

VILLAGE OF MT. ZION, ILLINOIS
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2023

VILLAGE OF MT. ZION, ILLINOIS

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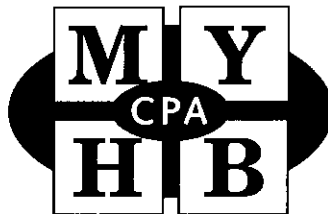
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INDEPENDENT AUDITOR'S REPORT

Mayor and Village Board
 Village of Mt. Zion
 Mt. Zion, Illinois

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Mt. Zion as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village of Mt. Zion's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Mt. Zion, as of December 31, 2023, and the respective changes in modified cash basis financial position, and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1A.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Mt. Zion and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a special purpose framework other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Mayor and Village Board
Village of Mt. Zion
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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village of Mt. Zion's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Mt. Zion's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Mayor and Village Board
Village of Mt. Zion
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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Mt. Zion's financial statements. The schedules listed as "supplementary information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed as "supplementary information" in the table of contents are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the "other information (unaudited)" included in the annual report. The "other information (unaudited)" as listed in the table of contents does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the "other information (unaudited)", and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the "other information (unaudited)" and consider whether a material inconsistency exists between the "other information (unaudited)" and the financial statements, or the "other information (unaudited)" otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the "other information (unaudited)" exists, we are required to describe it in our report.

McGuire, Yuhas, Huffman & Buckley, P.C.

McGuire, Yuhas, Huffman & Buckley, P.C.
Decatur, Illinois
June 17, 2024

VILLAGE OF MT. ZION, ILLINOIS

STATEMENT OF NET POSITION
MODIFIED CASH BASIS

December 31, 2023

	Primary Government		
	Governmental Activities	Business- type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 4,114,980	\$ 789,548	\$ 4,904,528
Certificates of Deposit	570,152	-	570,152
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	-	193,054	193,054
Total Current Assets	4,685,132	982,602	5,667,734
Non-Current Assets			
Land and Easements	971,363	217,438	1,188,801
Property, Plant and Equipment	25,874,381	12,550,449	38,424,830
Less: Accumulated Depreciation	(13,022,752)	(5,519,774)	(18,542,526)
Net Land, Property, Plant and Equipment	13,822,992	7,248,113	21,071,105
Intangible Asset			
Sewer System Annexation Cost (Net of Accumulated Amortization of \$1,119,055)	-	51,198	51,198
Total Non-Current Assets	13,822,992	7,299,311	21,122,303
Total Assets	18,508,124	8,281,913	26,790,037
LIABILITIES			
Current Liabilities			
Notes Payable - current	15,914	111,669	127,583
Bonds Payable - current	270,065	-	270,065
Total Current Liabilities	285,979	111,669	397,648
Non-Current Liabilities			
Notes Payable - non-current	31,110	1,770,938	1,802,048
Bonds Payable - non-current	1,945,342	-	1,945,342
Total Non-Current Liabilities	1,976,452	1,770,938	3,747,390
Total Liabilities	2,262,431	1,882,607	4,145,038
NET POSITION			
Net Investment in Capital Assets	11,560,561	5,416,704	16,977,265
Restricted for:			
Police	64,546	-	64,546
Special Tax, TIF and Business			
District Projects and Agreements	582,321	-	582,321
MFT - Street and Alley Maintenance	813,125	-	813,125
Debt Service	21,761	-	21,761
Audit	29,354	-	29,354
Social Security Tax	39,703	-	39,703
Liability Insurance	36,998	-	36,998
IMRF	179,452	-	179,452
School Crossing Guard	19,986	-	19,986
Unemployment Compensation	49,940	-	49,940
Unrestricted	2,847,946	982,602	3,830,548
Total Net Position	\$ 16,245,693	\$ 6,399,306	\$ 22,644,999

Notes to Financial Statements are an integral part of this statement.

VILLAGE OF MT. ZION, ILLINOIS

STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS

For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Capital Grants and Contributions	
Governmental Activities				
Current				
General Government				
Administration	\$ 630,782	\$ 237,362	\$ 412,100	\$ 18,680
Planning and Zoning	77,846	-	-	(77,846)
Public Safety	1,396,893	79,135	-	(1,317,758)
Streets & Alleys	1,021,482	-	-	(1,021,482)
Culture & Recreation				
Parks	408,515	39,172	1,800	(367,543)
Convention Center	190,135	79,030	-	(111,105)
Debt Service	47,560	-	-	(47,560)
Capital Outlay	75,886	-	-	(75,886)
Total Governmental Activities	3,849,099	434,699	413,900	(3,000,500)
Business-type Activities				
Water	1,779,601	1,751,233	-	(28,368)
Sanitary Sewer	639,584	699,051	-	59,467
Total Business-type Activities	2,419,185	2,450,284	-	31,099
Total Governmental and Business-type Activities	\$ 6,268,284	\$ 2,884,983	\$ 413,900	\$ (2,969,401)
Changes in Net Position				
Net (Expense) Revenue	\$ (3,000,500)	\$ 31,099	\$ (2,969,401)	
General Revenues				
Property Tax	1,693,841	-	1,693,841	
Utility Tax	174,283	-	174,283	
Telecommunications Tax	25,690	-	25,690	
Income Tax	961,350	-	961,350	
Replacement Tax	92,016	-	92,016	
Sales and Use Tax	785,184	-	785,184	
Games Tax	86,425	-	86,425	
Reimbursements	93,034	-	93,034	
Investment Income/(Loss)	145,950	23,335	169,285	
Motor Fuel Tax	269,826	-	269,826	
Gain/(Loss) on Disposal of Capital Assets	(428)	-	(428)	
Operating Transfers	(734,072)	734,072	-	
Total General Revenues, Losses and Transfers	3,593,099	757,407	4,350,506	
Change in Net Position	592,599	788,506	1,381,105	
Net Position, January 1	15,653,094	5,610,800	21,263,894	
Net Position, December 31	\$ 16,245,693	\$ 6,399,306	\$ 22,644,999	

Notes to Financial Statements are an integral part of this statement.

VILLAGE OF MT. ZION, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - GOVERNMENTAL FUNDS
MODIFIED CASH BASIS

December 31, 2023

	General	Busines District Tax Allocation Fund	Capital Projects Fund Motor Fuel Tax	Nonmajor Governmental Funds	Totals
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 2,291,323	\$ 217,065	\$ 813,125	\$ 793,467	\$ 4,114,980
Certificates of Deposit	570,152	-	-	-	570,152
Total Assets	\$ 2,861,475	\$ 217,065	\$ 813,125	\$ 793,467	\$ 4,685,132
LIABILITIES AND FUND BALANCES					
Current Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-
Fund Balances					
Restricted	64,546	217,065	813,125	742,450	1,837,186
Assigned	-	-	-	51,017	51,017
Unassigned	2,796,929	-	-	-	2,796,929
Total Fund Balances	2,861,475	217,065	813,125	793,467	4,685,132
Total Liabilities and Fund Balances	\$ 2,861,475	\$ 217,065	\$ 813,125	\$ 793,467	\$ 4,685,132

Notes to Financial Statements are an integral part of this statement.

VILLAGE OF MT. ZION, ILLINOIS

RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
 MODIFIED CASH BASIS

December 31, 2023

Total Fund Balances - Total Governmental Funds	\$ 4,685,132
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Amounts reported for governmental activities in the
 Statement of Net Position are different because:

Capital Assets of \$26,845,744 net of accumulated
 depreciation of (\$13,022,752), are not financial
 resources and therefore, are not reported in the
 funds.

13,822,992

Bonds and notes payable are not reported in the
 governmental funds

(2,262,431)

Net Position of Governmental Activities

\$ 16,245,693

Notes to Financial Statements are an integral part of this statement.

