Fund, whose statements reflect total assets of \$14,957,541 as of April 30, 2016. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Zion, Illinois Police Pension Fund and the City of Zion, Illinois Firefighters' Pension Fund is based solely on the report of other auditors. The financial statements of the City of Zion, Illinois Police Pension Fund and the City of Zion, Illinois Firefighters' Pension Fund were not audited in accordance with *Government Auditing Standards*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, 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, 2016, 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, and the Development Fund TIF Area #3 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note O to the financial statements, in 2016, the City of Zion, Illinois adopted new accounting guidance, GAS Statement No. 68 Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27, and GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68. As a result of the implementation, the City of Zion, Illinois reported a restatement for the change in accounting principle. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the City of Zion, Illinois' 2015 financial statements and we expressed an unmodified audit opinion on those financial statements in our report dated February 10, 2016. In our opinion, the summarized comparative information presented for the General Fund, Development TIF Area #1 Fund, and the Development TIF Area #3 Fund presented herein as of and for the year ended April 30, 2015 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 required supplementary information as presented in the table of contents 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.

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

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' basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information 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 16, 2017, 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' internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
February 16, 2017

CITY OF ZION, ILLINOIS

BASIC FINANCIAL STATEMENTS

CITY OF ZION, ILLINOIS
STATEMENT OF NET POSITION
April 30, 2016

ASSETS AND DEFERRED OUTFLOWS

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and equivalents	\$ 4,361,099	\$ 1,082,654	\$ 5,443,753
Investments	203,456	796,518	999,974
Taxes receivable, net of allowance for uncollectables	9,583,384	-	9,583,384
Net trade accounts receivable	255,145	1,448,475	1,703,620
Other receivables and current assets	1,223,224	30,169	1,253,393
Due from other governmental agencies	1,284,284	-	1,284,284
Inventory	-	18,144	18,144
Prepaid insurance	143,633	4,306	147,939
Capital assets, net of accumulated depreciation	34,543,266	4,452,013	38,995,279
TOTAL ASSETS	51,597,491	7,832,279	59,429,770
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	27,566,664	262,700	27,829,364
Deferred charge on refunding	46,733	25,479	72,212
TOTAL DEFERRED OUTFLOWS OF RESOURCES	27,613,397	288,179	27,901,576
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
LIABILITIES			
Accounts payable	1,060,186	159,911	1,220,097
Due to other governmental agencies	114,108	-	114,108
Due to fiduciary funds	757,354	-	757,354
Accrued payroll	362,099	72,742	434,841
Unearned revenue	90,180	318,008	408,188
Other liabilities	18,000	-	18,000
Customer deposits	-	278,558	278,558
Accrued interest	140,232	56,604	196,836
Current portion of long-term debt	2,953,446	33,261	2,986,707
Long-term obligations - net of current portion	77,588,732	1,616,306	79,205,038
TOTAL LIABILITIES	83,084,337	2,535,390	85,619,727
DEFERRED INFLOWS OF RESOURCES			
Pension related	3,321,461	7,133	3,328,594
Subsequent year tax levy	9,583,384	-	9,583,384
TOTAL DEFERRED INFLOWS OF RESOURCES	12,904,845	7,133	12,911,978
NET POSITION			
Net investment in capital assets	23,884,967	3,255,279	27,140,246
Restricted for:			
Debt service	-	66,604	66,604
Other purposes	2,631,802	-	2,631,802
Unrestricted (deficit)	(43,295,063)	2,256,052	(41,039,011)
TOTAL NET POSITION	\$ (16,778,294)	\$ 5,577,935	\$ (11,200,359)

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2016

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS/PROGRAMS							
Governmental activities:							
General government	\$ 1,705,113	\$ 4,619,543	\$ -	\$ -	\$ 2,914,430	\$ -	\$ 2,914,430
Public health and safety	19,892,869	1,342,376	229,710	48,262	(18,272,521)	-	(18,272,521)
Public works and engineering	5,082,713	71,354	1,332,592	-	(3,678,767)	-	(3,678,767)
Economic development and promotion	1,950,189	70,617	3,341	-	(1,876,231)	-	(1,876,231)
Debt service	535,260	-	-	-	(535,260)	-	(535,260)
Total governmental activities	29,166,144	6,103,890	1,565,643	48,262	(21,448,349)	-	(21,448,349)
Business-type activities:							
Water and sewer	3,718,689	3,935,734	-	-	-	217,045	217,045
Waste collection	1,660,836	1,903,717	-	-	-	242,881	242,881
Total business-type activities	5,379,525	5,839,451	-	-	-	459,926	459,926
Total primary government	\$ 34,545,669	\$ 11,943,341	\$ 1,565,643	\$ 48,262	(21,448,349)	459,926	(20,988,423)
General revenues:							
Property taxes					9,491,430	-	9,491,430
Other taxes					7,732,379	-	7,732,379
Interest					26,162	18,672	44,834
Miscellaneous					31,628	-	31,628
Total general revenues					17,281,599	18,672	17,268,643
Change in net position					(4,166,750)	478,598	(3,688,152)
Net position - beginning, restated					(12,611,544)	5,099,337	(7,512,207)
Net position - ending					\$ (16,778,294)	\$ 5,577,935	\$ (11,200,359)

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS
GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2016

ASSETS

	Special Revenue Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Development TIF Area #1	Development TIF Area #3		
ASSETS					
Cash and equivalents	\$ 1,091,763	\$ 453,424	\$ 1,435,178	\$ 1,380,734	\$ 4,361,099
Investments	203,456	-	-	-	203,456
Taxes receivable, net of allowance	2,981,530	2,421,521	773,294	3,407,039	9,583,384
Utility taxes and franchise fees	255,145	-	-	-	255,145
Other receivables	1,147,775	-	-	75,449	1,223,224
Due from other governmental agencies	1,228,384	-	-	55,900	1,284,284
Due from other funds	957,258	-	-	-	957,258
Prepaid expenses	143,633	-	-	-	143,633
TOTAL ASSETS	\$ 8,008,944	\$ 2,874,945	\$ 2,208,472	\$ 4,919,122	\$ 18,011,483

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)

LIABILITIES					
Accounts payable	\$ 389,509	\$ 70,000	\$ 76,508	\$ 141,068	\$ 677,085
Due to other governmental agencies	20,013	-	-	94,095	114,108
Due to other funds	-	-	-	877,243	877,243
Advance due to fiduciary funds	757,354	-	-	-	757,354
Accrued payroll	334,856	-	-	27,243	362,099
Unearned revenue	90,180	-	-	-	90,180
Other liabilities	18,000	-	-	-	18,000
TOTAL LIABILITIES	1,609,912	70,000	76,508	1,139,649	2,896,069
DEFERRED INFLOWS OF RESOURCES					
Subsequent year tax levy	2,981,530	2,421,521	773,294	3,407,039	9,583,384
Unavailable revenue	447,571	-	-	27,715	475,286
TOTAL DEFERRED INFLOWS OF RESOURCES	3,429,101	2,421,521	773,294	3,434,754	10,058,670
FUND BALANCE (DEFICIT)					
Nonspendable	143,633	-	-	-	143,633
Restricted	-	383,424	1,358,670	889,708	2,631,802
Committed	-	-	-	359,497	359,497
Unassigned (deficit)	2,826,298	-	-	(904,486)	1,921,812
TOTAL FUND BALANCE (DEFICIT)	2,969,931	383,424	1,358,670	344,719	5,056,744
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)	\$ 8,008,944	\$ 2,874,945	\$ 2,208,472	\$ 4,919,122	\$ 18,011,483

CITY OF ZION, ILLINOIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
April 30, 2016

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

Total fund balance - governmental funds		\$ 5,056,744
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:</p>		
Capital assets	\$ 55,405,325	
Accumulated depreciation	(20,862,059)	
Net capital assets		34,543,266
<p>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.</p>		
		475,286
<p>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.</p>		
		(463,116)
<p>Deferred outflows and inflows of resources are not recorded on the fund statements, but are recognized on the government-wide statement of net position as follows:</p>		
Loss on refunding		46,733
Pension activity		24,245,203
<p>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:</p>		
General Obligation Bonds payable	\$ 10,295,000	
Capital lease obligations	468,388	
Accrued vacation	686,797	
Other post employment benefits	640,985	
Net pension liability	68,509,364	
Accrued interest	140,232	
Discount on general obligation bonds payable	(58,356)	
Total long-term liabilities		<u>(80,682,410)</u>
Net position of governmental activities		<u>\$ (16,778,294)</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, 2016

	Special Revenue Funds				Total Governmental Funds
	General	Development TIF Area #1	Development TIF Area #3	Nonmajor Governmental Funds	
REVENUES					
Property taxes	\$ 2,917,104	\$ 2,426,546	\$ 785,761	\$ 3,362,019	\$ 9,491,430
Other taxes	7,559,691	-	-	355,375	7,915,066
Charges for services	783,946	-	-	-	783,946
Permits and other fees	4,755,818	-	-	414,325	5,170,143
Intergovernmental	86,984	-	-	857,980	944,964
Grants and donations	54,528	-	-	-	54,528
Interest	4,328	50	50	21,734	26,162
Miscellaneous	46,112	-	-	749,730	795,842
TOTAL REVENUES	16,208,511	2,426,596	785,811	5,761,163	25,182,081
EXPENDITURES					
Current:					
General government	1,471,818	-	-	-	1,471,818
Public health and safety	13,370,092	-	-	198,147	13,568,239
Public works and engineering	2,600,097	-	-	1,192,142	3,792,239
Economic development and promotion	753,547	861,082	9,065	103,390	1,727,084
Debt Service:					
Principal retirement	-	-	-	2,180,429	2,180,429
Interest and fiscal charges	28,155	-	-	478,490	506,645
Bond issuance costs	-	-	-	1,698	1,698
Capital Outlay	8,552	782,373	689,259	1,319,547	2,799,731
TOTAL EXPENDITURES	18,232,261	1,643,455	698,324	5,473,843	26,047,883
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,023,750)	783,141	87,487	287,320	(865,802)
OTHER FINANCING SOURCES (USES)					
Transfers in	2,528,473	-	-	2,920,345	5,448,818
Transfers (out)	(1,526,312)	(597,870)	(196,741)	(3,127,895)	(5,448,818)
TOTAL OTHER FINANCING SOURCES (USES)	1,002,161	(597,870)	(196,741)	(207,550)	-
NET CHANGE IN FUND BALANCE	(1,021,589)	185,271	(109,254)	79,770	(865,802)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	3,991,520	198,153	1,467,924	264,949	5,922,546
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 2,969,931	\$ 383,424	\$ 1,358,670	\$ 344,719	\$ 5,056,744

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, 2016

Net change in fund balance - total governmental funds \$ (865,802)

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	\$	1,648,451	
Depreciation		<u>(1,224,554)</u>	
Capital outlay in excess of depreciation and dispositions			423,897

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	\$	(91,607)	
Increase in compensated absences		(67,907)	
Pension expense		<u>(5,415,135)</u>	
Total expenses of non-current resources			(5,574,649)

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. (182,687)

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

Principal retirement	\$	2,180,429	
Accrued interest		23,669	
Amortization of discounts and deferred amounts		<u>(50,586)</u>	
Net effect of bond activity			2,153,512

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. (121,021)

Change in net position of governmental activities \$ (4,166,750)

CITY OF ZION, ILLINOIS
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative information for the Year Ended April 30, 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Taxes	\$ 8,271,431	\$ 8,271,431	\$ 10,476,795	\$ 2,205,364	\$ 9,935,091
Licenses, permits, and fees	3,859,256	3,859,256	4,450,155	590,899	5,059,880
Fines and forfeitures	497,400	497,400	305,663	(191,737)	538,400
Rental revenue	24,000	24,000	22,400	(1,600)	20,250
Charges for services	670,000	670,000	783,946	113,946	642,893
Intergovernmental	54,074	54,074	86,984	32,910	409,210
Donations and grants	64,500	64,500	54,528	(9,972)	77,061
Interest	250	250	4,328	4,078	5,593
Sale of easement and other city property	-	-	-	-	7,702
Miscellaneous	30,000	30,000	23,712	(6,288)	9,829
TOTAL REVENUES	13,470,911	13,470,911	16,208,511	2,737,600	16,705,909
EXPENDITURES					
General government	1,349,577	1,349,577	1,499,973	(150,396)	1,581,057
Public health and safety	11,360,624	11,324,024	13,378,644	(2,054,620)	13,121,142
Public works and engineering	2,463,799	2,463,799	2,600,097	(136,298)	2,566,353
Economic development and promotion	733,915	733,915	753,547	(19,632)	853,654
TOTAL EXPENDITURES	15,907,915	15,871,315	18,232,261	(2,360,946)	18,122,206
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,437,004)	(2,400,404)	(2,023,750)	376,654	(1,416,297)
OTHER FINANCING SOURCES (USES)					
Transfers in	3,131,913	3,131,913	2,528,473	(603,440)	2,779,861
Transfers (out)	(1,552,854)	(1,552,854)	(1,526,312)	26,542	(905,508)
TOTAL OTHER FINANCING SOURCES (USES)	1,579,059	1,579,059	1,002,161	(576,898)	1,874,353
NET CHANGE IN FUND BALANCE	(857,945)	(821,345)	(1,021,589)	(200,244)	458,056
FUND BALANCE - BEGINNING OF YEAR	3,991,520	3,991,520	3,991,520	-	3,533,464
FUND BALANCE - END OF YEAR	\$ 3,133,575	\$ 3,170,175	\$ 2,969,931	\$ (200,244)	\$ 3,991,520

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS
DEVELOPMENT TIF AREA #1 FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative information for the Year Ended April 30, 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 2,321,047	\$ 2,321,047	\$ 2,426,546	\$ 105,499	\$ 2,322,005
Interest	75	75	50	(25)	69
TOTAL REVENUES	<u>2,321,122</u>	<u>2,321,122</u>	<u>2,426,596</u>	<u>105,474</u>	<u>2,322,074</u>
EXPENDITURES					
Contractual Services:					
Promotional	761,137	761,137	761,137	-	745,622
Surplus distributions	70,000	70,000	70,000	-	70,000
Legal and professional	6,250	6,250	27,335	(21,085)	24,017
Consultants	-	-	1,960	(1,960)	-
Miscellaneous	1,400	1,400	650	750	-
Total Contractual Services	<u>838,787</u>	<u>838,787</u>	<u>861,082</u>	<u>(22,295)</u>	<u>839,639</u>
Capital Outlay:					
Future projects	710,000	710,000	782,373	(72,373)	164,080
Total Capital Outlay	<u>710,000</u>	<u>710,000</u>	<u>782,373</u>	<u>(72,373)</u>	<u>164,080</u>
TOTAL EXPENDITURES	<u>1,548,787</u>	<u>1,548,787</u>	<u>1,643,455</u>	<u>(94,668)</u>	<u>1,003,719</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>772,335</u>	<u>772,335</u>	<u>783,141</u>	<u>10,806</u>	<u>1,318,355</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	(598,130)	(598,130)	(597,870)	260	(577,800)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(598,130)</u>	<u>(598,130)</u>	<u>(597,870)</u>	<u>260</u>	<u>(577,800)</u>
NET CHANGE IN FUND BALANCE	174,205	174,205	185,271	11,066	740,555
FUND BALANCE - BEGINNING OF YEAR	198,153	198,153	198,153	-	(542,402)
FUND BALANCE - END OF YEAR	<u>\$ 372,358</u>	<u>\$ 372,358</u>	<u>\$ 383,424</u>	<u>\$ 11,066</u>	<u>\$ 198,153</u>

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS
DEVELOPMENT TIF AREA #3 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Information for the Year Ended April 30, 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 648,127	\$ 648,127	\$ 785,761	\$ 137,634	\$ 648,127
Interest	75	75	50	(25)	69
TOTAL REVENUES	<u>648,202</u>	<u>648,202</u>	<u>785,811</u>	<u>137,609</u>	<u>648,196</u>
EXPENDITURES					
Contractual Services:					
Legal	7,500	7,500	5,114	2,386	7,508
Consultants	-	-	1,101	(1,101)	4,239
Contracted services	-	-	-	-	910
Professional	1,250.00	1,250	1,250	-	1,249
Appraisal	3,000	3,000	1,600	1,400	1,200
Total Contractual Services	<u>11,750</u>	<u>11,750</u>	<u>9,065</u>	<u>2,685</u>	<u>15,106</u>
Capital Outlay:					
Future projects	410,000	410,000	689,259	(279,259)	-
Total Capital Outlay	<u>410,000</u>	<u>410,000</u>	<u>689,259</u>	<u>(279,259)</u>	<u>-</u>
TOTAL EXPENDITURES	<u>421,750</u>	<u>421,750</u>	<u>698,324</u>	<u>(276,574)</u>	<u>15,106</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>226,452</u>	<u>226,452</u>	<u>87,487</u>	<u>(138,965)</u>	<u>633,090</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(196,741)	(196,818)	(196,741)	77	(195,976)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(196,741)</u>	<u>(196,818)</u>	<u>(196,741)</u>	<u>77</u>	<u>(195,976)</u>
NET CHANGE IN FUND BALANCE	29,711	29,634	(109,254)	(138,888)	437,114
FUND BALANCE - BEGINNING OF YEAR	<u>1,467,924</u>	<u>1,467,924</u>	<u>1,467,924</u>	<u>-</u>	<u>1,030,810</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,497,635</u>	<u>\$ 1,497,558</u>	<u>\$ 1,358,670</u>	<u>\$ (138,888)</u>	<u>\$ 1,467,924</u>