VILLAGE OF MT. ZION, ILLINOIS

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
MODIFIED CASH BASIS

For the Year Ended December 31, 2023

	General	Business District Tax Allocation Fund	Capital Projects Fund Motor Fuel Tax	Nonmajor Governmental Funds	Totals
Revenues Received					
Property Tax	\$ 647,667	\$ 309,789	\$ -	\$ 736,385	\$ 1,693,841
Utility Tax	174,283	-	-	-	174,283
Telecommunications Tax	25,690	-	-	-	25,690
Licenses & Permits	78,265	-	-	-	78,265
Franchise Fees	118,937	-	-	-	118,937
Police Services	60,818	-	-	-	60,818
Income Tax	961,350	-	-	-	961,350
Replacement Tax	92,016	-	-	-	92,016
Sales and Use Tax	785,184	-	-	-	785,184
Games Tax	86,425	-	-	-	86,425
Grants	412,100	-	-	-	412,100
Fines, Fees & Miscellaneous	64,547	-	-	-	64,547
Donations	1,800	-	-	-	1,800
Rentals	112,132	-	-	-	112,132
Reimbursements	89,136	-	3,898	-	93,034
Investment Income/(Loss)	84,033	15,969	20,139	25,809	145,950
Motor Fuel Tax	-	-	269,826	-	269,826
Total Revenues Received	3,794,383	325,758	293,863	762,194	5,176,198
Expenditures Disbursed					
Current					
General Government					
Administration	258,883	17,481	-	299,257	575,621
Planning & Zoning	77,846	-	-	-	77,846
Public Safety	1,331,246	-	-	2,780	1,334,026
Streets & Alleys	358,568	-	-	-	358,568
Culture & Recreation					
Parks	265,139	-	-	-	265,139
Convention Center	151,494	-	-	-	151,494
Debt Service					
Principal	3,777	-	-	437,650	441,427
Interest and Fees	314	-	-	51,511	51,825
Capital Outlay	331,654	534,981	58,581	198,807	1,124,023
Total Expenditures Disbursed	2,778,921	552,462	58,581	990,005	4,379,969
Excess(Deficiency) of Revenues Received Over(Under) Expenditures Disbursed	1,015,462	(226,704)	235,282	(227,811)	796,229
Other Financing Sources(Uses)					
Proceeds from Sale of Equipment	21,000	-	-	-	21,000
Operating Transfers In	-	-	-	157,693	157,693
Operating Transfers Out	(891,765)	-	-	-	(891,765)
Net Change in Fund Balances	144,697	(226,704)	235,282	(70,118)	83,157
Fund Balances, January 1	2,716,778	443,769	577,843	863,585	4,601,975
Fund Balances, December 31	\$ 2,861,475	\$ 217,065	\$ 813,125	\$ 793,467	\$ 4,685,132

Notes to Financial Statements are an integral part of this statement.

VILLAGE OF MT. ZION, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
MODIFIED CASH BASIS

For the Year Ended December 31, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 83,157
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	1,048,137
Depreciation expense	(962,959)
Proceeds from Sale of Equipment	(21,000)
Gain/(Loss) on Disposal of Capital Assets	(428)
The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position.	
Bond and note principal repayments	441,427
Bond issue premium amortization	<u>4,265</u>
Change in Net Position of Governmental Activities	<u>\$ 592,599</u>

Notes to Financial Statements are an integral part of this statement.

VILLAGE OF MT. ZION, ILLINOIS
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
MODIFIED CASH BASIS

December 31, 2023

	Business-type Activities		
	Water	Sanitary Sewer	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 473,798	\$ 315,750	\$ 789,548
Accounts Receivable (Net of Allowance for Uncollectible Accounts)	139,370	53,684	193,054
Total Current Assets	613,168	369,434	982,602
Non-Current Assets			
Land and Easements	152,816	64,622	217,438
Property, Plant and Equipment	8,082,784	4,467,665	12,550,449
Less: Accumulated Depreciation	(2,825,860)	(2,693,914)	(5,519,774)
Net Land, Property Plant and Equipment	5,409,740	1,838,373	7,248,113
Intangible Asset			
Sewer System Annexation Cost (Net of Accumulated Amortization of \$1,119,055)	-	51,198	51,198
Total Non-current Assets	5,409,740	1,889,571	7,299,311
Total Assets	6,022,908	2,259,005	8,281,913
LIABILITIES			
Current Liabilities			
Water Plant Loan, current	111,669	-	111,669
Non-Current Liabilities			
Water Plant Loan, non-current	1,770,938	-	1,770,938
Total Liabilities	1,882,607	-	1,882,607
NET POSITION			
Net Investment in Capital Assets	3,527,133	1,889,571	5,416,704
Restricted	-	-	-
Unrestricted	613,168	369,434	982,602
Total Net Position	\$ 4,140,301	\$ 2,259,005	\$ 6,399,306

Notes to Financial Statements are an integral part of this statement.

VILLAGE OF MT. ZION, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
MODIFIED CASH BASIS

For the Year Ended December 31, 2023

	Business-type Activities		
	Water	Sanitary Sewer	Total
Operating Revenues			
Charges for Services	\$ 1,741,073	\$ 676,207	\$ 2,417,280
Other Fees & Miscellaneous	10,160	22,844	33,004
Total Operating Revenues	1,751,233	699,051	2,450,284
Operating Expenses			
Personal Services			
Salaries	367,287	139,451	506,738
Benefits	86,802	43,190	129,992
Total Personal Services	454,089	182,641	636,730
Operations and Contractual Services			
Repairs & Maintenance	90,245	54,636	144,881
Engineering	1,987	-	1,987
Janitorial Services	5,865	5,865	11,730
Contractual Services	58,314	-	58,314
Postage	9,081	7,720	16,801
Telephone	2,574	2,706	5,280
Printing & Publications	3,331	2,107	5,438
Fees	28,049	8,857	36,906
Travel & Training	2,731	-	2,731
Dues & Subscriptions	981	-	981
Utilities	18,866	8,817	27,683
Water Purchases	868,575	-	868,575
Sewer Treatment Charges	-	250,663	250,663
Supplies & Equipment	20,211	3,954	24,165
Gasoline & Oil	8,782	8,781	17,563
Depreciation and Amortization	173,692	102,837	276,529
Total Operations and Contractual Services	1,293,284	456,943	1,750,227
Total Operating Expenses	1,747,373	639,584	2,386,957
Operating Income(Loss)	3,860	59,467	63,327
Non-Operating Revenues(Expenses)			
Investment Income(Loss)	20,214	3,121	23,335
Interest Expense	(32,228)	-	(32,228)
Operating Transfers In	-	734,072	734,072
Operating Transfers Out	-	-	-
Total Non-Operating Revenues(Expenses)	(12,014)	737,193	725,179
Change in Net Position	(8,154)	796,660	788,506
Total Net Position, January 1	4,148,455	1,462,345	5,610,800
Total Net Position, December 31	\$ 4,140,301	\$ 2,259,005	\$ 6,399,306

Notes to Financial Statements are an integral part of this statement.

VILLAGE OF MT. ZION, ILLINOIS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
MODIFIED CASH BASIS

For the Year Ended December 31, 2023

	Business-type Activities		
	Water	Sanitary Sewer	Total
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 1,739,648	\$ 694,054	\$ 2,433,702
Payments to Suppliers	(1,206,394)	(397,296)	(1,603,690)
Payments to Employees	(367,287)	(139,451)	(506,738)
Net Cash Provided/(Used) by Operating Activities	<u>165,967</u>	<u>157,307</u>	<u>323,274</u>
Cash Flows from Non-capital Financing Activities			
Transfers from/(to) the T.I.F. Fund	-	140,000	140,000
Transfers from/(to) the General Fund	-	594,072	594,072
Net Cash Provided/(Used) by Non-Capital Financing Activities	<u>-</u>	<u>734,072</u>	<u>734,072</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(353,960)	(759,072)	(1,113,032)
Payments on Water Plant IEPA Loan	(142,088)	-	(142,088)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(496,048)</u>	<u>(759,072)</u>	<u>(1,255,120)</u>
Cash Flows from Investing Activities			
Net (Purchases)/Redemptions of Municipal Bonds	95,320	-	95,320
Investment Income / (Loss)	20,214	3,121	23,335
Net Cash Provided/(Used) by Investing Activities	<u>115,534</u>	<u>3,121</u>	<u>118,655</u>
Net Increase/(Decrease) in Cash in Bank	(214,547)	135,428	(79,119)
Cash and Cash Equivalents - January 1	688,345	180,322	868,667
Cash and Cash Equivalents - December 31	<u>\$ 473,798</u>	<u>\$ 315,750</u>	<u>\$ 789,548</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Operating Income	\$ 3,860	\$ 59,467	\$ 63,327
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Depreciation and Amortization	173,692	102,837	276,529
Changes in Assets and Liabilities (Increase)/Decrease in Accounts Receivable	(11,585)	(4,997)	(16,582)
Total Adjustments	<u>162,107</u>	<u>97,840</u>	<u>259,947</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 165,967</u>	<u>\$ 157,307</u>	<u>\$ 323,274</u>

Notes to Financial Statements are an integral part of this statement.

VILLAGE OF MT. ZION, ILLINOIS
 STATEMENT OF FIDUCIARY NET POSITION
 MODIFIED CASH BASIS

December 31, 2023

	<u>Police Pension Fund</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 50,716
IPOPIF Investment Asset Pool	<u>3,654,908</u>
Total Current Assets	<u>3,705,624</u>
Total Assets	<u>3,705,624</u>
 LIABILITIES	
<u>-</u>	
 NET POSITION	
Restricted for Pension Benefits	<u>3,705,624</u>
Total Net Position	<u>\$ 3,705,624</u>

Notes to Financial Statements are an integral part of this statement.

VILLAGE OF MT. ZION, ILLINOIS

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED,
AND CHANGES IN FIDUCIARY NET POSITION
MODIFIED CASH BASIS

For the Year Ended December 31, 2023

	<u>Police Pension Fund</u>
Additions	
Property Tax	\$ 217,565
Member Contributions	71,751
Investment Earnings	
Interest & Dividends	21,943
Realized and Unrealized Gains (Losses)	<u>383,674</u>
Total Additions	<u>694,933</u>
Deductions	
Benefit Payments	61,965
Administrative Expenditures	<u>33,992</u>
Total Deductions	<u>95,957</u>
Change in Net Position	<u>598,976</u>
Total Net Position, January 1	<u>3,106,648</u>
Total Net Position, December 31	<u>\$ 3,705,624</u>

Notes to Financial Statements are an integral part of this statement.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 1 Significant accounting policies followed by the Village are as follows -

A) Measurement Focus and Basis of Accounting -

The government-wide, business-type activities, proprietary fund, and fiduciary fund financial statements are prepared using the economic resources measurement focus, which measures both financial and capital resources. The governmental fund financial statements are prepared using the current financial resource measurement focus, which is based on the concept of fiscal accountability. Therefore, due to the differences in measurement focuses, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The Village maintains its accounting records for all funds on the modified cash basis of accounting. The government-wide financial statements are also prepared using the modified cash basis of accounting. Accordingly, revenues are recognized and recorded in the accounts when cash is received, except for the water & sewer fund in which revenue is recorded when services rendered are billed. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction, except for the water & sewer funds in which receivables for services rendered are recorded when billed. Liabilities of a fund, similarly, result from previous cash transactions.

Modified cash-basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions with the exception that the Village capitalizes assets and depreciates them over their useful lives, records revenue and receivables and related allowances for uncollectible accounts for the business-type activities when billings are prepared, and recognizes unrealized gains and losses on its investments. Accordingly, the statements do not present financial position or results of operations in accordance with generally accepted accounting principles.

Investments are comprised of savings accounts, certificates of deposit, money markets, mutual funds and municipal bonds, some of which are federally insured. All investments are carried at cost, which approximates market, except for mutual funds and municipal bonds, which are carried at market value. The Village board has legal authority to invest in certificates of deposit and other investments.

B) 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.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows -
(Continued)

B) Capital Assets (Continued) -

Government-Wide Statements

In the government-wide financial statements, capital assets are accounted for as assets in the Statement of Net Position - Modified Cash Basis. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

The Village has not maintained records of its governmental activities' infrastructure assets placed in service prior to May 1, 2004. Accordingly, the amount presented in the Statement of Net Position - Modified Cash Basis for governmental activities' capital assets includes only infrastructure assets purchased after May 1, 2004. Management believes the depreciated amount of these assets is not material to the financial statements.

The capital assets of the Water and Sewer funds have been recorded at cost since April 1, 1960. The costs of assets acquired prior to this date have not been included. Management believes the depreciated amount of these assets is not material to the financial statements.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities - Modified Cash Basis, with accumulated depreciation reflected in the Statement of Net Position - Modified Cash Basis. Governmental activities' depreciation is charged within the administrative, public safety, streets and alleys, parks, and convention center functions in the Statement of Activities - Modified Cash Basis. Depreciation has been provided as outlined below:

The cost for maintenance will be expensed.

The following depreciation methods are established:

Waterworks and Sewer System	34-40 years, straight line
Infrastructure	20-40 years, straight line
Equipment and Machinery	5-10 years, straight line
Furniture and Office Equipment	5-10 years, straight line

Fund Financial Statements

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

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows -
(Continued)

C) Reporting Entity -

In evaluating how to define the Village, for financial reporting purposes, management (Trustees) has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the Village's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management (Trustees), the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service.

Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the Village and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships; regardless of whether the Village is able to exercise oversight responsibilities. Based upon the application of the criteria, the Mt. Zion Police Pension Fund has been identified as a component unit of the Village. The Pension Fund is fiscally dependent on the Village to levy taxes to fund its pension liabilities. The Pension Fund is reported as a fiduciary fund of the Village.

D) Basis of Presentation -

Although the Village presents its annual financial statements on the modified cash basis of accounting, a special purpose framework other than GAAP, the aspects of financial statement content and format, as prescribed by GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments have been implemented in the financial statements, effective for the year ended April 30, 2005 and after. This change had a material effect on the comparability of previous year financial statements to statements dated April 30, 2005 and after.

The following represents the Village's basis of financial statement presentation based on the GASB 34 format.

Government-Wide Financial Statements

The Statement of Net Position - Modified Cash Basis and Statement of Activities - Modified Cash Basis display information about the Village as a whole. They include all funds of the Village except for fiduciary funds.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows -
(Continued)

D) Basis of Presentation - (Continued)

The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to the external customers for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures. 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 either the General Fund or if it meets the following criteria:

Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding element total for all funds of that category or type, and

Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 5 percent of the corresponding element total for all governmental and enterprise funds combined.

Governmental Funds

Governmental funds are those through which most governmental functions of the Village are financed. The acquisition, use and balances of the Village's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds.

General Fund

The General Fund 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 cash received from specific sources. The expenditures in excess of the amounts received and accumulated fund balance for these special revenue funds become an obligation of the general fund.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows -
(Continued)

D) Basis of Presentation - (Continued)

<u>Fund</u>	<u>Brief Description</u>
Business District Tax Allocation Fund	Accounts for sales tax increments restricted for the Village's Business District and the payment of eligible development costs.
Motor Fuel Tax Fund	Accounts for revenues collected from the motor fuel tax and expenditures associated with maintenance of the Village's streets and alleys.
Audit Fund	Accounts for property taxes collected and expenditures paid for the Village's annual audit.
Social Security Fund	Accounts for property taxes collected and expenditures paid for the Village's payroll taxes.
Liability Insurance Fund	Accounts for property taxes collected and expenditures paid for the Village's liability insurance.
IMRF Fund	Accounts for property taxes collected and expenditures paid for retirement for the Village's employees.
School Crossing Guard Fund	Accounts for property taxes collected and expenditures paid for the salary of the school crossing guards.
Unemployment Compensation Fund	Accounts for property taxes collected and expenditures paid for unemployment insurance.
Rt. 121 T.I.F. District II	Accounts for property taxes collected and expenditures paid for the tax increment financing (T.I.F.) district.
Lease Purchase Fund	Accounts for property taxes collected and expenditures paid for the lease payments associated with asset acquisitions.
Bond Repayment Funds	Account for property taxes collected and expenditures paid for bond interest and principal payments.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows -
(Continued)

D) Basis of Presentation - (Continued)

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

<u>Fund</u>	<u>Brief Description</u>
Water & Sanitary Sewer Funds	Account for the activities of providing water and sanitation sewer services to the public.

Fiduciary Funds - (Not included in government wide statements)

Pension Trust Funds

Pension Trust Funds are used to account for resources legally held in trust for use for payment of pension benefits and cannot be used at the Village's discretion or to support general operations.

<u>Fund</u>	<u>Brief Description</u>
Police Pension Fund	Accounts for property taxes collected and expenditures paid for pension benefits of qualified police officers.

Major and Non-major Funds

The funds are classified as major or non-major as follows:

Major Funds

General Fund
Motor Fuel Tax Fund
Water Fund
Sanitary Sewer Fund
Business District Tax
Allocation Fund

Non-major Funds

Audit Fund
Social Security Fund
Liability Insurance Fund
IMRF Fund
School Crossing Guard Fund
Unemployment Compensation Fund
Route 121 T.I.F. District II
Lease Purchase Fund
2009, 2019 and 2020 Bond Repayment
Funds

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

**Note 1 Significant accounting policies followed by the Village are as follows -
(Continued)**

E) Use of Estimates -

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates.