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
April 30, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Waste Collection	Totals	Internal Service Fund
ASSETS				
Current assets:				
Cash and equivalents	\$ 1,082,654	\$ -	\$ 1,082,654	\$ -
Trade accounts receivable	507,346	224,292	731,638	-
Unbilled trade accounts	716,837	-	716,837	-
Other receivables	30,169	-	30,169	-
Inventory	18,144	-	18,144	-
Prepaid expenses	4,306	-	4,306	-
TOTAL CURRENT ASSETS	2,359,456	224,292	2,583,748	-
Noncurrent assets:				
Investments	796,518	-	796,518	-
Advance due from other funds	580,089	-	580,089	-
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	(9,225,348)	(217,385)	(9,442,733)	-
Total capital assets, net of accumulated depreciation	4,372,757	79,256	4,452,013	-
TOTAL NONCURRENT ASSETS	5,749,364	79,256	5,828,620	-
TOTAL ASSETS	8,108,820	303,548	8,412,368	-
DEFERRED OUTFLOWS OF RESOURCES				
Pension activity	262,700	-	262,700	-
Deferred charge on refunding	25,479	-	25,479	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	288,179	-	288,179	-
LIABILITIES				
Current liabilities:				
Accounts payable	158,811	1,100	159,911	383,101
Unearned revenue - unearned collection fees	-	318,008	318,008	-
Accrued payroll and related expenses	72,742	-	72,742	-
Due to other funds	-	-	-	80,015
Current portion of capital lease	23,261	-	23,261	-
Customer deposits - restricted assets	278,558	-	278,558	-
Current portion of General Obligation Bonds - restricted assets	10,000	-	10,000	-
Accrued interest - restricted assets	56,604	-	56,604	-
TOTAL CURRENT LIABILITIES	599,976	319,108	919,084	463,116
Noncurrent liabilities:				
Advance due to other funds	-	580,089	580,089	-
General Obligation Bonds	1,165,000	-	1,165,000	-
Pension liability	427,354	-	427,354	-
Capital lease	23,952	-	23,952	-
TOTAL NONCURRENT LIABILITIES	1,616,306	580,089	2,196,395	-
TOTAL LIABILITIES	2,216,282	899,197	3,115,479	463,116
DEFERRED OUTFLOWS OF RESOURCES				
Pension activity	7,133	-	7,133	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	7,133	-	7,133	-
NET POSITION				
Net investment in capital assets	3,176,023	79,256	3,255,279	-
Restricted for:				
Bond retirement	66,604	-	66,604	-
Unrestricted net position	2,930,957	(674,905)	2,256,052	(463,116)
TOTAL NET POSITION	\$ 6,173,584	\$ (595,649)	\$ 5,577,935	\$ (463,116)

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, 2016

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Waste Collection	Totals	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 3,935,734	\$ 1,903,717	\$ 5,839,451	\$ 2,069,858
TOTAL OPERATING REVENUES	<u>3,935,734</u>	<u>1,903,717</u>	<u>5,839,451</u>	<u>2,069,858</u>
OPERATING EXPENSES				
Personal services	969,260	-	969,260	-
Contractual services	1,666,098	1,651,169	3,317,267	-
Materials and supplies	101,758	9,667	111,425	-
Repairs and maintenance	600,391	-	600,391	-
Claims	-	-	-	2,190,972
Capital outlay	33,679	-	33,679	-
Depreciation	240,240	-	240,240	-
TOTAL OPERATING EXPENSES	<u>3,611,426</u>	<u>1,660,836</u>	<u>5,272,262</u>	<u>2,190,972</u>
(LOSS) FROM OPERATIONS	<u>324,308</u>	<u>242,881</u>	<u>567,189</u>	<u>(121,114)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	18,672	-	18,672	93
Interest and fiscal charges	(107,263)	-	(107,263)	-
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(88,591)</u>	<u>-</u>	<u>(88,591)</u>	<u>93</u>
CHANGE IN NET POSITION	<u>235,717</u>	<u>242,881</u>	<u>478,598</u>	<u>(121,021)</u>
NET POSITION (DEFICIT) - BEGINNING OF YEAR, RESTATED	<u>5,937,867</u>	<u>(838,530)</u>	<u>5,099,337</u>	<u>(342,095)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 6,173,584</u>	<u>\$ (595,649)</u>	<u>\$ 5,577,935</u>	<u>\$ (463,116)</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, 2016

	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	\$ 3,614,251	\$ 1,812,292	\$ 5,426,543	\$ -
Cash received from interfund charges for health insurance	-	-	-	2,069,858
Cash payments to suppliers for goods and services	(2,283,102)	(1,659,736)	(3,942,838)	(2,047,773)
Cash payments to employees for services	(884,836)	-	(884,836)	-
Cash payments from (to) other funds for services	(82,500)	82,500	-	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>363,813</u>	<u>235,056</u>	<u>598,869</u>	<u>22,085</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Collections on advances to other funds	235,056	-	235,056	(22,178)
Payment on advances from other funds	-	(235,056)	(235,056)	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>235,056</u>	<u>(235,056)</u>	<u>-</u>	<u>(22,178)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on capital lease	(22,588)	-	(22,588)	-
Debt issued	1,175,000	-	1,175,000	-
Principal paid on bonds	(1,505,000)	-	(1,505,000)	-
Interest paid on bonds	(138,774)	-	(138,774)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(491,362)</u>	<u>-</u>	<u>(491,362)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Net investment activity	106,687	-	106,687	-
Interest on cash and equivalents	18,672	-	18,672	93
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>125,359</u>	<u>-</u>	<u>125,359</u>	<u>93</u>
NET (DECREASE) IN CASH AND EQUIVALENTS	<u>232,866</u>	<u>-</u>	<u>232,866</u>	<u>-</u>
CASH AND EQUIVALENTS - BEGINNING OF YEAR	<u>849,788</u>	<u>-</u>	<u>849,788</u>	<u>-</u>
CASH AND EQUIVALENTS - END OF YEAR	<u>\$ 1,082,654</u>	<u>\$ -</u>	<u>\$ 1,082,654</u>	<u>\$ -</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
INCOME (LOSS) FROM OPERATIONS	\$ 324,308	\$ 242,881	\$ 567,189	\$ (121,114)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	240,240	-	240,240	-
Amortization of bond discount	(15,613)	-	(15,613)	-
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	(153,252)	(11,693)	(164,945)	-
Decrease in unbilled water usage	(188,452)	-	(188,452)	-
Increase in other receivables	5,391	-	5,391	-
Increase in inventory	9,856	-	9,856	-
Decrease in prepaid expenses	9,724	-	9,724	-
Increase in accounts payable	16,744	1,100	17,844	143,199
Increase in accrued payroll and related expenses	84,424	-	84,424	-
Increase in deferred revenue	-	2,768	2,768	-
Increase deferred outflows	15,613	-	15,613	-
Increase in customer deposits	14,830	-	14,830	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 363,813</u>	<u>\$ 235,056</u>	<u>\$ 598,869</u>	<u>\$ 22,085</u>

The accompanying notes are an integral part of this statement.

CITY OF ZION, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
April 30, 2016

ASSETS

ASSETS	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
Cash and equivalents	\$ 1,434,454	\$ 698,833	\$ 2,133,287
Investments:			
Fixed income	7,929,088	4,781,316	12,710,404
Insurance contracts	-	2,951,772	2,951,772
Mutual funds	9,610,832	4,414,087	14,024,919
Common stock	7,323,627	1,748,860	9,072,487
Receivables:			
Prepaid assets	-	2,036	2,036
Due from City	397,318	359,788	757,106
Accrued interest	65,461	850	66,311
TOTAL ASSETS	<u><u>\$ 26,760,780</u></u>	<u><u>\$ 14,957,542</u></u>	<u><u>\$ 41,718,322</u></u>

LIABILITIES AND NET POSITION

LIABILITIES			
Accounts payable	\$ -	\$ 6,753	\$ 6,753
NET POSITION			
Held in trust for pension benefits	<u>26,760,780</u>	<u>14,950,789</u>	<u>41,711,569</u>
TOTAL NET POSITION	<u><u>\$ 26,760,780</u></u>	<u><u>\$ 14,950,789</u></u>	<u><u>\$ 41,711,569</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, 2016

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Contributions - Employer	\$ 1,149,486	\$ 932,135	\$ 2,081,621
Other	-	8,341	8,341
Contributions - Plan members	409,829	227,773	637,602
Total contributions	<u>1,559,315</u>	<u>1,168,249</u>	<u>2,727,564</u>
Investment earnings:			
Interest and dividends earned	3,372,198	243,938	3,616,136
Change in fair market value	(3,665,118)	(442,068)	(4,107,186)
Total investment earnings	<u>(292,920)</u>	<u>(198,130)</u>	<u>(491,050)</u>
Less investment expenses	<u>91,439</u>	<u>71,393</u>	<u>162,832</u>
Net investment earnings	<u>(384,359)</u>	<u>(269,523)</u>	<u>(653,882)</u>
TOTAL ADDITIONS	<u>1,174,956</u>	<u>898,726</u>	<u>2,073,682</u>
DEDUCTIONS			
Administration	71,945	51,006	122,951
Benefit payments	<u>2,343,098</u>	<u>1,307,211</u>	<u>3,650,309</u>
TOTAL DEDUCTIONS	<u>2,415,043</u>	<u>1,358,217</u>	<u>3,773,260</u>
CHANGE IN NET POSITION	(1,240,087)	(459,491)	(1,699,578)
Net position, beginning of year, restated	<u>28,000,867</u>	<u>15,410,280</u>	<u>43,411,147</u>
Net position, end of year	<u>\$ 26,760,780</u>	<u>\$ 14,950,789</u>	<u>\$ 41,711,569</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, 2016

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, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
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Government-Wide Statements (continued)

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

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

Fund Financial Statements

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

- a. Total assets 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, 2016

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 Fund, and Waste Collection Fund) 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, 2016

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 Firefighters' 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.
Enterprise Funds:	
Water and Sewer	Accounts for financial resources collected and used for water and sewer activities.
Waste Collection	Accounts for financial resources collected and used for waste collection activities.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

Major and Nonmajor Funds (continued)

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, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

Major and Nonmajor Funds (continued)

Nonmajor (continued)

Special Revenues Funds (continued):

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

Capital Project Funds:

Capital Projects	Accounts for financial resources collected and restricted for the capital additions to the City.
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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.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

Major and Nonmajor Funds (continued)

Nonmajor (continued)

Debt Service Funds (continued):

Bond Series 2003 Road Bond

Accounts restricted for the accumulation of resources for the periodic payment of principal and interest on Bond Series 2003.

Area 3 South Sheridan Rd.
Project

Accounts restricted for the accumulation of resources for the periodic payment of principal and interest on Bond Series 2004A.

Internal Service Fund

Accounts for the payment by the City for active employees of group health charges for services and stop loss insurance charges and the billing of departments or agencies of the City on a cost-reimbursement basis for the services received.

Measurement Focus and Basis of Accounting

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

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

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets, 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, 2016

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 purposes 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, 2016

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 J for details of interfund transactions, including receivables and payables at year-end.

Receivables:

GASB Statement 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, and \$200,000 for roads and bridges.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Amounts (continued)

Government-wide Statements (continued):

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

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

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

Fund Financial Statements:

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

Compensated Absences:

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

Sick pay benefits accrue at the rate of 96 hours (144 for firemen) per year and can be accumulated up to a maximum of 1,120 hours (1,680 for firemen). These benefits are not paid out upon separation from employment.

Vacation benefits accrue based on completed years of service, and are allowed to be carried over annually. Accrued vacation is paid out upon termination, death, and retirement. A liability for these amounts is reported in the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. As of April 30, 2016, 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, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
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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, 2016

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 Balance:

Within the governmental fund types, the City’s fund balance is reported in 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.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Amounts (continued)

Fund Balance (continued):

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; or (2) a body of officials to which the Council has delegated the authority to assign amounts to be used for specific purposes. The City's Council has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund.

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

The City considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and 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. 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 within 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.

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.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Amounts (continued)

New Accounting Pronouncements (continued):

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.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Control

The City prepares an appropriation ordinance annually and makes it available for 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, 2016:

<u>Special Revenue Funds</u>	
Fire Protection	\$ 571,258
Illinois Municipal Retirement	156,524
FICA	153,775
Police Protection	22,929
<u>Enterprise Funds</u>	
Waste Collection	595,649
Internal Service Fund	463,116

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

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

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>	\$ 17,424,169	\$ 23,578,713	\$ 19,758,573	\$ 3,820,140
<u>Special Revenue Funds</u>				
911 Emergency Surcharge	\$ 179,825	\$ 230,325	\$ 118,893	\$ 111,432
Zion-Newport Fire Station	55,086	110,172	63,352	46,820
Emergency Service Rescue	566,899	566,899	557,341	9,558
Fire Protection	782,578	782,578	770,979	11,599
Street and Bridge	426,015	695,775	189,564	506,211
Illinois Municipal Retirement Fund	474,951	522,446	416,475	105,971
FICA	407,560	448,316	409,459	38,857
Development TIF Area #1	2,146,917	2,146,917	2,241,325	(94,408)
Development TIF Area #3	618,568	659,568	895,065	(235,497)
Motor Fuel Tax	591,148	1,870,199	1,513,907	356,292
Liability Insurance	955,512	991,792	941,325	50,467
Drug Traffic Prevention	8,950	8,950	15,902	(6,952)
Industrial Development	433,240	433,240	422,378	10,862
Hotel/Motel Tax	163,000	173,520	142,910	30,610
	\$ 7,810,249	\$ 9,640,697	\$ 8,698,875	\$ 941,822
<u>Capital Projects Funds</u>				
Capital Projects Fund	\$ 772,403	\$ 772,403	\$ 567,006	\$ 205,397
<u>Debt Service Funds</u>				
TIF #1 Bond Series 2002A	\$ 592,130	\$ 592,130	\$ 592,105	\$ 25
Area 3 South Sheridan Road Project (Debt Service)	193,818	193,818	193,793	25
Bond Debt Service	965,451	969,051	967,149	1,902
Series 2002B Road Bond	391,148	391,148	391,123	25
Series 2003 Road Bond	264,750	264,750	264,725	25
	\$ 2,407,297	\$ 2,410,897	\$ 2,408,895	\$ 2,002
<u>Enterprise Funds</u>				
Water and Sewer	\$ 3,864,857	\$ 4,693,661	\$ 3,718,689	\$ 974,972
Waste Collection	1,718,000	1,718,000	1,660,836	57,164
	\$ 5,582,857	\$ 6,411,661	\$ 5,379,525	\$ 1,032,136

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

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, 2016, management asserts the City complied, in all material respects, with these revenue restrictions.

NOTE C – DEPOSITS AND INVESTMENTS
--

Deposits

As of April 30, 2016, a reconciliation of cash and investments as shown on the Statement of Net Position is as follows:

	Carrying Value	Bank Balance
Checking accounts	\$ 1,222,282	\$ 1,848,206
Money market and savings accounts	364,022	352,782
Money market mutual funds - restricted	1,892,088	1,892,088
Certificates of deposit	999,974	999,974
Illinois Funds	1,964,308	1,964,308
Cash on hand	1,051	-
Total	\$ 6,443,725	\$ 7,057,358

A reconciliation to the financial statements is shown below:

Statement of Net Position - governmental activities:

Cash and equivalents	\$ 4,361,097
Investments	203,456

Statement of Net Position - business-type activities:

Cash and equivalents	1,082,654
Investments	796,518
	\$ 6,443,725

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE C – DEPOSITS AND INVESTMENTS (continued)
--

Deposits (continued)

Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. Pledged collateral will be held in safekeeping by an independent third party depository or by the Federal Reserve Bank. At year-end the carrying amount of the City’s deposits totaled \$1,576,304 and the bank balances totaled \$2,200,988. Of the bank balances, \$1,096,041 was covered by federal depository insurance, \$1,104,947 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, 2016, 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	\$ 1,892,088	\$ 1,892,088	\$ -	\$ -	\$ -
Illinois Funds	1,964,308	1,964,308	-	-	-
Certificates of deposit	999,974	-	999,974	-	-
Total	\$ 4,856,370	\$ 3,856,396	\$ 999,974	\$ -	\$ -

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

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, 2016 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 its 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 Firefighters' 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, 2016

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, 2016, the Police Pension Fund 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	
U.S. Treasuries	\$ 5,347,321	\$ 758,935	\$ 2,950,095	\$ 1,638,291	\$ -
U.S. Treasury Strips	1,601,964	592,179	766,684	28,786	214,315
U.S. Treasury Bonds	979,803	436,635	464,593	78,575	-
Total	\$ 7,929,088	\$ 1,787,749	\$ 4,181,372	\$ 1,745,652	\$ 214,315

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 AA+ 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, 2016, 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, 2016

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.

Firefighters’ 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, 2016, the Firefighters’ 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
Certificates of Deposit	\$ 628,260	\$ -	\$ 628,260	\$ -	\$ -
Governmental National Mortgage Association	583,181	-	-	-	583,181
Corporate Bonds	3,569,875	-	3,569,875	-	-
Total	\$ 4,781,316	\$ -	\$ 4,198,135	\$ -	\$ 583,181

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, 2016

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

Firefighters’ 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, 2016, 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.

NOTE D – ACCOUNTS RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES

Accounts Receivable

Accounts receivable of the business-type activities of \$1,463,281 consists primarily of utilities trade accounts receivable and related liens. Accounts receivables, other than taxes, of the governmental activities of \$1,080,915 primarily consist of, host fees and utility taxes. Remaining categories make up less than 10% individually. Receivables details at April 30, 2016, are as follows:

	Governmental Activities	Business-type Activities	Total
Trade accounts receivable	\$ 2,361,712	\$ 1,448,475	\$ 3,810,187
Other receivables/current assets	255,145	39,325	294,470
Allowance for doubtful accounts	(1,138,488)	(9,156)	(1,147,644)
	\$ 1,478,369	\$ 1,478,644	\$ 2,957,013

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

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 fiscal year 2016, various components of deferred inflows reported in the governmental funds were as follows:

	Unavailable	Subsequent Year Tax Levy	Total
Property taxes	\$ -	\$ 9,583,384	\$ 9,583,384
Income taxes	-	-	-
Veolia host fees	163,169	-	163,169
Other	312,117	-	312,117
	\$ 475,286	\$ 9,583,384	\$ 10,058,670

NOTE E – PROPERTY TAXES

General Property Taxes

The Lake County Property Assessor assesses real and personal property values on a countywide basis, each year as of January 1. The City levies a property tax millage rate upon the taxable value, which provides 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. 2015 taxes became an enforceable lien on January 1, 2016.

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, 2016

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 2016 was as follows:

TIF #1 assessed valuation was \$11,399,907 and the tax extension was \$2,445,980.
 TIF #3 assessed valuation was \$4,100,923 and the tax extension was \$781,105.
 TIF #4 assessed valuation was \$64,464 and the tax extension was \$12,178.

Assessed Valuations, Rates, Extensions, and Collections

<u>TAX LEVY YEAR</u>	<u>2015</u>	<u>2014</u>
ASSESSED VALUATIONS	\$ 227,123,714	\$ 226,282,384
<u>TAX RATE/\$100 EAV</u>		
General Fund	0.335	0.392
Fire Fund	0.345	0.346
Street and Bridge Fund	0.100	0.100
IMRF	0.217	0.214
Social Security	0.178	0.175
Police Pension	0.550	0.508
Firemen's Pension	0.440	0.407
Emergency Rescue Squad	0.250	0.250
Liability Insurance Fund	0.421	0.422
TOTALS	2.836	2.814
 <u>TAX EXTENSIONS</u>		
<u>TAX LEVY YEAR</u>	<u>2015</u>	<u>2014</u>
Fiscal Year Collected	4/30/2016	4/30/2015
Purpose of Levy:		
General Fund	\$ 761,725	\$ 887,042
Fire Fund	782,580	782,578
Street and Bridge Fund	227,124	226,760
IMRF	493,283	483,610
Social Security	403,876	395,955
Police Pension	1,249,628	1,150,811
Firemen's Pension	1,000,291	921,192
Emergency Rescue Squad	566,901	566,899
Liability Insurance Fund	955,514	955,512
TOTAL	\$ 6,440,922	\$ 6,370,359
Collections		\$ 6,274,245
% of Collections		98.49%

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE F – CAPITAL ASSETS – GOVERNMENTAL ACTIVITIES
--

Capital asset activity for governmental activities for the year ended April 30, 2016 was as follows:

	Balance 5/1/15	Additions	Deletions	Balance 4/30/16
Capital assets not being depreciated:				
Land	\$ 5,725,285	\$ -	\$ -	\$ 5,725,285
Capital assets being depreciated:				
Building and improvements	12,085,666	674,674	-	12,760,340
Machinery and equipment	6,359,370	17,366	-	6,376,736
Roads and bridges	29,586,553	956,411	-	30,542,964
Total capital assets being depreciated	48,031,589	1,648,451	-	49,680,040
Less accumulated depreciation for:				
Buildings and improvements	6,028,185	348,658	-	6,376,843
Machinery and equipment	5,294,692	265,037	-	5,559,729
Road and bridges	8,314,628	610,859	-	8,925,487
Total accumulated depreciation	19,637,505	1,224,554	-	20,862,059
Total capital assets being depreciated, net	28,394,084	423,897	-	28,817,981
Governmental activities capital assets, net	\$ 34,119,369	\$ 423,897	\$ -	\$ 34,543,266

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

General government	\$ 47,317
Public health and safety	275,390
Public works and engineering	687,813
Economic development and promotion	214,034
Total depreciation expense - governmental activities	\$ 1,224,554

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE G – CAPITAL ASSETS – BUSINESS-TYPE ACTIVITIES

Capital asset activity for business-type activities for the year ended April 30, 2016 was as follows:

	Balance 5/1/15	Additions	Deletions	Balance 4/30/16
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	7,906,422	219,196	-	8,125,618
Machinery and equipment	1,296,071	21,044	-	1,317,115
Total accumulated depreciation	9,202,493	240,240	-	9,442,733
Total capital assets being depreciated, net	4,260,422	(240,240)	-	4,020,182
Business-type activities capital assets, net	\$ 4,692,253	\$ (240,240)	\$ -	\$ 4,452,013

NOTE H – RETIREMENT FUND COMMITMENTS

Defined Benefit Pension Plan - Illinois Municipal Retirement Fund

Plan Description

The City of Zion’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 City of Zion’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available at www.imrf.org.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

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

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lessor of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

As of April 30, 2016, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	78
Inactive Plan Members entitled to by not yet receiving benefits	36
Active plan members	62
Total	<u>176</u>

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

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

Contributions

As set by statute, the City of Zion's Regular Plan Members are required to contribute 4.5% 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 City of Zion's annual contribution rate for calendar year 2015 was 11.43%. For the fiscal year ended April 30, 2015, the City of Zion contributed \$423,590 to the plan. The City of Zion 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The City of Zion's net position liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 3.5%.
- **Salary Increases** were expected to be 3.75% to 14.50%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.50%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from years 2011 to 2013.
- The IMRF-specific rates for **Mortality** (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For **Disabled Retirees**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For **Active Members**, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

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

- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	38.00%	7.60%
International Equity	17.00%	7.80%
Fixed Income	27.00%	3.00%
Real Estate	8.00%	6.15%
Alternative Investments	9.00%	5.25-8.50%
Cash Equivalents	1.00%	2.25%
Total	100.00%	

Single Discount Rate

A Single Discount Rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.49%.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

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

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 22,239,910	\$ 21,504,033	\$ 735,877
Changes for the year:			
Service Cost	400,246	-	400,246
Interest on the Total Pension Liability	1,647,031	-	1,647,031
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(49,812)	-	(49,812)
Changes of Assumptions	29,814	-	29,814
Contributions - Employer	-	423,590	(423,590)
Contributions - Employees	-	166,767	(166,767)
Net Investment Income	-	106,598	(106,598)
Benefit Payments, including Refunds of Employee Contributions	(959,228)	(959,228)	-
Other (Net Transfer)	-	(137,792)	137,792
Balances at December 31, 2015	\$ 23,307,961	\$ 21,103,968	\$ 2,203,993

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.49%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.49%)	Current Discount (7.49%)	1% Higher (8.49%)
Net Pension Liability	\$ 5,444,654	\$ 2,203,993	\$ (435,003)

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

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

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension

For the year ended April 30, 2016, the City of Zion, recognized pension expense of \$716,711. At April 30, 2016, the City of Zion reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ 36,787
Changes in assumptions	22,018	-
Net difference between projected and actual earnings on pension plan investments	1,189,764	-
<i>Pension Contributions made subsequent to the Measurement Date</i>		
	143,041	-
Total Deferred Amounts Related to Pensions	\$1,354,823	\$ 36,787

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending April 30	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
2016	\$ 301,409	\$ 9,197
2017	301,409	9,197
2018	302,327	9,197
2019	306,637	9,196
2020	-	-
Thereafter	-	-
Total	\$ 1,211,782	\$ 36,787

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Police Pension Fund

Plan Description

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.

Benefits Provided

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, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Police Pension Fund (continued)

Employees Covered by Benefit Terms

As of April 30, 2016, the following employees were covered by the benefit terms:

	Police Pension
Retirees and Beneficiaries currently receiving benefits	43
Inactive Plan Members entitled to by not yet receiving benefits	1
Active plan members	45
Total	<u>89</u>

Contributions

The Actuarially Determined Contributions (ADC) includes the determination of the Normal Cost contribution for active plan members, as well as provision for the payment of unfunded liability.

The actuarial funding method used in the determination of the normal cost and the actuarial liability is the Entry Age Normal Cost method (level percent of pay). The method allocates normal cost contributions by employee over the working career of the employee as a level percent of their pay.

Unfunded liability is the excess of the actuarial liability over the actuarial value of assets. The actuarially determined contribution includes a payment towards unfunded liability existing at the actuarial valuation date. The payment towards unfunded liability is set up as a level percent of payroll payment that is expected to increase during the payment period. The period of repayment as of the Actuarial Valuation Date is 17 years.

The Actuarial Value of Assets smooths gains and losses on the market value of assets over a 5-year period.

Under no circumstances will the ADC be less than the amount determined as the Statutory Minimum Contribution under Illinois statutes.

There is no Formal Funding Policy that exists between the Pension Board and the City at this time. The following factors are considered and described herein:

1. The five-year contribution history of the Employer (with a focus on the average contributions from those sources);
2. All other known events and conditions; and
3. Consideration of subsequent events.

When reviewing contribution history, although contributions as a level percent of payroll are least volatile, they are similar in volatility to the average of contributions as a percent of the actuarially determined contribution, therefore, the informal funding policy that has been determined for future contributions is 75.05% of the actuarially determined contribution. This represents the full future contributions expected to be made.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Police Pension Fund (continued)

Actuarial Assumptions

Actuarial Assumptions (Economic)

Discount Rate used for the Total Pension Liability	4.85%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20 Year Tax-Exempt GO Bond Rate	3.32%
Projected Individual Salary Increases	4.00% - 20.40%
Projected Increase in Total Payroll	3.25%
Consumer Price Index (Urban)	2.50%
Inflation Rate Included	2.50%

Actuarial Assumptions (Demographic)

Mortality Table	L&A 2016 Illinois Police Mortality Rates
Retirement Rates	L&A 2016 Illinois Police Retirement Rates Capped at age 65
Disability Rates	L&A 2016 Illinois Police Disability Rates
Termination Rates	L&A 2016 Illinois Police Termination Rates
Percent Married	80.0%

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis.

Assumption Changes

The Assumptions were changed from the prior year.

The assumed rate on High Quality 20 Year Tax-Exempt GO Bonds was changed to 3.32% for the current year. The underlying index used in the Bond Buyer 20-Bond GO Index. The choice of the index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the index.

The discount rate used in the determination of the Total Pension Liability was changed from 7.00% to 4.85%.

The demographic assumptions were changed to the tables shown on the prior page. The changes were made based on a study of Police Officers and police pension funds in Illinois. The changes were made to better reflect the future anticipated experience of the fund. The assumptions impacted include:

- Mortality Rates
- Mortality Improvement Rates
- Retirement Rates
- Disability Rates
- Termination Rates

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Police Pension Fund (continued)

Individual Pay Increases

Individual pay increases include provisions for annual cost of living increases, plus any additional increases in pensionable pay provided (e.g. step increases, longevity increases, promotions, educations, etc.). Sample rates are as follows:

<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>
0	11.47%	8	4.00%
1	10.17%	9	9.00%
2	8.50%	10	4.00%
3	8.16%	15	4.00%
4	4.00%	20	4.00%
5	4.00%	25	4.00%
6	20.40%	30	4.00%
7	4.00%		

Demographic Assumptions

Mortality rates are based on the assumption study prepared by the actuary in 2016. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

Other demographic assumption rates are based on a review of assumptions in the 2016 actuarial study for Illinois Police Officers.

Postemployment Benefit Changes

Eligibility for postemployment benefit increases is determined based on the Illinois Pension code. Tier 1 Police retirees are provided with an annual 3.0% increase in retirement benefits by statute when eligible. Tier 2 Police retirees are provided postemployment benefit increases based on one-half of the Consumer Price Index (Urban) for the prior September.

The CPI-U for September, 1985 was 108.3. The CPI-U for September, 2015 was 237.9. The average increase in the CPI-U for September, 1985 through September, 2015 was 2.66% (on a compounded basis).

Expected Return on Pension Plan Investments

The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return shown below have been provided by the professionals that work with the Pension Fund. Long-term Real Rates of Return are shown as the Expected Rate of Return, net of the assumed inflation rate.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Police Pension Fund (continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Rate of Return	Log-Term Inflation Expectations	Long-Term Expected Real Rate of Return
Domestic Equity	42.00%	4.00%	3.00%	1.00%
International Equity	15.00%	4.50%	3.00%	1.50%
Fixed Income - Government	32.00%	9.00%	3.00%	6.00%
Fixed Income - Corporate	8.00%	8.50%	3.00%	5.50%
Real Estate	3.00%	10.00%	3.00%	7.00%
Cash Equivalents	0.00%	3.00%	3.00%	0.00%
Total	100.00%			

Long-term expected real returns under GASB are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates provided above are intended to estimate those figures.

The expected inflation rate is 3.00% and is included in the total long-term rate of return on investments. The inflation rate is from the same source as the long-term real rates of return, and is not necessarily reflective of the inflation measures used for other purposes in the report.

Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. The higher the volatility, the greater the difference.

Discount Rate

The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan’s future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan’s projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan’s projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

Projected benefit payments are determined during the actuarial process based on the assumptions.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Police Pension Fund (continued)

Statement of Changes in Net Pension Liability

The following table illustrates the change in the Net Pension Liability (NPL) from May 1, 2015 to April 30, 2016:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2015	\$ 49,236,132	\$ 28,000,867	\$ 21,235,265
Changes for the year:			
Service Cost	1,685,418	-	1,685,418
Interest on the Total Pension Liability	2,331,132	-	2,331,132
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(3,136,070)	-	(3,136,070)
Changes of Assumptions	22,812,214	-	22,812,214
Contributions - Employer	-	1,149,486	(1,149,486)
Contributions - Employees	-	409,829	(409,829)
Net Investment Income	-	(384,359)	384,359
Benefit Payments, including Refunds of Employee Contributions	(2,343,098)	(2,343,098)	-
Administrative Expenses	-	(71,945)	71,945
Balances at April 31, 2016	\$ 70,585,728	\$ 26,760,780	\$ 43,824,948

Deferred Outflows and Inflows of Resources

The following table illustrates the cumulative amounts to be shown as deferred outflows and inflows of resources. Changes in total pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the pension fund. Differences in projected and actual earnings over the measurement period are recognized over a 5-year period. Amounts not yet recognized as of April 30, 2016 are as follows:

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Police Pension Fund (continued)

Deferred Amounts Related to Pensions	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ 2,711,703
Changes in assumptions	19,725,310	-
Net difference between projected and actual earnings on pension plan investments	<u>1,851,575</u>	<u>-</u>
Total Deferred Amounts Related to Pensions	<u><u>\$21,576,885</u></u>	<u><u>\$ 2,711,703</u></u>

Subsequent to the measurement date, the following amounts will be recognized in pension expense in the upcoming years:

<u>Year Ending April 30</u>	<u>Amortization of Deferred Items</u>
2017	\$ 3,125,431
2018	3,125,431
2019	3,125,431
2020	3,125,430
2021	2,662,537
Thereafter	<u>3,700,922</u>
Total	<u><u>\$ 18,865,182</u></u>

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Police Pension Fund (continued)

Sensitivity to the Discount Rate

The Net Pension Liability has been determined using the discount rate listed in the assumption section. Below is a table illustrating the sensitivity of the Net Pension Liability to the discount rate assumption.

	1% Lower (3.85%)	Current Discount (4.85%)	1% Higher (5.85%)
Net Pension Liability	\$ 56,370,237	\$ 43,824,948	\$ 33,927,601

The sensitivity of the Net Pension Liability to the discount rate is based primarily on two factors:

1. The duration of the plan’s expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The funded percentage of the plan (ratio of the net position to the total pension liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

Defined Benefit Pension Plan – Firefighters’ Pension Fund

Firefighters’ Pension Fund

Firemen sworn personnel of the City of Zion are covered by the Zion Firefighters’ Pension Fund, which is a defined benefit single-employer pension plan administered by the Zion Firefighters’ Pension Fund. The Zion Firefighters’ 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 Firefighters’ Pension Fund, 2828 Sheridan Road, Zion, Illinois 60099.

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 Firefighters’ 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 ½ of the salary attached to the rank held on the last day of service, or for one year prior to the las 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.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Firefighters' Pension Fund (continued)

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 ½ 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. ½% 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 ½ of the change in the Consumer Price Index for the proceeding calendar year.

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.