F) Priority for Use of Restricted and Unrestricted Assets -

When both restricted and unrestricted resources are available for use, it is the Village's practice to use restricted resources first, then unrestricted resources as needed.

G) Budgets and Appropriations -

The budget and appropriation ordinance for all fund types is prepared on the cash basis of accounting which is similar to the modified cash basis that is used in financial reporting. This allows for comparability between budgeted and actual amounts. The Village's budget and appropriation ordinance was passed on December 19, 2022 and amended January 16, 2024.

For each fund, total fund expenditures disbursed may not legally exceed budgeted amounts. The appropriations lapse at the end of each fiscal year. Expenditures in the Sewer Fund exceeded the budget by \$690,969; however, this was due to General Fund's ARPA proceeds being used to purchase Sewer Fund infrastructure assets.

H) Non-current Liabilities -

The Village considers any liability not expected to be paid within one year to be a non-current liability. The liabilities shown on the Statement of Net Position - Modified Cash Basis and the Statement of Fund Net Position - Proprietary Funds - Modified Cash Basis are broken down between current and non-current liabilities.

I) Program Revenues -

In the Statement of Activities - Modified Cash Basis, revenues that are derived directly from each activity or from parties outside the Village's taxpayers are reported as program revenues. The Governmental Activities' program revenues include fines, police services, permits, donations, rental fees and event admissions. The Water and Sewer Funds' program revenues are the collection of water and sewer charges from customers who receive water and sewer services from the Village.

J) Operating and Nonoperating Revenues and Expenditures -

Proprietary fund statements classify revenues and expenditures as either operating or as nonoperating. The Village considers operating revenues and expenditures for proprietary funds to be those that result from providing services and producing and delivering goods and/or services.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
 December 31, 2023
 (Continued)

Note 1 Significant accounting policies followed by the Village are as follows -
 (Continued)

J) Operating and Nonoperating Revenues and Expenditures - (Continued)

Revenues and expenditures related to capital and related financing, noncapital financing, or investing activities are considered to be nonoperating. All revenues of the proprietary funds are to be used to cover operations.

K) Internal and Interfund Balances and Activities -

If any interfund activity occurs or balances exist in the fund financial statements, they are eliminated or reclassified in the process of aggregating the financial information for the government-wide Statement of Net Position - Modified Cash Basis and Statement of Activities - Modified Cash Basis.

L) Cash and Cash Equivalents -

Cash and Cash Equivalents include all monies in banks and highly liquid investments. The carrying values of cash and cash equivalents approximates fair value because of the short maturities of those financial investments.

M) Legal Debt Margin -

The following outlines the legal debt margin of the Village of Mt. Zion as of December 31, 2023:

2023 Assessed Valuation		\$147,236,941
		=====
Statutory Debt Limitation		
8.625% of Assessed Valuation		12,699,186
Outstanding Bonds *		
Series 2016B	870,000	
Series 2020	1,324,100	
Outstanding Notes Payable	1,929,631	
Less:		
Alternate Revenue Bonds	(870,000)	3,253,731
	-----	-----
Legal Debt Margin		\$ 9,445,455
		=====

* Note: excludes unamortized bond premiums

N) Fund Balance Reporting -

According to Government Accounting Standards, fund balances are to be classified into five major classifications; nonspendable, restricted,

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 1 Significant accounting policies followed by the Village are as follows -
(Continued)

N) Fund Balance Reporting - (Continued)

committed, assigned, and unassigned. Below are definitions of each classification.

a. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the modified cash basis nature of the Village, all such items are expended at the time of purchase, so there is nothing to report for this classification.

b. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are (1) subject to outside restrictions, not controlled by the entity, such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation of the government itself. Special revenue, capital project and debt service funds have restricted balances for their respective specified purposes.

Additionally, \$64,546 of the General Fund's fund balance is restricted for Police, KICK, Drug, and DUI Programs.

c. Committed Fund Balance

The committed fund balance classification refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the Village Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The Village Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The Village does not have any balances committed as of December 31, 2023.

d. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. The Village Board has the authority to assign amounts to be used for specific purposes. The Village has assigned \$51,017 of the Village's fund balances as follows as of December 31, 2023:

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
 December 31, 2023
 (Continued)

Note 1 Significant accounting policies followed by the Village are as follows -
 (Continued)

N) Fund Balance Reporting - (Continued)

d. Assigned Fund Balance (Continued)

Purpose	Amount
-----	-----
Audit	\$ 1,000
Series 2009 Bond Payments	33,170
Series 2020 Bond Payments	16,847

	\$ 51,017
	=====

e. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for General Fund amounts that have not been restricted, committed, or assigned to specific purposes.

f. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified. As of December 31, 2023, no formal fund balance policy had been adopted by the Village.

O) Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position -

The Village follows GASB Statement No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position which was effective for audits of periods beginning after November 15, 2011. A deferred outflow of resources represents the consumption of a government's net assets that is applicable to a future period. A deferred inflow of resources represents the acquisition of net assets that is applicable to a future reporting period. Deferred outflows of resources are reported in a separate section of the Statement of Net Position - Modified Cash Basis following assets. Deferred inflows of resources are reported in a separate section of the Statement of Net Position - Modified Cash Basis following liabilities. As of December 31, 2023, due to the Village reporting on the modified cash basis of accounting, the Village had not engaged in any transactions which qualified for reporting as a deferred outflow of resource or deferred inflow of resource.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

**Note 1 Significant accounting policies followed by the Village are as follows -
(Continued)****P) Accounts Receivable -**

Customer receivables related to water and sewer billings are recorded as receivables and revenues at their original invoice amount, after services have been rendered and corresponding bills have been prepared. Management periodically reviews the customer receivable accounts and accounts are written off as they become uncollectible or deemed uncollectible. Therefore, accounts receivable is recorded net of allowance for uncollectible accounts.

Note 2 Property Tax Calendar -

Property taxes attach as an enforceable lien on property as of January 1 of each year. The 2022 levy (collected in the period ending December 31, 2023) was adopted by the Village on December 19, 2022. The collection dates, by the county, for the 2022 levy were June 2023 and September 2023. The Village receives significant distributions of tax receipts approximately one month after these due dates.

Note 3 Accrued Vacation/Leave -

Due to the Village reporting on the modified cash basis of accounting no accrual has been made for employees vacation/leave earned but not taken.

Each employee is allowed to carry over a maximum of 40 hours of vacation time to a new fiscal year. Any unused vacation time in excess of 40 hours from the previous fiscal year is lost. As of December 31, 2023, the accumulated vacation time amounted to \$52,112.

Sick leave benefits provide for ordinary sick pay and are cumulative but do not vest with employees and, therefore, are not paid out at termination. Unvested accumulated sick leave of Village employees at December 31, 2023 amounted to \$355,235.

Note 4 Defined Benefit Pension Plan - IMRF**IMRF Plan Description**

The Village'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 Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund (agent multiple-employer plan). 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 for download at www.imrf.org.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 4 Defined Benefit Pension Plan - IMRF - (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 lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Contributions

As set by statute, the Village'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 Village's annual contribution rate for calendar year 2023 was 1.05%. For the fiscal year ended December 31, 2023, the Village contributed \$10,496 to the plan. The Village 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.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 4 Defined Benefit Pension Plan - IMRF - (Continued)**Net Pension Liability/Pension Expenditure**

The Village's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. No amount has been recorded on these financial statements due to the modified cash basis of accounting. Pension expenditures for the year reported in these modified cash basis financial statements totaled \$10,981.

Note 5 Post Employment Health Insurance -

Currently, retired employees of the Village can participate in the Village's health insurance plan. The retirees are responsible for 100% of the cost of their coverage. Due to the Village reporting on the modified cash basis, no accruals or adjustments have been made in relation to this other post-employment benefit.

Note 6 Deposits and Investments -

The Village maintains multiple checking and other accounts to account for funds. Each Fund's portion of these accounts is displayed on the appropriate Statement of Assets, Liabilities and Fund Balances - Governmental Funds - Modified Cash Basis, on the Statement of Fund Net Position - Proprietary Funds - Modified Cash Basis, or on the Statement of Fiduciary Net Position - Modified Cash Basis. Investments are maintained separately for each fund. The Village is allowed to invest in securities authorized by State statute, section 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6). The Village currently invests in money markets, certificates of deposits, CDARS, ICS, and mutual funds.