Employees Covered by Benefit Terms

As of April 30, 2016, the following employees were covered by the benefit terms:

	Firefighters' Pension
Retirees and Beneficiaries currently receiving benefits	24
Inactive Plan Members entitled to by not yet receiving benefits	-
Active plan members	26
Total	<u>50</u>

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Firefighters' Pension Fund (continued)

Contributions

The Actuarially Determined Contribution (ADC) includes the determination of the Normal Cost Contribution for active plan members, as well as provision for the payment of unfunded liability.

The actuarial funding method used in the determination of the normal cost and the actuarial liability is the Entry Age Normal Cost method (level percent of pay). The method allocates normal cost contributions by employee over the working career of the employee as a level percent of their pay.

Unfunded liability is the excess of the actuarial liability over the actuarial value of assets. The actuarially determined contribution includes a payment towards unfunded liability existing at the actuarial valuation date. The payment towards unfunded liability is set up as a level percent of payroll payment that is expected to increase during the payment period. The period of repayment as of the Actuarial Valuation Date is 24 years.

The Actuarial Value of Assets smooths gains and losses on the market value of assets over a 5 year period.

Under no circumstances will the Actuarially Determined Contribution be less than the amount determined as the Statutory Minimum Contribution under Illinois statutes.

There is no Formal Funding Policy that exists between the Pension Board and the City at this time. The following factors are considered and described herein:

1. The five-year contribution history of the Employer (with a focus on the average contributions from those sources);
2. All other known events and conditions; and
3. Consideration of subsequent events.

When reviewing contribution history, although contributions as a percent of payroll are least volatile, the average of contributions as a percent of the Actuarially Determined Contribution is near 90%, therefore, the informal funding policy that has been determined for future contributions is 87.15% of the Actuarially Determined Contribution. This represents the full future contributions expected to be made.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Firefighters’ Pension Fund (continued)

Actuarial Assumptions

Actuarial Assumptions (Economic)

Discount Rate used for the Total Pension Liability	5.72%
Long-Term Expected Rate of Return on Plan Assets	7.00%
High Quality 20 Year Tax-Exempt GO Bond Rate	3.32%
Projected Individual Salary Increases	3.75% - 15.75%
Projected Increase in Total Payroll	3.25%
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%

Actuarial Assumptions (Demographic)

Mortality Table	L&A 2016 Illinois Firefighters Mortality Rates
Retirement Rates	90% L&A 2016 Illinois Firefighters Retirement Rates Capped at age 65
Disability Rates	120% L&A 2016 Illinois Firefighters Disability Rates
Termination Rates	90% L&A 2016 Illinois Firefighters Termination Rates
Percent Married	80%

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis.

Assumption Changes

The Assumptions were changed from the prior year.

The assumed rate on High Quality 20 Year Tax-Exempt GO Bonds was changed to 3.32% for the current year. The underlying index used in the Bond Buyer 20-Bond GO Index. The choice of the index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the index.

The discount rate used in the determination of the Total Pension Liability was changed from 6.75% to 5.72%.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Firefighters’ Pension Fund (continued)

The demographic assumptions were changed to the tables shown on the prior page. The changes were made based on a study of Firefighters and firefighters’ pension funds in Illinois. The changes were made to better reflect the future anticipated experience of the fund. The assumptions impacted include:

- Mortality Rates
- Mortality Improvement Rates
- Retirement Rates
- Disability Rates
- Termination Rates

Individual Pay Increases

Individual pay increases include provisions for annual cost of living increases, plus any additional increases in pensionable pay provided (step increases, longevity increases, promotions, educations, etc.). Sample rates are as follows:

<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>
0	7.01%	8	4.00%
1	8.70%	9	9.00%
2	8.44%	10	4.00%
3	7.72%	15	4.00%
4	4.00%	20	4.00%
5	4.00%	25	3.75%
6	15.75%	30	3.75%
7	4.00%		

Demographic Assumptions

Mortality rates are based on the assumption study prepared by the actuary in 2016. The table combines observed experience of Illinois Firefighters with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

Other demographic assumption rates are based on a review of assumptions in the 2016 actuarial study for Illinois Firefighters.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Firefighters’ Pension Fund (continued)

Postemployment Benefit Changes

Eligibility for postemployment benefit increases is determined based on the Illinois Pension code. Tier 1 Firefighter retirees are provided with an annual 3.0% increase in retirement benefits by statute when eligible. Tier 2 Firefighter retirees are provided postemployment benefit increases based on one-half of the Consumer Price Index (Urban) for the prior September.

The CPI-U for September, 1985 was 108.3. The CPI-U for September, 2015 was 237.9. The average increase in the CPI-U for September, 1985 through September, 2015 was 2.66% (on a compounded basis).

Expected Return on Pension Plan Investments

The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return on assets shown below are from the State of Illinois Department of Insurance Actuarial Experience Study dated September 26, 2012. The best estimate of future real rates of return are developed for each of the major asset classes. Expected inflation is added back in. Adjustment is made to reflect geometric returns.

The rates provided below are based on an arithmetic average. The Investment Policy Statement will provide more detail regarding the Fund’s policies on asset allocation targets and acceptable ranges.

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return
US Large Cap Equity	8.30%	2.50%	5.80%
US Mid Cap Equity	9.30%	2.50%	6.80%
US Small Cap Equity	9.30%	2.50%	6.80%
Non-US Developed Large Cap Equity Unhedged	8.40%	2.50%	5.90%
Emerging Markets Equity Unhedged	10.50%	2.50%	8.00%
US Corporate Bonds	4.20%	2.50%	1.70%
US Government Fixed Income	3.20%	2.50%	0.70%
US Cash	3.00%	2.50%	0.50%
Lobal Real Estate - REITS	8.30%	2.50%	5.80%
Commodities - Long Only	4.90%	2.50%	2.40%

Long-term expected real returns under GASB are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates provided above are intended to estimate those figures.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Firefighters’ Pension Fund (continued)

The expected inflation rate is 2.50% and is included in the total long-term rate of return on investments. The inflation rate is from the same source as the long-term real rates of return, and is not necessarily reflective of the inflation measures used for other purposes in the report.

Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. The higher the volatility, the greater the difference.

Discount Rate

The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan’s future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan’s projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan’s projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

Projected benefit payments are determined during the actuarial process based on the assumptions. More details on the assumptions are in the prior section. The expected contributions are based on the funding policy of the plan. The funding policy is discussed in more detail in a later section.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Firefighters’ Pension Fund (continued)

Statement of Changes in Net Pension Liability

The following table illustrates the change in the Net Pension Liability (NPL) from May 1, 2015 to April 30, 2016:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2015	\$ 32,786,884	\$ 15,410,280	\$ 17,376,604
Changes for the year:			
Service Cost	798,240	-	798,240
Interest on the Total Pension Liability	1,838,024	-	1,838,024
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(669,214)	-	(669,214)
Changes of Assumptions	4,411,843	-	4,411,843
Contributions - Employer	-	932,135	(932,135)
Contributions - Employees	-	227,773	(227,773)
Contributions - Other	-	8,341	(8,341)
Net Investment Income	-	(269,523)	269,523
Benefit Payments, including Refunds of Employee Contributions	(1,307,211)	(1,307,211)	-
Administrative Expenses	-	(51,006)	51,006
Balances at April 30, 2016	\$ 37,858,566	\$ 14,950,789	\$ 22,907,777

Deferred Outflows and Inflows of Resources

The following table illustrates the cumulative amounts to be shown as deferred outflows and inflows of resources. Changes in total pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the pension fund. Differences in projected and actual earnings over the measurement period are recognized over a 5-year period. Amounts not yet recognized as of April 30, 2016 are as follows:

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Firefighters’ Pension Fund (continued)

Deferred Amounts Related to Pensions	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<i>Deferred Amounts to be Recognized in Pension Expense in Future Periods</i>		
Differences between expected and actual experience	\$ -	\$ 580,104
Changes in assumptions	3,824,380	-
Net difference between projected and actual earnings on pension plan investments	1,073,276	-
Total Deferred Amounts Related to Pensions	\$4,897,656	\$ 580,104

Subsequent to the measurement date, the following amounts will be recognized in pension expense in the upcoming years:

<u>Year Ending April 30</u>	<u>Amortization of Deferred Items</u>
2017	\$ 766,672
2018	766,672
2019	766,672
2020	766,672
2021	498,353
Thereafter	752,511
Total	\$ 4,317,552

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Defined Benefit Pension Plan – Firefighters’ Pension Fund (continued)

Sensitivity of the Discount Rate

The Net Pension Liability has been determined using the discount rate listed in the assumption section. Below is a table illustrating the sensitivity of the Net Pension Liability to the discount rate assumption.

	1% Lower (4.72%)	Current Discount (5.72%)	1% Higher (6.72%)
Net Pension Liability	\$ 29,068,574	\$ 22,907,777	\$ 17,944,620

The sensitivity of the Net Pension Liability to the discount rate is based primarily on two factors:

1. The duration of the plan’s expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The funded percentage of the plan (ratio of the net position to the total pension liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

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 post employment 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 2016, the City’s annual OPEB cost was \$294,338. 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, 2016

NOTE H – RETIREMENT FUND COMMITMENTS (continued)

Other Post Employment Benefits (continued)

Annual Required Contribution	\$	303,970
Interest on Net OPEB Obligation		19,228
Adjustment to ARC		(28,860)
Annual OPEB Cost		294,338
Estimated Employer Contributions		(202,731)
Change in Net OPEB Obligation		91,607
Net OPEB Obligation - May 1, 2014		549,378
Net OPEB Obligation - April 30, 2015	\$	640,985
		Actuarial Valuation Date 5/1/2012
Actuarial Accrued Liability (AAL)	\$	4,724,360
Actuarial Value of Assets		-
Unfunded AAL	\$	4,724,360
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, 2016, the projected unit credit method was used. The actuarial assumptions included an annual healthcare cost trend rate of 7.00% initially, reduced by decrements to an ultimate of 5.00% by the fiscal year 2026. The Unfunded Accrued Actuarial Liability (equal to AAL) is being amortized as a level dollar of projected payrolls over 30 years. A discount rate of 3.50% was used. Probabilities of death for participants were according to the RP-2000 Combined Mortality Table for males and females with mortality improvement projected to 2016 using Scale AA. It was estimated that 10% of future retirees will elect medical 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, 2016

NOTE I – LONG-TERM LIABILITIES

The following is a summary of governmental activities long-term liabilities for the year ended April 30, 2016:

	<u>5/1/2015</u>	<u>Increases</u>	<u>Retirements</u>	<u>4/30/2016</u>	<u>Current Portion</u>
Other Liabilities:					
Accrued Vacation Liability	\$ 618,890	\$ 686,797	\$ 618,890	\$ 686,797	\$ 686,797
Capital Lease	698,817	-	230,429	468,388	237,028
Net OPEB Obligation	549,378	294,338	202,731	640,985	-
Net Pension Liability	39,253,576	36,438,898	7,183,110	68,509,364	-
Long-Term Obligations:					
General Obligation Limited Tax Debt Certificates, Series 2007	1,515,000	-	190,000	1,325,000	200,000
General Obligation Bonds, Series 2012 (Special Tax Allocation Fund Alternate Revenue Source)	2,500,000	-	285,000	2,215,000	305,000
General Obligation Refunding Bonds, Series 2012A (Special Tax Allocation Fund Alternate Revenue Source)	1,160,000	-	570,000	590,000	590,000
General Obligation Refunding Bonds, Series 2012B (Combined Zion Energy LLC Agreement Fees and Motor Fuel Tax) Receipts Alternate Revenue Bonds	1,485,000	-	355,000	1,130,000	370,000
General Obligation Refunding Bonds, Series 2012C (Combined Zion Energy LLC Agreement Fees and Motor Fuel Tax) Receipts Alternate Revenue Bonds	1,000,000	-	240,000	760,000	250,000
General Obligation Refunding Bonds, Series 2013 (Area 3 South Sheridan Road Special Tax Allocation Fund Alternate Revenue Bonds)	885,000	-	170,000	715,000	170,000
General Obligation Taxable Debt Certificates, Series 2014	3,700,000	-	140,000	3,560,000	160,000
Discount on Long-Term Liabilities	(75,858)	-	(17,502)	(58,356)	(15,379)
Governmental Long-Term Liability Totals	\$ 53,289,803	\$ 37,420,033	\$ 10,167,658	\$ 80,542,178	\$ 2,953,446

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

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

The following is a summary of business-type activities long-term liabilities for the year ended April 30, 2016:

	5/1/2015	Increases	Retirements	4/30/2016	Current Portion
Capital Lease	\$ 69,801	\$ -	\$ 22,588	\$ 47,213	\$ 23,261
Net Pension Liability	142,760	429,687	145,093	427,354	-
General Obligation Refunding Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2006	1,505,000	-	1,505,000	-	-
General Obligation Refunding Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2015	-	1,175,000	-	1,175,000	10,000
Premium on Bonds Issued	15,613	-	15,613	-	-
Business-Type Long-Term Liability Totals	\$ 1,733,174	\$ 1,604,687	\$ 1,688,294	\$ 1,649,567	\$ 33,261

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
2017	\$ 11,989	\$ 506	\$ 12,495
	\$ 11,989	\$ 506	\$ 12,495

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
2017	\$ 139,955	\$ 9,042	\$ 148,997
2018	144,405	4,592	148,997
	\$ 284,360	\$ 13,634	\$ 297,994

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

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

Capital Lease Obligations (continued)

On May 15, 2013 the City acquired dump and sweeper trucks through a lease/purchase agreement. The gross amount of the assets is \$335,555, which is included in capital assets in the governmental activities on the Statement of Net 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
2017	\$ 85,084	\$ 5,147	\$ 90,231
2018	87,620	2,611	90,231
	\$ 172,704	\$ 7,758	\$ 180,462

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 Net 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
2017	\$ 23,261	\$ 1,407	\$ 24,668
2018	23,952	716	24,668
	\$ 47,213	\$ 2,123	\$ 49,336

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
2017	\$ 200,000	\$ 56,553	\$ 256,553
2018	205,000	48,053	253,053
2019	215,000	39,340	254,340
2020	225,000	30,203	255,203
2021	235,000	20,640	255,640
2022	245,000	10,535	255,535
	\$ 1,325,000	\$ 205,324	\$ 1,530,324

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

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

General Obligation Debt (continued)

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
2017	\$ 305,000	\$ 132,900	\$ 437,900
2018	325,000	114,600	439,600
2019	365,000	95,100	460,100
2020	385,000	73,200	458,200
2021	405,000	50,100	455,100
2022	430,000	25,800	455,800
	\$ 2,215,000	\$ 491,700	\$ 2,706,700

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

General Obligation Bonds, Series 2012-A were issued on December 17, 2012 in the amount of \$2,215,000 with an interest rate of 1.80%, payable June 30 and December 30 each year. Proceeds were used to refund the General Obligation Bonds (Special Tax Allocation Fund Alternate Revenue Source), Series 2002-A and to pay the related costs of issuance. These bonds are secured by (a) incremental taxes received from the Sheridan Road Redevelopment Project Area, and (b) from taxes to be levied upon all of the taxable property in the City. Debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2017	\$ 590,000	\$ 10,620	\$ 600,620
	\$ 590,000	\$ 10,620	\$ 600,620

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

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

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

General Obligation Debt (continued)

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
2017	\$ 370,000	\$ 26,555	\$ 396,555
2018	375,000	17,860	392,860
2019	385,000	9,048	394,048
	\$ 1,130,000	\$ 53,463	\$ 1,183,463

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

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

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

General Obligation Debt (continued)

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
2017	\$ 250,000	\$ 17,860	\$ 267,860
2018	250,000	11,985	261,985
2019	260,000	6,110	266,110
	\$ 760,000	\$ 35,955	\$ 795,955

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, 2016

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
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
	\$ 715,000	\$ 46,411	\$ 761,411

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, 2016

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
2017	\$ 160,000	\$ 126,380	\$ 286,380
2018	200,000	120,700	320,700
2019	200,000	113,600	313,600
2020	3,000,000	106,500	3,106,500
	\$ 3,560,000	\$ 467,180	\$ 4,027,180

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

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

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

On December 29, 2015, the outstanding balance of the General Obligation Refunding Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2006 were refunded by issuing the General Obligation Refunding Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2015. As of April 30, 2016, the remaining balance on the outstanding debt is \$0.

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

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

General Obligation Debt (continued)

General Obligation Refunding Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2015

General Obligation Refunding Bonds were issued on December 29, 2015 in the amount of \$1,175,000 with a fixed interest rate of 1.73% payable May 1 and November 1 each year. Proceeds have been used to reduce remaining principal of the Series 2006 issue.

Debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2017	\$ 10,000	\$ 16,966	\$ 26,966
2018	225,000	18,208	243,208
2019	230,000	14,273	244,273
2020	235,000	10,250	245,250
2021	235,000	6,185	241,185
2022	240,000	2,076	242,076
	\$ 1,175,000	\$ 67,958	\$ 1,242,958

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$25,479. This difference, reported in the accompanying financial statements as a deduction from 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 5 years by \$58,773 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$58,762.