The Village invests in the Illinois Metropolitan Investment Fund (IMET) Convenience Fund which consists of monies invested by individual participants that are pooled together in a short-term money market instrument. These funds are collateralized via FDIC Insurance, the FHLB LOC Program, and pooled Government Securities at 110% on bank deposits.

The Village does not have policies regarding credit risk, custodial credit risk or concentration of credit risk.

Custodial credit risk for deposits and time deposits is the risk that in the event of a bank failure, the Village's deposits and time deposits may not be returned or the Village will not be able to recover collateral securities in the possession of an outside party. Demand deposits of \$533 at Prairie State Bank are fully insured. Time deposits of \$1,521,457 at Prairie State Bank are covered by federal insurance up to \$250,000. The remaining balance of \$1,271,457 was uncollateralized at December 31, 2023; however, was fully collateralized with securities held by the pledging financial institution's trust department or as agents in favor of the Village as of January 31, 2024. Demand deposits of \$60,813 at First National Bank of Decatur are fully insured. Time deposits of \$157,042 at First National Bank of Decatur are fully covered by federal insurance. Demand deposits of \$219,441 at Heartland Bank and Trust Company are fully insured. Time deposits of \$345,347 at Scott State Bank are covered by federal insurance up to \$250,000. The remaining balance of \$95,347 was fully collateralized with

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 6 Deposits and Investments - (Continued)

securities held by the pledging financial institution's trust department or as agents in favor of the Village as of December 31, 2023.

Time deposits of \$2,569 at HPB&T and Demand deposits of \$27 at Staley Credit Union are fully insured. Investments considered cash and cash equivalents totaling \$2,658,203 with IMET are not insured but are collateralized by pooled securities. Time deposits of \$567,583 invested in various banks through Heartland Bank and Trust Company's certificate of deposit account registry (CDAR) and insured cash sweep (ICS) accounts, are fully insured.

The Village's Police Pension Fund investment portfolio at Illinois Police Officers' Pension Investment Fund is recorded at market value of \$3,654,908. The balance is made up of "units" of the Illinois Police Officers' Pension Investment Fund investment pool of which the Mt. Zion Police Pension Fund held 339,434.35 units valued at \$10.767643 each at fiscal year ended December 31, 2023.

As of December 31, 2023, the Village had the following balances of deposits, cash equivalents, and investments:

Types of Deposits/ Cash Equivalents/ Investments -----	Fair Value -----	Cost ----	Average Credit Quality Ratings (1) -----
Demand Deposits	\$ 280,814	\$ 280,814	N/A
N.O.W. and Money Markets	2,026,415	2,026,415	N/A
IMET Funds	2,658,203	2,658,203	N/A
CDARS and ICS	567,583	567,583	N/A
IPOPIF Investment Pool	3,654,908	3,343,629	N/A
Total	\$9,187,923 =====	\$8,876,644 =====	

(1) Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable or rating not available.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the Village's investing activities are managed by the Village Administrator.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Village uses the specific identification method of managing interest rate risk.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 6 Deposits and Investments - (Continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. External investment pools are excluded when assessing concentration of credit risk.

Effective for the fiscal year ended December 31, 2017 the Village has implemented GASB No. 72 *Fair Value Measurement and Application* in the preparation of these financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability to which the government has access at the measurement date.
- Level 2: Inputs other than quoted prices included in Level 1, that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full-term of the assets or liabilities.
- Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

There have been no significant changes in the valuation techniques during the fiscal year ended December 31, 2023. Where quoted market prices are available in an active market, securities are classified with Level 1 of the valuation hierarchy. If quoted prices are not available, then fair values are estimated using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. At December 31, 2023, the Villages mutual funds, municipal bonds and certificates of deposits are classified within the Level 1 hierarchy.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 7 Risks -

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village pays an annual premium for its general insurance coverage. Its general insurance coverage has an annual aggregate limit of \$7,000,000. The Village self-insures for unemployment compensation.

For the insured programs there have been no significant reductions in coverage. Settlement amounts have not exceeded insurance coverage for the current or prior three years.

Note 8 Other Required Individual Fund Disclosures -

Generally accepted accounting principles require disclosure, as part of the financial statements of certain information concerning individual funds including:

- A) Deficit fund balances of individual funds. No funds had deficit balances at December 31, 2023.
- B) Individual fund interfund receivable and payable balances. No funds had interfund receivable or payable balances at December 31, 2023.
- C) Interfund transfers. The General Fund transferred \$172,721 and \$124,972 to the 2009 Bond Repayment Fund and the 2020 Bond Repayment Fund, respectively, to cover the costs of bond principal and interest payments. The General Fund transferred \$594,072 to the Sewer Fund to cover expenditures related to infrastructure upgrades paid for with ARPA funding. The Route 121 T.I.F. District II Fund transferred \$140,000 to the Sewer Fund for capital asset purchases.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 9 Beneficial Interest in Community Foundation Account -

The Village entered into an agreement with the Community Foundation of Macon County to establish the "Mt. Zion Fletcher Park Fund". This is a fund held and wholly owned by the Community Foundation to support the construction and operation of Fletcher Park.

Distributions from the fund are made by the Community Foundation board, usually at the request of a donor or the Village. The ultimate control over the funds is maintained by the Community Foundation in its fiduciary capacity, and as such, the balance is not reported on the books of the Village. The initial deposit to start the fund at the Community Foundation was \$1,000 and at December 31, 2023, the balance in the account was \$72,832.

Note 10 Long-Term Debt Obligations - Governmental Activities -

Changes in long-term debt for the year ended December 31, 2023 are as follows:

	Beginning Balance	Issued	(Retired)	Ending Balance
	-----	-----	-----	-----
Notes Payable	\$ 65,151	\$ 0	\$ (18,127)	\$ 47,024
Bonds and Debt Certificates Payable	2,617,400	0	(423,300)	2,194,100
Unamortized Bond Issue Premium	25,572	0	(4,265)	21,307
	-----	-----	-----	-----
Totals	\$ 2,708,123	\$ 0	\$ (445,692)	\$ 2,262,431
	=====	=====	=====	=====

The total amount due within one year is \$281,714, not including current bond premium amortization. This includes \$15,914 of notes payable and \$265,800 of bonds and debt certificates payable.

Bonds and Debt Certificates

The Village issues general obligation and alternate revenue bonds and debt certificates to provide funds for the acquisition and construction of major capital facilities. These bonds have been issued for governmental activities only. Bonds outstanding at December 31, 2023 include the following:

2016B Alternate Revenue Refunding Bonds

\$1,830,000 alternate revenue refunding bonds issued on September 1, 2016, due in various annual installments ranging from \$25,000 to \$180,000 through December 1, 2028, plus interest at 1.83%. The bonds are to be repaid with telecommunication tax receipts, franchise fees, and a portion of utility tax receipts. These bonds were issued to refund the 2009 Alternate Revenue Bonds.

\$870,000

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 10 Long-Term Debt Obligations - Governmental Activities - (Continued)

2019 General Obligation Bonds

\$576,500 general obligation bonds issued on December 23, 2019, due in various annual installments ranging from \$134,100 to \$158,800 through December 1, 2023, plus interest at 3.25%. The bonds are to be repaid with property taxes received by the Village. 0

2020 General Obligation Refunding Bonds

\$1,619,000 general obligation debt certificates issued on October 1, 2020, due in various annual installments ranging from \$97,100 to \$122,200 through October 1, 2035, plus interest at 1.20% to 2.25%. The certificates are to be repaid with property taxes received by the Village. Principal payments were scheduled to begin during the year ending December 31, 2021. These bonds were issued to refund the 2010B General Obligation Bonds. 1,324,100

Total Bond and Debt Certificates at December 31, 2023 \$2,194,100
=====

Notes Payable

On April 24, 2020, the Village borrowed \$87,880 from Prairie State Bank and Trust, Mt. Zion, Illinois for the acquisition of a dump truck. The funds have been borrowed for governmental activities only. The note is payable in five annual installments of \$16,287 including interest at 3.12%, matures on April 24, 2026 with a final payment of \$15,794, and is secured by the dump truck. The note will be repaid with property taxes received by the Village. The first installment was due April 24, 2021. \$ 46,017

The Village entered into a 60 month agreement with Toshiba Financial Services to acquire a new office copier. The agreement calls for 60 payments of \$341 and a final payment of \$1. The agreement began in March 2019 and will end in March 2024. The effective interest rate is 10.2%. The payments are being made by the General Fund. However, since the Water and Sanitary Sewer Funds make use of the copier, they are reimbursing the General Fund for their portion of the cost, and these transfers are included in the disclosure in Note 8C. 1,007

Total Notes Payable at December 31, 2023 \$ 47,024
=====

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 10 Long-Term Debt Obligations - Governmental Activities - (Continued)

The annual requirements to amortize all debt outstanding as of December 31, 2023, are as follows:

Bonds and Debt Certificates Payable

Years ending Dec. 31,	Principal	Interest	Total
	-----	-----	-----
2024	\$ 265,800	\$ 40,099	\$ 305,899
2025	272,200	35,719	307,919
2026	278,600	31,177	309,777
2027	285,200	26,369	311,569
2028	286,900	21,392	308,292
2029-2033	563,600	61,189	624,789
2034-2035	241,800	8,131	249,931
	-----	-----	-----
Total	2,194,100	224,076	2,418,176
Bond Premium	21,307	0	21,307
	-----	-----	-----
Total Bonds and Debt Service Requirement	\$2,215,407	\$ 224,076	\$2,439,483
	=====	=====	=====

Notes Payable

Years ending Dec. 31,	Principal	Interest	Total
	-----	-----	-----
2024	\$ 15,914	\$ 1,398	\$ 17,312
2025	15,316	971	16,287
2026	15,794	0	15,794
	-----	-----	-----
Total Notes Payable Service Requirement	\$ 47,024	\$ 2,369	\$ 49,393
	=====	=====	=====

Debt service funds were created to account for the accumulation of resources for, and the payment of, principal and interest related to the bond issues. All monies deposited into the debt service funds are restricted or assigned for payment of bond principal and interest only.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
December 31, 2023
(Continued)

Note 11 Long-Term Debt Obligations - Business-Type Activities -

Changes in long-term debt for the year ended December 31, 2023 are as follows:

	Beginning Balance -----	Issued -----	(Retired) -----	Ending Balance -----
Notes Payable	\$1,992,467	\$ 0	\$(109,860)	\$1,882,607
Totals	\$1,992,467 =====	\$ 0 =====	\$(109,860) =====	\$1,882,607 =====

In June 2017, the IL EPA approved a loan to the Village in the amount of \$2,794,210 for the construction of an elevated water storage tank and a booster pump station. The preliminary loan agreement called for semi-annual payments of principal and interest at 1.64% for 20 years beginning November 1, 2019. The Village made draws on the loan as construction continued on the plant. Construction was completed and the loan was finalized in December 2018. The finalized loan agreement after all draws and accrued interest was for \$2,414,396, with semi-annual loan payments of \$71,044 scheduled for May 15 and November 15 of each year at 1.64% interest for 20 years beginning May 15, 2019 and maturing November 15, 2038. As of December 31, 2023, the balance on the loan was \$1,882,607.

The annual requirements to amortize outstanding notes payable of \$1,882,607 as of December 31, 2023, are as follows:

	Notes Payable -----		
Years ending Dec. 31,	Principal -----	Interest -----	Total -----
2024	\$ 111,669	\$ 30,419	\$ 142,088
2025	113,508	28,580	142,088
2026	115,377	26,711	142,088
2027	117,277	24,811	142,088
2028	119,209	22,880	142,089
2029-2033	626,143	84,298	710,441
2034-2038	679,424	31,019	710,443
	-----	-----	-----
Total Notes Payable Service Requirement	\$1,882,607 =====	\$ 248,718 =====	\$2,131,325 =====

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 12 Capital and Intangible Assets -

The breakdown of capital assets by type and the related accumulated depreciation for the Business-Type Activities is as follows:

	Beginning -----	Additions -----	Deletions -----	Ending -----
Capital and Intangible Assets:				
Land and Easements	\$ 217,438	\$		\$ 217,438
Buildings and System	10,454,226	1,112,429		11,566,655
Equipment	628,498			628,498
Sewer Annexation	1,170,253			1,170,253
Construction in Progress	354,693	602		355,295
	-----	-----	-----	-----
Total	\$12,825,108	\$1,113,031	\$ 0	13,938,139
	=====	=====	=====	-----
Accumulated Depreciation and Amortization:				
Buildings and System	\$ 4,786,093	\$ 228,389		5,014,482
Equipment	486,410	18,882		505,292
Annexation	1,089,798	29,256		1,119,054
	-----	-----	-----	-----
Total	\$ 6,362,301	\$ 276,527	\$ 0	6,638,828
	=====	=====	=====	-----
Ending Book Value				\$ 7,299,311
				=====

Land and Easements and Construction in Progress are non-depreciating assets.

Total depreciation and amortization for all Business-Type Activities assets amounted to \$276,527, for the current period, of which \$173,691 and \$102,836 were charged to the Water and Sanitary Sewer functions, respectively.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 12 Capital and Intangible Assets - (Continued)

The breakdown of capital assets by type and the related accumulated depreciation for the Governmental Activities is as follows:

	Beginning	Additions	Deletions	Ending
	-----	-----	-----	-----
Capital Assets:				
Land	\$ 972,023	\$	\$ (660)	\$ 971,363
Construction in Progress	735,646	29,370	(679,008)	86,008
Buildings	4,389,380	45,014		4,434,394
Equipment	1,851,120	167,545	(25,701)	1,992,964
Infrastructure	17,875,799	1,485,216		19,361,015
	-----	-----	-----	-----
Total	\$25,823,968	\$1,727,145*	\$ (705,369)	26,845,744
	=====	=====	=====	-----
Accumulated Depreciation:				
Buildings	\$ 1,295,323	\$ 132,247	\$	1,427,570
Equipment	1,381,091	127,614	(4,933)	1,503,772
Infrastructure	9,388,312	703,098		10,091,410
	-----	-----	-----	-----
Total	\$12,064,726	\$ 962,959	\$ (4,933)	13,022,752
	=====	=====	=====	-----
Ending Book Value				\$13,822,992
				=====

* Includes \$679,008 of Construction in Progress placed in service in the current year.

Total depreciation for all Governmental Activities assets amounted to \$962,959, for the current period, of which \$55,161, \$62,867, \$662,914, \$143,376 and \$38,641 were charged to the Administration, Public Safety, Street and Alleys, Parks and Convention Center functions, respectively.

Land and Construction in Progress are non-depreciating assets.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 13 Business District -

On September 14, 2020, the Village approved an ordinance designating the Mt. Zion Business Development District Number 1 and imposing a retailer's occupation tax, a service occupation tax, and a hotel operators' occupation tax. These new taxes will pay for business district project costs as set forth in the business district development plan. During the fiscal year ended December 31, 2023, the Village expended \$552,462.

Note 14 Rt. 121 Tax Increment Financing (TIF) District II -

On January 19, 2021, the Village approved an ordinance designating the Rt. 121 Tax Increment Financing District II. This TIF District will be used to promote and protect the health, safety, morals, and welfare of the public, address blighted conditions as defined in the Act, and institute conservation measures that will remove and alleviate adverse conditions, encourage private investment, and restore/enhance the tax base of the overlapping taxing districts by undertaking public and private redevelopment projects within the specified Redevelopment Project Area.

Note 15 Mt. Zion Police Pension Fund -

Summary of Significant Accounting Policies: Reporting Entity, Measurement Focus and Basis of Accounting. The Mt. Zion Police Pension is a fiduciary fund of the Village of Mt. Zion, Illinois and is included in the Village's fiduciary fund financial statements. It does not issue a stand-alone financial report. The financial statements of the Plan are prepared using the economic resources measurement focus and the modified cash basis of accounting, which is a special purpose framework other than GAAP. Plan member contributions are recognized in the period they are withheld. The Village's contributions are recognized when they are received by the Plan. The Plan's investments are reported at fair value. Investments are maintained by the Illinois Police Officers' Pension Investment Fund and held at State Street Bank and Trust. The Fund may only make investments as allowed by Illinois Compiled Statutes (ILCS).

Plan Description: Administration. On July 18, 2011, the Village of Mt. Zion created and established a single-employer, defined benefit pension plan for the full-time officers to provide retirement, disability benefits, post retirement increases, and death benefits to plan members and beneficiaries in accordance with Article 3 of the Illinois Pension Code. It is governed by five trustees. The trustees are to be representative of at least one active duty officer and one eligible beneficiary. Currently, there are no beneficiaries who meet the eligibility requirements to serve as a trustee, so that position is filled by an additional current officer. The defined benefit provisions and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may only be amended by the Illinois legislature. Administrative costs are financed through investment earnings.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 15 Mt. Zion Police Pension Fund - (Continued)

Plan Description: Membership.