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, 2016

NOTE J – INTERFUND TRANSACTIONS AND BALANCES (continued)

Due From/Due To Other Funds:

At April 30, 2016, interfund receivables, payables, and advances consisted of the following:

Fund	Due from/ Advance to Other Funds	Due to/ Advance from Other Funds
General Fund:		
Internal Service Fund	\$ 80,015	\$ -
Nonmajor Governmental Funds	877,243	-
	957,258	-
Water and Sewer Fund:		
Waste Collection	580,089	-
	580,089	-
Internal Service Fund:		
General fund	-	80,015
	-	80,015
Waste Collection:		
Water and Sewer Fund	-	580,089
	-	580,089
Nonmajor Governmental:		
General Fund	-	877,243
	-	877,243
Total	\$ 1,537,347	\$ 1,537,347

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE J – INTERFUND TRANSACTIONS AND BALANCES (continued)

Due From/Due To Other Funds (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, 2016:

Fund	Transfer In	Transfer Out
General Fund:		
TIF Area #1 Fund	\$ 6,000	\$ -
TIF Area #3 Fund	3,000	-
Nonmajor Governmental Funds	2,519,473	1,526,312
	2,528,473	1,526,312
TIF Area #1 Fund:		
General Fund	-	6,000
Nonmajor Governmental Funds	-	591,870
	-	597,870
TIF Area #3 Fund:		
General Fund	-	3,000
Nonmajor Governmental Funds	-	193,741
	-	196,741
Nonmajor Governmental:		
General Fund	1,526,312	2,519,473
TIF Area #1 Fund	591,870	-
TIF Area #3 Fund	193,741	-
Nonmajor Governmental	608,422	608,422
	2,920,345	3,127,895
Total	\$5,448,818	\$5,448,818

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE J – INTERFUND TRANSACTIONS AND BALANCES (continued)

Due From/Due To Other Funds (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	\$ 15,791
Emergency Service Rescue	Law	167,335
Zion-Newport Fire Station	Law	11,119
Development TIF Area #1	Law	383,424
Development TIF Area #3	Law	1,358,670
Development TIF Area #4	Law	2,915
Drug Traffic Prevention	Law	126,085
Motor Fuel Tax	Law	340,631
Audit	Law	13,936
Cable Commission	Law	21,571
Hotel/Motel Tax	Law	190,325
Total Restricted Net Position for Other Purposes		\$ 2,631,802

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	\$ 34,543,266	\$ 4,452,013
Net of of related debt:		
Capital leases	(468,388)	(47,213)
Bonds payable	(10,295,000)	(1,175,000)
(Premium) discount on long-term bonds	58,356	-
Deferred charge on refunding	46,733	25,479
Net investment in capital assets	\$ 23,884,967	\$ 3,255,279

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

NOTE L – FUND BALANCES

Categories

At April 30, 2016, the City's fund balance was classified as follows:

	General	Development TIF Area #1	Development TIF Area #3	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepays	\$ 143,633	\$ -	\$ -	\$ -	\$ 143,633
Total Nonspendable	143,633	-	-	-	143,633
Restricted for:					
Debt service	-	-	-	-	-
Zion-Newport Fire Station	-	-	-	11,119	11,119
Emergency Service Rescue	-	-	-	167,335	167,335
Motor Fuel Tax	-	-	-	340,631	340,631
Development TIF Area # 1	-	383,424	-	-	383,424
Development TIF Area # 3	-	-	1,358,670	-	1,358,670
Development TIF Area # 4	-	-	-	2,915	2,915
Liability Insurance	-	-	-	15,791	15,791
Audit	-	-	-	13,936	13,936
Drug Traffic Prevention	-	-	-	126,085	126,085
Cable Commission	-	-	-	21,571	21,571
Hotel/Motel Tax	-	-	-	190,325	190,325
Total Restricted	-	383,424	1,358,670	889,708	2,631,802
Committed for:					
911 Emergency Surcharge	-	-	-	36,624	36,624
Street and Bridge	-	-	-	322,871	322,871
Other	-	-	-	2	2
Total Committed	-	-	-	359,497	359,497
Total Unassigned	2,826,298	-	-	(904,486)	1,921,812
Total Fund Balance	\$ 2,969,931	\$ 383,424	\$ 1,358,670	\$ 344,719	\$ 5,056,744

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

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 requests for reimbursement 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. As of April 30, 2016, there are no further commitments related to this agreement.

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:

<u>Year Ending April 30,</u>	
2017	\$ 777,041
2018	542,342
Total	<u>\$ 1,319,383</u>

CITY OF ZION, ILLINOIS

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended April 30, 2016

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, 2016:

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, 2016, will be within the covered limits of the City's insurance policies and will not materially affect the financial condition of the City. Therefore, there is no provision for significant estimated claims.

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

NOTE O – RESTATEMENT

The City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and the related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of May 1, 2015. The standard revises and establishes new financial reporting requirements for most governments that provide their employees with a defined benefit pension. As a result, the City's beginning of the year net position has been restated as follows:

	Governmental Activities	Business-Type Activities	Water and Sewer
Net position, April 30, 2015, as previously reported	\$ 23,967,497	\$ 5,156,383	\$ 5,994,913
Adjustment to recognize the beginning balance of Net Pension Liability and Deferred Outflows and Inflows of Resources	(36,579,041)	(57,046)	(57,046)
Net position, April 30, 2015, as restated	\$ (12,611,544)	\$ 5,099,337	\$ 5,937,867

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

CITY OF ZION, ILLINOIS

***REQUIRED SUPPLEMENTARY
INFORMATION***

CITY OF ZION, ILLINOIS
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
For the Year Ended April 30, 2016

	2016
Total Pension Liability:	
Service Cost	\$ 400,246
Interest	1,647,031
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(49,812)
Changes in Assumptions	29,814
Benefit Payments and Refunds	(959,228)
Net Change in Total Pension Liability	1,068,051
Total Pension Liability - Beginning	22,239,910
Total Pension Liability - Ending	\$ 23,307,961
Plan Fiduciary Net Position:	
Contributions - Employer	\$ 423,590
Contributions - Member	166,767
Net Investment Income	106,598
Benefit Payments and Refunds	(959,228)
Administrative Expense	-
Other	(137,792)
Net Change in Plan Fiduciary Net Position	(400,065)
Plan Fiduciary Net Position - Beginning	21,504,033
Plan Fiduciary Net Position - Ending	\$ 21,103,968
Employer Net Pension Liability - Ending	\$ 2,203,993
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.54%
Covered-Employee Payroll	\$ 3,705,950
Employer Net Pension Liability as a Percentage of Covered Employee-Payroll	59.47%

Notes to the Required Supplementary Information

Note 1. Changes in assumptions related to mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates were made since the prior measurement date.

Note 2. GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however the fiscal years completed prior to enactment of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in fiscal year 2016.

CITY OF ZION, ILLINOIS
SCHEDULE OF CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND
For the Year Ended April 30, 2016

	2016
Actuarially Determined Contribution	\$ 423,590
Contributions in Relation to the Actuarially Determined Contribution	423,590
Contribution Deficiency (Excess)	\$ -
Covered-Employee Payroll	\$ 3,705,950
Contribution as a Percentage of Covered-Employee Payroll	11.43%

Notes to the Required Supplementary Information

Valuation Date. Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year contributions are reported.

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 28-year closed period until remaining period reaches 15 years (the 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10-years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 23 years for most employers (two employers were financed over 32 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Growth	4.00%
Price Inflation	3.00% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 - 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years

Other Information

Notes There were no benefit changes during the year.

CITY OF ZION, ILLINOIS
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
POLICE PENSION FUND
For the Year Ended April 30, 2016

	<u>2016</u>	<u>2015</u>
Total Pension Liability:		
Service Cost	\$ 1,685,418	\$ 1,065,992
Interest	2,331,132	3,218,200
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(3,136,070)	-
Changes in Assumptions	22,812,214	-
Benefit Payments and Refunds	(2,343,098)	(2,044,692)
Net Change in Total Pension Liability	<u>21,349,596</u>	<u>2,239,500</u>
Total Pension Liability - Beginning	49,236,132	46,996,632
Total Pension Liability - Ending	<u>\$ 70,585,728</u>	<u>\$ 49,236,132</u>
Plan Fiduciary Net Position:		
Contributions - Employer	\$ 1,149,486	\$ 995,843
Contributions - Member	409,829	414,277
Net Investment Income	(384,359)	2,127,421
Benefit Payments and Refunds	(2,343,098)	(2,044,692)
Administrative Expense	(71,945)	(45,356)
Other	-	-
Net Change in Plan Fiduciary Net Position	<u>(1,240,087)</u>	<u>1,447,493</u>
Plan Fiduciary Net Position - Beginning	28,000,867	26,553,374
Plan Fiduciary Net Position - Ending	<u>\$ 26,760,780</u>	<u>\$ 28,000,867</u>
Employer Net Pension Liability - Ending	<u>\$ 43,824,948</u>	<u>\$ 21,235,265</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.91%	56.87%
Covered-Employee Payroll	\$ 3,862,772	\$ 4,086,319
Employer Net Pension Liability as a Percentage of Covered Employee-Payroll	1134.55%	519.67%

Notes to the Required Supplementary Information

Note 1. Changes in assumptions related to mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates were made since the prior measurement date. A primary reason for the change in assumption amount is the decrease of the discount rate from 7.00% to 4.85%.

Note 2. GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however the fiscal years completed prior to enactment of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in fiscal year 2016.

CITY OF ZION, ILLINOIS
SCHEDULE OF CONTRIBUTIONS
POLICE PENSION FUND
For the Year Ended April 30, 2016

	2016	2015
Actuarially Determined Contribution	\$ 1,690,153	\$ 1,312,035
Contributions in Relation to the Actuarially Determined Contribution	1,149,486	995,843
Contribution Deficiency (Excess)	\$ 540,667	\$ 316,192
 Covered-Employee Payroll	 \$ 3,862,772	 \$ 4,086,319
Contribution as a Percentage of Covered- Employee Payroll	29.76%	24.37%

Notes to the Required Supplementary Information

Fiscal Year End for Reporting	April 30, 2016
Measurement Date	April 30, 2016
Actuarial Valuation Date	May 1, 2016
Actuarial Valuation Date - Data Date	April 30, 2016
Asset Valuation Method	Market Value
Actuarial Cost Method	Entry Age Normal (Level %)
Amortization Method	Straight Line
Amortization Period:	
Actuarial Experience (TPL)	7.39 Years
Changes in Assumptions	7.39 Years
Asset Experience	5.00 Years

CITY OF ZION, ILLINOIS
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND
For the Year Ended April 30, 2016

	<u>2016</u>	<u>2015</u>
Total Pension Liability:		
Service Cost	\$ 798,240	\$ 728,226
Interest	1,838,024	2,014,664
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(669,214)	-
Changes in Assumptions	4,411,843	-
Benefit Payments and Refunds	(1,307,211)	(1,241,213)
Net Change in Total Pension Liability	<u>5,071,682</u>	<u>1,501,677</u>
Total Pension Liability - Beginning	<u>32,786,884</u>	<u>31,285,207</u>
Total Pension Liability - Ending	<u>\$ 37,858,566</u>	<u>\$ 32,786,884</u>
Plan Fiduciary Net Position:		
Contributions - Employer	\$ 932,135	\$ 789,443
Contributions - Member	236,114	229,193
Net Investment Income	(269,523)	949,599
Benefit Payments and Refunds	(1,307,211)	(1,241,213)
Administrative Expense	(51,006)	(31,266)
Net Change in Plan Fiduciary Net Position	<u>(459,491)</u>	<u>695,756</u>
Plan Fiduciary Net Position - Beginning	<u>15,410,280</u>	<u>14,714,524</u>
Plan Fiduciary Net Position - Ending	<u>\$ 14,950,789</u>	<u>\$ 15,410,280</u>
Employer Net Pension Liability - Ending	<u>\$ 22,907,777</u>	<u>\$ 17,376,604</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	39.49%	47.00%
Covered-Employee Payroll	\$ 2,379,756	\$ 2,325,644
Employer Net Pension Liability as a Percentage of Covered Employee-Payroll	962.61%	747.17%

Notes to the Required Supplementary Information

Note 1. Changes in assumptions related to mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates were made since the prior measurement date. A primary reason for the change in assumption amount is the decrease of the discount rate from 6.57% to 5.72%.

Note 2. GASB Statement No. 68 requires the presentation of 10 fiscal years of data; however the fiscal years completed prior to enactment of this pronouncement are not required to be presented in this schedule. The pronouncement was adopted in fiscal year 2016.

CITY OF ZION, ILLINOIS
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND
For the Year Ended April 30, 2016

	2016	2015
Actuarially Determined Contribution	\$ 1,188,404	\$ 1,047,048
Contributions in Relation to the Actuarially Determined Contribution	932,135	789,443
Contribution Deficiency (Excess)	\$ 256,269	\$ 257,605
 Covered-Employee Payroll	 \$ 2,379,756	 \$ 2,325,644
Contribution as a Percentage of Covered- Employee Payroll	39.17%	33.95%

Notes to the Required Supplementary Information

Fiscal Year End for Reporting	April 30, 2016
Measurement Date	April 30, 2016
Actuarial Valuation Date	May 1, 2016
Actuarial Valuation Date - Data Date	April 30, 2016
Asset Valuation Method	Market Value
Actuarial Cost Method	Entry Age Normal (Level %)
Amortization Method	Straight Line
Amortization Period:	
Actuarial Experience (TPL)	7.51 Years
Changes in Assumptions	7.51 Years
Asset Experience	5.00 Years

CITY OF ZION, ILLINOIS
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
For the Year Ended April 30, 2016

<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	\$ -	\$ 4,724,360	\$ 4,724,360	0.00%	N/A	N/A
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, 2016

	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	\$ 2,780	\$ 74,130	\$ 167,335	\$ 36,364	\$ -	\$ -	\$ 300,914	\$ 2,915
Taxes receivable, net of allowance for uncollectables of \$46,580	-	-	561,261	224,836	488,377	399,807	-	12,056
Utility taxes and franchise fees	-	-	-	-	-	-	-	-
Other receivables and current assets	61,559	-	-	-	-	-	-	-
Due from other governmental agencies	-	341	-	-	-	-	55,559	-
TOTAL ASSETS	\$ 64,339	\$ 74,471	\$ 728,596	\$ 261,200	\$ 488,377	\$ 399,807	\$ 356,473	\$ 14,971
LIABILITIES								
Accounts payable	\$ -	\$ 63,352	\$ -	\$ 4,650	\$ -	\$ -	\$ 15,842	\$ -
Due to other governmental agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	142,799	140,257	-	-
Accrued payroll	-	-	-	-	13,725	13,518	-	-
TOTAL LIABILITIES	-	63,352	-	4,650	156,524	153,775	15,842	-
DEFERRED INFLOWS OF RESOURCES								
Subsequent year tax levy	-	-	561,261	224,836	488,377	399,807	-	12,056
Unavailable revenue	27,715	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	27,715	-	561,261	224,836	488,377	399,807	-	12,056
FUND BALANCES (DEFICITS)								
Restricted	-	11,119	167,335	-	-	-	340,631	2,915
Committed	36,624	-	-	31,714	-	-	-	-
Unassigned (deficit)	-	-	-	-	(156,524)	(153,775)	-	-
TOTAL FUND BALANCES (DEFICITS)	36,624	11,119	167,335	31,714	(156,524)	(153,775)	340,631	2,915
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	\$ 64,339	\$ 74,471	\$ 728,596	\$ 261,200	\$ 488,377	\$ 399,807	\$ 356,473	\$ 14,971

CITY OF ZION, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 April 30, 2016

	SPECIAL REVENUE FUNDS								Total Special Revenue Funds
	Police Protection	Fire Protection	Liability Insurance	Audit	Drug Traffic Prevention	Industrial Development	Cable Commission	Hotel/Motel Tax	
ASSETS									
Cash and equivalents	\$ -	\$ -	\$ 15,791	\$ 13,936	\$ 222,501	\$ -	\$ 21,571	\$ 213,330	\$ 1,071,567
Taxes receivable, net of allowance for uncollectables of \$46,580	-	774,746	945,956	-	-	-	-	-	3,407,039
Utility taxes and franchise fees	-	-	-	-	-	-	-	-	-
Other receivables and current assets	-	-	-	-	-	-	-	13,890	75,449
Due from other governmental agencies	-	-	-	-	-	-	-	-	55,900
TOTAL ASSETS	\$ -	\$ 774,746	\$ 961,747	\$ 13,936	\$ 222,501	\$ -	\$ 21,571	\$ 227,220	\$ 4,609,955
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,321	\$ -	\$ -	\$ 36,895	\$ 123,060
Due to other governmental agencies	-	-	-	-	94,095	-	-	-	94,095
Due to other funds	22,929	571,258	-	-	-	-	-	-	877,243
Accrued payroll	-	-	-	-	-	-	-	-	27,243
TOTAL LIABILITIES	22,929	571,258	-	-	96,416	-	-	36,895	1,121,641
DEFERRED INFLOWS OF RESOURCES									
Subsequent year tax levy	-	774,746	945,956	-	-	-	-	-	3,407,039
Unavailable revenue	-	-	-	-	-	-	-	-	27,715
TOTAL DEFERRED INFLOWS OF RESOURCES	-	774,746	945,956	-	-	-	-	-	3,434,754
FUND BALANCES (DEFICITS)									
Restricted	-	-	15,791	13,936	126,085	-	21,571	190,325	889,708
Committed	-	-	-	-	-	-	-	-	68,338
Unassigned (deficit)	(22,929)	(571,258)	-	-	-	-	-	-	(904,486)
TOTAL FUND BALANCES (DEFICITS)	(22,929)	(571,258)	15,791	13,936	126,085	-	21,571	190,325	53,560
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	\$ -	\$ 774,746	\$ 961,747	\$ 13,936	\$ 222,501	\$ -	\$ 21,571	\$ 227,220	\$ 4,609,955