Membership in the plan consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1
Inactive Plan Member Entitled to but not yet Receiving Benefits	7
Active Plan Members	<u>10</u>
Total members	<u>18</u>

Plan Description: Benefits Provided.

The Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee 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 3.00% of the original pension and 3.00% compounded annually thereafter. Surviving spouses receive 100% of final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee's retirement benefit.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 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 police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$ 106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3.00%. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ % for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year. Surviving spouse's benefits are $66 \frac{2}{3}$ % of the Employee's benefit at the time of death.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 15 Mt. Zion Police Pension Fund - (Continued)Plan Description: Contributions.

Employees are required by ILCS to contribute 9.91% of their base salary to the Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amount necessary to finance the Fund, as actuarially determined by an enrolled actuary. The 2023 Village contribution to the plan was \$217,565 and was entirely met by the current tax levy.

Note 16 Construction, Other Commitments and Subsequent Events -

The Village has entered into various agreements to abate future taxes and reimburse development costs to encourage development within the Village. These agreements extend through 2046 and are dependent on developers presenting documentation of costs incurred. As of December 31, 2023, future amounts payable under these agreements have a maximum payout of \$4,756,180.

The Village has a lease agreement through fiscal year 2038 for cellular equipment to be placed on the Village's water tower. In 2022, the water tower that the equipment was originally placed on was demolished. As the lease agreement is binding, the Village was required to move this equipment to the new water tower. The cost to move the equipment was agreed to be \$208,962. On August 17, 2020, the Village agreed to abate \$208,962 of future rents in payment as reimbursement for the equipment move. The abatement began in April of 2022, and will last through July 2033, at which time the Village will begin to receive monthly rent payments again.

On March 20, 2023, a resolution was passed authorizing the approval of a contract with Entler Excavating Co. Inc, to begin work on the Eastside Sewer Relief Project for an estimated cost of \$964,736. The project, which began in 2023, will add new sewer mains and manholes to increase capacity in specified areas of the Village. During the fiscal year ended December 31, 2023, the Village expended \$698,542 for this project, and an additional \$266,194 is expected to be expended to complete the project.

On May 2, 2023, an intergovernmental agreement between the Village and Mt. Zion Community Unit School District #3 was approved related to the usage and repairs of the tennis courts at Fletcher Park. The agreement provides that the Village will maintain and reserve the usage of 6 tennis courts in Fletcher Park for the District's use as it pertains to the District's tennis athletic program. The District will reimburse the Village \$3,350 each year prior to August 1 for the tennis court repairs, estimated to cost in excess of \$450,000. In addition to the annual reimbursements, the District will also deposit a \$5,000 annual maintenance fee into the Community Foundation's Mt. Zion Fletcher Park Fund. The Village will also deposit \$5,000 annually into the Community Foundation account with any additional costs to be covered by the Village.

The Village issued \$690,800 of Series 2024 General Obligation Bonds. The proceeds of these bonds will be used for future projects.

VILLAGE OF MT. ZION, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

(Continued)

Note 16 Construction, Other Commitments and Subsequent Events -

On May 20, 2024, the Village approved the award for the South Lake Subdivision Rehab Project in the amount of \$355,239. Additionally, the Village approved the award of the annual maintenance oil and chip program in the amount of \$98,081.

The Village approved the completion and payment of the final pay estimate for the Illinois 121 and Village Park Entrance on May 20, 2024. The total project cost was \$190,771, of which \$169,438 was paid in fiscal year 2023 and \$21,333 was paid in fiscal year 2024.

SUPPLEMENTARY INFORMATION

VILLAGE OF MT. ZION, ILLINOIS
GENERAL FUND

SCHEDULE OF EXPENDITURES DISBURSED - MODIFIED CASH BASIS
For the Year Ended December 31, 2023

General Government - Administration		
Salaries	\$ 90,264	
Benefits	22,106	
Repairs & Maintenance	8,511	
Legal Services	14,399	
Janitorial Services	5,865	
Postage	1,069	
Telephone	1,707	
Printing & Publications	3,045	
Fees	25,340	
Travel & Training	3,045	
Dues & Subscriptions	2,875	
Utilities	7,673	
Supplies & Equipment	7,557	
Economic Development	30,536	
Special Projects	<u>34,891</u>	
Total General Government - Administration		\$ <u>258,883</u>
General Government - Planning & Zoning		
Salaries	\$ 64,408	
Benefits	12,773	
Engineering	340	
Printing & Publications	147	
Fees	<u>178</u>	
Total General Government - Planning & Zoning		\$ <u>77,846</u>

(Continued on next page)

VILLAGE OF MT. ZION, ILLINOIS
GENERAL FUND

SCHEDULE OF EXPENDITURES DISBURSED - MODIFIED CASH BASIS
For the Year Ended December 31, 2023
(Continued)

Public Safety		
Salaries	\$ 827,684	
Benefits	303,151	
Repairs & Maintenance	15,621	
Legal Services	9,682	
Janitorial Services	12,750	
Contractual Services	14,259	
Postage	888	
Telephone	10,446	
Radio Communications	6,858	
Printing & Publications	1,402	
Fees	57,369	
Travel & Training	27,108	
Dues & Subscriptions	2,874	
Utilities	11,374	
Supplies & Equipment	7,907	
Miscellaneous	451	
Gasoline & Oil	<u>21,422</u>	
Total Public Safety		<u>\$ 1,331,246</u>
Streets and Alleys		
Salaries	\$ 136,182	
Benefits	50,047	
Repairs & Maintenance	62,810	
Engineering	37,744	
Telephone	5,128	
Printing & Publications	661	
Fees	6,422	
Travel & Training	1,628	
Utilities	8,924	
Street Lighting	30,324	
Supplies & Equipment	9,612	
Miscellaneous	53	
Gasoline & Oil	<u>9,033</u>	
Total Streets and Alleys		<u>\$ 358,568</u>

(Continued on next page)

VILLAGE OF MT. ZION, ILLINOIS
GENERAL FUND

SCHEDULE OF EXPENDITURES DISBURSED - MODIFIED CASH BASIS
For the Year Ended December 31, 2023
(Continued)

Culture & Recreation - Parks		
Salaries	\$ 101,537	
Benefits	32,590	
Repairs & Maintenance	21,818	
Janitorial Services	21,976	
Contractual Services	4,087	
Fletcher Park Events	14,132	
Postage	699	
Telephone	8,418	
Printing & Publications	888	
Fees	8,891	
Travel & Training	364	
Dues & Subscriptions	120	
Utilities	23,319	
Supplies & Equipment	19,735	
Special Projects	<u>6,565</u>	
Total Culture & Recreation - Parks		\$ <u>265,139</u>
Culture & Recreation - Convention Center		
Salaries	\$ 60,032	
Benefits	8,994	
Repairs & Maintenance	23,777	
Janitorial Services	22,294	
Contractual Services	8,805	
Postage	340	
Telephone	1,706	
Printing & Publications	8,294	
Fees	4,978	
Utilities	5,531	
Supplies & Equipment	<u>6,743</u>	
Total Culture & Recreation - Convention Center		\$ <u>151,494</u>
Debt Service		
Principal	\$ 3,777	
Interest	<u>314</u>	
Total Debt Service		\$ <u>4,091</u>
Capital Outlay		
Administration	\$ 1,162	
Public Safety	45,575	
Streets & Alleys	220,456	
Parks	<u>64,461</u>	
Total Capital Outlay		\$ <u>331,654</u>

VILLAGE OF MT. ZION, ILLINOIS

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS - MODIFIED CASH BASIS

December 31, 2023

	Audit Fund	Social Security Fund	Liability Insurance Fund	DMRF Fund	School Crossing Guard Fund	Unemployment Compensation Fund	Rt. 121 TIF District II	Total Nonmajor Special Revenue Funds
Current Assets:								
Cash and Cash Equivalents	\$ 30,354	\$ 39,703	\$ 36,998	\$ 179,452	\$ 19,986	\$ 49,940	\$ 365,256	\$ 721,689
TOTAL ASSETS	\$ 30,354	\$ 39,703	\$ 36,998	\$ 179,452	\$ 19,986	\$ 49,940	\$ 365,256	\$ 721,689
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Fund Balance:								
Restricted	29,354	39,703	36,998	179,452	19,986	49,940	365,256	720,689
Assigned	1,000	-	-	-	-	-	-	1,000
Total Fund Balance	30,354	39,703	36,998	179,452	19,986	49,940	365,256	721,689
TOTAL LIABILITIES AND FUND BALANCES	\$ 30,354	\$ 39,703	\$ 36,998	\$ 179,452	\$ 19,986	\$ 49,940	\$ 365,256	\$ 721,689

VILLAGE OF MT. ZION, ILLINOIS

COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS - MODIFIED CASH BASIS
 For the Year Ended December 31, 2023

	Audit Fund	Social Security Fund	Liability Insurance Fund	IMRF Fund	School Crossing Guard Fund	Unemployment Compensation Fund	Rt. 121 TIF District II	Total Nonmajor Special Revenue Funds
Revenues Received								
Property Tax	\$ 31,884	\$ 99,771	\$ 119,867	\$ 77,942	\$ 5,027	\$ 4,024	\$ 216,743	\$ 555,258
Investment Income/(Loss)	611	12	2,122	4,769	785	1,898	15,056	25,253
Total Revenues Received	32,495	99,783	121,989	82,711	5,812	5,922	231,799	580,511
Expenditures Disbursed								
Current								
General Government Administration	23,600	-	-	-	-	-	70,687	94,287
Professional Fees	-	83,765	-	-	-	-	-	83,765
Social Security Taxes	-	-	97,724	-	-	-	-	97,724
Liability Insurance	-	-	12,500	-	-	-	-	12,500
Insurance Claims Paid	-	-	-	10,981	-	-	-	10,981
IMRF Expense	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	2,780	-	-	2,780
Salaries	-	-	-	-	-	-	198,807	198,807
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenditures Disbursed	23,600	83,765	110,224	10,981	2,780	-	269,494	500,844
Excess of Revenues Received Over (Under) Expenditures Disbursed	8,895	16,018	11,765	71,730	3,032	5,922	(37,695)	79,667
Other Financing Sources(Uses) Operating Transfers Out	-	-	-	-	-	-	(140,000)	(140,000)
Net Change in Fund Balance	8,895	16,018	11,765	71,730	3,032	5,922	(177,695)	(60,333)
Fund Balances - January 1	21,459	23,685	25,233	107,722	16,954	44,018	542,951	782,022
Fund Balances - December 31	\$ 30,354	\$ 39,703	\$ 36,998	\$ 179,452	\$ 19,986	\$ 49,940	\$ 365,256	\$ 721,689

VILLAGE OF MT. ZION, ILLINOIS

COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
 December 31, 2023

	Total Nonmajor Special Revenue Funds	Debt Service Funds			Total Nonmajor Governmental Funds
		Lease Purchase Fund	2009 Bond Repayment Fund	2019 Bond Repayment Fund	
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 721,689	\$ 19,486	\$ 33,170	\$ 2,275	\$ 16,847
TOTAL ASSETS	\$ 721,689	\$ 19,486	\$ 33,170	\$ 2,275	\$ 16,847
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total Current Liabilities:					
Fund Balance:					
Restricted	720,689	19,486	-	2,275	-
Assigned	1,000	-	33,170	-	16,847
Total Fund Balance	721,689	19,486	33,170	2,275	16,847
TOTAL LIABILITIES AND FUND BALANCES	\$ 721,689	\$ 19,486	\$ 33,170	\$ 2,275	\$ 16,847

742,450
51,017
793,467

793,467

VILLAGE OF MT. ZION, ILLINOIS

COMBINING SCHEDULE OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
 For the Year Ended December 31, 2023

	Total Nonmajor Special Revenue Funds	Debt Service Funds			Total Nonmajor Governmental Funds
		Lease Purchase Fund	2009 Bond Repayment Fund	2019 Bond Repayment Fund	
Revenues Received					
Property Tax	\$ 555,258	\$ 16,477	\$ -	\$ 164,650	\$ -
Investment Income/(Loss)	25,253	482	74	-	-
Total Revenues Received	580,511	16,959	74	164,650	762,194
Expenditures Disbursed					
Current					
General Government					
Administration					
Audit Fees	94,287	-	-	-	94,287
Social Security Taxes	83,765	-	-	-	83,765
Liability Insurance	97,724	-	-	-	97,724
Insurance Claims Paid	12,500	-	-	-	12,500
IMRF Expense	10,981	-	-	-	10,981
Public Safety					
Salaries	2,780	-	-	-	2,780
Debt Service					
Principal	-	14,350	165,000	158,800	99,500
Interest and Fees	-	1,937	18,941	5,161	25,472
Capital Outlay	198,807	-	-	-	198,807
Total Expenditures Disbursed	500,844	16,287	183,941	163,961	990,005
Excess of Revenues Received Over (Under) Expenditures Disbursed	79,667	672	(183,867)	689	(227,811)
Other Financing Sources(Uses)					
Operating Transfers In/(Out)	(140,000)	-	172,721	-	157,693
Net Change in Fund Balance	(60,333)	672	(11,146)	689	(70,118)
Fund Balances - January 1	782,022	18,814	44,316	1,586	863,585
Fund Balances - December 31	\$ 721,689	\$ 19,486	\$ 33,170	\$ 2,275	\$ 793,467

OTHER INFORMATION (UNAUDITED)

VILLAGE OF MT. ZION, ILLINOIS
 OTHER INFORMATION (UNAUDITED)
 COMPARISON OF BUDGET AND ACTUAL EXPENDITURES
 GOVERNMENTAL FUNDS - MODIFIED CASH BASIS

For the Year Ended December 31, 2023

	<u>Amended / Final Budget</u>	<u>Actual Expenditures (Incl. Budgeted Transfers)</u>	<u>Over/Under Budget</u>
General Fund			
General Corporate Purposes	\$ 4,193,025	\$ 3,670,686	\$ 522,339
Special Revenue Funds			
Audit Fund	32,000	23,600	8,400
Social Security Fund	100,000	83,765	16,235
Liability Insurance Fund	130,000	110,224	19,776
IMRF Fund	79,000	10,981	68,019
School Crossing Guard Fund	5,000	2,780	2,220
Unemployment Compensation Fund	30,000	0	30,000
Capital Projects Funds			
Motor Fuel Tax Fund	775,000	58,581	716,419
Business District Tax Allocation Fund	710,000	0	710,000
Rt 121 TIF District II	543,500	269,494	274,006
Debt Service Funds			
Lease Purchase Fund	16,500	16,287	213
2009 Bond Repayment Fund	184,000	183,941	59
2019 Bond Repayment Fund	164,000	163,961	39
2020 Bond Repayment Fund	125,000	124,972	28
Total Governmental Funds	<u>\$ 7,087,025</u>	<u>\$ 4,719,272</u>	<u>\$ 2,367,753</u>

VILLAGE OF MT. ZION, ILLINOIS

OTHER INFORMATION (UNAUDITED)
 COMPARISON OF BUDGET AND ACTUAL EXPENDITURES
 OTHER FUNDS - MODIFIED CASH BASIS

For the Year Ended December 31, 2023

	<u>Amended / Final Budget</u>	<u>Actual Expenditures (Incl. Capital Acquisitions)</u>	<u>Over/Under Budget</u>
Proprietary Funds			
Water Fund	\$ 2,194,220	\$ 1,959,869	\$ 234,351
Sewer Fund	604,850	1,295,819	-690,969 *
Fiduciary Fund			
Police Pension Fund	<u>202,400</u>	<u>95,957</u>	<u>106,443</u>
Total Other Funds	\$ <u>3,001,470</u>	\$ <u>3,351,645</u>	\$ <u>-350,175</u>

* The \$690,969 of Sewer Fund expenditures that were over the budgeted amount were Sewer infrastructure assets purchased with ARPA funds paid out of the General Fund, then transferred to the Sewer Fund.

VILLAGE OF MT. ZION, ILLINOIS
 OTHER INFORMATION (UNAUDITED)
 MT. ZION POLICE PENSION FUND
 SCHEDULE OF INVESTMENT RETURNS
 LAST TEN FISCAL PERIODS ENDED
 (SCHEDULE TO BE BUILT PROSPECTIVELY)

	Year Ended		Year Ended		Year Ended		Year Ended		Year Ended		Year Ended		Year Ended						
	December	31, 2023	December	31, 2022	December	31, 2021	December	31, 2020	December	31, 2019	December	31, 2018	December	31, 2017					
Annual Money-Weighted Rate of Return, Net of Investment Expense	13.66%		-10.21%		2.40%		2.30%		2.68%		2.72%		1.84%		1.61%		1.47%		1.33%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.