CITY OF ZION, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
 April 30, 2016

	DEBT SERVICE FUNDS						Total Nonmajor Governmental Funds	
	Capital Projects	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	\$ 309,165	\$ 1	\$ -	\$ -	\$ -	\$ 1	\$ 2	\$ 1,380,734
Taxes receivable, net of allowance for uncollectables of \$46,580	-	-	-	-	-	-	-	3,407,039
Utility taxes and franchise fees	-	-	-	-	-	-	-	-
Other receivables and current assets	-	-	-	-	-	-	-	75,449
Due from other governmental agencies	-	-	-	-	-	-	-	55,900
TOTAL ASSETS	\$ 309,165	\$ 1	\$ -	\$ -	\$ -	\$ 1	\$ 2	\$ 4,919,122
LIABILITIES								
Accounts payable	\$ 18,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,068
Due to other governmental agencies	-	-	-	-	-	-	-	94,095
Due to other funds	-	-	-	-	-	-	-	877,243
Accrued payroll	-	-	-	-	-	-	-	27,243
TOTAL LIABILITIES	18,008	-	-	-	-	-	-	1,139,649
DEFERRED INFLOWS OF RESOURCES								
Subsequent year tax levy	-	-	-	-	-	-	-	3,407,039
Unavailable revenue	-	-	-	-	-	-	-	27,715
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	3,434,754
FUND BALANCES (DEFICITS)								
Restricted	-	-	-	-	-	-	-	889,708
Committed	291,157	1	-	-	-	1	2	359,497
Unassigned (deficit)	-	-	-	-	-	-	-	(904,486)
TOTAL FUND BALANCES (DEFICITS)	291,157	1	-	-	-	1	2	344,719
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)	\$ 309,165	\$ 1	\$ -	\$ -	\$ -	\$ 1	\$ 2	\$ 4,919,122

CITY OF ZION, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Year Ended April 30, 2016

	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	\$ -	\$ -	\$ 557,341	\$ 222,924	\$ 476,465	\$ 390,069	\$ -	\$ 2,915
Other taxes	176,440	-	-	-	-	-	-	-
Permits and other fees	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	643,490	-
Interest	20,051	-	-	-	-	-	969	-
Miscellaneous	14,000	-	-	11,625	-	-	689,102	-
TOTAL REVENUES	210,491	-	557,341	234,549	476,465	390,069	1,333,561	2,915
EXPENDITURES								
Current:								
Public health and safety	118,893	63,352	-	-	-	-	-	-
Public works and engineering	-	-	-	189,564	416,475	409,459	176,644	-
Economic development and promotion	-	-	-	-	-	-	-	-
Debt Service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	1,004,263	-
TOTAL EXPENDITURES	118,893	63,352	-	189,564	416,475	409,459	1,180,907	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	91,598	(63,352)	557,341	44,985	59,990	(19,390)	152,654	2,915
OTHER FINANCING SOURCES (USES)								
Inception of capital lease	-	-	-	-	-	-	-	-
Transfers in	-	62,791	-	-	-	-	-	-
Transfers (out)	-	(63,352)	(557,341)	-	-	-	(333,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(561)	(557,341)	-	-	-	(333,000)	-
NET CHANGE IN FUND BALANCE	91,598	(63,913)	-	44,985	59,990	(19,390)	(180,346)	2,915
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(54,974)	75,032	167,335	(13,271)	(216,514)	(134,385)	520,977	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 36,624	\$ 11,119	\$ 167,335	\$ 31,714	\$ (156,524)	\$ (153,775)	\$ 340,631	\$ 2,915

CITY OF ZION, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Year Ended April 30, 2016

	SPECIAL REVENUE FUNDS								
	Police Protection	Fire Protection	Liability Insurance	Audit	Drug Traffic Prevention	Industrial Development	Cable Commission	Hotel/Motel Tax	Total Special Revenue Funds
REVENUES									
Property taxes	\$ -	\$ 770,979	\$ 941,326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,362,019
Other taxes	-	-	-	-	-	-	178,935	-	355,375
Permits and other fees	-	-	-	-	-	414,325	-	-	414,325
Intergovernmental	-	-	-	-	-	-	-	-	643,490
Interest	-	-	-	-	-	-	-	-	21,020
Miscellaneous	-	-	-	-	35,003	-	-	-	749,730
TOTAL REVENUES	-	770,979	941,326	-	35,003	414,325	-	178,935	5,545,959
EXPENDITURES									
Current:									
Public health and safety	-	-	-	-	15,902	-	-	-	198,147
Public works and engineering	-	-	-	-	-	-	-	-	1,192,142
Economic development and promotion	-	-	-	-	-	-	103,390	-	103,390
Debt Service:									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	1,004,263
TOTAL EXPENDITURES	-	-	-	-	15,902	-	-	103,390	2,497,942
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	770,979	941,326	-	19,101	414,325	-	75,545	3,048,017
OTHER FINANCING SOURCES (USES)									
Inception of capital lease	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	62,791
Transfers (out)	-	(770,979)	(941,325)	-	-	(422,378)	-	(39,520)	(3,127,895)
TOTAL OTHER FINANCING SOURCES (USES)	-	(770,979)	(941,325)	-	-	(422,378)	-	(39,520)	(3,065,104)
NET CHANGE IN FUND BALANCE	-	-	1	-	19,101	(8,053)	-	36,025	(17,087)
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	(22,929)	(571,258)	15,790	13,936	106,984	8,053	21,571	154,300	70,647
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (22,929)	\$ (571,258)	\$ 15,791	\$ 13,936	\$ 126,085	\$ -	\$ 21,571	\$ 190,325	\$ 53,560

CITY OF ZION, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Year Ended April 30, 2016

	DEBT SERVICE FUNDS							Total Nonmajor Governmental Funds
	Capital Projects	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	
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,362,019
Other taxes	-	-	-	-	-	-	-	355,375
Permits and other fees	-	-	-	-	-	-	-	414,325
Intergovernmental	214,490	-	-	-	-	-	-	857,980
Interest	-	130	241	159	107	77	714	21,734
Miscellaneous	-	-	-	-	-	-	-	749,730
TOTAL REVENUES	214,490	130	241	159	107	77	714	5,761,163
EXPENDITURES								
Current:								
Public health and safety	-	-	-	-	-	-	-	198,147
Public works and engineering	-	-	-	-	-	-	-	1,192,142
Economic development and promotion	-	-	-	-	-	-	-	103,390
Debt Service:								
Principal retirement	230,429	615,000	570,000	355,000	240,000	170,000	1,950,000	2,180,429
Interest and fiscal charges	21,293	350,451	22,105	36,123	24,725	23,793	457,197	478,490
Bond issuance costs	-	1,698	-	-	-	-	1,698	1,698
Capital Outlay	315,284	-	-	-	-	-	-	1,319,547
TOTAL EXPENDITURES	567,006	967,149	592,105	391,123	264,725	193,793	2,408,895	5,473,843
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(352,516)	(967,019)	(591,864)	(390,964)	(264,618)	(193,716)	(2,408,181)	287,320
OTHER FINANCING SOURCES (USES)								
Inception of capital lease	-	-	-	-	-	-	-	-
Transfers in	560,615	965,697	591,870	333,000	212,631	193,741	2,296,939	2,920,345
Transfers (out)	-	-	-	-	-	-	-	(3,127,895)
TOTAL OTHER FINANCING SOURCES (USES)	560,615	965,697	591,870	333,000	212,631	193,741	2,296,939	(207,550)
NET CHANGE IN FUND BALANCE	208,099	(1,322)	6	(57,964)	(51,987)	25	(111,242)	79,770
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	83,058	1,323	(6)	57,964	51,987	(24)	111,244	264,949
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 291,157	\$ 1	\$ -	\$ -	\$ -	\$ 1	\$ 2	\$ 344,719

CITY OF ZION, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			2015	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget Positive (Negative)	
REVENUES					
Taxes:					
Property	\$ 979,601	\$ 979,601	\$ 2,917,104	\$ 1,937,503	\$ 2,828,734
Sales	2,443,958	2,443,958	2,600,838	156,880	2,443,722
Utility	1,891,746	1,891,746	1,512,309	(379,437)	1,717,650
Income	2,416,654	2,416,654	2,934,745	518,091	2,390,878
Replacement	531,972	531,972	498,687	(33,285)	541,684
Entertainment	7,500	7,500	13,112	5,612	12,423
Total Taxes	8,271,431	8,271,431	10,476,795	2,205,364	9,935,091
Licenses, Permits, and Fees:					
Business licenses	71,000	71,000	96,108	25,108	76,546
Vehicle licenses	99,000	99,000	82,726	(16,274)	120,975
Permits	245,000	245,000	405,439	160,439	1,171,600
Franchise fees	286,158	286,158	262,822	(23,336)	293,662
Host fees	2,307,098	2,307,098	2,399,414	92,316	2,541,742
Game licenses	-	-	-	-	-
Gas generating fee	50,000	50,000	50,000	-	50,000
Ambulance Fees	751,000	751,000	1,048,705	297,705	769,168
Other	50,000	50,000	104,941	54,941	36,187
Total Licenses, Permits, and Fees	3,859,256	3,859,256	4,450,155	590,899	5,059,880
Fines and Forfeitures:					
Property violation fines	200,000	200,000	156,752	(43,248)	233,235
Animal control fines	10,000	10,000	9,381	(619)	10,189
Traffic fines	144,000	144,000	187,426	43,426	184,153
Non-traffic fines	143,400	143,400	(47,896)	(191,296)	110,823
Total Fines and Forfeitures	497,400	497,400	305,663	(191,737)	538,400
Rental Revenue	24,000	24,000	22,400	(1,600)	20,250
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	71,354	(28,646)	35,458
Insurance payments	245,000	245,000	213,968	(31,032)	212,946
Reimbursement of City expenses	160,000	160,000	333,624	173,624	229,489
Total Charges for Services	670,000	670,000	783,946	113,946	642,893
Intergovernmental	54,074	54,074	86,984	32,910	409,210
Donations and Grants	64,500	64,500	54,528	(9,972)	77,061
Interest	250	250	4,328	4,078	5,593
Sale of City Property	-	-	-	-	-
Sale of Easement and other City Property	-	-	-	-	7,702
Miscellaneous	30,000	30,000	23,712	(6,288)	9,829
TOTAL REVENUES	\$ 13,470,911	\$ 13,470,911	\$ 16,208,511	\$ 2,737,600	\$ 16,705,909

CITY OF ZION, ILLINOIS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
EXPENDITURES				
General Government:				
Legislative:				
Personal services	\$ 252,801	\$ 252,801	\$ 254,048	\$ (1,247)
Contractual services	86,627	86,627	95,844	(9,217)
Materials and supplies	7,450	7,450	7,177	273
Repairs and maintenance	-	-	-	-
	<u>346,878</u>	<u>346,878</u>	<u>357,069</u>	<u>(10,191)</u>
Public Affairs - Legal:				
Contractual services	255,000	255,000	344,020	(89,020)
	<u>255,000</u>	<u>255,000</u>	<u>344,020</u>	<u>(89,020)</u>
Accounts and Finance:				
Personal services	388,290	388,290	386,562	1,728
Contractual services	188,888	188,888	215,069	(26,181)
Materials and supplies	26,371	26,371	28,934	(2,563)
Repairs and maintenance	-	-	-	-
	<u>603,549</u>	<u>603,549</u>	<u>630,565</u>	<u>(27,016)</u>
Public Property:				
Contractual services	118,950	118,950	114,682	4,268
Materials and supplies	2,150	2,150	2,963	(813)
Repairs and maintenance	23,050	23,050	22,519	531
Capital outlay	-	-	-	-
	<u>144,150</u>	<u>144,150</u>	<u>140,164</u>	<u>3,986</u>
Debt Service:				
Interest and fiscal charges	-	-	28,155	(28,155)
	<u>-</u>	<u>-</u>	<u>28,155</u>	<u>(28,155)</u>
Total General Government	<u>1,349,577</u>	<u>1,349,577</u>	<u>1,499,973</u>	<u>(150,396)</u>
Public Health and Safety:				
Police Department:				
Personal services	5,202,781	5,172,781	6,291,946	(1,119,165)
Contractual services	1,631,580	1,630,980	1,653,116	(22,136)
Materials and supplies	293,045	290,545	237,590	52,955
Repairs and maintenance	92,178	92,178	114,925	(22,747)
Capital outlay	9,000	9,000	8,552	448
	<u>7,228,584</u>	<u>7,195,484</u>	<u>8,306,129</u>	<u>(1,110,645)</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, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
EXPENDITURES (continued)				
Public Health and Safety (continued):				
Fire Department:				
Personal services	\$ 2,705,355	\$ 2,705,355	\$ 3,595,869	\$ (890,514)
Contractual services	1,061,317	1,061,317	1,113,505	(52,188)
Materials and supplies	118,922	118,922	115,813	3,109
Repairs and maintenance	93,444	93,444	120,641	(27,197)
Capital outlay	-	-	-	-
	<u>3,979,038</u>	<u>3,979,038</u>	<u>4,945,828</u>	<u>(966,790)</u>
Civil Defense:				
Personal services	10,000	10,000	10,000	-
Contractual services	8,680	8,680	8,675	5
Materials and supplies	19,500	21,000	6,743	14,257
Repairs and maintenance	9,500	9,500	5,706	3,794
	<u>47,680</u>	<u>49,180</u>	<u>31,124</u>	<u>18,056</u>
Public Health:				
Personal services	65,375	60,375	58,957	1,418
Contractual services	19,172	19,172	18,933	239
Materials and supplies	1,100	1,100	918	182
Repairs and maintenance	800	800	3,233	(2,433)
	<u>86,447</u>	<u>81,447</u>	<u>82,041</u>	<u>(594)</u>
Fire and Police Commission:				
Personal services	1,800	1,800	610	1,190
Contractual services	17,075	17,075	12,912	4,163
	<u>18,875</u>	<u>18,875</u>	<u>13,522</u>	<u>5,353</u>
Total Public Health and Safety	<u>11,360,624</u>	<u>11,324,024</u>	<u>13,378,644</u>	<u>(2,054,620)</u>
Public Works and Engineering:				
Planning and Zoning:				
Personal services	-	-	-	-
Contractual services	7,700	7,700	10,949	(3,249)
	<u>7,700</u>	<u>7,700</u>	<u>10,949</u>	<u>(3,249)</u>
Public Works:				
Personal services	903,843	903,843	882,306	21,537
Contractual services	604,074	604,074	681,076	(77,002)
Materials and supplies	111,400	111,400	90,007	21,393
Repairs and maintenance	112,000	112,000	126,345	(14,345)
Capital outlay	-	-	-	-
	<u>1,731,317</u>	<u>1,731,317</u>	<u>1,779,734</u>	<u>(48,417)</u>
Public Service Program:				
Personal services	94,628	94,628	94,067	561
Contractual services	22,062	22,062	19,866	2,196
Materials and supplies	450	450	329	121
	<u>117,140</u>	<u>117,140</u>	<u>114,262</u>	<u>2,878</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, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
EXPENDITURES (continued)				
Public Works and Engineering (continued):				
Inspection:				
Personal services	\$ 338,743	\$ 338,743	\$ 387,672	\$ (48,929)
Contractual services	244,049	244,049	273,416	(29,367)
Materials and supplies	23,250	23,250	25,885	(2,635)
Repairs and maintenance	1,500	1,500	3,993	(2,493)
Capital outlay	-	-	-	-
	<u>607,542</u>	<u>607,542</u>	<u>690,966</u>	<u>(83,424)</u>
Lake Mound Cemetery:				
Contractual services	100	100	118	(18)
Repairs and maintenance	-	-	4,068	(4,068)
	<u>100</u>	<u>100</u>	<u>4,186</u>	<u>(4,086)</u>
Total Public Works and Engineering	<u>2,463,799</u>	<u>2,463,799</u>	<u>2,600,097</u>	<u>(136,298)</u>
Economic Development and Promotion:				
Community Economic Development:				
Personal services	59,296	59,296	59,376	(80)
Contractual services	357,494	357,494	431,913	(74,419)
Materials and supplies	4,380	4,380	6,746	(2,366)
Repairs and maintenance	1,000	1,000	-	1,000
Capital outlay	-	-	-	-
	<u>422,170</u>	<u>422,170</u>	<u>498,035</u>	<u>(75,865)</u>
Liquor Commission:				
Personal services	1,400	1,400	1,500	(100)
Contractual services	800	800	3,137	(2,337)
	<u>2,200</u>	<u>2,200</u>	<u>4,637</u>	<u>(2,437)</u>
City Contributions:				
Contractual services	276,025	276,025	219,225	56,800
	<u>276,025</u>	<u>276,025</u>	<u>219,225</u>	<u>56,800</u>
Jubilee Days:				
Contractual services	33,520	33,520	31,650	1,870
	<u>33,520</u>	<u>33,520</u>	<u>31,650</u>	<u>1,870</u>
Total Economic Development and Promotion	<u>733,915</u>	<u>733,915</u>	<u>753,547</u>	<u>(19,632)</u>
TOTAL EXPENDITURES	<u>15,907,915</u>	<u>15,871,315</u>	<u>18,232,261</u>	<u>(2,360,946)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,437,004)</u>	<u>(2,400,404)</u>	<u>(2,023,750)</u>	<u>5,098,546</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,131,913	3,131,913	2,528,473	(603,440)
Transfers (out)	(1,552,854)	(1,552,854)	(1,526,312)	26,542
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,579,059</u>	<u>1,579,059</u>	<u>1,002,161</u>	<u>(576,898)</u>
NET CHANGE IN FUND BALANCE	<u>(857,945)</u>	<u>(821,345)</u>	<u>(1,021,589)</u>	<u>(200,244)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>3,991,520</u>	<u>3,991,520</u>	<u>3,991,520</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,133,575</u>	<u>\$ 3,170,175</u>	<u>\$ 2,969,931</u>	<u>\$ (200,244)</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, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
OPERATING REVENUES					
Water sales	\$ 2,501,000	\$ 2,501,000	\$ 2,896,448	\$ 395,448	\$ 2,463,918
Sewer service charge	752,000	752,000	870,993	118,993	747,126
Connection fees	46,500	46,500	16,400	(30,100)	56,400
Turn on fees and miscellaneous	60,000	60,000	79,100	19,100	77,568
Penalties	45,000	45,000	47,805	2,805	44,585
Meter sales and repairs	9,000	9,000	5,988	(3,012)	11,038
Grants	104,000	104,000	19,000	(85,000)	-
TOTAL REVENUES	3,517,500	3,517,500	3,935,734	418,234	3,400,635
OPERATING EXPENSES					
Personal Services:					
Regular water	831,436	831,436	897,038	(65,602)	807,408
Overtime	40,000	40,000	31,809	8,191	40,428
Administrative	33,183	33,183	40,413	(7,230)	32,758
Total Personal Services	904,619	904,619	969,260	(64,641)	880,594
Contractual Services:					
Purchase of water	1,195,000	1,195,000	1,156,767	38,233	1,194,160
Consultants and legal	5,000	5,000	2,884	2,116	3,074
Memberships	1,250	1,250	1,281	(31)	300
Consultant - IT	10,000	10,000	4,851	5,149	7,496
Service charge	82,500	82,500	82,500	-	82,500
Insurance	107,934	107,934	93,766	14,168	131,232
Hospitalization and life	283,640	283,640	283,539	101	174,786
Telephone	13,500	13,500	9,783	3,717	14,111
Travel and conference	5,000	5,000	2,760	2,240	-
Professional	5,250	5,250	5,250	-	5,000
Contingent	100	100	-	100	67
Newsletter	6,500	6,500	5,142	1,358	5,068
Utilities	8,500	8,500	15,819	(7,319)	11,652
Equipment rental	1,250	1,250	225	1,025	1,100
Training	2,000	2,000	1,531	469	85
Miscellaneous	-	-	-	-	3
Total Contractual Services	1,727,424	1,727,424	1,666,098	61,326	1,630,634
Materials and Supplies:					
Uniforms	8,500	8,500	21,913	(13,413)	5,756
Gas and oil	50,000	50,000	36,665	13,335	46,285
Office and related expenses	14,000	14,000	16,530	(2,530)	20,336
Computer software	11,000	11,000	2,941	8,059	-
Computer supplies	1,500	1,500	1,500	-	2,071
Meter repair parts	1,000	1,000	-	1,000	-
Small tools	2,500	2,500	1,187	1,313	2,319
Miscellaneous	30,000	30,000	21,022	8,978	16,147
Total Materials and Supplies	118,500	118,500	101,758	16,742	92,914

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, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	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	13,050	11,950	11,557
Sewer equipment	15,000	15,000	2,813	12,187	5,001
Office equipment	250	250	-	250	-
Distribution system	380,000	380,000	463,259	(83,259)	405,836
Motor equipment	65,000	65,000	36,775	28,225	67,359
Buildings and grounds	13,500	13,500	17,119	(3,619)	11,616
Water meters	67,500	67,500	67,375	125	169,494
Total Repairs and Maintenance	<u>567,250</u>	<u>567,250</u>	<u>600,391</u>	<u>(33,141)</u>	<u>670,863</u>
Capital Outlay:					
Motor equipment	24,668	24,668	-	24,668	-
Sewer projects	-	-	33,679	(33,679)	90,999
Total Capital Outlay	<u>24,668</u>	<u>24,668</u>	<u>33,679</u>	<u>(9,011)</u>	<u>90,999</u>
Depreciation	-	-	240,240	(240,240)	330,966
TOTAL OPERATING EXPENSES	<u>3,342,461</u>	<u>3,342,461</u>	<u>3,611,426</u>	<u>(268,965)</u>	<u>3,696,970</u>
(LOSS) INCOME FROM OPERATIONS	<u>175,039</u>	<u>175,039</u>	<u>324,308</u>	<u>149,269</u>	<u>(296,335)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest income	10,500	10,500	18,672	8,172	28,561
Principal	(190,000)	(190,000)	-	190,000	-
Interest and fiscal charges	(75,698)	(75,698)	(107,263)	(31,565)	(86,658)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(255,198)</u>	<u>(255,198)</u>	<u>(88,591)</u>	<u>166,607</u>	<u>(58,097)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	356,698	256,698	193,569	(63,129)	353,868
Transfers (out)	(356,698)	(256,698)	(193,569)	63,129	(353,868)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(80,159)</u>	<u>(80,159)</u>	<u>235,717</u>	<u>315,876</u>	<u>(354,432)</u>
NET POSITION - BEGINNING OF YEAR	<u>5,994,913</u>	<u>5,994,913</u>	<u>5,937,867</u>	<u>57,046</u>	<u>6,349,345</u>
NET POSITION - END OF YEAR	<u>\$ 5,914,754</u>	<u>\$ 5,914,754</u>	<u>\$ 6,173,584</u>	<u>\$ 372,922</u>	<u>\$ 5,994,913</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, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
OPERATING REVENUES					
Waste collection fees	\$ 1,875,000	\$ 1,875,000	\$ 1,894,005	\$ 19,005	\$ 1,884,360
Garbage cart revenue	15,000	15,000	9,712	(5,288)	15,710
TOTAL REVENUES	1,890,000	1,890,000	1,903,717	13,717	1,900,070
OPERATING EXPENSES					
Contractual Services:					
Contracted waste collection	950,000	950,000	931,078	18,922	963,632
Garbage cart lease	15,000	15,000	13,000	2,000	11,400
Compost dumping	325,000	325,000	310,319	14,681	318,354
Leaf and chip dumping	15,000	15,000	-	15,000	7,125
Recycling	275,000	275,000	265,782	9,218	272,646
Recycling bins	-	-	-	-	-
Service charge	82,500	82,500	82,500	-	82,500
Landfill closing costs	55,000	55,000	48,490	6,510	51,959
Legal fees	500	500	-	500	-
Total Contractual Services	<u>1,718,000</u>	<u>1,718,000</u>	<u>1,651,169</u>	<u>66,831</u>	<u>1,707,616</u>
Materials and Supplies:					
Fuel and oil	-	-	-	-	-
Office and related expenses	-	-	9,667	(9,667)	11,191
Total Materials and Supplies	<u>-</u>	<u>-</u>	<u>9,667</u>	<u>(9,667)</u>	<u>11,191</u>
TOTAL OPERATING EXPENSES	1,718,000	1,718,000	1,660,836	57,164	1,718,807
INCOME FROM OPERATIONS	172,000	172,000	242,881	70,881	181,263
CHANGE IN NET POSITION	172,000	172,000	242,881	70,881	181,263
NET POSITION (DEFICIT) - BEGINNING OF YEAR	(838,530)	(838,530)	(838,530)	-	(1,019,793)
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ (666,530)</u>	<u>\$ (666,530)</u>	<u>\$ (595,649)</u>	<u>\$ 70,881</u>	<u>\$ (838,530)</u>

CITY OF ZION, ILLINOIS
911 EMERGENCY SURCHARGE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Emergency surcharge tax	\$ 160,000	\$ 160,000	\$ 176,440	\$ 16,440	\$ 162,890
Rental revenue	26,735	26,735	20,051	(6,684)	26,151
Miscellaneous	-	-	14,000	14,000	14,000
TOTAL REVENUES	186,735	186,735	210,491	23,756	203,041
EXPENDITURES					
Contractual Services:					
Consultant - IT	13,000	13,000	1,590	11,410	4,571
Legal fees	-	-	1,045	(1,045)	-
Telephone service	42,325	42,325	37,683	4,642	44,866
Travel and conference	500	-	-	-	-
Total Contractual Services	55,825	55,325	40,318	15,007	49,437
Repairs and Maintenance:					
Equipment	124,500	124,500	78,575	45,925	80,166
Capital Outlay:					
Building and equipment	-	-	-	-	-
TOTAL EXPENDITURES	180,325	179,825	118,893	60,932	129,603
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,410	6,910	91,598	84,688	73,438
FUND BALANCE - BEGINNING OF YEAR	(54,974)	(54,974)	(54,974)	-	(128,412)
FUND BALANCE - END OF YEAR	\$ (48,564)	\$ (48,064)	\$ 36,624	\$ 84,688	\$ (54,974)

CITY OF ZION, ILLINOIS
ZION-NEWPORT FIRE STATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
EXPENDITURES					
Distribution to Newport Fire	55,086	55,086	63,352	(8,266)	198,840
Miscellaneous	-	-	-	-	-
TOTAL EXPENDITURES	55,086	55,086	63,352	(8,266)	198,840
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(55,086)	(55,086)	(63,352)	(8,266)	(198,840)
OTHER FINANCING SOURCES					
Transfers in	110,172	110,172	62,791	(47,381)	63,913
Transfers (out)	(55,086)	(55,086)	(63,352)	8,266	(198,840)
TOTAL OTHER FINANCING SOURCES (USES)	55,086	55,086	(561)	(39,115)	(134,927)
NET CHANGE IN FUND BALANCE	-	-	(63,913)	(47,381)	(333,767)
FUND BALANCE - BEGINNING OF YEAR	75,032	75,032	75,032	-	408,799
FUND BALANCE - END OF YEAR	<u>\$ 75,032</u>	<u>\$ 75,032</u>	<u>\$ 11,119</u>	<u>\$ (47,381)</u>	<u>\$ 75,032</u>

CITY OF ZION, ILLINOIS
EMERGENCY SERVICE RESCUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	<u>2016</u>			Variance with Final Budget Positive (Negative)	<u>2015</u>
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 566,899	\$ 566,899	\$ 557,341	\$ (9,558)	\$ 605,769
TOTAL REVENUES	<u>566,899</u>	<u>566,899</u>	<u>557,341</u>	<u>(9,558)</u>	<u>605,769</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>566,899</u>	<u>566,899</u>	<u>557,341</u>	<u>(9,558)</u>	<u>605,769</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(566,899)</u>	<u>(566,899)</u>	<u>(557,341)</u>	<u>9,558</u>	<u>(605,769)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(566,899)</u>	<u>(566,899)</u>	<u>(557,341)</u>	<u>9,558</u>	<u>(605,769)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING OF YEAR	<u>167,335</u>	<u>167,335</u>	<u>167,335</u>	<u>-</u>	<u>167,335</u>
FUND BALANCE - END OF YEAR	<u>\$ 167,335</u>	<u>\$ 167,335</u>	<u>\$ 167,335</u>	<u>\$ -</u>	<u>\$ 167,335</u>

CITY OF ZION, ILLINOIS
STREET AND BRIDGE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 226,760	\$ 226,760	\$ 222,924	\$ (3,836)	\$ 242,330
Miscellaneous	11,625	11,625	11,625	-	85,000
TOTAL REVENUES	<u>238,385</u>	<u>238,385</u>	<u>234,549</u>	<u>(3,836)</u>	<u>327,330</u>
EXPENDITURES					
Contractual Services:					
Streets and alleys	426,015	426,015	189,564	236,451	455,159
Total Contractual Services	<u>426,015</u>	<u>426,015</u>	<u>189,564</u>	<u>236,451</u>	<u>455,159</u>
Capital Outlay:					
Streets and alleys	-	-	-	-	-
Total Materials and Supplies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>426,015</u>	<u>426,015</u>	<u>189,564</u>	<u>236,451</u>	<u>455,159</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(187,630)</u>	<u>(187,630)</u>	<u>44,985</u>	<u>232,615</u>	<u>(127,829)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	120,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,000</u>
NET CHANGE IN FUND BALANCE	(187,630)	(187,630)	44,985	232,615	(7,829)
FUND BALANCE - BEGINNING OF YEAR	<u>(13,271)</u>	<u>(13,271)</u>	<u>(13,271)</u>	<u>-</u>	<u>(5,442)</u>
FUND BALANCE - END OF YEAR	<u>\$ (200,901)</u>	<u>\$ (200,901)</u>	<u>\$ 31,714</u>	<u>\$ 232,615</u>	<u>\$ (13,271)</u>

CITY OF ZION, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 483,610	\$ 483,610	\$ 476,465	\$ (7,145)	\$ 460,371
TOTAL REVENUES	<u>483,610</u>	<u>483,610</u>	<u>476,465</u>	<u>(7,145)</u>	<u>460,371</u>
EXPENDITURES					
Contractual Services:					
Illinois Municipal Retirement Fund:					
City contributions	<u>474,951</u>	<u>474,951</u>	<u>416,475</u>	<u>58,476</u>	<u>449,635</u>
TOTAL EXPENDITURES	<u>474,951</u>	<u>474,951</u>	<u>416,475</u>	<u>58,476</u>	<u>449,635</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>8,659</u>	<u>8,659</u>	<u>59,990</u>	<u>51,331</u>	<u>10,736</u>
FUND BALANCE - BEGINNING OF YEAR	<u>(216,514)</u>	<u>(216,514)</u>	<u>(216,514)</u>	<u>-</u>	<u>(227,250)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (207,855)</u></u>	<u><u>\$ (207,855)</u></u>	<u><u>\$ (156,524)</u></u>	<u><u>\$ 51,331</u></u>	<u><u>\$ (216,514)</u></u>

CITY OF ZION, ILLINOIS
FICA FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 395,955	\$ 395,955	\$ 390,069	\$ (5,886)	\$ 382,812
Interest	-	-	-	-	-
TOTAL REVENUES	<u>395,955</u>	<u>395,955</u>	<u>390,069</u>	<u>(5,886)</u>	<u>382,812</u>
EXPENDITURES					
Contractual Services:					
FICA City share	<u>407,560</u>	<u>407,560</u>	<u>409,459</u>	<u>(1,899)</u>	<u>401,874</u>
TOTAL EXPENDITURES	<u>407,560</u>	<u>407,560</u>	<u>409,459</u>	<u>(1,899)</u>	<u>401,874</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(11,605)</u>	<u>(11,605)</u>	<u>(19,390)</u>	<u>(7,785)</u>	<u>(19,062)</u>
NET CHANGE IN FUND BALANCE	(11,605)	(11,605)	(19,390)	(7,785)	(19,062)
FUND BALANCE - BEGINNING OF YEAR	<u>(134,385)</u>	<u>(134,385)</u>	<u>(134,385)</u>	-	<u>(115,323)</u>
FUND BALANCE - END OF YEAR	<u>\$ (145,990)</u>	<u>\$ (145,990)</u>	<u>\$ (153,775)</u>	<u>\$ (7,785)</u>	<u>\$ (134,385)</u>

CITY OF ZION, ILLINOIS
MOTOR FUEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Motor fuel tax allotments	\$ 600,000	\$ 600,000	\$ 643,490	\$ 43,490	\$ 815,889
Grants	863,836	863,836	689,102	(174,734)	-
Interest	75	75	969	894	76
TOTAL REVENUES	1,463,911	1,463,911	1,333,561	(130,350)	815,965
EXPENDITURES					
Contracted Projects:					
Comprehensive patching program	50,000	50,000	57,960	(7,960)	-
Miscellaneous projects	150,000	150,000	107,987	42,013	162,241
General maintenance	-	-	10,697	(10,697)	86,831
Total Contracted Projects	200,000	200,000	176,644	23,356	249,072
Capital Outlay:					
Surface Transportation Program	-	-	1,004,263	(1,004,263)	-
Total Capital Outlay	-	-	1,004,263	(1,004,263)	-
TOTAL EXPENDITURES	200,000	200,000	1,180,907	(980,907)	249,072
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,263,911	1,263,911	152,654	(1,111,257)	566,893
OTHER FINANCING SOURCES (USES)					
Transfers out	(391,148)	(391,148)	(333,000)	58,148	(384,088)
TOTAL OTHER FINANCING SOURCES (USES)	(391,148)	(391,148)	(333,000)	58,148	(384,088)
NET CHANGE IN FUND BALANCE	872,763	872,763	(180,346)	(1,053,109)	182,805
FUND BALANCE - BEGINNING OF YEAR	520,977	520,977	520,977	-	338,172
FUND BALANCE - END OF YEAR	\$ 1,393,740	\$ 1,393,740	\$ 340,631	\$ (1,053,109)	\$ 520,977

CITY OF ZION, ILLINOIS
DEVELOPMENT TIF AREA #4 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ -	\$ -	\$ 2,915	\$ 2,915	\$ 28,010
TOTAL REVENUES	-	-	2,915	2,915	28,010
EXPENDITURES					
Miscellaneous	-	-	-	-	33,689
TOTAL EXPENDITURES	-	-	-	-	33,689
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	2,915	2,915	(5,679)
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-	5,679
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 2,915	\$ 2,915	\$ -

CITY OF ZION, ILLINOIS
POLICE PROTECTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>(22,929)</u>	<u>(22,929)</u>	<u>(22,929)</u>	-	<u>(22,929)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (22,929)</u></u>	<u><u>\$ (22,929)</u></u>	<u><u>\$ (22,929)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (22,929)</u></u>

CITY OF ZION, ILLINOIS
FIRE PROTECTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 782,578	\$ 782,578	\$ 770,979	\$ (11,599)	\$ 777,772
TOTAL REVENUES	782,578	782,578	770,979	(11,599)	777,772
EXPENDITURES					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	782,578	782,578	770,979	(11,599)	777,772
OTHER FINANCING SOURCES (USES)					
Transfers (out)	(782,578)	(782,578)	(770,979)	11,599	(777,772)
TOTAL OTHER FINANCING SOURCES (USES)	(782,578)	(782,578)	(770,979)	11,599	(777,772)
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	(571,258)	(571,258)	(571,258)	-	(571,258)
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
LIABILITY INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Property taxes	\$ 955,512	\$ 955,512	\$ 941,326	\$ (14,186)	\$ 949,833
TOTAL REVENUES	955,512	955,512	941,326	(14,186)	949,833
EXPENDITURES					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	955,512	955,512	941,326	(14,186)	949,833
OTHER FINANCING SOURCES (USES)					
Transfers out	(955,512)	(955,512)	(941,325)	14,187	(949,833)
TOTAL OTHER FINANCING SOURCES (USES)	(955,512)	(955,512)	(941,325)	14,187	(949,833)
NET CHANGE IN FUND BALANCE	-	-	1	1	-
FUND BALANCE - BEGINNING OF YEAR	15,790	15,790	15,790	-	15,790
FUND BALANCE - END OF YEAR	<u>\$ 15,790</u>	<u>\$ 15,790</u>	<u>\$ 15,791</u>	<u>\$ 1</u>	<u>\$ 15,790</u>

CITY OF ZION, ILLINOIS
AUDIT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	<u>2016</u>			Variance with Final Budget Positive (Negative)	<u>2015</u>
	<u>Budgeted Amounts</u>		<u>Actual</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>			
REVENUES					
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
Contractual Services:					
Professional fees	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	13,936	13,936	13,936	-	13,936
FUND BALANCE - END OF YEAR	<u>\$ 13,936</u>	<u>\$ 13,936</u>	<u>\$ 13,936</u>	<u>\$ -</u>	<u>\$ 13,936</u>

CITY OF ZION, ILLINOIS
DRUG TRAFFIC PREVENTION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Forfeitures	\$ 19,000	\$ 19,000	\$ 29,303	\$ 10,303	\$ 87,943
Grants	5,900	5,900	5,700	(200)	5,700
Miscellaneous	-	-	-	-	1,200
TOTAL REVENUES	24,900	24,900	35,003	10,103	94,843
EXPENDITURES					
Materials and Supplies:					
Contraband	3,050	3,050	1,486	1,564	7,638
K-9 unit	5,900	5,900	5,715	185	7,504
Miscellaneous	-	-	8,701	(8,701)	10,024
Total Materials and Supplies	8,950	8,950	15,902	(6,952)	25,166
TOTAL EXPENDITURES	8,950	8,950	15,902	(6,952)	25,166
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,950	15,950	19,101	3,151	69,677
FUND BALANCE - BEGINNING OF YEAR	106,984	106,984	106,984	-	37,307
FUND BALANCE - END OF YEAR	\$ 122,934	\$ 122,934	\$ 126,085	\$ 6,302	\$ 106,984

CITY OF ZION, ILLINOIS
INDUSTRIAL DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	<u>2016</u>			Variance with Final Budget Positive (Negative)	<u>2015</u>
	Budgeted Amounts		Actual		Actual
	<u>Original</u>	<u>Final</u>			
REVENUES					
Host fees	\$ 424,729	\$ 424,729	\$ 414,325	\$ (10,404)	\$ 546,196
TOTAL REVENUES	424,729	424,729	414,325	(10,404)	546,196
EXPENDITURES					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	424,729	424,729	414,325	(10,404)	546,196
OTHER FINANCING SOURCES (USES)					
Transfers (out)	(433,240)	(433,240)	(422,378)	10,862	(539,399)
TOTAL OTHER FINANCING SOURCES (USES)	(433,240)	(433,240)	(422,378)	10,862	(539,399)
NET CHANGE IN FUND BALANCE	(8,511)	(8,511)	(8,053)	458	6,797
FUND BALANCE - BEGINNING OF YEAR	8,053	8,053	8,053	-	1,256
FUND BALANCE - END OF YEAR	<u>\$ (458)</u>	<u>\$ (458)</u>	<u>\$ -</u>	<u>\$ 458</u>	<u>\$ 8,053</u>

CITY OF ZION, ILLINOIS
CABLE COMMISSION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	<u>2016</u>			Variance with Final Budget Positive (Negative)	<u>2015</u>
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
EXPENDITURES					
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>21,571</u>	<u>21,571</u>	<u>21,571</u>	-	<u>21,571</u>
FUND BALANCE - END OF YEAR	<u>\$ 21,571</u>	<u>\$ 21,571</u>	<u>\$ 21,571</u>	<u>\$ -</u>	<u>\$ 21,571</u>

CITY OF ZION, ILLINOIS
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	<u>2016</u>			<u>Variance with Final Budget Positive (Negative)</u>	<u>2015</u>
	<u>Budgeted Amounts</u>		<u>Actual</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>			
REVENUES					
Hotel/motel room tax	\$ 175,000	\$ 175,000	\$ 178,935	\$ 3,935	\$ 179,583
TOTAL REVENUES	<u>175,000</u>	<u>175,000</u>	<u>178,935</u>	<u>3,935</u>	<u>179,583</u>
EXPENDITURES					
Contractual Services:					
Memberships	10,000	10,000	10,000	-	10,000
Promotional	34,000	34,000	30,561	3,439	24,691
Tax rebate	90,000	90,000	62,829	27,171	84,731
Total Contractual Services	<u>134,000</u>	<u>134,000</u>	<u>103,390</u>	<u>30,610</u>	<u>119,422</u>
Materials and Supplies	-	-	-	-	646
TOTAL EXPENDITURES	<u>134,000</u>	<u>134,000</u>	<u>103,390</u>	<u>30,610</u>	<u>120,068</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>41,000</u>	<u>41,000</u>	<u>75,545</u>	<u>34,545</u>	<u>59,515</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	<u>(29,000)</u>	<u>(29,000)</u>	<u>(39,520)</u>	<u>10,520</u>	<u>(28,383)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(29,000)</u>	<u>(29,000)</u>	<u>(39,520)</u>	<u>10,520</u>	<u>(28,383)</u>
NET CHANGE IN FUND BALANCE	12,000	12,000	36,025	45,065	31,132
FUND BALANCE - BEGINNING OF YEAR	<u>154,300</u>	<u>154,300</u>	<u>154,300</u>	-	<u>123,168</u>
FUND BALANCE - END OF YEAR	<u>\$ 166,300</u>	<u>\$ 166,300</u>	<u>\$ 190,325</u>	<u>\$ 45,065</u>	<u>\$ 154,300</u>

CITY OF ZION, ILLINOIS
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Grants	\$ 200,000	\$ 200,000	\$ 214,490	\$ (14,490)	\$ 44,176
Miscellaneous	-	-	-	-	9,425
TOTAL REVENUES	<u>200,000</u>	<u>200,000</u>	<u>214,490</u>	<u>(14,490)</u>	<u>53,601</u>
EXPENDITURES					
Debt Service:					
Principal retirement	-	-	230,429	(230,429)	249,519
Interest and fiscal charges	-	-	21,293	(21,293)	14,829
Total Debt Service	<u>-</u>	<u>-</u>	<u>251,722</u>	<u>(251,722)</u>	<u>264,348</u>
Capital Outlay:					
Equipment	772,403	772,403	315,284	457,119	4,240,098
Total Capital Outlay	<u>772,403</u>	<u>772,403</u>	<u>315,284</u>	<u>457,119</u>	<u>4,240,098</u>
TOTAL EXPENDITURES	<u>772,403</u>	<u>772,403</u>	<u>567,006</u>	<u>205,397</u>	<u>4,504,446</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(572,403)</u>	<u>(572,403)</u>	<u>(352,516)</u>	<u>190,907</u>	<u>(4,450,845)</u>
OTHER FINANCING SOURCES (USES)					
Inception of capital lease	-	-	-	-	455,987
Operating transfers in	572,403	572,403	560,615	(11,788)	4,030,407
TOTAL OTHER FINANCING SOURCES (USES)	<u>572,403</u>	<u>572,403</u>	<u>560,615</u>	<u>(11,788)</u>	<u>4,486,394</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>208,099</u>	<u>179,119</u>	<u>35,549</u>
FUND BALANCE - BEGINNING OF YEAR	<u>83,058</u>	<u>83,058</u>	<u>83,058</u>	<u>-</u>	<u>47,509</u>
FUND BALANCE - END OF YEAR	<u>\$ 83,058</u>	<u>\$ 83,058</u>	<u>\$ 291,157</u>	<u>\$ 179,119</u>	<u>\$ 83,058</u>

CITY OF ZION, ILLINOIS
BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ -	\$ -	\$ 130	\$ 130	\$ 23
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>130</u>	<u>130</u>	<u>23</u>
EXPENDITURES					
Debt Service:					
Principal retirement	615,000	615,000	615,000	-	180,000
Interest and fiscal charges	350,451	350,451	350,451	-	222,463
Bond issuance costs	-	-	1,698	(1,698)	60,725
Total Debt Service	<u>965,451</u>	<u>965,451</u>	<u>967,149</u>	<u>(1,698)</u>	<u>463,188</u>
TOTAL EXPENDITURES	<u>965,451</u>	<u>965,451</u>	<u>967,149</u>	<u>(1,698)</u>	<u>463,188</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(965,451)</u>	<u>(965,451)</u>	<u>(967,019)</u>	<u>(1,568)</u>	<u>(463,165)</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	3,700,000
Bond discount	-	-	-	-	(37,000)
Transfers out	-	-	-	-	(3,603,500)
Transfers in	<u>965,451</u>	<u>965,451</u>	<u>965,697</u>	<u>246</u>	<u>358,601</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>965,451</u>	<u>965,451</u>	<u>965,697</u>	<u>246</u>	<u>418,101</u>
NET CHANGE IN FUND BALANCE	-	-	(1,322)	(1,322)	(45,064)
FUND BALANCE - BEGINNING OF YEAR	<u>1,323</u>	<u>1,323</u>	<u>1,323</u>	<u>-</u>	<u>46,387</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,323</u>	<u>\$ 1,323</u>	<u>\$ 1</u>	<u>\$ (1,322)</u>	<u>\$ 1,323</u>

CITY OF ZION, ILLINOIS
TIF #1 BOND SERIES 2002A FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	<u>2016</u>			Variance with Final Budget Positive (Negative)	<u>2015</u>
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ -	\$ -	\$ 241	\$ 241	\$ 59
TOTAL REVENUES	-	-	241	241	59
EXPENDITURES					
Debt Service:					
Principal retirement	570,000	570,000	570,000	-	540,000
Interest and fiscal charges	22,130	22,130	22,105	25	31,865
Bond issuance costs	-	-	-	-	-
Total Debt Service	<u>592,130</u>	<u>592,130</u>	<u>592,105</u>	<u>25</u>	<u>571,865</u>
TOTAL EXPENDITURES	<u>592,130</u>	<u>592,130</u>	<u>592,105</u>	<u>25</u>	<u>571,865</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(592,130)</u>	<u>(592,130)</u>	<u>(591,864)</u>	<u>266</u>	<u>(571,806)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>592,130</u>	<u>592,130</u>	<u>591,870</u>	<u>(260)</u>	<u>571,800</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>592,130</u>	<u>592,130</u>	<u>591,870</u>	<u>(260)</u>	<u>571,800</u>
NET CHANGE IN FUND BALANCE	-	-	6	6	(6)
FUND BALANCE - BEGINNING OF YEAR	<u>(6)</u>	<u>(6)</u>	<u>(6)</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (6)</u>	<u>\$ (6)</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ (6)</u>

CITY OF ZION, ILLINOIS
BOND SERIES 2002B ROAD BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ -	\$ -	\$ 159	\$ 159	\$ 40
TOTAL REVENUES	-	-	159	159	40
EXPENDITURES					
Debt Service:					
Principal retirement	355,000	355,000	355,000	-	340,000
Interest and fiscal charges	36,148	36,148	36,123	25	44,154
Bond issuance costs	-	-	-	-	-
Total Debt Service	391,148	391,148	391,123	25	384,154
TOTAL EXPENDITURES	391,148	391,148	391,123	25	384,154
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(391,148)	(391,148)	(390,964)	184	(384,114)
OTHER FINANCING SOURCES (USES)					
Transfers in	391,148	391,148	333,000	(58,148)	384,088
TOTAL OTHER FINANCING SOURCES (USES)	391,148	391,148	333,000	(58,148)	384,088
NET CHANGE IN FUND BALANCE	-	-	(57,964)	(57,964)	(26)
FUND BALANCE - BEGINNING OF YEAR	57,964	57,964	57,964	-	57,990
FUND BALANCE - END OF YEAR	\$ 57,964	\$ 57,964	\$ -	\$ (57,964)	\$ 57,964

CITY OF ZION, ILLINOIS
BOND SERIES 2003 ROAD BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ -	\$ -	\$ 107	\$ 107	\$ 28
TOTAL REVENUES	-	-	107	107	28
EXPENDITURES					
Debt Service:					
Principal	240,000	240,000	240,000	-	235,000
Interest and fiscal charges	24,750	24,750	24,725	25	30,289
Total Debt Service	<u>264,750</u>	<u>264,750</u>	<u>264,725</u>	<u>25</u>	<u>265,289</u>
TOTAL EXPENDITURES	<u>264,750</u>	<u>264,750</u>	<u>264,725</u>	<u>25</u>	<u>265,289</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(264,750)</u>	<u>(264,750)</u>	<u>(264,618)</u>	<u>132</u>	<u>(265,261)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>264,750</u>	<u>264,750</u>	<u>212,631</u>	<u>(52,119)</u>	<u>265,222</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>264,750</u>	<u>264,750</u>	<u>212,631</u>	<u>(52,119)</u>	<u>265,222</u>
NET CHANGE IN FUND BALANCE	-	-	(51,987)	(51,987)	(39)
FUND BALANCE - BEGINNING OF YEAR	<u>51,987</u>	<u>51,987</u>	<u>51,987</u>	<u>-</u>	<u>52,026</u>
FUND BALANCE - END OF YEAR	<u>\$ 51,987</u>	<u>\$ 51,987</u>	<u>\$ -</u>	<u>\$ (51,987)</u>	<u>\$ 51,987</u>

CITY OF ZION, ILLINOIS
AREA 3 SOUTH SHERIDAN ROAD PROJECT (DEBT SERVICE)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended April 30, 2016
(With Comparative Actual Totals for 2015)

	2016			Variance with Final Budget Positive (Negative)	2015
	Budgeted Amounts		Actual		Actual
	Original	Final			
REVENUES					
Interest	\$ -	\$ -	\$ 77	\$ 77	\$ 20
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>77</u>	<u>77</u>	<u>20</u>
EXPENDITURES					
Debt Service:					
Principal retirement	170,000	170,000	170,000	-	165,000
Interest and fiscal charges	23,818	23,818	23,793	25	28,020
Total Debt Service	<u>193,818</u>	<u>193,818</u>	<u>193,793</u>	<u>25</u>	<u>193,020</u>
TOTAL EXPENDITURES	<u>193,818</u>	<u>193,818</u>	<u>193,793</u>	<u>25</u>	<u>193,020</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(193,818)</u>	<u>(193,818)</u>	<u>(193,716)</u>	<u>102</u>	<u>(193,000)</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Bond discount	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-
Transfers in	<u>193,818</u>	<u>193,818</u>	<u>193,741</u>	<u>(77)</u>	<u>192,976</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>193,818</u>	<u>193,818</u>	<u>193,741</u>	<u>(77)</u>	<u>192,976</u>
NET CHANGE IN FUND BALANCE	-	-	25	25	(24)
FUND BALANCE - BEGINNING OF YEAR	<u>(24)</u>	<u>(24)</u>	<u>(24)</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (24)</u>	<u>\$ (24)</u>	<u>\$ 1</u>	<u>\$ 25</u>	<u>\$ (24)</u>